

Subject Agriculture and Broadband

Authors Vang

Analyst Colbey Sullivan

Date April 24, 2024

Overview

This is the agriculture and broadband finance and policy bill for the Minnesota House of Representatives. It modifies certain appropriations enacted in 2023, provides supplemental funding for the Minnesota Department of Agriculture (MDA) and the Agricultural Utilization Research Institute, and modifies or establishes various programs administered by MDA or the Rural Finance Authority (RFA).

It also provides the Department of Employment and Economic Development limited authority to transfer state broadband appropriations between programs based on demand, and requires the department to apply for certain federal broadband dollars.

Article 1: Agriculture Appropriations

This article modifies certain appropriations that were enacted in last session's agriculture and broadband finance and policy act (Laws 2023, chapter 43) and provides supplemental funding to MDA and the Agricultural Utilization Research Institute.

Section	Description - Article 1: Agriculture Appropriations
---------	---

1	Department of Agriculture.
---	-----------------------------------

	Modifies existing appropriations to MDA for fiscal years 2024 and 2025 and provides supplemental funding in certain areas.
--	--

Subd. 1. Total appropriation. Lowers the total fiscal year 2024 general fund appropriation and increases the 2025 total general fund appropriation.

Subd. 2. Protection services. Appropriates \$3 million onetime in fiscal year 2025 for nitrate treatment, increases funding for soil health equipment grants and pollinator research, and appropriates money for transfer to the Minnesota

Section Description - Article 1: Agriculture Appropriations

Department of Health for the private well drinking-water assistance program established in article 3.

Subd. 3. Agricultural marketing and development. Increases the general fund base for fiscal year 2026 and later, providing for a larger operating adjustment in the Agricultural Marketing and Development Division (a corresponding reduction is made to the operating adjustment for administration and financial assistance in subdivision 5). Modifies rider language that governs a farmers' market grant program.

Subd. 4. Agriculture, bioenergy, and bioproduct advancement. Deletes, then reappropriates, funding for the Agricultural Growth, Research, and Innovation (AGRI) Program in fiscal year 2025. The new appropriation language includes the following changes as compared to current law: moves the \$4 million DAIRI program funding from fiscal year 2024 to fiscal year 2025; expands eligible recipients of AGRI Farm to School grants to include all early childhood education and child care providers that participate in the federal National School Lunch Program or Child and Adult Care Food Program; increases funding for AGRI Biofuel Infrastructure and AGRI Farm to School grants; extends the availability of the fiscal year 2025 AGRI Bioincentive Program and AGRI Meat, Poultry, Egg, and Milk Processing funds by one year to June 30, 2027; and extends the availability of the entire fiscal year 2025 AGRI appropriation until June 30, 2027, with an additional three years of availability provided for any portion of the appropriation that is encumbered under contract by that date. Increases the AGRI base funding level in fiscal year 2026 and beyond.

Subd. 5. Administration and financial assistance. Decreases the general fund base amount in fiscal year 2026 and later for an operating adjustment in this area. Modifies prioritization for farm down payment assistance grants and eligibility criteria for grants to The Good Acre and community development financial institutions during fiscal year 2025. Appropriates onetime money for beginning farmer equipment and infrastructure grants in fiscal year 2025.

Effective date: This section would take effect the day following final enactment.

2 Agricultural Utilization Research Institute.

Appropriates an additional \$250,000 on a onetime basis to the Agricultural Utilization Research Institute for food business support.

Effective date: This section would take effect the day following final enactment.

Article 2: Pesticide Control

This article modifies or establishes various pesticide product registration and applicator licensing provisions administered by MDA under Minnesota Statutes, chapter 18B.

