

Subject Agriculture  
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## Overview

As amended, this is the 2022 omnibus supplemental agriculture finance and policy bill for the Minnesota House of Representatives. It includes supplemental funding for the Minnesota Department of Agriculture (MDA) and the Agricultural Utilization Research Institute.

As amended, H.F. 4366 would also modify the Agricultural Best Management Practices Loan Program, prohibit plastic-coated fertilizers and pesticides, regulate seed treated with a neonicotinoid pesticide, establish a soil health financial assistance program and other grant programs, place a moratorium on new white-tailed deer farms, modify requirements for licensed grain buyers, and amend or establish other agricultural statutes.

## Article 1: Appropriations

This article appropriates additional general fund dollars to MDA and the Agricultural Utilization Research Institute in fiscal years 2022 and 2023 for specified purposes.

Section	Description – Article 1: Appropriations
1	<p><b>Department of Agriculture.</b></p> <p>Funds specified MDA supplemental budget initiatives in fiscal years 2022 and 2023.</p> <p><b>Subd. 1. Total appropriation.</b> Denotes the new totals, which equal the amounts appropriated from the general fund in the 2021 omnibus agriculture finance act (Laws 2021, First Special Session ch. 3), plus the additional money appropriated in this bill.</p> <p><b>Subd. 2. Protection services.</b> Appropriates supplemental funding for specified purposes within MDA’s protection services budget area.</p>

Section	Description – Article 1: Appropriations
	<p><b>Subd. 3. Agricultural marketing and development.</b> Appropriates supplemental funding for specified purposes within MDA’s agricultural marketing and development budget area.</p> <p><b>Subd. 4. Agriculture, bioenergy, and bioproduct advancement.</b> Appropriates supplemental funding for specified purposes within this MDA budget area.</p> <p><b>Subd. 5. Administration and financial assistance.</b> Appropriates supplemental funding for specified pass-through grants and other purposes within this MDA budget area.</p>
2	<p><b>Agricultural Utilization Research Institute.</b> Appropriates supplemental FY 2022-2023 funding to the Institute for specified purposes.</p>

## Article 2: Statutory Changes

This article establishes a farm down payment assistance program, modifies the Agricultural Best Management Practices Loan Program, and establishes or modifies other agricultural statutes.

Section	Description – Article 2: Statutory Changes
1	<p><b>Mental or behavioral health data.</b> Modifies the Minnesota Government Data Practices Act to prevent public access to information collected and maintained by the MDA or a recipient of pass-through funding from the MDA when that information identifies an individual who (1) sought assistance with a mental or behavioral health issue, or (2) contacted the Minnesota Farm &amp; Rural Helpline. Also classifies any information provided by the individual that identifies another person.</p>
2	<p><b>Establishment; appropriation.</b> Expands eligible uses of money in the dedicated Agricultural Emergency Account to include costs incurred to prepare for agricultural emergencies.</p>
3	<p><b>Cooperative grants.</b> Requires MDA to re-establish and implement a grant program to provide up to \$50,000 to eligible farmers for new cooperatives that process or market the farmers’ agricultural products or services. Establishes eligibility criteria, including that the agricultural commodities processed and/or marketed by the cooperative are produced primarily by the cooperative’s own farmer-members.</p>

