



Governor Walz and Lieutenant Governor Flanagan's 2025 Budget Proposal

Deputy Commissioner Andrea Vaubel

Maintain Current Service Levels

- **Funding:** \$557,000 in Fiscal Year (FY) 2026 and \$1,127,000 in each subsequent year from the General Fund
- **Proposal:** Maintain the current level of service delivery at the Minnesota Department of Agriculture.
- Lines 4.21-4.24, 15.15-15.16

AGRI Admin Allowance

- **Funding:** No funding change
- **Proposal:** Increase the maximum administrative allowance for the Agricultural Growth, Research, and Innovation (AGRI) Program (MINN. STAT. 41A.12) to up to 7.5% from up to 6.5%.
- Line 8.20

AGRI Biofuels Infrastructure Grant

- **Funding:** No funding change
- **Proposal:** Modifies the eligibility requirements for the AGRI Biofuels Infrastructure Grant Program by increasing the maximum number of retail petroleum dispensing sites owned by a prospective grantee from 10 to 20.
- Line 9.16

AGRI Urban Agriculture Expansion

- **Funding:** No funding change
- **Proposal:** Broadens the eligible uses of grant funds to include agriculture-based trainings, acceleration, and employment programs and urban agriculture processing. Current grant eligibility focuses only on urban youth agricultural education or urban agriculture community development projects.
- Lines 11.1-11.3

Green Fertilizer Reduction

- **Funding:** \$3 million reduction
- **Proposal:** Reduces the Green Fertilizer Grant Program from \$7 million to \$4 million. Applications closed on March 18. The minimum grant award is \$250,000 and the maximum grant amount is the full funding amount minus administrative costs.
- Lines 17.8-17.11

Good Food Access Program Update

- **Funding:** No funding change
- **Proposal:** Changes the Good Food Access Program (GFAP) statutes (MINN. STAT. 17.1017 and 17.1018) to better equip the program to fulfill its mission “to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities.”
- Lines 11.5-11.6, 17.16-26.3
 - Food Retail Improvement and Development Program

AgBMP Program Updates

- **Funding:** No funding change
- **Proposal:** Focuses on several aspects of the Agricultural Best Management Practices (AgBMP) Program
 - Increases the allowable amount the AgBMP Program is allowed to appropriate and administer from \$140 million to \$280 million. (Line 26.10)
 - Deletes “rural” from the AgBMP loan eligibility requirement (MINN. STAT. 17.117). This is not a request for additional equipment, supplies, administration cost, or a change of use from previous years. (Line 26.7)

Livestock Investment Grant Expansion

- **Funding:** No funding change
- **Proposal:** Changes to the Livestock Investment Grant statute:
 - Expanding the eligibility of the Livestock Investment Grant to include Tribal governments and local units of government (Line 28.12)
 - Broadening the definition of livestock (Lines 26.27-26.30)
 - Updating the match requirement (Lines 26.17-26.21)

PFAS Language Alignment

- **Funding:** No funding change
- **Proposal:** Aligns PFAS language in MINN. STAT. 18B with MINN. STAT. Chapter 116 regarding product prohibitions for certain categories. This proposal may result in a small number of products (>100) that may be prohibited from registering (or renewing).
- Lines 29.24-29.25

Seed Potato Certification Statute Modernization

- **Funding:** No funding change
- **Proposal:** Modifies several provisions of MINN. STAT. 21 which will be cumulatively budget neutral.
- Lines 30.1-57.8
 - Repeals Minn. Stat. 21.116 which prohibits the use of general fund towards the program
 - Updates seed potato standards to reflect changes in the industry
 - Updates statute by incorporating rules and making rules obsolete

Seed Tonnage Reporting Frequency Reduction

- **Funding:** No funding change
- **Proposal:** Reduces the number of times seed labeling permit holders report and pay tonnage fees from four per year to two per year.
- Lines 58.23-58.26

Food Licensing Modernization

- **Funding:** No funding change
- **Proposal:** Amend MINN. STAT. Chapters 28A and 31 to modernize the MDA's food licensing framework to:
 - Lines 59.8-71.26
 - Simplify the administrative system for food licensing to allow for business evolution and innovation
 - Create a new licensing category for home food processors
 - Increase food license fees to maintain regulatory service levels in FY 2026 to 2029

Milk Marketing Modernization

- **Funding:** No funding change
- **Proposal:** Modernizes the requirements for licensing entities that purchase milk directly from Minnesota dairy producers to provide more accountability to these entities.
- Lines 72.1-74.3
 - Eliminates the “Milk Marketing Organization” category under MINN. STAT. 28A.08 (Food)
 - Adds a definition for “Milk Marketer” under MINN. STAT. 32D.01 (Dairy), to include any entity who purchases milk from Minnesota dairy producers
 - Requires any entity meeting the criteria for “Milk Marketer” to obtain a license
 - Requires fiscal reporting for payments made to Minnesota producers and milk collected from farms.

Rural Finance Authority Program Updates

- **Funding:** No funding change
- **Proposal:** Focuses on several programs under the Rural Finance Authority
 - Changes the encumbrance timeline from two years to six months and defining “family member” for Down Payment Assistance Grants. (Lines 29.1-29.3)
 - Updates the Farm Opportunity Loan Program. (Lines 76.7-76.19)
 - Sets a qualifying net worth limit for the Disaster Loan Program. (Lines 75.27-75.13)
 - Requires that Rural Finance Authority applications for bond-funded programs be for at least \$50,000. (Lines 74.7-75.13)
 - Updates the Pilot Agricultural Microloan Program by removing the word “pilot” and adding land as eligible for financing. (Lines 75.30-75.31)

Grain License Fees Update

- **Funding:** No funding change
- **Proposal:** Adjusts the fee schedule for entities licensing as grain buyers (MINN. STAT. 223) or grain storage facilities (MINN. STAT. 232).
- Lines 76.23-79.2
 - Fee schedule hasn't been updated in 20 years
 - Cost savings due to repeal of bonding requirement, and changes on financial reporting standards

Thank you!

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