

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3832

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DATE	D-PG	OFFICIAL STATUS
02/23/2026	6377	Introduction and first reading Referred to Agriculture, Veterans, Broadband, and Rural Development
03/02/2026	6427	Comm report: To pass and re-referred to Finance
03/12/2026	6662	Comm report: To pass
	6664	Second reading
03/17/2026	6756	Special Order
	6756	Third reading Passed

1.1 A bill for an act

1.2 relating to agriculture; modifying eligibility for the Dairy Assistance, Investment,

1.3 Relief Initiative (DAIRI) program; amending Laws 2023, chapter 43, article 1,

1.4 section 2, subdivision 4, as amended.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws

1.7 2024, chapter 126, article 1, section 1, and Laws 2025, chapter 34, article 1, section 9, is

1.8 amended to read:

1.9	Subd. 4. Agriculture, Bioenergy, and Bioproduct	34,034,000	38,159,000
1.10	Advancement		

1.11 (a) \$10,702,000 the first year and \$10,702,000

1.12 the second year are for the agriculture

1.13 research, education, extension, and technology

1.14 transfer program under Minnesota Statutes,

1.15 section 41A.14. Except as provided below,

1.16 the appropriation each year is for transfer to

1.17 the agriculture research, education, extension,

1.18 and technology transfer account under

1.19 Minnesota Statutes, section 41A.14,

1.20 subdivision 3, and the commissioner shall

1.21 transfer funds each year to the Board of

1.22 Regents of the University of Minnesota for

1.23 purposes of Minnesota Statutes, section

1.24 41A.14. To the extent practicable, money

2.1 expended under Minnesota Statutes, section
2.2 41A.14, subdivision 1, clauses (1) and (2),
2.3 must supplement and not supplant existing
2.4 sources and levels of funding. The
2.5 commissioner may use up to one percent of
2.6 this appropriation for costs incurred to
2.7 administer the program.

2.8 Of the amount appropriated for the agriculture
2.9 research, education, extension, and technology
2.10 transfer grant program under Minnesota
2.11 Statutes, section 41A.14:

2.12 (1) \$600,000 the first year and \$600,000 the
2.13 second year are for the Minnesota Agricultural
2.14 Experiment Station's agriculture rapid
2.15 response fund under Minnesota Statutes,
2.16 section 41A.14, subdivision 1, clause (2);

2.17 (2) up to \$1,000,000 the first year and up to
2.18 \$1,000,000 the second year are for research
2.19 on avian influenza, salmonella, and other
2.20 turkey-related diseases and disease prevention
2.21 measures;

2.22 (3) \$2,250,000 the first year and \$2,250,000
2.23 the second year are for grants to the Minnesota
2.24 Agricultural Education Leadership Council to
2.25 enhance agricultural education with priority
2.26 given to Farm Business Management
2.27 challenge grants;

2.28 (4) \$450,000 the first year is for the cultivated
2.29 wild rice breeding project at the North Central
2.30 Research and Outreach Center to include a
2.31 tenure track/research associate plant breeder;

2.32 (5) \$350,000 the first year and \$350,000 the
2.33 second year are for potato breeding;

3.1 (6) \$802,000 the first year and \$802,000 the
3.2 second year are to fund the Forever Green
3.3 Initiative and protect the state's natural
3.4 resources while increasing the efficiency,
3.5 profitability, and productivity of Minnesota
3.6 farmers by incorporating perennial and
3.7 winter-annual crops into existing agricultural
3.8 practices. The base for the allocation under
3.9 this clause is \$802,000 in fiscal year 2026 and
3.10 each year thereafter. By February 1 each year,
3.11 the dean of the College of Food, Agricultural
3.12 and Natural Resource Sciences must submit
3.13 a report to the chairs and ranking minority
3.14 members of the legislative committees with
3.15 jurisdiction over agriculture finance and policy
3.16 and higher education detailing uses of the
3.17 funds in this paragraph, including
3.18 administrative costs, and the achievements
3.19 these funds contributed to;

3.20 (7) \$350,000 each year is for farm-scale winter
3.21 greenhouse research and development
3.22 coordinated by University of Minnesota
3.23 Extension Regional Sustainable Development
3.24 Partnerships. The allocation in this clause is
3.25 onetime;

3.26 (8) \$200,000 the second year is for research
3.27 on natural stands of wild rice; and

3.28 (9) \$250,000 the second year is for the
3.29 cultivated wild rice forward selection project
3.30 at the North Central Research and Outreach
3.31 Center, including a tenure track or research
3.32 associate plant scientist.

