

Omnibus Agriculture, Broadband, and Rural Development Bill Overview

Governor Tim Walz signed SF 1955 into law on May 18, 2023. The bill provides funding for agriculture, broadband, and rural development throughout Minnesota.

This is a general overview of the bill and funding related to the Minnesota Department of Agriculture (MDA). It does not cover all new appropriations in the Omnibus Bill.

Grain Indemnity Fund – \$10M in FY24

This one-time appropriation establishes a grain indemnity fund that will protect producers who have unpaid grain sales when grain buyers or warehouses become financially insolvent. If needed, the fund will then be replenished through fees associated with sales of grain.

DAIRI Program – \$4M in FY24

This appropriation funds the Dairy Assistance, Investment, Relief Initiative (DAIRI). The program provides financial assistance to Minnesota dairy cow operations that produced less than 16,000,000 lbs. of milk in 2022 and that enrolled in the Dairy Margin Coverage Program, a federal dairy risk protection program.

Farm to School – \$2.3M/year in FY24/25 & \$2.588M/year in FY26/27

This appropriation funds grants which support Minnesota school districts that want to purchase and serve Minnesota agricultural products. This money will also be used to hire a Farm to School Coordinator at the MDA.

Meat Processing Grants (AGRI) – \$2M/year in FY24/25

This funding will expand the AGRI appropriation by increasing the funding available specifically for grants to meat, poultry, egg, and milk processors.

Urban Agriculture (AGRI) – \$2M/year ongoing

This funding supports grants that encourages urban youth agricultural education and urban agriculture community development within the city limits of urban or peri-urban areas. Grants help organizations and communities obtain the materials and services necessary to successfully promote urban youth agricultural education and urban agriculture community development.

Food Licensing Modernization – \$1.9M in FY24

This redirects non-dedicated Food Handler License and inspection fee revenue from the General Fund into a new ag fund account. This allows the program to create a fund balance that ensures short-term salaries are addressed and creates overall long-term funding stability.

Soil Health Equipment Grants – \$1.25M/year in FY24/25, \$639,000/year ongoing

This builds on the new Soil Health Financial Assistance Program that began as a pilot in 2022. Minnesota's soil health efforts tie into the work of the State Water Plan, Nutrient Reduction Strategy, emission reduction targets, Climate Action Framework, and other objectives. This grant will meet objectives through the voluntary implementation of soil health management practices by awarding funds to access specialized equipment and machinery.

Emerging Farmers Office Expansion – \$1.2M/year in FY24/25 & \$1.7M/year in FY26/27

These funds will support additional staff in the MDA's Emerging Farmers Office who are needed to provide grant management, oversight, coordination, communication and technical support, and other services for emerging farmers throughout Minnesota. The appropriation will also support a grant program specifically for new and emerging farmers to increase market access and sales and support organizations that will provide culturally appropriate services to immigrant and BIPOC ag producers and food-system related businesses.

Ag Emergency Account – \$1M in FY24

This money replenishes the MDA's Ag Emergency Account to ensure the agency is ready to respond to ag-related emergencies in a timely manner.

Good Food Access Program (AGRI) – \$1M/year ongoing

This funding provides equipment and physical improvement grants that increase the availability of and access to affordable, nutritious, and culturally appropriate foods (including fruits and vegetables) for underserved communities in low- and moderate-income areas. Grants help grocery stores and small food retailers make physical improvements and purchase equipment to stimulate sales of such foods.

IT Modernization – \$1M/year in FY24/25

This funding supports efforts to replace MDA's old and outdated IT systems. By moving to modern technologies, the department could improve customer self-service options and streamline staff work to provide better customer service.

Forever Green Initiative – \$802,000/year ongoing

This funding is passed to the University of Minnesota to support the Forever Green Initiative. The initiative brings together researchers, local groups, private-sector partners, and non-profits to advance and commercialize new high value commodity crops for conservation purposes.

Pollinator Research Account – \$800,000 in FY24 & \$100,000/year starting FY26

This appropriation funds University of Minnesota research and outreach activities focused on improving pollinator habitat and pest management practices that reduce the effects of pesticides on pollinators while retaining the economic strength of Minnesota's agriculture. The work will include consultation with the MDA.

