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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2446

03/17/2025 Authored by Anderson, P. H., and Hansen, R., The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy

1.1 A bill for an act
1.2 relating to state government; establishing a budget for the Department of
1.3 Agriculture, the Board of Animal Health, and the Agricultural Utilization Research
1.4 Institute; making policy and technical changes to agriculture provisions; modifying
1.5 and establishing fees; requiring reports; providing civil penalties; transferring
1.6 money; appropriating money; amending Minnesota Statutes 2024, sections 17.1017;
1.7 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision
1.8 1; 18B.26, subdivision 8; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4;
1.9 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111;
1.10 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.1196,
1.11 subdivision 2; 21.891, subdivision 2; 28A.03, subdivision 7, by adding subdivisions;
1.12 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.085,
1.13 subdivision 1; 28A.14; 28A.17; 32D.01, by adding a subdivision; 41B.039,
1.14 subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision
1.15 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1;
1.16 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; proposing
1.17 coding for new law in Minnesota Statutes, chapters 21; 28A; 32D; repealing
1.18 Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121;
1.19 21.122; Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315;
1.20 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350;
1.21 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7.

1.22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.23 ARTICLE 1
1.24 APPROPRIATIONS

1.25 Section 1. AGRICULTURE APPROPRIATIONS.

1.26 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.27 and for the purposes specified in this article. The appropriations are from the general fund,
1.28 or another named fund, and are available for the fiscal years indicated for each purpose.
1.29 The figures "2026" and "2027" used in this article mean that the appropriations listed under
1.30 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

2.1 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
 2.2 is fiscal years 2026 and 2027.

2.3		<u>APPROPRIATIONS</u>	
2.4		<u>Available for the Year</u>	
2.5		<u>Ending June 30</u>	
2.6		<u>2026</u>	<u>2027</u>

2.7 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.8	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>65,095,000</u>	<u>\$</u>	<u>65,665,000</u>
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2.9	<u>Appropriations by Fund</u>			
2.10		<u>2026</u>	<u>2027</u>	
2.11	<u>General</u>	<u>64,696,000</u>	<u>65,266,000</u>	
2.12	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>	

2.13 The amounts that may be spent for each
 2.14 purpose are specified in the following
 2.15 subdivisions. Notwithstanding Minnesota
 2.16 Statutes, section 16B.98, subdivision 14,
 2.17 unless otherwise specified in this section, the
 2.18 commissioner of agriculture may use up to ten
 2.19 percent of money appropriated for costs
 2.20 incurred to administer the Department of
 2.21 Agriculture's grant programs.

2.22 **Subd. 2. Protection Services**

2.23	<u>Appropriations by Fund</u>			
2.24	<u>General</u>	<u>19,003,000</u>	<u>19,506,000</u>	
2.25	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>	

2.26 (a) \$399,000 the first year and \$399,000 the
 2.27 second year are from the remediation fund for
 2.28 administrative funding of the voluntary
 2.29 cleanup program.

2.30 (b) \$639,000 the first year and \$639,000 the
 2.31 second year are for the soil health financial
 2.32 assistance program under Minnesota Statutes,
 2.33 section 17.134. The commissioner may award
 2.34 no more than \$50,000 of the appropriation
 2.35 each year to a single recipient.

3.1 Notwithstanding Minnesota Statutes, section
3.2 16B.98, subdivision 14, the commissioner may
3.3 use up to 6.5 percent of this appropriation for
3.4 costs incurred to administer the program. Any
3.5 unencumbered balance does not cancel at the
3.6 end of the first year and is available in the
3.7 second year. Appropriations encumbered
3.8 under contract on or before June 30, 2027, for
3.9 soil health financial assistance grants are
3.10 available until June 30, 2029.

3.11 (c) \$100,000 the first year and \$100,000 the
3.12 second year are for transfers to the pollinator
3.13 research account established under Minnesota
3.14 Statutes, section 18B.051.

3.15 (d) \$175,000 the first year and \$175,000 the
3.16 second year are for compensation for
3.17 destroyed or crippled livestock under
3.18 Minnesota Statutes, section 3.737. If the
3.19 amount in the first year is insufficient, the
3.20 amount in the second year is available in the
3.21 first year. The commissioner may use up to
3.22 \$5,000 each year to reimburse expenses
3.23 incurred by university extension educators to
3.24 provide fair market values of destroyed or
3.25 crippled livestock. If the commissioner
3.26 receives federal funding to pay claims for
3.27 destroyed or crippled livestock, an equivalent
3.28 amount of this appropriation may be used to
3.29 reimburse nonlethal prevention methods
3.30 performed by federal wildlife services staff.

3.31 (e) \$155,000 the first year and \$155,000 the
3.32 second year are for compensation for crop
3.33 damage under Minnesota Statutes, section
3.34 3.7371. If the amount in the first year is
3.35 insufficient, the amount in the second year is

4.1 available in the first year. The commissioner
 4.2 may use up to \$10,000 of the appropriation
 4.3 each year to reimburse expenses incurred by
 4.4 the commissioner or the commissioner's
 4.5 approved agent to investigate and resolve
 4.6 claims, as well as for costs associated with
 4.7 training for approved agents. The
 4.8 commissioner may use up to \$40,000 of the
 4.9 appropriation each year to make grants to
 4.10 producers for measures to protect stored crops
 4.11 from elk damage. If the commissioner
 4.12 determines that claims made under Minnesota
 4.13 Statutes, section 3.737 or 3.7371, are
 4.14 unusually high, amounts appropriated for
 4.15 either program may be transferred to the
 4.16 appropriation for the other program.

4.17 (f) \$825,000 the first year and \$825,000 the
 4.18 second year are to replace capital equipment
 4.19 in the Department of Agriculture's analytical
 4.20 laboratory.

4.21 (g) \$420,000 the first year and \$924,000 the
 4.22 second year are to support current services.
 4.23 The base for this appropriation is \$924,000 in
 4.24 fiscal year 2028 and each year thereafter.

4.25 **Subd. 3. Agricultural Marketing and**
 4.26 **Development**

32,614,000

32,614,000

4.27 (a) \$186,000 the first year and \$186,000 the
 4.28 second year are for transfer to the Minnesota
 4.29 grown account and may be used as grants for
 4.30 Minnesota grown promotion under Minnesota
 4.31 Statutes, section 17.102. Notwithstanding
 4.32 Minnesota Statutes, section 16A.28, the
 4.33 appropriations encumbered under contract on
 4.34 or before June 30, 2027, for Minnesota grown

5.1 grants in this paragraph are available until June
5.2 30, 2029.

5.3 (b) \$634,000 the first year and \$634,000 the
5.4 second year are for the continuation of the
5.5 dairy development and profitability
5.6 enhancement program, including dairy
5.7 profitability teams and dairy business planning
5.8 grants under Minnesota Statutes, section
5.9 32D.30.