3.33 (b) The base for the agriculture research,
3.34 education, extension, and technology transfer

4.1 program is \$10,352,000 in fiscal year 2026
4.2 and \$10,352,000 in fiscal year 2027.

4.3 (c) \$23,332,000 the first year is for the
4.4 agricultural growth, research, and innovation
4.5 program under Minnesota Statutes, section
4.6 41A.12. Except as provided below, the
4.7 commissioner may allocate this appropriation
4.8 among the following areas: facilitating the
4.9 start-up, modernization, improvement, or
4.10 expansion of livestock operations, including
4.11 beginning and transitioning livestock
4.12 operations with preference given to robotic
4.13 dairy-milking equipment; assisting
4.14 value-added agricultural businesses to begin
4.15 or expand, to access new markets, or to
4.16 diversify, including aquaponics systems, with
4.17 preference given to hemp fiber processing
4.18 equipment; facilitating the start-up,
4.19 modernization, or expansion of other
4.20 beginning and transitioning farms, including
4.21 by providing loans under Minnesota Statutes,
4.22 section 41B.056; sustainable agriculture
4.23 on-farm research and demonstration; the
4.24 development or expansion of food hubs and
4.25 other alternative community-based food
4.26 distribution systems; enhancing renewable
4.27 energy infrastructure and use; crop research,
4.28 including basic and applied turf seed research;
4.29 Farm Business Management tuition assistance;
4.30 and good agricultural practices and good
4.31 handling practices certification assistance. The
4.32 commissioner may use up to 6.5 percent of
4.33 this appropriation for costs incurred to
4.34 administer the program.

5.1 Of the amount appropriated for the agricultural
5.2 growth, research, and innovation program
5.3 under Minnesota Statutes, section 41A.12:
5.4 (1) \$1,000,000 the first year is for distribution
5.5 in equal amounts to each of the state's county
5.6 fairs to preserve and promote Minnesota
5.7 agriculture;
5.8 (2) \$5,750,000 the first year is for incentive
5.9 payments under Minnesota Statutes, sections
5.10 41A.16, 41A.17, 41A.18, and 41A.20.
5.11 Notwithstanding Minnesota Statutes, section
5.12 16A.28, the first year appropriation is
5.13 available until June 30, 2025. If this
5.14 appropriation exceeds the total amount for
5.15 which all producers are eligible in a fiscal
5.16 year, the balance of the appropriation is
5.17 available for other purposes under this
5.18 paragraph;
5.19 (3) \$3,375,000 the first year is for grants that
5.20 enable retail petroleum dispensers, fuel storage
5.21 tanks, and other equipment to dispense
5.22 biofuels to the public in accordance with the
5.23 biofuel replacement goals established under
5.24 Minnesota Statutes, section 239.7911. A retail
5.25 petroleum dispenser selling petroleum for use
5.26 in spark ignition engines for vehicle model
5.27 years after 2000 is eligible for grant money
5.28 under this clause if the retail petroleum
5.29 dispenser has no more than 10 retail petroleum
5.30 dispensing sites and each site is located in
5.31 Minnesota. The grant money must be used to
5.32 replace or upgrade equipment that does not
5.33 have the ability to be certified for E25. A grant
5.34 award must not exceed 65 percent of the cost
5.35 of the appropriate technology. A grant award

6.1 must not exceed \$200,000 per station. The
6.2 commissioner must cooperate with biofuel
6.3 stakeholders in the implementation of the grant
6.4 program. The commissioner, in cooperation
6.5 with any economic or community development
6.6 financial institution and any other entity with
6.7 which the commissioner contracts, must
6.8 submit a report on the biofuels infrastructure
6.9 financial assistance program by January 15 of
6.10 each year to the chairs and ranking minority
6.11 members of the legislative committees and
6.12 divisions with jurisdiction over agriculture
6.13 policy and finance. The annual report must
6.14 include but not be limited to a summary of the
6.15 following metrics: (i) the number and types
6.16 of projects financed; (ii) the amount of dollars
6.17 leveraged or matched per project; (iii) the
6.18 geographic distribution of financed projects;
6.19 (iv) any market expansion associated with
6.20 upgraded infrastructure; (v) the demographics
6.21 of the areas served; (vi) the costs of the
6.22 program; and (vii) the number of grants to
6.23 minority-owned or female-owned businesses;