Section	Description - Article 2: Pesticide Control
---------	--

1	Application or use of a pesticide.
---	---

	Specifies that for purposes of Minnesota Statutes, chapter 18B (Pesticide Control), application or use of a pesticide includes the dispersal of a pesticide, preapplication activities that involve the mixing or loading of a restricted-use pesticide (RUP), and other RUP-related activities including but not limited to transporting and storing opened containers, cleaning equipment, and disposing of excess pesticide and materials that contain pesticide.
--	--

2	Discontinuance or cancellation of registration.
---	--

	Grants MDA authority to immediately cancel a pesticide product registration upon request. When requesting immediate cancellation, the registrant would be required to submit to MDA a statement that the product is no longer in distribution, along with certain supporting documentation.
--	---

3	Advisory panel.
---	------------------------

	Requires MDA to convene and consider the recommendations of a panel of outside experts before approving a pesticide registrant's application for an experimental use pesticide product. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.
--	--

4	Expert advice required for emergency exemptions.
---	---

	Requires MDA to convene and consider the recommendations of a panel of outside experts within 30 days of submitting an emergency pesticide registration exemption application to the United States Environmental Protection Agency. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.
--	--

5	Training manual and examination development.
---	---

	Requires MDA to revise and update applicator training materials and examinations to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
--	--

Section Description - Article 2: Pesticide Control

- 6 **Requirement.**
Requires licensed structural pest control applicators to be at least 18 years old.
- 7 **Application.**
Revokes MDA's ability to require structural pest control applicator license applicants to perform a practical demonstration.
- 8 **Renewal.**
Requires MDA's recertification workshops for structural pest control applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website. Authorizes MDA to require a structural pest control applicator to pass a reexamination test if the applicator does not attend an MDA-required recertification workshop.
- 9 **Financial responsibility.**
Eliminates language prohibiting MDA from issuing a structural pest control applicator's license if the applicant fails to furnish proof of financial responsibility (i.e., net worth of at least \$50,000, or a performance bond or insurance in the amount required by MDA). Authorizes MDA to instead suspend or revoke a structural pest control applicator's license if the applicator fails to provide proof of financial responsibility upon request.
- 10 **Requirement.**
Prohibits MDA from issuing a commercial applicator license to someone younger than 18 years of age.
- 11 **Renewal application.**
Allows MDA to require commercial applicators seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator's license category. Authorizes MDA to require the licensee to pass a reexamination test if the licensee does not attend an MDA-required recertification workshop. Requires MDA's recertification workshops for commercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 12 **Financial responsibility.**
Eliminates language that prohibits MDA from issuing a commercial applicator's license if the applicant fails to furnish proof of financial responsibility. Authorizes

Section Description - Article 2: Pesticide Control

- MDA to instead suspend or revoke a commercial applicator's license if the applicator fails to provide adequate proof of financial responsibility upon request.
- 13 **Requirement.**
Prohibits MDA from issuing a noncommercial applicator license to someone younger than 18 years of age.
- 14 **Renewal.**
Allows MDA to require noncommercial applicator licensees seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator's license category. Authorizes MDA to require a licensee to pass a reexamination test if the licensee does not attend an MDA required recertification workshop. Requires MDA's recertification workshops for noncommercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 15 **Establishment.**
Requires MDA's pesticide applicator license and certification categories to be consistent with and to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 16 **Requirement.**
Prohibits MDA from issuing a private applicator certification to someone younger than 18 years of age.
- 17 **Certification.**
Requires MDA's private applicator certification requirements and training to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency's website.
- 18 **Commercial and noncommercial applicators.**
Requires licensed commercial and noncommercial applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.

Section	Description - Article 2: Pesticide Control
---------	--

19	Structural pest control applicators.
----	---

Requires licensed structural pest control applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.

20	Commercial applicator license examination language requirements.
----	---

Requires MDA to make commercial pesticide applicator license exams available in Spanish no later than January 1, 2025, and requires MDA to notify applicants that the exams may be taken in Spanish. Specifies that MDA's costs must be paid from the pesticide regulatory account in the agricultural fund.