5.10 (c) The commissioner may use funds
5.11 appropriated in this subdivision for annual
5.12 cost-share payments to resident farmers or
5.13 entities that sell, process, or package
5.14 agricultural products in this state for the costs
5.15 of organic certification. The commissioner
5.16 may allocate these funds for assistance to
5.17 persons transitioning from conventional to
5.18 organic agriculture.

5.19 (d) \$10,352,000 the first year and \$10,352,000
5.20 the second year are for the agriculture
5.21 research, education, extension, and technology
5.22 transfer program under Minnesota Statutes,
5.23 section 41A.14.

5.24 (e) Except as provided in paragraph (f), the
5.25 appropriation each year in paragraph (d) is for
5.26 transfer to the agriculture research, education,
5.27 extension, and technology transfer account
5.28 under Minnesota Statutes, section 41A.14,
5.29 subdivision 3, and the commissioner shall
5.30 transfer funds each year to the Board of
5.31 Regents of the University of Minnesota for
5.32 the purposes of Minnesota Statutes, section
5.33 41A.14. To the extent practicable, money
5.34 expended under Minnesota Statutes, section
5.35 41A.14, subdivision 1, clauses (1) and (2),

6.1 must supplement and not supplant existing
6.2 sources and levels of funding. Notwithstanding
6.3 Minnesota Statutes, section 16B.98,
6.4 subdivision 14, the commissioner may use up
6.5 to one percent of the appropriation in
6.6 paragraph (d) for costs incurred to administer
6.7 the program.

6.8 (f) Of the amount appropriated in paragraph
6.9 (d) for the agriculture research, education,
6.10 extension, and technology transfer grant
6.11 program under Minnesota Statutes, section
6.12 41A.14:

6.13 (1) \$600,000 the first year and \$600,000 the
6.14 second year are for the Minnesota Agricultural
6.15 Experiment Station's agriculture rapid
6.16 response fund under Minnesota Statutes,
6.17 section 41A.14, subdivision 1, clause (2);

6.18 (2) up to \$1,000,000 the first year and up to
6.19 \$1,000,000 the second year are for research
6.20 on avian influenza, salmonella, and other
6.21 turkey-related diseases and disease prevention
6.22 measures;

6.23 (3) \$2,250,000 the first year and \$2,250,000
6.24 the second year are for grants to the Minnesota
6.25 Agricultural Education Leadership Council to
6.26 enhance agricultural education with priority
6.27 given to Farm Business Management
6.28 challenge grants;

6.29 (4) \$200,000 the first year and \$200,000 the
6.30 second year are for research on natural stands
6.31 of wild rice;

6.32 (5) \$250,000 the first year and \$250,000 the
6.33 second year are for the cultivated wild rice
6.34 forward selection project at the North Central

7.1 Research and Outreach Center, including a
7.2 tenure track or research associate plant
7.3 scientist;

7.4 (6) \$350,000 the first year and \$350,000 the
7.5 second year are for potato breeding; and

7.6 (7) \$802,000 the first year and \$802,000 the
7.7 second year are to fund the Forever Green
7.8 Initiative and protect the state's natural
7.9 resources while increasing the efficiency,
7.10 profitability, and productivity of Minnesota
7.11 farmers by incorporating perennial and
7.12 winter-annual crops into existing agricultural
7.13 practices. By February 1 each year, the dean
7.14 of the College of Food, Agricultural and
7.15 Natural Resource Sciences must submit a
7.16 report to the chairs and ranking minority
7.17 members of the legislative committees with
7.18 jurisdiction over agriculture finance and policy
7.19 and higher education detailing uses of the
7.20 funds in this clause, including administrative
7.21 costs, and the achievements to which these
7.22 funds contributed.

7.23 (g) \$17,582,000 the first year and \$17,582,000
7.24 the second year are for the agricultural growth,
7.25 research, and innovation program under
7.26 Minnesota Statutes, section 41A.12.

7.27 (h) Except as provided in paragraph (i), the
7.28 commissioner may allocate the appropriation
7.29 in paragraph (g) each year among the
7.30 following areas: facilitating the startup,
7.31 modernization, improvement, or expansion of
7.32 livestock operations, including beginning and
7.33 transitioning livestock operations with
7.34 preference given to robotic dairy-milking
7.35 equipment; assisting value-added agricultural

8.1 businesses to begin or expand, to access new
8.2 markets, or to diversify, including aquaponics
8.3 systems, with preference given to hemp fiber
8.4 processing equipment; facilitating the startup,
8.5 modernization, or expansion of other
8.6 beginning and transitioning farms, including
8.7 by providing loans under Minnesota Statutes,
8.8 section 41B.056; sustainable agriculture
8.9 on-farm research and demonstration; the
8.10 development or expansion of food hubs and
8.11 other alternative community-based food
8.12 distribution systems; enhancing renewable
8.13 energy infrastructure and use; crop research,
8.14 including basic and applied turf seed research;
8.15 Farm Business Management tuition assistance;
8.16 and good agricultural practices and good
8.17 handling practices certification assistance.
8.18 Notwithstanding Minnesota Statutes, section
8.19 16B.98, subdivision 14, the commissioner may
8.20 use up to 7.5 percent of the appropriation in
8.21 paragraph (g) for costs incurred to administer
8.22 the program.

8.23 (i) Of the amount appropriated for the
8.24 agricultural growth, research, and innovation
8.25 program under Minnesota Statutes, section
8.26 41A.12:

8.27 (1) \$1,000,000 the first year and \$1,000,000
8.28 the second year are for distribution in equal
8.29 amounts to each of the state's county fairs to
8.30 preserve and promote Minnesota agriculture;

8.31 (2) \$3,000,000 the first year and \$3,000,000
8.32 the second year are for incentive payments
8.33 under Minnesota Statutes, sections 41A.16,
8.34 41A.17, 41A.18, and 41A.20. If this
8.35 appropriation exceeds the total amount for

9.1 which all producers are eligible in a fiscal
9.2 year, the balance of the appropriation is
9.3 available for other purposes under this
9.4 paragraph;

9.5 (3) \$3,000,000 the first year and \$3,000,000
9.6 the second year are for grants that enable retail
9.7 petroleum dispensers, fuel storage tanks, and
9.8 other equipment to dispense biofuels to the
9.9 public in accordance with the biofuel
9.10 replacement goals established under
9.11 Minnesota Statutes, section 239.7911. A retail
9.12 petroleum dispenser selling petroleum for use
9.13 in spark ignition engines for vehicle model
9.14 years after 2000 is eligible for grant money
9.15 under this clause if the retail petroleum
9.16 dispenser has no more than 20 retail petroleum
9.17 dispensing sites and each site is located in
9.18 Minnesota. The grant money must be used to
9.19 replace or upgrade equipment that does not
9.20 have the ability to be certified for E25. A grant
9.21 award must not exceed 65 percent of the cost
9.22 of the appropriate technology. A grant award
9.23 must not exceed \$200,000 per station. The
9.24 commissioner must cooperate with biofuel
9.25 stakeholders in the implementation of the grant
9.26 program. The commissioner, in cooperation
9.27 with any economic or community development
9.28 financial institution and any other entity with
9.29 which the commissioner contracts, must
9.30 submit a report on the biofuels infrastructure
9.31 financial assistance program by January 15
9.32 each year to the chairs and ranking minority
9.33 members of the legislative committees and
9.34 divisions with jurisdiction over agriculture
9.35 policy and finance. The annual report must
9.36 include but not be limited to a summary of the