6.24 (4) \$1,250,000 the first year is for grants to
6.25 facilitate the start-up, modernization, or
6.26 expansion of meat, poultry, egg, and milk
6.27 processing facilities. A grant award under this
6.28 clause must not exceed \$200,000. Any
6.29 unencumbered balance at the end of the second
6.30 year does not cancel until June 30, 2026, and
6.31 may be used for other purposes under this
6.32 paragraph;

6.33 (5) \$1,150,000 the first year is for providing
6.34 more fruits, vegetables, meat, poultry, grain,
6.35 and dairy for children in school and early

7.1 childhood education settings, including, at the
7.2 commissioner's discretion, providing grants
7.3 to reimburse schools and early childhood
7.4 education and child care providers for
7.5 purchasing equipment and agricultural
7.6 products. Organizations must participate in
7.7 the National School Lunch Program or the
7.8 Child and Adult Care Food Program to be
7.9 eligible. Of the amount appropriated, \$150,000
7.10 is for a statewide coordinator of
7.11 farm-to-institution strategy and programming.
7.12 The coordinator must consult with relevant
7.13 stakeholders and provide technical assistance
7.14 and training for participating farmers and
7.15 eligible grant recipients;

7.16 (6) \$2,000,000 the first year is for urban youth
7.17 agricultural education or urban agriculture
7.18 community development;

7.19 (7) \$1,000,000 the first year is for the good
7.20 food access program under Minnesota
7.21 Statutes, section 17.1017; and

7.22 (8) \$225,000 the first year is to provide grants
7.23 to secondary career and technical education
7.24 programs for the purpose of offering
7.25 instruction in meat cutting and butchery.
7.26 Notwithstanding Minnesota Statutes, section
7.27 16B.98, subdivision 14, the commissioner may
7.28 use up to 6.5 percent of this appropriation for
7.29 administrative costs. This is a onetime
7.30 appropriation. Grants may be used for costs,
7.31 including but not limited to:

7.32 (i) equipment required for a meat cutting
7.33 program;

8.1 (ii) facility renovation to accommodate meat
8.2 cutting; and

8.3 (iii) training faculty to teach the fundamentals
8.4 of meat processing.

8.5 A grant recipient may be awarded a grant of
8.6 up to \$75,000 and may use up to ten percent
8.7 of the grant for faculty training. Priority may
8.8 be given to applicants who are coordinating
8.9 with meat cutting and butchery programs at
8.10 Minnesota State Colleges and Universities
8.11 institutions or with local industry partners.

8.12 By January 15, 2025, the commissioner must
8.13 report to the chairs and ranking minority
8.14 members of the legislative committees with
8.15 jurisdiction over agriculture finance and
8.16 education finance by listing the grants made
8.17 under this paragraph by county and noting the
8.18 number and amount of grant requests not
8.19 fulfilled. The report may include additional
8.20 information as determined by the
8.21 commissioner, including but not limited to
8.22 information regarding the outcomes produced
8.23 by these grants. If additional grants are
8.24 awarded under this paragraph that were not
8.25 covered in the report due by January 15, 2025,
8.26 the commissioner must submit an additional
8.27 report to the chairs and ranking minority
8.28 members of the legislative committees with
8.29 jurisdiction over agriculture finance and
8.30 education finance regarding all grants issued
8.31 under this paragraph by November 1, 2025.

8.32 Notwithstanding Minnesota Statutes, section
8.33 16A.28, any unencumbered balance does not
8.34 cancel at the end of the first year and is
8.35 available for the second year, and

9.1 appropriations encumbered under contract on
9.2 or before June 30, 2025, for agricultural
9.3 growth, research, and innovation grants are
9.4 available until June 30, 2028.