Article 3: Other Agriculture Statutory Changes

This article modifies or establishes various programs administered by MDA or the Rural Finance Authority (RFA). Among other things, this article modifies a program that provides compensation for damage caused by wild elk; extends a fertilizer research program and associated 40 cent/ton fertilizer fee for one additional year before allowing the program to expire and repurposing the fee revenue to fund safe drinking water for citizens whose private well water exceeds the health risk limit for nitrate; authorizes expedited permanent rulemaking for industrial hemp licensing and oversight; modifies financial statement requirements for licensed grain buyers and storers; and allows RFA to participate in Disaster Recovery Loans that help farmers impacted by drought purchase feed for their livestock.

Section	Description - Article 3: Other Agriculture Statutory Changes
---------	--

1	Definitions.
---	---------------------

Defines key terms for purposes of an existing MDA program that provides compensation to farmers when wild elk damage or destroy crops and/or fencing.

2	Claim form and reporting.
---	----------------------------------

Eliminates a requirement that elk damage claim forms be filed with MDA. Requires owners to promptly notify an approved agent of suspected elk damage. Requires claimants to complete the required portions of the claim form and provide an approved agent with all information required to investigate the damage.

3	Investigation and crop valuation.
---	--

Requires approved agents to promptly investigate damage reports and make written findings regarding whether the damage was caused by elk. Specifies the physical and circumstantial evidence upon which an approved agent must base their findings. Allows the owner to choose between two methods (claim submission at time of damage, or claim submission at time of harvest) when elk damaged the owner's

Section Description - Article 3: Other Agriculture Statutory Changes

- standing crop. Specifies information an approved agent must record on a claim form when elk cause damage to stored crops or fencing.
- 4 **Claim form.**
Requires the owner and approved agent to sign a completed claim form. Requires the agent to submit the form to MDA and specifies how MDA must handle incomplete forms.
- 5 **Compensation.**
Provides that the owner is entitled to the estimated value of the damaged or destroyed crop or fence. Under current law, the owner is entitled to the larger of a crop's target or market price plus yield loss adjustments. Eliminates the option for owners to verify fence damage by, in part, submitting a statement from an independent witness. Eliminates the requirement that eligible owners must have followed normal harvest procedures in their area. Lowers maximum compensation for damaged fencing from \$20,000 to \$1,800 per year, per owner.
- 6 **Beginning farmer equipment and infrastructure grants.**
Replaces existing grant preference for emerging farmers with preference for farmers experiencing limited land access or limited market access, as defined in the next section.
- 7 **Definitions.**
Modifies eligibility criteria for Farm Down Payment Assistance Grants by disqualifying any applicant who is related to the person from whom the applicant intends to purchase farmland. This change would take effect on July 1, 2024, and applies to the FY 2025 round of grants. Defines the terms "incubator farm," "limited land access," and "limited market access." The latter two terms appear in multiple places in this bill.
- 8 **Report to legislature.**
Requires MDA to report to the legislature the number of Farm Down Payment Assistance grant recipients who were experiencing limited land access or limited market access.
- 9 **Grant requirements.**
Adds new requirements and restrictions for those who receive soil health equipment grants from MDA, to include certification under MDA's Minnesota Agricultural Water Quality Certification Program, a prohibition against leasing or renting the equipment to another for economic gain, and a prohibition against profiting from the sale of the equipment.