10.1 following metrics: (i) the number and types
10.2 of projects financed; (ii) the amount of dollars
10.3 leveraged or matched per project; (iii) the
10.4 geographic distribution of financed projects;
10.5 (iv) any market expansion associated with
10.6 upgraded infrastructure; (v) the demographics
10.7 of the areas served; (vi) the costs of the
10.8 program; and (vii) the number of grants to
10.9 minority-owned or female-owned businesses;
10.10 (4) \$250,000 the first year and \$250,000 the
10.11 second year are for grants to facilitate the
10.12 startup, modernization, or expansion of meat,
10.13 poultry, egg, and milk processing facilities. A
10.14 grant award under this clause must not exceed
10.15 \$200,000;
10.16 (5) \$1,294,000 the first year and \$1,294,000
10.17 the second year are for providing more fruits,
10.18 vegetables, meat, poultry, grain, and dairy for
10.19 children in school and early childhood
10.20 education settings, including, at the
10.21 commissioner's discretion, providing grants
10.22 to reimburse schools and early childhood
10.23 education and child care providers for
10.24 purchasing equipment and agricultural
10.25 products. Of the amount appropriated,
10.26 \$150,000 each year is for a statewide
10.27 coordinator of farm-to-institution strategy and
10.28 programming. The coordinator must consult
10.29 with relevant stakeholders and provide
10.30 technical assistance and training for
10.31 participating farmers and eligible grant
10.32 recipients;
10.33 (6) \$2,000,000 the first year and \$2,000,000
10.34 the second year are for grants to facilitate the
10.35 development of urban agriculture, including

11.1 projects related to youth education, community
 11.2 and economic development, value-added
 11.3 processing, and vocational training;
 11.4 (7) \$1,000,000 the first year and \$1,000,000
 11.5 the second year are for the food retail
 11.6 improvement and development program under
 11.7 Minnesota Statutes, section 17.1017; and
 11.8 (8) \$200,000 the first year and \$200,000 the
 11.9 second year are for cooperative development
 11.10 grants under Minnesota Statutes, section
 11.11 17.1016.

11.12 (j) Notwithstanding Minnesota Statutes,
 11.13 section 16A.28, the appropriation in paragraph
 11.14 (g) does not cancel at the end of the second
 11.15 year and is available until June 30, 2029.

11.16 Appropriations encumbered under contract on
 11.17 or before June 30, 2029, for agricultural
 11.18 growth, research, and innovation grants are
 11.19 available until June 30, 2032.

11.20 **Subd. 4. Administration and Financial**
 11.21 **Assistance**

11.22 (a) \$474,000 the first year and \$474,000 the
 11.23 second year are for payments to county and
 11.24 district agricultural societies and associations
 11.25 under Minnesota Statutes, section 38.02,
 11.26 subdivision 1. Aid payments to county and
 11.27 district agricultural societies and associations
 11.28 must be disbursed no later than July 15 each
 11.29 year. These payments are the amount of aid
 11.30 from the state for an annual fair held in the
 11.31 previous calendar year.

11.32 (b) \$250,000 the first year and \$250,000 the
 11.33 second year are for grants to the Minnesota
 11.34 Agricultural Education and Leadership

13,079,000

13,146,000

- 12.1 Council for programs of the council under
12.2 Minnesota Statutes, chapter 41D.
- 12.3 (c) \$1,000,000 the first year and \$1,000,000
12.4 the second year are to award and administer
12.5 farm down payment assistance grants under
12.6 Minnesota Statutes, section 17.133, with
12.7 priority given to eligible applicants with no
12.8 more than \$100,000 in annual gross farm
12.9 product sales and eligible applicants who are
12.10 producers of industrial hemp, cannabis, or one
12.11 or more of the following specialty crops as
12.12 defined by the United States Department of
12.13 Agriculture for purposes of the specialty crop
12.14 block grant program: fruits and vegetables,
12.15 tree nuts, dried fruits, medicinal plants,
12.16 culinary herbs and spices, horticulture crops,
12.17 floriculture crops, and nursery crops.
- 12.18 Notwithstanding Minnesota Statutes, section
12.19 16A.28, any unencumbered balance at the end
12.20 of the first year does not cancel and is
12.21 available in the second year and appropriations
12.22 encumbered under contract by June 30, 2027,
12.23 are available until June 30, 2029.
- 12.24 (d) \$1,700,000 the first year and \$1,700,000
12.25 the second year are for grants to Second
12.26 Harvest Heartland on behalf of Minnesota's
12.27 six Feeding America food banks for the
12.28 following purposes:
- 12.29 (1) at least \$850,000 each year must be
12.30 allocated to purchase milk for distribution to
12.31 Minnesota's food shelves and other charitable
12.32 organizations that are eligible to receive food
12.33 from the food banks. Milk purchased under
12.34 the grants must be acquired from Minnesota
12.35 milk processors and based on low-cost bids.

13.1 The milk must be allocated to each Feeding
13.2 America food bank serving Minnesota
13.3 according to the formula used in the
13.4 distribution of United States Department of
13.5 Agriculture commodities under The
13.6 Emergency Food Assistance Program. Second
13.7 Harvest Heartland may enter into contracts or
13.8 agreements with food banks for shared funding
13.9 or reimbursement of the direct purchase of
13.10 milk. Each food bank that receives funding
13.11 under this clause may use up to two percent
13.12 for administrative expenses. Notwithstanding
13.13 Minnesota Statutes, section 16A.28, any
13.14 unencumbered balance the first year does not
13.15 cancel and is available the second year;

13.16 (2) to compensate agricultural producers and
13.17 processors for costs incurred to harvest and
13.18 package for transfer surplus fruits, vegetables,
13.19 and other agricultural commodities that would
13.20 otherwise go unharvested, be discarded, or be
13.21 sold in a secondary market. Surplus
13.22 commodities must be distributed statewide to
13.23 food shelves and other charitable organizations
13.24 that are eligible to receive food from the food
13.25 banks. Surplus food acquired under this clause
13.26 must be from Minnesota producers and
13.27 processors. Second Harvest Heartland may
13.28 use up to 15 percent of each grant awarded
13.29 under this clause for administrative and
13.30 transportation expenses; and

13.31 (3) to purchase and distribute protein products,
13.32 including but not limited to pork, poultry, beef,
13.33 dry legumes, cheese, and eggs to Minnesota's
13.34 food shelves and other charitable organizations
13.35 that are eligible to receive food from the food

14.1 banks. Second Harvest Heartland may use up
14.2 to two percent of each grant awarded under
14.3 this clause for administrative expenses. Protein
14.4 products purchased under the grants must be
14.5 acquired from Minnesota processors and
14.6 producers.