9.5 (d) \$27,457,000 the second year is for the
9.6 agricultural growth, research, and innovation
9.7 program under Minnesota Statutes, section
9.8 41A.12. Except as provided below, the
9.9 commissioner may allocate this appropriation
9.10 among the following areas: facilitating the
9.11 start-up, modernization, improvement, or
9.12 expansion of livestock operations, including
9.13 beginning and transitioning livestock
9.14 operations with preference given to robotic
9.15 dairy-milking equipment; assisting
9.16 value-added agricultural businesses to begin
9.17 or expand, to access new markets, or to
9.18 diversify, including aquaponics systems, with
9.19 preference given to hemp fiber processing
9.20 equipment; facilitating the start-up,
9.21 modernization, or expansion of other
9.22 beginning and transitioning farms, including
9.23 by providing loans under Minnesota Statutes,
9.24 section 41B.056; sustainable agriculture
9.25 on-farm research and demonstration; the
9.26 development or expansion of food hubs and
9.27 other alternative community-based food
9.28 distribution systems; enhancing renewable
9.29 energy infrastructure and use; crop research,
9.30 including basic and applied turf seed research;
9.31 Farm Business Management tuition assistance;
9.32 and good agricultural practices and good
9.33 handling practices certification assistance. The
9.34 commissioner may use up to 6.5 percent of
9.35 this appropriation for costs incurred to
9.36 administer the program.

10.1 Of the amount appropriated for the agricultural
10.2 growth, research, and innovation program
10.3 under Minnesota Statutes, section 41A.12:
10.4 (1) \$1,000,000 the second year is for
10.5 distribution in equal amounts to each of the
10.6 state's county fairs to preserve and promote
10.7 Minnesota agriculture;
10.8 (2) \$5,750,000 the second year is for incentive
10.9 payments under Minnesota Statutes, sections
10.10 41A.16, 41A.17, 41A.18, and 41A.20.
10.11 Notwithstanding Minnesota Statutes, section
10.12 16A.28, this appropriation is available until
10.13 June 30, 2027. If this appropriation exceeds
10.14 the total amount for which all producers are
10.15 eligible in a fiscal year, the balance of the
10.16 appropriation is available for other purposes
10.17 under this paragraph. The base under this
10.18 clause is \$3,000,000 in fiscal year 2026 and
10.19 each year thereafter;
10.20 (3) \$3,375,000 the second year is for grants
10.21 that enable retail petroleum dispensers, fuel
10.22 storage tanks, and other equipment to dispense
10.23 biofuels to the public in accordance with the
10.24 biofuel replacement goals established under
10.25 Minnesota Statutes, section 239.7911. A retail
10.26 petroleum dispenser selling petroleum for use
10.27 in spark ignition engines for vehicle model
10.28 years after 2000 is eligible for grant money
10.29 under this clause if the retail petroleum
10.30 dispenser has no more than ten retail
10.31 petroleum dispensing sites and each site is
10.32 located in Minnesota. The grant money must
10.33 be used to replace or upgrade equipment that
10.34 does not have the ability to be certified for
10.35 E25. A grant award must not exceed 65

11.1 percent of the cost of the appropriate
11.2 technology. A grant award must not exceed
11.3 \$200,000 per station. The commissioner must
11.4 cooperate with biofuel stakeholders in the
11.5 implementation of the grant program. The
11.6 commissioner, in cooperation with any
11.7 economic or community development
11.8 financial institution and any other entity with
11.9 which the commissioner contracts, must
11.10 submit a report on the biofuels infrastructure
11.11 financial assistance program by January 15 of
11.12 each year to the chairs and ranking minority
11.13 members of the legislative committees and
11.14 divisions with jurisdiction over agriculture
11.15 policy and finance. The annual report must
11.16 include but not be limited to a summary of the
11.17 following metrics: (i) the number and types
11.18 of projects financed; (ii) the amount of money
11.19 leveraged or matched per project; (iii) the
11.20 geographic distribution of financed projects;
11.21 (iv) any market expansion associated with
11.22 upgraded infrastructure; (v) the demographics
11.23 of the areas served; (vi) the costs of the
11.24 program; and (vii) the number of grants to
11.25 minority-owned or female-owned businesses.
11.26 The base under this clause is \$3,000,000 for
11.27 fiscal year 2026 and each year thereafter;
11.28 (4) \$1,250,000 the second year is for grants
11.29 to facilitate the start-up, modernization, or
11.30 expansion of meat, poultry, egg, and milk
11.31 processing facilities. A grant award under this
11.32 clause must not exceed \$200,000. Any
11.33 unencumbered balance at the end of the second
11.34 year does not cancel until June 30, 2027, and
11.35 may be used for other purposes under this
11.36 paragraph. The base under this clause is

