

Chapter 34

2025 Regular Session

Subject Agriculture and Broadband Finance and Policy**Bill** H.F. 2446**Analyst** Megan Mullenbach**Date** May 23, 2025

Overview

This act appropriates funding in fiscal years 2026 and 2027 to the Minnesota Department of Agriculture (MDA), the Board of Animal Health (BAH), the Agricultural Utilization Research Institute (AURI), and the Broadband Development Office in the Department of Employment and Economic Development (DEED).

This act also makes several policy changes including modifying Rural Finance Authority (RFA) loan programs; creating a milk marketer license, updating grain buyers and storage fees, establishing a local food purchasing grant program and a pilot biofertilizer efficiency and innovation program; modernizing the Livestock Market Agency and Dealer Licensing chapter and food handler licensing; and modifying the cottage foods exemption.

Governor Tim Walz signed this act into law on May 23, 2025. Unless otherwise specified, Article 1 and 2 provisions in this act take effect on July 1, 2025, and Article 3, 4, and 5 provisions in this act take effect on August 1, 2025.

Article 1: Appropriations

This article appropriates money to MDA, BAH, and AURI; transfers money; cancels certain previous appropriations; and makes technical corrections to previous transfers. Unless otherwise specified, this article takes effect on July 1, 2025.

Section	Description - Article 1: Appropriations
1	Agriculture appropriations. Inserts boilerplate language regarding the appropriations format and terminology used in this article.

Section Description - Article 1: Appropriations

2 Department of Agriculture.

Appropriates money from the general and remediation funds to MDA for specified purposes.

Subd. 1. Total appropriation. Totals the entire amount of money, by fund, appropriated to MDA in this bill.

Subd. 2. Protection services. Appropriates general fund and remediation money for MDA's regulatory programs and inspection services. This subdivision provides funding for the following MDA divisions: Pesticide and Fertilizer Management; Laboratory Services; Plant Protection; Dairy and Meat Inspection; and Food and Feed Safety.

Subd. 3. Agricultural marketing and development. Appropriates general fund money to MDA's Agricultural Marketing and Development Division, including the agriculture research, education, extension, and technology transfer (AGREETT) program and the agricultural growth, research, and innovation (AGRI) program. Establishes the AGRI works program to oversee a competitive grant process.

Subd. 4. Administration and financial assistance. Appropriates general fund money for agency administration.

3 Board of Animal Health.

Appropriates general fund money to the BAH.

4 Agricultural Utilization Research Institute.

Appropriates general fund money to the AURI.

5 Transfers; administration.

Allows MDA to transfer positions, salary money, and nonsalary administrative money within the department as long as it has approval from the Office of Management and Budget. Requires MDA to give quarterly reports to the legislature about transfers under this section.

6 Transfers.

Transfers general fund money to MDA accounts in the agricultural fund and special revenue fund.

7 Cancellations.

Cancels a \$3,000,000 fiscal year 2024 appropriation to the green fertilizer program. Cancels \$1,000,000 of a fiscal year 2025 appropriation to the Dairy Assistance,

Section	Description - Article 1: Appropriations
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| | Investment, Relief Initiative (DAIRI). This section is effective the day following final enactment. |
| 8 | Agriculture, bioenergy, and bioproduct advancement.
Makes a technical change that would extend the AGRI transfer from 2022, allowing MDA to reallocate encumbered AGRI money that will not be spent. This section is effective the day following final enactment. |
| 9 | Agriculture, bioenergy, and bioproduct advancement.
Clarifies previous legislature's intent to extend the AGRI program. This section is effective the day following final enactment. |

Article 2: Broadband

This article appropriates money to the Office of Broadband Development under DEED. This article takes effect on July 1, 2025.

Section	Description - Article 2: Broadband
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| 1 | Broadband development appropriations.
Inserts boilerplate language regarding the appropriations format and terminology used in this article. |
| 2 | Department of Employment and Economic Development.
Appropriates general fund money to DEED for the Office of Broadband Development. |

Article 3: Policy Provisions

Among other things, this article modifies RFA loan programs, creates a milk marketer license, updates grain buyers and storage fees, and establishes a local food purchasing grant program and a pilot biofertilizer efficiency and innovation program. Unless otherwise specified, this article takes effect on August 1, 2025.