14.7 Second Harvest Heartland must submit
14.8 quarterly reports to the commissioner and the
14.9 chairs and ranking minority members of the
14.10 legislative committees with jurisdiction over
14.11 agriculture finance in the form prescribed by
14.12 the commissioner. The reports must include
14.13 but are not limited to information on the
14.14 expenditure of funds, the amount of milk or
14.15 other commodities purchased, and the
14.16 organizations to which this food was
14.17 distributed.

14.18 (e) \$260,000 the first year and \$260,000 the
14.19 second year are for a pass-through grant to
14.20 Region Five Development Commission to
14.21 provide, in collaboration with Farm Business
14.22 Management, statewide mental health
14.23 counseling support to Minnesota farm
14.24 operators, families, and employees, and
14.25 individuals who work with Minnesota farmers
14.26 in a professional capacity. Region Five
14.27 Development Commission may use up to 6.5
14.28 percent of the grant awarded under this
14.29 paragraph for administration.

14.30 (f) \$25,000 the first year and \$25,000 the
14.31 second year are for grants to the Southern
14.32 Minnesota Initiative Foundation to promote
14.33 local foods through an annual event that raises
14.34 public awareness of local foods and connects

- 15.1 local food producers and processors with
15.2 potential buyers.
- 15.3 (g) \$1,000,000 the first year and \$1,000,000
15.4 the second year are to expand the Emerging
15.5 Farmers Office and provide services to
15.6 beginning and emerging farmers to increase
15.7 connections between farmers and market
15.8 opportunities throughout the state. This
15.9 appropriation may be used for grants,
15.10 translation services, training programs, or
15.11 other purposes in line with the
15.12 recommendations of the emerging farmer
15.13 working group established under Minnesota
15.14 Statutes, section 17.055, subdivision 1.
- 15.15 (h) \$137,000 the first year and \$203,000 the
15.16 second year are to support current services.
- 15.17 (i) \$337,000 the first year and \$337,000 the
15.18 second year are for farm advocate services.
- 15.19 Of these amounts, \$50,000 the first year and
15.20 \$50,000 the second year are for the
15.21 continuation of the farmland transition
15.22 programs and may be used for grants to
15.23 farmland access teams to provide technical
15.24 assistance to potential beginning farmers.
- 15.25 Farmland access teams must assist existing
15.26 farmers and beginning farmers with
15.27 transitioning farm ownership and farm
15.28 operation. Services provided by teams may
15.29 include but are not limited to mediation
15.30 assistance, designing contracts, financial
15.31 planning, tax preparation, estate planning, and
15.32 housing assistance.
- 15.33 (j) \$1,425,000 the first year and \$1,425,000
15.34 the second year are for transfer to the
15.35 agricultural and environmental revolving loan

16.1 account established under Minnesota Statutes,
 16.2 section 17.117, subdivision 5a, for low-interest
 16.3 loans under Minnesota Statutes, section
 16.4 17.117.

16.5 (k) \$150,000 the first year and \$150,000 the
 16.6 second year are to coordinate climate-related
 16.7 activities and services within the Department
 16.8 of Agriculture and with counterparts in local,
 16.9 state, and federal agencies and to hire a
 16.10 full-time climate implementation coordinator.
 16.11 The climate implementation coordinator must
 16.12 coordinate efforts seeking federal funding for
 16.13 Minnesota's agricultural climate adaptation
 16.14 and mitigation efforts and develop strategic
 16.15 partnerships with the private sector and
 16.16 nongovernment organizations.

16.17 (l) The commissioner shall continue to
 16.18 increase connections with ethnic minority and
 16.19 immigrant farmers to farming opportunities
 16.20 and farming programs throughout the state.

16.21	Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$</u>	<u>6,531,000</u>	<u>\$</u>	<u>6,656,000</u>
16.22	<u>\$121,000 the first year and \$246,000 the</u>				
16.23	<u>second year are to maintain the current level</u>				
16.24	<u>of service delivery. The base for this</u>				
16.25	<u>appropriation is \$246,000 in fiscal year 2028</u>				
16.26	<u>and each year thereafter.</u>				

16.27	Sec. 4. <u>AGRICULTURAL UTILIZATION</u>				
16.28	<u>RESEARCH INSTITUTE</u>	<u>\$</u>	<u>4,388,000</u>	<u>\$</u>	<u>4,434,000</u>
16.29	<u>\$45,000 the first year and \$91,000 the second</u>				
16.30	<u>year are to maintain the current level of service</u>				
16.31	<u>delivery. The base for this appropriation is</u>				
16.32	<u>\$91,000 in fiscal year 2028 and each year</u>				
16.33	<u>thereafter.</u>				

17.1 **Sec. 5. TRANSFERS; ADMINISTRATION.**

17.2 Positions, salary money, and nonsalary administrative money may be transferred within
 17.3 the Department of Agriculture as the commissioner of agriculture considers necessary, with
 17.4 the advanced approval of the commissioner of management and budget. The commissioner
 17.5 of agriculture shall report to the chairs and ranking minority members of the legislative
 17.6 committees with jurisdiction over agriculture finance quarterly about the transfers made
 17.7 under this section.

17.8 **Sec. 6. CANCELLATION; FISCAL YEAR 2025.**

17.9 \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green
 17.10 fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled
 17.11 to the general fund by June 30, 2025.

17.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.13 **ARTICLE 2**

17.14 **AGRICULTURE STATUTORY CHANGES**

17.15 Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

17.16 **17.1017 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND**
 17.17 **DEVELOPMENT PROGRAM.**

17.18 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or
 17.19 context indicates that a different meaning is intended, the following terms have the meanings
 17.20 given them.

17.21 (b) "Account" means the ~~good food access~~ retail improvement and development account
 17.22 established in subdivision 3.

17.23 (c) "Commissioner" means the commissioner of agriculture.

17.24 (d) "Economic or community development financial institution (ECDFI)" means a lender,
 17.25 including but not limited to a community development financial institution (CDFI), an
 17.26 economic development district (EDD), a political subdivision of the state, a microenterprise
 17.27 firm, or a nonprofit community lending organization that has previous experience lending
 17.28 to a food retailer, producer, or another healthy food enterprise ~~in an underserved community~~
 17.29 ~~in a low-income or moderate-income area, as defined in this section; has been in existence~~
 17.30 ~~and operating prior to January 1, 2014;~~ has demonstrated the ability to raise matching capital
 17.31 and in-kind services to leverage appropriated money; has the demonstrated ability to

18.1 underwrite loans and grants; and has partnered previously with nonprofit healthy food
18.2 access, public health, or related governmental departments or community organizations.