**Section Description – Article 2: Statutory Changes**

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- 4 Allocation rescission.**  
Modifies the Agricultural Best Management Practices (AgBMP) Loan program by eliminating MDA’s express authority to grant local units of government an additional year to use their funding allocation. Provides MDA general authority to rescind the portion of a local unit of government’s allocation that is not committed to eligible projects.
- 5 Authority and responsibilities of local government units.**  
Modifies the AgBMP Loan program to eliminate a participating local unit of government’s duty to identify which account is used to fund an approved project when the local unit of government has allocations from multiple AgBMP accounts.
- 6 Authority and responsibilities of local lenders.**  
Modifies the AgBMP Loan program by eliminating a participating lender’s duty to notify the local unit of government of the loan amount after an AgBMP loan closes.
- 7 Loans issued to borrowers.**  
Modifies the AgBMP Loan program by eliminating the cap of \$200,000 per borrower.
- 8 Eligible projects.**  
Expands eligibility for drinking water projects under the AgBMP Loan program.
- 9 Establishment.**  
Modifies the Livestock Investment Grant Program by reducing the maximum grant amount from \$50,000 to \$25,000. Eliminates the \$50,000 lifetime limit per person.
- 10 Eligibility.**  
Corresponding to the previous section, this section eliminates language pertaining to the existing \$50,000 lifetime per-person limit for Livestock Investment grants.
- 11 Process.**  
Modifies the Livestock Investment Grant Program by eliminating the requirement that MDA add unfunded applicants to a waiting list for future consideration.
- 12 Farm down payment assistance grants.**  
Establishes a program to provide grants of up to \$15,000 to Minnesotans who are purchasing a farm, will provide the majority of the day-to-day farm management and physical labor, earn no more than \$250,000 per year in gross farm sales, and have not—nor has their spouse—previously had a direct or indirect ownership interest in farmland. Requires eligible farmers to match this grant with at least an equivalent

**Section Description – Article 2: Statutory Changes**

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- amount of other funding. Requires grant recipients to repay a prorated share of the grant if the recipient does not own and farm the land for at least five years.
- 13     **Soil health financial assistance program.**  
Establishes a Soil Health Finance Assistance Program at MDA. Authorizes MDA to provide financial assistance to local governments, private sector providers, and farmers to cover the cost of specialized equipment and technology necessary to implement and sustain soil health practices. Requires MDA to establish eligible costs. Directs MDA to prioritize or weigh program implementation elements based on specified considerations, including soil health principles and support for farmers participating in the existing voluntary Minnesota Agricultural Water Quality Certification Program.
- 14     **Plastic.**  
Defines this term for purposes of state pesticide control law.
- 15     **Plastic-coated pesticide.**  
Defines this term for purposes of state pesticide control law.
- 16     **Pollinator research account.**  
Modifies and extends the dedicated Pollinator Habitat and Research Account. Extends the account’s expiration date by three years, to July 1, 2025. Removes “Habitat” from the account’s name, and establishes an additional eligible use of account dollars—i.e., research and outreach concerning pollinator impacts from pesticides, parasites, and climate disruption.
- 17     **Plastic-coated pesticide prohibited.**  
Prohibits the sale and use of plastic-coated pesticide, as defined in a previous section.  
  
**Effective date:** This prohibition would take effect in January 2024 for nonagricultural pesticides, and one year later, in January 2025, for agricultural pesticides.
- 18     **Plastic.**  
Defines this term for purposes of state fertilizer law.
- 19     **Plastic-coated fertilizer.**  
Defines this term for purposes of state fertilizer law.
- 20     **Plastic-coated fertilizer prohibited.**  
Prohibits the sale and use of plastic-coated fertilizer, as defined in the previous section.

**Section Description – Article 2: Statutory Changes**

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- Effective date:** This prohibition would take effect in January 2024 for nonagricultural fertilizers, and one year later, in January 2025, for agricultural fertilizers.
- 21     **Coated agricultural seed.**  
Defines this term for purposes of the Minnesota Seed Law.
- 22     **Miscellaneous violations.**  
Prohibits using or selling neonicotinoid-treated seed for food, feed, oil, or ethanol production.
- 23     **Pesticide treated seed use and disposal; consumer guidance required.**  
Requires MDA to develop and maintain consumer guidance regarding the proper use and disposal of neonicotinoid-treated seed. Requires retailers to post MDA’s guidance in a conspicuous location.
- 24     **Food handler license account; appropriation.**  
Creates a new dedicated account in the agricultural fund. Requires MDA to deposit food handler license fees and penalties in this new account and appropriates account dollars to MDA to pay for the agency’s food handler licensing and inspection duties. Under current law, MDA deposits this revenue in the general fund.
- 25     **Vending machine inspection account; appropriation.**  
Creates a new dedicated account in the agricultural fund. Requires MDA to deposit vending machine inspection fee revenue in this new account and appropriates account dollars to MDA to pay for the agency’s vending machine identification and inspection duties. Under current law, MDA deposits this revenue in the general fund.
- 26     **Posting of licenses; rules.**  
Technical, conforming change to the food handler and vending machine revenue dedication proposed in prior sections.
- 27     **Membership.**  
Add a new gubernatorial appointee who is knowledgeable in cybersecurity to the Food Safety and Defense Task Force.
- 28     **Mandatory registration.**  
Prohibits the Board of Animal Health from approving new registrations for the possession of farmed white-tailed deer.
- Effective date:** This prohibition would take effect the day following final enactment of this bill.