Section Description - Article 3: Other Agriculture Statutory Changes

- 10 Beneficial substance.**
Defines this term for purposes of fertilizer law as certain substances or compounds capable of being demonstrated by scientific research as beneficial to plants, soil, or media.
- 11 Diammonium phosphate.**
Defines this term for purposes of state fertilizer law as a fertilizer that contains 18 percent total nitrogen and 46 percent available phosphorous.
- 12 Finished sewage sludge product.**
Defines this term for purposes of state fertilizer law as a fertilizer product derived from disinfected sewage sludge and sold to the public.
- 13 Liquid 28.**
Defines this term for purposes of state fertilizer law as a liquid nitrogen solution that contains 28 percent total nitrogen.
- 14 Liquid 32.**
Defines this term for purposes of state fertilizer law as a liquid nitrogen solution that contains 32 percent total nitrogen.
- 15 Monoammonium phosphate.**
Defines this term for purposes of state fertilizer law as a fertilizer that contains 10-11 percent total nitrogen and 48-55 percent available phosphorous.
- 16 Nitrogen fertilizer.**
Defines this term for purposes of state fertilizer law as any fertilizer, soil amendment, or plant amendment comprised partially or totally of nitrogen, including but not limited to anhydrous ammonia (which is currently defined in chapter 18C), urea, liquid 28, liquid 32, diammonium phosphate, and monoammonium phosphate.
- 17 Soil amendment.**
Modifies the definition of “soil amendment” for purposes of fertilizer law to include substances intended to improve the chemical or biochemical characteristics of soil.
- 18 Urea.**
Defines this term for purposes of state fertilizer law as a white crystalline solid that contains 46 percent nitrogen.
- 19 Adoption of national standards.**
Authorizes MDA to adopt applicable national standards contained in the latest official publication of the Association of American Plant Food Control Officials. Under current

Section Description - Article 3: Other Agriculture Statutory Changes

- law, these state standards are pegged to the 1996 version of the Association's official publication.
- 20 **Packaged fertilizers.**
Modifies labeling requirements for packaged fertilizers to require, where applicable, the product's volume.
- 21 **Fertilizer plant food content.**
Specifies that when determining the commercial index value for a fertilizer that is deficient in plant food content, MDA must determine the amount of available phosphate, not the amount of available phosphoric acid.
- 22 **Annual tonnage report.**
Requires fertilizer registrants and licensees to use uniform fertilizer tonnage reporting system codes when submitting required annual tonnage reports. Requires MDA to produce an annual fertilizer sales report and post it on MDA's website.
- 23 **Payment of inspection fee.**
Extends an expiring 40 cent/ton fertilizer fee. Specifies that until June 30, 2025, MDA must continue depositing this fee revenue in the Agricultural Fertilizer Research and Education Council (AFREC) account. After that date, this section would require MDA to deposit the 40 cent/ton fertilizer fee revenue in a new private drinking water assistance account created in a subsequent section.
- Effective date:** This section would take effect the day following final enactment.
- 24 **Expiration.**
Coinciding with the one-year AFREC fee extension in the previous section, this section would extend by one year the statute governing AFREC.
- 25 **Expiration.**
Coinciding with the one-year AFREC fee extension, this section would extend by one year the statute governing the AFREC fertilizer research grant program.
- 26 **Expiration.**
Coinciding with the one-year AFREC fee extension, this section would extend by one year the statute establishing the dedicated AFREC account and appropriation.
- 27 **Private well drinking-water assistance program.**
Beginning in fiscal year 2026, appropriates proceeds from the 40 cent/ton fertilizer fee to MDA to award aid payments to community health boards. MDA would award each health board a share of the total available funding, based on each board's share