18.3 (e) "Farmers' market" means an association of three or more persons who assemble at
18.4 a defined location that is open to the public for the purpose of selling directly to the consumer
18.5 the products of a farm or garden occupied and cultivated by the person selling the product.

18.6 (f) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable
18.7 loans, and other types of financial assistance other than grants.

18.8 (g) "Food hub" means a centrally located facility with a business management structure
18.9 that facilitates the aggregation, storage, processing, distribution, marketing, and sale of
18.10 locally or regionally produced food products, and which may include a small-scale retail
18.11 grocery operation.

18.12 ~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access~~
18.13 ~~Program Advisory Committee under section 17.1018.~~

18.14 (h) "Food Retail Improvement and Development Program Advisory Committee" means
18.15 the Food Retail Improvement and Development Program Advisory Committee under section
18.16 17.1018.

18.17 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail
18.18 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and
18.19 dairy products and may also sell household products, sundries, and other products. Grocery
18.20 store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment
18.21 and may include a mobile food market or a delivery service operation.

18.22 (j) "Low-income area" means a census tract as reported in the most recently completed
18.23 decennial census published by the United States Bureau of the Census that has a poverty
18.24 rate of at least 20 percent or in which the median family income does not exceed 80 percent
18.25 of the greater of the statewide or metropolitan median family income.

18.26 (k) "Moderate-income area" means a census tract as reported in the most recently
18.27 completed decennial census published by the United States Bureau of the Census in which
18.28 the median family income is between 81 percent and 95 percent of the median family income
18.29 for that area.

18.30 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative
18.31 retail grocery operation located in a movable new or renovated truck, bus, or other vehicle
18.32 that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables,

19.1 dry groceries, and dairy products and may also be used to sell a nominal supply of cooking
 19.2 utensils and equipment and other household products and sundries.

19.3 (m) "Program" means the ~~good food access~~ retail improvement and development program
 19.4 established in this section.

19.5 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store
 19.6 as defined in this section. Small food retailer includes, but is not limited to, a corner store,
 19.7 convenience store, farmers' market, mobile food market, and a retail food outlet operated
 19.8 by an emergency food program or food hub.

19.9 (o) "Technical assistance" means needs-based project assistance provided through the
 19.10 program, including sustainability-focused individualized guidance, presentations, workshops,
 19.11 trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other
 19.12 guidance and resources on relevant topics such as business planning, sales projections, cash
 19.13 flow, succession planning, financing, fundraising, marketing, food preparation
 19.14 demonstrations, and workforce training.

19.15 (p) "Underserved community" means a ~~census tract that is federally designated as a food~~
 19.16 ~~desert by the United States Department of Agriculture, or a census tract in a low-income or~~
 19.17 ~~moderate-income area that includes a substantial subpopulation such as the elderly or the~~
 19.18 ~~disabled that has low supermarket access, regardless of distance, due to lack of transportation~~
 19.19 geographic area or group of people whose food access needs are not met by existing retail
 19.20 options, including a low-income and moderate-income area, a census tract that is federally
 19.21 designated as a food desert by the United States Department of Agriculture, an area where
 19.22 there is a limited number of grocery stores, or a group of people with particular needs such
 19.23 as the aging population, people with disabilities, or people with special dietary needs or
 19.24 preferences, or as otherwise defined by the commissioner.

19.25 Subd. 2. **Program established.** (a) A ~~good food access~~ retail improvement and
 19.26 development program is established within the Department of Agriculture to increase the
 19.27 availability of and access to affordable, nutritious, and culturally appropriate food, including
 19.28 fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income~~
 19.29 ~~areas~~ by providing financial support and sustainable public-private projects to open, renovate,
 19.30 or expand the operations of grocery stores and small food retailers; expanding access to
 19.31 credit and reducing barriers to investment in underserved communities ~~in low- and~~
 19.32 ~~moderate-income areas~~; and to provide technical assistance, primarily for small food retailers
 19.33 with demonstrated need, to increase availability and sustainable sales of affordable, nutritious,
 19.34 and culturally appropriate food, including fresh fruits and vegetables, to underserved

20.1 communities in low-income and moderate-income areas. The commissioner, in cooperation
20.2 with public and private partners, shall establish and implement the program as provided in
20.3 this section.

20.4 (b) The ~~good food access~~ retail improvement and development program shall be
20.5 comprised of state or private grants, loans, or other types of financial and technical assistance
20.6 for the establishment, construction, expansion of operations, or renovation of grocery stores
20.7 and small food retailers to increase the availability of and access to affordable fresh produce
20.8 and other nutritious, culturally appropriate food to underserved communities ~~in low-income~~
20.9 ~~and moderate-income areas~~.

20.10 Subd. 3. ~~Good Food access~~ retail improvement and development account. A ~~good~~
20.11 ~~food access~~ retail improvement and development account is established in the agricultural
20.12 fund. The account consists of money appropriated by the legislature to the commissioner,
20.13 as provided by law, and any other money donated, allotted, transferred, or otherwise provided
20.14 to the account. Money in the account, including interest, is appropriated to the commissioner
20.15 for the purposes of this section, and shall be used, to the extent practicable, to leverage other
20.16 forms of public and private financing or financial assistance for the projects.

20.17 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator of
20.18 the account for auditing purposes and shall establish program requirements and a competitive
20.19 process for projects applying for financial and technical assistance.

20.20 (b) The commissioner may receive money or other assets from any source, including
20.21 but not limited to philanthropic foundations and financial investors, for deposit into the
20.22 account.

20.23 (c) Through issuance of requests for proposals, the commissioner may contract with one
20.24 or more qualified economic or community development financial institutions to manage
20.25 the financing component of the program and with one or more qualified organizations or
20.26 public agencies with financial or other program-related expertise to manage the provision
20.27 of technical assistance to project grantees.

20.28 (d) Money in the account at the close of each fiscal year shall remain in the account and
20.29 shall not cancel. In each biennium, the commissioner shall determine the appropriate
20.30 proportion of money to be allocated to loans, grants, technical assistance, and any other
20.31 types of financial assistance.

20.32 (e) To encourage public-private, cross-sector collaboration and investment in the account
20.33 and program and to ensure that the program intent is maintained throughout implementation,

21.1 the commissioner shall convene and maintain the ~~Good Food Access~~ Retail Improvement
21.2 and Development Program Advisory Committee.

21.3 (f) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement
21.4 and Development Program Advisory Committee, shall manage the program, establish
21.5 program criteria, facilitate leveraging of additional public and private investment, and
21.6 promote the program statewide.

21.7 (g) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement
21.8 and Development Program Advisory Committee, shall establish annual monitoring and
21.9 accountability mechanisms for all projects receiving financing or other financial or technical
21.10 assistance through this program.