Section	Description - Article 3: Policy Provisions
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| 1 | Food retail improvement and development program.
Changes the name of the good food access program to the food retail improvement and development program. Modifies definitions of "economic or community development financial institution" and "underserved community" by adding |
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Section Description - Article 3: Policy Provisions

- flexibility in determinations of geographic areas. Specifies that eligible projects must serve underserved communities. Removes requirement that applicants promote the hiring, training, and retention of local or regional residents. Makes conforming changes.
- 2 **Food Retail Improvement and Development Program Advisory Committee.**
Makes conforming changes according to section 1.
- 3 **Purpose.**
Modifies the purpose of the agriculture best management practices loan program to address all landowners, not just rural landowners.
- 4 **Appropriations.**
Increases the maximum appropriation amount the Public Facilities Authority can appropriate from the clean water revolving fund to MDA for the agriculture best management practices loan program.
- 5 **Establishment.**
Modifies the match amount MDA can award applicants under the livestock investment grant program.
- 6 **Definitions.**
Broadens the definition of “livestock” for purposes of the livestock investment grant program to include more species of animals.
- 7 **Eligibility.**
Expands eligibility of the livestock investment grant program to include federally recognized Tribes located in Minnesota.
- 8 **Definitions.**
Modifies “eligible farmer” definition under the farm down payment assistance grant program to clarify that a family member means a brother, sister, spouse, ancestor, or lineal descendant.
- 9 **Grants.**
Increases the individual grant award amount in the farm down payment assistance grant program from \$15,000 to \$20,000.
- 10 **Entry upon land.**
Requires noxious weeds inspectors to contact landowners prior to entering their land and provide landowners with a copy of the inspection report.

Section Description - Article 3: Policy Provisions

- 11 PFAS prohibitions.**
Aligning MDA’s pesticide registration prohibition of PFAS with the Pollution Control Agency’s prohibition of intentionally added PFAS in certain products.
- 12 Access to pesticide application information.**
Broadens the list of people who may request and access information about pesticide applications to include physician assistants and nurse practitioners that may have affected a patient under their care.
- 13 Fertilizers and fertilizer by products.**
Allows MDA to coordinate with and assist other state agencies and local governments in the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products.
- 14 Exemption.**
Broadens the cottage foods exemption for home-processed pet treats to include sole proprietorships, single-member limited liability companies, and limited liability companies owned by two individuals residing at the same residence so long as the person does not hold a commercial feed license. This section is effective August 1, 2027.
- 15 Direct sales to consumers.**
Makes a conforming change for section 14. This section is effective August 1, 2027.
- 16 Milk marketer.**
Adds definition of “milk marketer” to the Dairy Law chapter for purposes of the milk marketing license in section 17.
- 17 Milk marketing license.**
Adds new milk marketing license. Requires milk marketers to obtain milk marketing license, pay license fees, and remain compliant with license conditions.
- 18 Importation.**
Creates an exemption from the general prohibition against importing live Cervidae from states where chronic wasting disease has been detected in the past five years to allow the state veterinarian to issue a permit to certain zoos to import live reindeer from another state if the reindeer are part of a herd that is in the United States Department of Agriculture Herd Certification program or is subject to equivalent disease surveillance.