Section Description - Article 3: Other Agriculture Statutory Changes

- of private drinking-water wells with nitrate in excess of 10 mg/L. (Under current law and this bill, 10 mg/L is the health risk limit for nitrate-nitrogen in drinking water, as promulgated by the Minnesota Department of Health). Requires community health boards to use this new state aid to assist area residents in obtaining safe drinking water (defined as water for drinking, cooking, and oral hygiene that has no more than 10 mg/L nitrate), prioritizing pregnant women and children under the age of 1. Requires MDA to report annual outcomes and any corresponding recommendations to the legislature.
- 28 **Enforcement required.**
Specifies that MDA may use the administrative, civil, and criminal enforcement authorities provided under Minnesota Statutes, chapter 18D, to enforce MDA's Groundwater Protection Rule. Adopted in 2019, the Groundwater Protection Rule restricts the application of nitrogen fertilizer in the fall and on frozen soils in vulnerable groundwater areas and establishes a process to address elevated nitrate levels in public water supply wells.
- 29 **Rulemaking.**
Authorizes MDA to adopt or amend permanent rules for the industrial hemp licensing program without undergoing the full rulemaking process typically required by Minnesota Statutes, chapter 14. Under this section, MDA's rules would have the force and effect of law if the Revisor of Statutes approves the form of the rules, the commissioner of agriculture signs an order adopting them, the Office of Administrative Hearings approves their legality within 14 days, and MDA publishes the rules in the State Register.
- 30 **Posting of license; rules.**
Eliminates language requiring MDA to deposit food handler license fee and penalty revenue in the general fund.
- 31 **Expiration.**
Extends the expiration date for the Food Safety and Defense Task Force by ten years. Under current law, the Task Force will expire on June 30, 2027.
- 32 **Honey.**
Specifies certain label requirements for food sold in Minnesota that looks like honey but contains both honey and another sweetener. Specifies that consistent with the Federal Food, Drug, and Cosmetic Act and state prohibitions against deceptive food labeling, the label for such products must include a statement that accurately identifies or describes the food, and an ingredient statement that includes the

Section Description - Article 3: Other Agriculture Statutory Changes

- common or usual name of each ingredient listed in descending order of predominance by weight.
- 33 **Organic agriculture; commissioner duties.**
Extends the expiring Organic Advisory Task Force by 10 years, to June 30, 2034. By law, this task force must advise MDA and the University of Minnesota regarding policies and programs that will improve organic agriculture in the state.
- 34 **Dairy development and profitability enhancement.**
Modifies MDA's Dairy Development and Profitability Enhancement Program. Removes references to profitability enhancement teams. Authorizes MDA to provide assistance to the dairy industry beyond profitability enhancement and dairy business planning grants. Eliminates a requirement that the program provide one-on-one assistance to dairy farms and authorizes instead that the program may provide assistance individually, via teams, or through other specified methods. Authorizes MDA to award dairy business planning grants to dairy processors and expands the eligible uses for which a dairy producer or processor may use these grants.
- 35 **Report; incentive programs.**
Requires MDA to collect and report to the legislature specified information for each producer of advanced biofuels, renewable chemical, or biomass thermal energy that receives a payment under the department's Bioincentive Program, and each producer or blender of sustainable aviation fuel that MDA approves for a state income tax credit. This information includes the entity's business structure, equity hiring goals and progress in achieving them, evidence of compliance with environmental permits (e.g., air emissions or water discharge permits), and other specified information.
- 36 **State participation.**
Increases the RFA's maximum participation in a beginning farmer real estate loan from \$400,000 to \$500,000.
- 37 **State participation.**
Increases the RFA's maximum participation in a restructure loan from \$525,000 to \$625,000.
- 38 **Participation limit; interest.**
Increases the RFA's maximum participation in a seller-sponsored loan from \$400,000 to \$500,000.

Section	Description - Article 3: Other Agriculture Statutory Changes
---------	--

39	Loan participation.
----	----------------------------

	Increases the RFA's maximum participation in an agricultural improvement loan from \$400,000 to \$500,000.
--	--

40	Loan participation.
----	----------------------------

	Increases the RFA's maximum participation in a livestock expansion and modernization loan from \$525,000 to \$625,000.
--	--

41	Establishment.
----	-----------------------

	Expands loan-eligible purposes under the RFA's Disaster Recovery Loan Program to include feed purchased by a farmer when drought is the cause of the purchase.
--	--

42	Financial statements.
----	------------------------------

	Modifies financial statement submission requirements for licensed grain buyers and licensed grain warehouse operators. Specifies that the statements must be prepared by either an independent accountant or a certified public accountant. Requires licensees to submit a cash flow statement instead of a statement of change in financial position. Allows licensees to submit financial statement reports that comply with international standards similar to those established by the American Institute of Certified Public Accountants. Eliminates the requirement that a licensee's executive(s) must certify, under penalty of perjury, that the entity's financial statements are accurate.
--	---