21.11 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program
21.12 partners and advisers, shall establish project eligibility guidelines and application processes
21.13 to be used to review and select project applicants for financing or other financial or technical
21.14 assistance. All projects must ~~be located in~~ serve an underserved community ~~or must serve~~
21.15 ~~primarily underserved communities in low-income and moderate-income areas.~~

21.16 (b) Projects eligible for financing include, but are not limited to, new construction,
21.17 renovations, expansions of operations, and infrastructure upgrades of grocery stores and
21.18 small food retailers to improve the availability of and access to affordable, nutritious food,
21.19 including fresh fruits and vegetables, and build capacity in areas of greatest need.

21.20 (c) Projects eligible for other types of financial assistance such as grants or technical
21.21 assistance are primarily projects throughout the state, including, but not limited to, feasibility
21.22 studies, new construction, renovations, expansion of operations, and infrastructure upgrades
21.23 of small food retailers.

21.24 Subd. 6. **Qualifications for receipt of financing and other financial or technical**
21.25 **assistance.** (a) An applicant for receipt of financing through an economic or community
21.26 development financial institution, or an applicant for a grant or other financial ~~or technical~~
21.27 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole
21.28 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,
21.29 or nonprofit community development organization. Each applicant must:

21.30 (1) demonstrate community engagement in and support for the project;

21.31 (2) demonstrate the capacity to successfully implement the project;

21.32 (3) demonstrate a viable plan for long-term sustainability, including the ability to increase
21.33 the availability of and access to affordable, nutritious, and culturally appropriate food,

22.1 including fresh fruits and vegetables, for underserved communities ~~in low-income and~~
 22.2 ~~moderate-income areas~~; and

22.3 (4) demonstrate the ability to repay the debt, to the extent that the financing requires
 22.4 repayment.

22.5 (b) Each applicant must also agree to comply with the following conditions for a period
 22.6 of at least five years, except as otherwise specified in this section:

22.7 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

22.8 (2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and
 22.9 culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy,
 22.10 fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages,
 22.11 whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent
 22.12 with nutrition standards in national guidelines described in the current United States
 22.13 Department of Agriculture Dietary Guidelines for Americans; and

22.14 (3) comply with all data collection and reporting requirements established by the
 22.15 commissioner; and.

22.16 ~~(4) promote the hiring, training, and retention of local or regional residents from~~
 22.17 ~~low-income and moderate-income areas that reflect area demographics, including~~
 22.18 ~~communities of color.~~

22.19 (c) A selected project that is a small food retailer is not subject to the allocation agreement
 22.20 under paragraph (b), clause (2), and may use financing, grants, or other financial or technical
 22.21 assistance for refrigeration, displays, or onetime capital expenditures for the promotion and
 22.22 sale of perishable foods, including a combination of affordable, nutritious, and culturally
 22.23 appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and
 22.24 fish, consistent with nutrition standards in national guidelines described in the current United
 22.25 States Department of Agriculture Dietary Guidelines for Americans.

22.26 Subd. 7. **Additional selection criteria.** In determining which qualified projects to
 22.27 finance, and in determining which qualified projects to provide with grants or other types
 22.28 of financial or technical assistance, the commissioner, in cooperation with any entities with
 22.29 which the commissioner contracts for those purposes and the Good Food Access Retail
 22.30 Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

22.31 (1) the level of need in the area to be served;

23.1 (2) the degree to which the project requires an investment of public support, or technical
 23.2 assistance where applicable, to move forward, build capacity, create community impact, or
 23.3 be competitive;

23.4 (3) the likelihood that the project will have positive economic and health impacts on the
 23.5 underserved community, including creation and retention of jobs for local or regional
 23.6 residents ~~from low-income and moderate-income areas~~ that reflect area demographics,
 23.7 including Indigenous communities and communities of color;

23.8 (4) the degree to which the project will participate in state and local health department
 23.9 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,
 23.10 and support locally grown food products through programs such as Minnesota Grown; and

23.11 (5) any other criteria that the commissioner, in cooperation with public and private
 23.12 partners, determines to be consistent with the purposes of this chapter.

23.13 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest,
 23.14 and forgivable loans, grants, and other financial or technical assistance, may be used to
 23.15 support one or more of the following purposes:

23.16 (1) site acquisition and preparation;

23.17 (2) predevelopment costs, including but not limited to feasibility studies, market studies,
 23.18 and appraisals;

23.19 (3) construction and build-out costs;

23.20 (4) equipment and furnishings;

23.21 (5) workforce or retailer training; and

23.22 (6) working capital.

23.23 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or
 23.24 community development financial institution and any other entity with which it contracts,
 23.25 shall submit an annual report on the good food access program by January 15 of each year
 23.26 to the chairs and ranking minority members of the house of representatives and senate
 23.27 committees and divisions with jurisdiction over agriculture policy and finance. The annual
 23.28 report shall include, but not be limited to, a summary of the following metrics:

23.29 (1) the number and types of projects financed;

23.30 (2) the amount of dollars leveraged or matched per project;

23.31 (3) the geographic distribution of financed projects;

- 24.1 (4) the number and types of technical assistance recipients;
- 24.2 ~~(5) any market or commodity expansion associated with increased access;~~
- 24.3 ~~(6)~~ (5) the demographics of the areas served;
- 24.4 ~~(7)~~ (6) the costs of the program;
- 24.5 ~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;
- 24.6 ~~(9)~~ (8) any increase in retail square footage;
- 24.7 ~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~
- 24.8 businesses owned by women and Black, Indigenous, or Persons of Color; and
- 24.9 ~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to,
- 24.10 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
- 24.11 the number of construction and retail jobs retained or created, and any health initiatives
- 24.12 associated with the program.

24.13 Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

24.14 **17.1018 GOOD FOOD ACCESS RETAIL IMPROVEMENT AND**

24.15 **DEVELOPMENT PROGRAM ADVISORY COMMITTEE.**

24.16 Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings

24.17 given them:

24.18 (1) "program" means the good food access program under section 17.1017; and

24.19 (2) "commissioner" means the commissioner of agriculture.

24.20 Subd. 2. **Creation.** The ~~Good Food Access~~ Retail Improvement and Development

24.21 Program Advisory Committee consists of the following members, appointed by the

24.22 commissioner of agriculture, unless otherwise specified:

24.23 (1) the commissioners of health;~~;~~ employment and economic development;~~;~~ and ~~human~~

24.24 ~~services~~ children, youth, and families, or their respective designees;

24.25 (2) one person representing the grocery industry;

24.26 (3) two people representing economic or community development, one rural member

24.27 and one urban or suburban member;

24.28 (4) two people representing political subdivisions of the state;

24.29 (5) one person designated by the Council for Minnesotans of African Heritage;

- 25.1 (6) one person designated by the Minnesota Indian Affairs Council;
- 25.2 (7) one person designated by the Council on Asian Pacific Minnesotans;
- 25.3 (8) one person designated by the ~~Chicano-Latino Affairs Council~~ Council on Latino Affairs;
- 25.4 (9) one person designated by the Minnesota Farmers Union;
- 25.5 (10) one person representing public health experts;
- 25.6 (11) one person representing philanthropic foundations;
- 25.7 (12) one person representing economic or community development financial institutions;
- 25.8 (13) one person representing the University of Minnesota Regional Sustainable
- 25.9 Development Partnerships;
- 25.10 (14) two people representing organizations engaged in addressing food security, one
- 25.11 representative from a statewide hunger relief organization and one from a community-based
- 25.12 organization;
- 25.13 (15) one person representing immigrant farmer-led organizations;
- 25.14 (16) one person representing small business technical assistance with experience in food
- 25.15 retail; and
- 25.16 (17) up to four additional members with economic development, health equity, financial,
- 25.17 or other relevant expertise.