Biofuels Infrastructure Increase (AGRI) – \$750,000/year in FY24/25

This funding will continue the AGRI Biofuels Infrastructure Financial Assistance Program. These grants help service stations upgrade their equipment (fuel dispensers, underground tanks, and associated equipment) so they can sell

blends of gasoline containing 15% or more of ethanol. Grants will be made to service stations in Minnesota that are independently owned or belong to chains of 10 stations or less.

Good Acre LEAFF Program – \$600,000/year in FY24/25

This funding will support The Good Acre’s Local Emergency Assistance Farmer Fund (LEAFF) which provides underserved farmers with new market channels by paying market-rate prices for their produce, all of which is then donated to hunger-relief organizations across Minnesota.

Meat Processing Hiring Incentives – \$544,000/year in FY24/25

This funding will provide grants to partner organizations to assist small- to medium-sized meat and poultry processors with hiring and training new employees. New employees at eligible meat and poultry processing plants may receive money for tuition reimbursement for programs at Minnesota State Colleges and Universities, sign-on bonuses, relocation assistance, retention incentives, childcare stipends, and other related expenses.

Second Harvest Heartland Milk Allocation Increase – \$500,000/year in FY24/25

This appropriation supplements an existing grant to Second Harvest Heartland to purchase milk, protein, and surplus ag items (primarily fruit and vegetables). These funds will be used specifically for milk purchases.

Continuous Living Cover Grants – \$500,000/year in FY24/25

This funding continues a grant to help develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development. Continuous living cover refers to agricultural systems in which there are living plants and roots in the ground throughout the entire year.

Noxious Weed Grants – \$300,000/year in FY24/25

This appropriation will fund grants to local units of government and tribal nations for noxious weed detection, control, and management. These grants have proven to be an effective way for the MDA to provide coordinated efforts while enabling needed on-the-ground management.

Climate Coordinator – \$300,000/year in FY26/27

This funding will establish a new Climate Implementation Coordinator position at the MDA. This position will be focused on coordinating activities across MDA divisions and will work with counterparts in other agencies related to Minnesota’s Climate Action Framework goals, develop strategic partnerships with outside organizations, and coordinate federal funding opportunities related to climate.

Down Payment Assistance Grants Increase – \$250,000/year ongoing

This funding increases support to Minnesotans purchasing their first farm and will now ensure \$1 million is available for assistance each fiscal year. Applicants must not have previous direct or indirect farmland ownership. Priority is given to emerging farmers.

Cooperative Grants – \$200,000/year ongoing

The money establishes a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

Farmers Market Grants for EBT/SNAP – \$200,000/year in FY24/25

This funding creates a new grant for infrastructure to support EBT (Electronic Benefits Transfer), SNAP (Supplemental Nutrition Assistance Program), SFMNP (Seniors Farmers' Market Nutrition Program), and related programs at farmers markets.

Farm Safety, Health, and Wellness – \$200,000/year in FY24/25

This appropriation will fund farm safety outreach and equipment cost-share payments to farmers; stress and mental health outreach, promotion, and support to farmers and others in the agricultural community; and a pass-through grant to the Minnesota FFA Foundation to engage FFA chapters in creating innovative education, training, or outreach projects that respond to community needs to mitigate stress and promote mental health.

International Trade Support – \$150,000/year ongoing

This money will support a full-time international trade representative based at the MDA for trade missions and international marketing support. Demand for these services have outgrown our current capacity.

Rural Finance Authority (RFA) Capacity Increase – \$150,000/year ongoing

This funding adds additional resources that will reduce bottlenecks in processing and service times. This will allow for more timely approval and funding of RFA loans as well as the timely processing of tax credits and grants.

Meat Processing Liaison – \$75,000/year ongoing

This money will support a Meat Processing Navigator position at the MDA who will assist new and prospective meat processing plants navigating the food safety regulatory requirements for becoming a meat processor, finding available grants and potential funding sources, and working through other local processor issues, such as zoning, plumbing, and other infrastructure requirements. This funding leverages matching federal funds.

AGRI Sunset Eliminated

This language removes the Agricultural Growth, Research, Innovation (AGRI) program sunset date which was June 30, 2025. AGRI supports the advancement of Minnesota's agricultural and renewable energy industries, and has made significant economic impacts by increasing productivity, improving efficiency, and assisting the development of agricultural products.