

Subject Agriculture

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Overview

This bill would expand eligibility for a Minnesota Department of Agriculture (MDA) grant program that helps farmers finance new processing or marketing cooperatives. Under current law, an eligible cooperative must be organized under state law as a “chapter 308A” cooperative and solely owned by the cooperative’s farmer members. H.F. 1034 would expand program eligibility to include “chapter 308B” cooperatives with nonpatron investor owners, so long as the cooperative is controlled by its farmer members and nonpatron members do not have voting rights.

The bill would also establish base funding for the modified grant program.

In 2022, the legislature reauthorized this MDA cooperative grant program in law (Laws 2022, ch. 95, art. 2, § 2). In 2014, the legislature repealed the program’s precursor statute as part of Governor Mark Dayton’s “unsession” initiative to identify and eliminate unused and outdated statutes.

Summary

Section	Description
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| 1 | Grant program.
Expands eligibility to include cooperatives with nonpatron owners (i.e., chapter 308B cooperatives) if these cooperatives are fully controlled by farmers and do not extend voting rights to nonpatron members. |
| 2 | Appropriation.
Appropriates base funding of \$400,000 per year to the MDA for purposes of the cooperative grant program and allows MDA to use up to six percent (\$24,000/year) for program administration. |



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