25.18 At least half of the members must reside in or their organizations must serve rural

25.19 Minnesota. The commissioner may remove members and fill vacancies as provided in

25.20 section 15.059, subdivision 4.

25.21 Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture

25.22 on managing the program, establishing program criteria, establishing project eligibility

25.23 guidelines, establishing application processes and additional selection criteria, establishing

25.24 annual monitoring and accountability mechanisms, facilitating leveraging of additional

25.25 public and private investments, and promoting the program statewide.

25.26 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least

25.27 two times per year to achieve the committee's duties.

25.28 Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing,

25.29 meeting space, and administrative services for the advisory committee.

25.30 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall

25.31 serve as chair of the committee.

26.1 Subd. 7. **Compensation.** The public members of the advisory committee serve without
26.2 compensation or payment of expenses.

26.3 Subd. 8. **Expiration.** The advisory committee does not expire.

26.4 Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

26.5 Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan
26.6 program is to provide low or no interest financing to farmers, agriculture supply businesses,
26.7 ~~rural~~ landowners, and water-quality cooperatives for the implementation of agriculture and
26.8 other best management practices that reduce environmental pollution.

26.9 Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

26.10 Subd. 3. **Appropriations.** Up to ~~\$140,000,000~~ \$280,000,000 of the balance in the clean
26.11 water revolving fund in section 446A.07, as determined by the Public Facilities Authority,
26.12 is appropriated to the commissioner for the establishment of this program. In addition, the
26.13 commissioner may receive appropriations from the legislature and grants or funds from
26.14 other sources for implementation of the program.

26.15 Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

26.16 Subdivision 1. **Establishment.** The commissioner may award a livestock investment
26.17 grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ~~ten percent~~
26.18 ~~of the first \$500,000 of qualifying expenditures, provided the person makes qualifying~~
26.19 ~~expenditures of at least \$4,000~~ 50 percent of the first \$20,000 of qualifying expenditures
26.20 and 20 percent of the next \$200,000 of qualifying expenditures. A project funded by a grant
26.21 under this program may continue for up to three years. The commissioner may award
26.22 multiple livestock investment grants to a person over the life of the program and shall give
26.23 preference to applicants who have not previously received a grant under this section.

26.24 Sec. 6. Minnesota Statutes 2024, section 17.118, subdivision 2, is amended to read:

26.25 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
26.26 subdivision have the meanings given ~~them~~.

26.27 (b) "Livestock" means animals raised for the production of fiber, meat, and animal
26.28 by-products for sale or as breeding stock, including but not limited to beef cattle, dairy
26.29 cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses,
26.30 aquaculture, and llamas.

- 27.1 (c) "Qualifying expenditures" means the amount spent for:
- 27.2 (1) the acquisition, construction, or improvement of buildings or facilities for the
- 27.3 production of livestock or livestock products;
- 27.4 (2) the development of pasture for use by livestock including, but not limited to, the
- 27.5 acquisition, development, or improvement of:
- 27.6 (i) lanes used by livestock that connect pastures to a central location;
- 27.7 (ii) watering systems for livestock on pasture including water lines, booster pumps, and
- 27.8 well installations;
- 27.9 (iii) livestock stream crossing stabilization; and
- 27.10 (iv) fences; or
- 27.11 (3) the acquisition of equipment for livestock housing, confinement, feeding, and waste
- 27.12 management including, but not limited to, the following:
- 27.13 (i) freestall barns;
- 27.14 (ii) watering facilities;
- 27.15 (iii) feed storage and handling equipment;
- 27.16 (iv) milking parlors;
- 27.17 (v) robotic equipment;
- 27.18 (vi) scales;
- 27.19 (vii) milk storage and cooling facilities;
- 27.20 (viii) bulk tanks;
- 27.21 (ix) computer hardware and software and associated equipment used to monitor the
- 27.22 productivity and feeding of livestock;
- 27.23 (x) manure pumping and storage facilities;
- 27.24 (xi) swine farrowing facilities;
- 27.25 (xii) swine and cattle finishing barns;
- 27.26 (xiii) calving facilities;
- 27.27 (xiv) digesters;
- 27.28 (xv) equipment used to produce energy;

28.1 (xvi) on-farm processing facilities equipment;

28.2 (xvii) fences, including but not limited to farmed Cervidae perimeter fences required
28.3 under section 35.155, subdivision 4; and

28.4 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

28.5 Except for qualifying pasture development expenditures under clause (2), qualifying
28.6 expenditures only include amounts that are allowed to be capitalized and deducted under
28.7 either section 167 or 179 of the Internal Revenue Code in computing federal taxable income.
28.8 Qualifying expenditures do not include an amount paid to refinance existing debt.

28.9 Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

28.10 Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant
28.11 must:

28.12 (1) be a resident of Minnesota, a unit of Tribal government, or an entity specifically
28.13 defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm
28.14 in this state under section 500.24;

28.15 (2) be the principal operator of the farm;

28.16 (3) hold a feedlot registration, if required; and

28.17 (4) apply to the commissioner on forms prescribed by the commissioner including a
28.18 statement of the qualifying expenditures made during the qualifying period along with any
28.19 proof or other documentation the commissioner may require.

28.20 Sec. 8. Minnesota Statutes 2024, section 17.133, subdivision 1, is amended to read:

28.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
28.22 the meanings given.

28.23 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

28.24 (1) is a resident of Minnesota who intends to acquire farmland located within the state
28.25 and provide the majority of the day-to-day physical labor and management of the farm;

28.26 (2) grosses no more than \$250,000 per year from the sale of farm products;

28.27 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
28.28 interest in farmland; and

29.1 (4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ a family
 29.2 member of the owner of the farmland that the individual intends to acquire. "Family member"
 29.3 has the meaning given in section 267(c)(4) of the Internal Revenue Code.

29.4 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
 29.5 to purchase farmland.

29.6 (d) "Incubator farm" means a farm where:

29.7 (1) individuals are given temporary, exclusive, and affordable access to small parcels
 29.8 of land, infrastructure, and often training, for the purpose of honing skills and launching a
 29.9 farm business; and

29.10 (2) a majority of the individuals farming the small parcels of land grow industrial hemp,
 29.11 cannabis, or one or more of the following specialty crops as defined by the United States
 29.12 Department of Agriculture for purposes of the specialty crop block grant program: fruits
 29.13 and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture
 29.14 crops, floriculture crops, and nursery crops.