**Section Description – Article 2: Statutory Changes**

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**29 Eligibility.**

Retroactively modifies Bioincentive Program eligibility criteria for advanced biofuel producers. Provides that an eligible facility must begin production by December 31, 2022. Under current law, this date is June 30, 2025. Authorizes MDA to award deficiency payments to eligible producers until MDA has paid the full amount of the producer’s original claim(s).

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**30 Payment amounts; limits.**

Retroactively authorizes advanced biofuel producers to reapply to MDA for deficiency payments until MDA has paid the full amount of the producer’s original claim(s), subject to the availability of funding appropriated by the legislature for unpaid claims.

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**31 Eligibility.**

Retroactively modifies Bioincentive Program eligibility criteria for renewable chemical producers. Provides that an eligible facility must begin production by December 31, 2022. Under current law, this date is June 30, 2025. Authorizes MDA to award deficiency payments to eligible producers until MDA has paid the full amount of the producer’s original claim(s).

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**32 Payment amounts; bonus; limits.**

Retroactively authorizes renewable chemical producers to reapply to MDA for deficiency payments until MDA has paid the full amount of the producer’s original claim(s), subject to the availability of funding appropriated by the legislature for unpaid claims.

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**33 Eligibility.**

Retroactively modifies Bioincentive Program eligibility criteria for biomass thermal energy producers. Provides that an eligible facility must begin production by December 31, 2022. Under current law, this date is June 30, 2025. Authorizes MDA to

**Section Description – Article 2: Statutory Changes**

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award deficiency payments to eligible producers until MDA has paid the full amount of the producer's original claim(s).

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**34 Payment amounts; bonus; limits; blending.**

Retroactively authorizes biomass thermal energy producers to reapply to MDA for deficiency payments until MDA has paid the full amount of the producer's original claim(s), subject to the availability of funding appropriated by the legislature for unpaid claims.

**Effective date:** Effective retroactive to January 1, 2020, and applicable to claims filed with MDA after that date.

**35 Report; incentive programs.**

Requires MDA to collect and report specified information for each entity that receives a Bioincentive Program payment.

**36 Eligibility.**

Modifies eligibility for the Oriented Strand Board (OSB) Production Incentive Program by clarifying that by June 30, 2025, an eligible plant must produce at least one square foot of OSB on a 3/8-inch nominal basis. Converts OSB production requirements to a quarterly, rather than an annual, basis.

**37 Appropriation.**

Modifies the statutory appropriation for the OSB Production Incentive Program to authorize MDA to use up to 6.5 percent of the amount appropriated each fiscal year to administer the program.

**38 Eligibility.**

Expands eligibility for the Rural Finance Authority's Disaster Recovery Loan Program. Lowers the borrower income requirement from at least 50 percent of average gross income from farming in the past three years, at least 20 percent in the past year.

**39 Bond.**

Exempts additional licensed grain buyers from the requirement to file a bond with MDA. Under current law, grain buyers who purchase less than \$100,000 of grain annually and pay upon delivery are exempt from the bond requirement. This section increases this threshold to \$250,000.

**Section Description – Article 2: Statutory Changes**

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**40 Financial statements.**

Exempts additional licensed grain buyers from the requirement to submit qualifying financial statements to MDA. Under current law, grain buyers who purchase less than \$100,000 of grain annually and pay upon delivery are exempt from this requirement. This section increases this threshold to \$250,000.

Increases the threshold for audited grain buyer financial statements so this requirement would apply only to grain buyers with more than \$7 million in annual purchases. Requires nonexempt grain buyers to post their audited or reviewed financial statements on the web.

**41 Revisor instruction.**

Technical; requires the Revisor of Statutes to list the new and existing Pesticide Control Law definitions in alphabetical order.



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