12.1 \$250,000 in fiscal year 2026 and each year
12.2 thereafter;

12.3 (5) \$1,275,000 the second year is for providing
12.4 more fruits, vegetables, meat, poultry, grain,
12.5 and dairy for children in school and early
12.6 childhood education settings, including, at the
12.7 commissioner's discretion, providing grants
12.8 to reimburse schools and early childhood
12.9 education and child care providers for
12.10 purchasing equipment and agricultural
12.11 products. Organizations must participate in
12.12 the National School Lunch Program or the
12.13 Child and Adult Care Food Program to be
12.14 eligible. Of the amount appropriated, \$150,000
12.15 is for a statewide coordinator of
12.16 farm-to-institution strategy and programming.
12.17 The coordinator must consult with relevant
12.18 stakeholders and provide technical assistance
12.19 and training for participating farmers and
12.20 eligible grant recipients. The base under this
12.21 clause is \$1,294,000 in fiscal year 2026 and
12.22 each year thereafter;

12.23 (6) \$4,000,000 the second year is for Dairy
12.24 Assistance, Investment, Relief Initiative
12.25 (DAIRI) grants and other forms of financial
12.26 assistance to Minnesota dairy farms that enroll
12.27 in coverage under a federal dairy risk
12.28 protection program and produced no more
12.29 than 16,000,000 pounds of milk in 2022. New
12.30 dairy farms that did not market milk during
12.31 2022 or for only a portion of 2022 are eligible.
12.32 The commissioner must make DAIRI
12.33 payments based on the amount of milk
12.34 produced in 2022, up to 5,000,000 pounds per
12.35 participating farm, at a rate determined by the

- 13.1 commissioner within the limits of available
 13.2 funding. For new dairy farms that did not
 13.3 market milk during 2022 or for only a portion
 13.4 of 2022, the commissioner must make DAIRI
 13.5 payments based on the farm's production
 13.6 history as established in its dairy risk
 13.7 protection program enrollment. Any
 13.8 unencumbered balance ~~on~~ after June 30, 2026,
 13.9 may be used for other purposes under this
 13.10 paragraph. The allocation in this clause is
 13.11 onetime;
- 13.12 (7) \$2,000,000 the second year is for urban
 13.13 youth agricultural education or urban
 13.14 agriculture community development;
- 13.15 (8) \$1,000,000 the second year is for the good
 13.16 food access program under Minnesota
 13.17 Statutes, section 17.1017; and
- 13.18 (9) \$225,000 the second year is for the
 13.19 protecting livestock grant program for
 13.20 producers to support the installation of
 13.21 measures to prevent the transmission of avian
 13.22 influenza. For the appropriation in this
 13.23 paragraph, a grant applicant must document
 13.24 a cost-share of 20 percent. An applicant's
 13.25 cost-share amount may be reduced up to
 13.26 \$2,000 to cover time and labor costs.
- 13.27 Notwithstanding Minnesota Statutes, section
 13.28 16B.98, subdivision 14, the commissioner may
 13.29 use up to 6.5 percent of this appropriation for
 13.30 administrative costs. This appropriation is
 13.31 available until June 30, 2027. This is a onetime
 13.32 appropriation.
- 13.33 (e) Notwithstanding Minnesota Statutes,
 13.34 section 16A.28, the appropriation in paragraph
 13.35 (d) does not cancel at the end of the second

- 14.1 year and is available until June 30, 2027.
- 14.2 Appropriations encumbered under contract on
- 14.3 or before June 30, 2027, for agricultural
- 14.4 growth, research, and innovation grants are
- 14.5 available until June 30, 2030.
- 14.6 (f) The base for the agricultural growth,
- 14.7 research, and innovation program is
- 14.8 \$17,582,000 in fiscal year 2026 and each year
- 14.9 thereafter and includes \$200,000 each year for
- 14.10 cooperative development grants.
- 14.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.