Section Description - Article 3: Policy Provisions

- 19 **Eligibility for participants after April 1, 2023.**
Clarifies language in the biofuel production incentive program.
- 20 **State participation.**
Amends beginning farmer loan program to require that loans be at least \$20,000.
- 21 **Definitions.**
Strikes the definition of emerging farmer and inserts a definition for a limited land access farmer for purposes of section 22. This section is effective for taxable years beginning after December 31, 2024.
- 22 **Tax credit for owners of agricultural assets.**
Modifies the beginning farmer tax credit to allow the higher credit rate to “limited land access farmers” instead of “emerging farmers.” This section is effective for taxable years beginning after December 31, 2024.
- 23 **Authority duties.**
Makes conforming changes for section 22. This section is effective for taxable years beginning after December 31, 2024.
- 24 **Report to legislature.**
Requires RFA to report to the legislature certain data and background information on the beginning farmer tax credit program. This section is effective for taxable years beginning after December 31, 2024.
- 25 **State participation.**
Amends RFA’s loan restructuring program to require that the state only participate in loans that are at least \$20,000.
- 26 **Participation limit; interest.**
Amends RFA’s seller-sponsored loan program to require that loans be at least \$20,000.
- 27 **Loan participation.**
Amends RFA’s agricultural improvement loan program to require that loans be at least \$20,000.
- 28 **Loan participation.**
Amends RFA’s livestock expansion and modernization loan program to require that loans be at least \$20,000.

Section Description - Article 3: Policy Provisions

- 29 **Eligibility.**
Amends RFA's disaster recovery loan program to require that a borrower's total net worth be less than \$10,000,000.
- 30 **Establishment.**
Amends RFA's pilot agricultural microloan program to make it no longer a pilot program and to allow loans to finance the purchase of agricultural land.
- 31 **Establishment.**
Amends the RFA's farm opportunity loan program by removing the ability for these loans to go towards (1) adopting best management practices, and (2) reducing or improving management of agricultural inputs.
- 32 **Loan participation.**
Amends the RFA's farm opportunity loan program to require that a borrower maintain a net worth less than \$1,700,000 adjusted for inflation for the period of the loan.
- 33 **Grain buyers and storage account; fees.**
Modifies grain buyer fee amounts and schedule. This section is effective July 1, 2025.
- 34 **Fees; grain buyers and storage account.**
Modifies grain storage fees. Prohibits grain buyer and storage fees from increasing more than 150% above fees charged in the previous year. This section is effective July 1, 2025.
- 35 **Local food purchasing assistance grant program.**
Establishes a local food purchasing assistance grant program to award grants to eligible applicants to purchase and distribute local food. Requires a report from MDA.
- 36 **Cat declawing recommendations.**
Requires the Board of Veterinary Medicine to submit recommendations on the prohibition of cat declawing to the legislature.
- 37 **Materials on highly pathogenic avian influenza.**
Requires BAH to prepare information and materials concerning the spread of avian influenza in companion animals.

Section	Description - Article 3: Policy Provisions
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38	Biofertilizer innovation and efficiency pilot program.
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Establishes a pilot program to award per-acre payments to qualified farmers who reduce commercial nitrogen fertilizer application by using an approved alternative product. Requires a report to the legislature.

39	Repealer.
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Repeals a reporting requirement relating to the biodiesel content mandate that has been implemented. Repeals requirement that BAH and community health boards make and file a proclamation if an investigation finds that rabies exists in its jurisdiction. Repeals requirement that sellers of branded livestock execute a written bill of sale to the purchaser.

Article 4: Livestock Market Agency and Dealer Licensing Provisions

This article updates and modernizes the Livestock Market Agency and Dealer Licensing Chapter. Unless otherwise specified, this article takes effect on August 1, 2025.

Section	Description - Article 4: Livestock Market Agency and Dealer Licensing Provisions
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1	Livestock dealer agent.
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Modifies the name of the defined term “agent” to “livestock dealer agent.”

2	Meat packing companies, packers, and slaughtering houses.
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Modifies the name of the defined term “packing plants and slaughtering houses” to “meat packing companies, packers, and slaughtering houses.” Changes the definition to places of business “in the business of (1) buying livestock for purposes of slaughter, (2) manufacturing or preparing meats or meat food products for sale or shipment, or (3) marketing meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale broker, dealer, or distributor.”

3	Buying station.
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Makes a conforming change for section 2.

4	Meat packing company agent.
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Adds a definition of “meat packing company agent” under the Livestock Market Agency and Dealer Licensing Chapter.

