

Subject Agriculture
Authors Vang
Analyst Colbey Sullivan
Date March 4, 2024

Overview

This bill would modify eligibility criteria for the Farm Down Payment Assistance Grant Program administered by the Minnesota Department of Agriculture (MDA). Specifically, it would (1) provide that a person purchasing farmland from a family member is not eligible, and (2) modify applicant priority for the FY 2025 round of Farm Down Payment Assistance Grants.

Under current law, MDA must prioritize emerging farmers during the FY 2024 and FY 2025 rounds. In January, a farmer who applied for, but did not receive, a Farm Down Payment Assistance Grant during the FY 2024 round sued the state in federal district court. The farmer alleged that MDA's prioritization of emerging farmers violated his right to equal protection under the law. That case is in progress and the court has not yet rendered a verdict.

Under H.F. 4547, in FY 2025, MDA would instead prioritize (1) applicants who sell no more than \$100,000 of farm products annually, and (2) applicants who produce an eligible specialty crop.

Summary

Section	Description
---------	-------------

- | | |
|---|---|
| 1 | 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 apply to the FY 2025 round of grants. |
| 2 | Administration and financial assistance.
Modifies 2023 rider language that requires MDA to give priority to certain applicants when awarding Farm Down Payment Assistance Grants during the FY 2024 and FY 2025 grant cycles. Under current law, MDA must prioritize applicants who are |

Section	Description
---------	-------------

	<p>emerging farmers, as defined in Minnesota Statutes. Removes this language and replaces it with direction to prioritize applicants with no more than \$100,000 in annual gross sales, and those who produce hemp, cannabis, or a specialty crop that is eligible for assistance under the United States Department of Agriculture’s Specialty Crop Block Grant Program (e.g., fruits and vegetables, herbs and spices, and nursery crops). This change would take effect on July 1, 2024, and apply to the FY 2025 round of grants.</p>
--	---



**MN HOUSE
RESEARCH**

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