	Eliminates the requirement that licensees with less than \$7.5 million of annual grain purchases must have their financial statements reviewed by a certified public account and shown to be free from material misstatements.
--	--

	Eliminates the financial statement audit requirement for licensees purchasing between \$7.5 and \$20 million of grain per year. Instead, these licensees could choose between an audit or a review of their financial statements. Requires audits only for licensees that purchase at least \$20 million of grain annually.
--	---

	Authorizes MDA to require exempt cash buyers to provide financial reporting based on an inspection, any report of nonpayment, or other documentation related to a violation of state grain law.
--	---

	Requires MDA to review submitted financial statements to ensure compliance with state grain-buyer law.
--	--

	Authorizes MDA to require any licensee to submit additional financial statements or reporting, including audited financials.
--	--

Section Description - Article 3: Other Agriculture Statutory Changes

- 43 Commissioner.**
Specifies that “commissioner” means the MDA commissioner or the commissioner’s designee for purposes of the Grain Storage Act.
- 44 Grain.**
Modifies the definition of “grain” for purposes of the Grain Storage Act to include specified crops as well as any other product that is commonly referred to as grain and ordinarily stored in a grain warehouse.
- 45 Producer.**
Modifies the definition of “producer” for purposes of the Grain Storage Act to mean anyone who grows grain on land owned or leased by the person.
- 46 Public grain warehouse operator.**
Modifies the definition of “public grain warehouse operator” for purposes of the Grain Storage Act to mean anyone operating a grain warehouse, whether licensed or not.
- 47 Scale ticket.**
Modifies the definition of “scale ticket” for purposes of the Grain Storage Act to mean a memo issued by a grain elevator or warehouse operator at the time of grain delivery. Eliminates a provision that defines scale tickets under current law as those that show the weight, grade, and kind of grain deposited.
- 48 Credit market report required.**
Requires MDA to convene stakeholders and develop a report regarding the potential establishment of a state credit market for Minnesota farmers. Requires MDA to submit the report to the legislature by February 1, 2025, and allow participating stakeholder to submit written testimony for inclusion in this report.
- 49 Repealer.**
Repeals the following statutes and rules.
- Minnesota Statutes, section 3.7371, subdivision 7 – Under current law, this section requires MDA to adopt administrative rules for the elk damage compensation program.
 - Minnesota Statutes, section 34.07 – Under current law, this section creates a dedicated beverage inspection account in the Agricultural Fund, requires MDA to deposit into this account all fees and penalties collected from those who manufacture, mix, or compound soft drinks or other nonalcoholic beverages for sale, and appropriates this revenue to MDA for inspection and supervision of these same entities.

Section Description - Article 3: Other Agriculture Statutory Changes

- Minnesota Rules, chapter 1506 – These are the existing administrative rules promulgated by MDA for the elk damage compensation program.

Article 4: Broadband

This article provides the Department of Employment and Economic Development's Office of Broadband Development limited authority to transfer appropriated dollars based on demand and requires the Office to apply for certain federal broadband dollars.

Section Description - Article 4: Broadband

1 Transfer.

Grants the Department of Employment and Economic Development (DEED) standing authority to transfer up to \$5 million of appropriated dollars each fiscal year between three programs administered by DEED's Office of Broadband Development—the Border-to-Border Broadband Development Grant Program, the Low-Density Population Broadband Development Program, and the Broadband Line Extension Connection Program. DEED could transfer money as needed to meet demand.

Effective date: This section would be effective the day following final enactment.

2 Broadband development; application for federal funding; appropriation.

Requires DEED to apply to the federal government for State Digital Equity Capacity Grant Funding made available to the states in 2021's federal Infrastructure Investment and Jobs Act. Appropriates any federal money received by the state via DEED's application to DEED for purposes of the agency's Minnesota Digital Opportunity Plan.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155