Section Description - Article 4: Livestock Market Agency and Dealer Licensing Provisions

- 5 **Licensing provisions.**
Requires meat packing companies and their agents be licensed under the Livestock Market Agency and Dealer Licensing Act. Allows licenses to be renewed annually after the initial issuance.
- 6 **Application.**
Makes a conforming change for section 5.
- 7 **Surety bonds required.**
Strikes obsolete reference.
- 8 **Refusal to license.**
Makes conforming changes for section 5.
- 9 **Revocation of license.**
Removes the statutory availability of and process for a hearing for a licensee who loses their dealer license.
- 10 **Suspension of license.**
Makes a conforming change for section 9.
- 11 **Hearing on claims.**
Modifies the requirements for Livestock Market Agency and Dealer Licensing Act hearings on the bonds that reimburse the seller if the buyer does not make a payment, including requiring MDA to make an initial determination on the validity of the claim and to notify the licensee to pay the claim.
- 12 **Public notice.**
Makes conforming changes for sections 5 and 11.
- 13 **Prohibited conduct.**
Makes conforming changes for section 5.
- 14 **Record keeping.**
Allows MDA to take enforcement actions against businesses who are required to retain records under the Livestock Market Agency and Dealer Licensing Act when they do not keep records.
- 15 **Powers and duties of commissioner.**
Deletes obsolete reference.

Article 5: Food Handler Licensing Provisions

This article updates and modernizes food handler licensing and modifies the cottage foods exemption. Unless otherwise specified, this article takes effect on August 1, 2025.

Section	Description - Article 5: Food Handler Licensing Provisions
1	Principal mode of business. Modifies the definition of “principal mode of business” in the Licensing Food Handlers chapter to refer to only retail or wholesale food handlers, removing the reference to wholesale food processors and manufacturers and custom exempt food handlers.
2	Risk category. Adds new definition of “risk category” for section 7.
3	Gross sales or service. Adds new definition of “gross sales or service” for section 9.
4	License required; custom processing permit applications; renewals. Adds a nonrefundable application fee to food handler license applications. Adjusts time periods for issuing food handler licenses. Makes conforming changes for section 5.
5	Food handler classes. Combines retail and wholesale food handler classes.
6	Extent of license. Allows certain food handlers to conduct business activities at up to two additional locations.
7	Issuance of license. Adds consideration for a food handler license applicant’s risk category.
8	Food handlers who manufacture, process, or distribute; licensing, preemption by state. Makes conforming changes.
9	License fees; penalties. Modifies license fees for food handlers; allows MDA to adjust fees every five years for inflation.

Section Description - Article 5: Food Handler Licensing Provisions

- 10 **Fee.**
Allows MDA to accept payment with the initial request for a certificate before having to bill the exporting company.
- 11 **Violations; prohibited acts.**
Makes conforming changes.
- 12 **Transfer of business.**
Allows food handlers who operate more than one location to maintain their license if the licensee stops operating one location.
- 13 **Licensing provision applicability.**
Clarifies language for food product sampling or demonstrations.
- 14 **Licensing provision applicability.**
Limits the type of person or entity that is eligible for the cottage food exemption to individuals, sole proprietorships, single-member limited liability companies owned by one individual, and limited liability companies owned by two individuals residing at the same residence. This section is effective August 1, 2027.
- 15 **Direct sales to consumers.**
Allows cottage foods to be delivered by mail or commercial delivery; makes conforming changes. This section is effective August 1, 2027.
- 16 **Limitations on sales.**
Makes conforming changes for section 14. This section is effective August 1, 2027.
- 17 **Registration.**
Sets the annual registration fee at \$30 for all exempt cottage foods sellers; makes conforming changes for section 14. This section is effective August 1, 2027.
- 18 **Training.**
Makes conforming changes for section 14. This section is effective August 1, 2027.
- 19 **Adjustments.**
Requires the commissioner to adjust the limitation on sales for the cottage foods exemption every two years in accordance with inflation. This section is effective August 1, 2027.

Section **Description - Article 5: Food Handler Licensing Provisions**

20 **License renewal.**

Specifies that license renewal approval requires compliance with conditions and payment of fees. This section is effective August 1, 2027.



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