29.15 (e) "Limited land access" means farming without ownership of land and:

29.16 (1) the individual or the individual's child rents or leases the land, with the term of each
 29.17 rental or lease agreement not exceeding three years in duration, from a person who is not
 29.18 related to the individual or the individual's spouse by blood or marriage; or

29.19 (2) the individual rents the land from an incubator farm.

29.20 (f) "Limited market access" means the individual has gross sales of no more than
 29.21 \$100,000 per year from the sale of farm products.

29.22 Sec. 9. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

29.23 Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not
 29.24 register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph
 29.25 (a), if the product contains intentionally added PFAS unless the commissioner determines
 29.26 that the use of PFAS is a currently unavoidable use.

29.27 (b) Beginning January 1, 2032, the commissioner may not register a pesticide product
 29.28 that contains intentionally added PFAS unless the commissioner determines that the use of
 29.29 PFAS is a currently unavoidable use.

30.1 Sec. 10. Minnesota Statutes 2024, section 18J.01, is amended to read:

30.2 **18J.01 DEFINITIONS.**

30.3 (a) The definitions in this section; chapters 18G, 18H, 18K, 27, 223, 231, and 232; and
30.4 sections ~~18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21~~ 21.111 to 21.125 and
30.5 21.80 to 21.92 apply to this chapter.

30.6 (b) For purposes of this chapter, "associated rules" means rules adopted under this
30.7 chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections ~~21.80~~ 21.111 to 21.92
30.8 21.125.

30.9 Sec. 11. Minnesota Statutes 2024, section 18J.02, is amended to read:

30.10 **18J.02 DUTIES OF COMMISSIONER.**

30.11 The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K,
30.12 27, 223, 231, and 232; sections 21.111 to 21.125, and 21.80 to 21.92; and associated rules.

30.13 Sec. 12. Minnesota Statutes 2024, section 18J.03, is amended to read:

30.14 **18J.03 CIVIL LIABILITY.**

30.15 A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or
30.16 sections 21.111 to 21.125 or 21.80 to 21.92, is civilly liable for any violation of one of those
30.17 statutes or associated rules by the person's employee or agent.

30.18 Sec. 13. Minnesota Statutes 2024, section 18J.04, subdivision 1, is amended to read:

30.19 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official
30.20 department credentials, must be granted immediate access at reasonable times to sites where
30.21 a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds,
30.22 plants, grain, household goods, general merchandise, produce, or other living or nonliving
30.23 products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232;
30.24 sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

30.25 Sec. 14. Minnesota Statutes 2024, section 18J.04, subdivision 2, is amended to read:

30.26 Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

30.27 (1) inspection of inventory and equipment for the manufacture, storage, handling,
30.28 distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223,
30.29 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

31.1 (2) sampling of sites, seeds, plants, products, grain, household goods, general
 31.2 merchandise, produce, or other living or nonliving objects that are manufactured, stored,
 31.3 distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H,
 31.4 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

31.5 (3) inspection of records related to the manufacture, distribution, storage, handling, or
 31.6 disposal of seeds, plants, products, grain, household goods, general merchandise, produce,
 31.7 or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231,
 31.8 or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

31.9 (4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections
 31.10 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

31.11 (5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232;
 31.12 sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

31.13 (b) The commissioner may enter any public or private premises during or after regular
 31.14 business hours without notice of inspection when a suspected violation of chapter 18G,
 31.15 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated
 31.16 rules may threaten public health or the environment.

31.17 Sec. 15. Minnesota Statutes 2024, section 18J.04, subdivision 3, is amended to read:

31.18 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide
 31.19 the owner, operator, or agent in charge with a receipt describing any samples obtained. If
 31.20 requested, the commissioner shall split any samples obtained and provide them to the owner,
 31.21 operator, or agent in charge. If an analysis is made of the samples, a copy of the results of
 31.22 the analysis must be furnished to the owner, operator, or agent in charge within 30 days
 31.23 after an analysis has been performed. If an analysis is not performed, the commissioner
 31.24 must notify the owner, operator, or agent in charge within 30 days of the decision not to
 31.25 perform the analysis.

31.26 (b) The sampling and analysis must be done according to methods provided for under
 31.27 applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to
 31.28 21.125 or 21.80 to 21.92; or associated rules. In cases not covered by those sections and
 31.29 methods or in cases where methods are available in which improved applicability has been
 31.30 demonstrated the commissioner may adopt appropriate methods from other sources.

32.1 Sec. 16. Minnesota Statutes 2024, section 18J.04, subdivision 4, is amended to read:

32.2 Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of
32.3 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92;
32.4 or associated rules has occurred may request an inspection by giving notice to the
32.5 commissioner of the violation. The notice must be in writing, state with reasonable
32.6 particularity the grounds for the notice, and be signed by the person making the request.

32.7 (b) If after receiving a notice of violation the commissioner reasonably believes that a
32.8 violation has occurred, the commissioner shall make a special inspection in accordance with
32.9 the provisions of this section as soon as practicable, to determine if a violation has occurred.

32.10 (c) An inspection conducted pursuant to a notice under this subdivision may cover an
32.11 entire site and is not limited to the portion of the site specified in the notice. If the
32.12 commissioner determines that reasonable grounds to believe that a violation occurred do
32.13 not exist, the commissioner must notify the person making the request in writing of the
32.14 determination.

32.15 Sec. 17. Minnesota Statutes 2024, section 18J.05, subdivision 1, is amended to read:

32.16 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27,
32.17 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a
32.18 violation of this chapter.

32.19 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers
32.20 having authority in the enforcement of the general criminal laws must take action to the
32.21 extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K,
32.22 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or
32.23 valid orders, standards, stipulations, and agreements of the commissioner.

32.24 Sec. 18. Minnesota Statutes 2024, section 18J.05, subdivision 2, is amended to read:

32.25 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K,
32.26 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur
32.27 or the commissioner believes the public interest will be best served by a suitable notice of
32.28 warning in writing, this section does not require the commissioner to:

32.29 (1) report the violation for prosecution;

32.30 (2) institute seizure proceedings; or

32.31 (3) issue a withdrawal from distribution, stop-sale, or other order.

33.1 Sec. 19. Minnesota Statutes 2024, section 18J.05, subdivision 6, is amended to read:

33.2 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or
33.3 certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or
33.4 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom
33.5 all legal process may be served and service upon the commissioner is deemed to be service
33.6 on the licensee, permittee, registrant, or certified person.

33.7 Sec. 20. Minnesota Statutes 2024, section 18J.06, is amended to read:

33.8 **18J.06 FALSE STATEMENT OR RECORD.**

33.9 A person must not knowingly make or offer a false statement, record, or other information
33.10 as part of:

33.11 (1) an application for registration, license, certification, or permit under chapter 18G,
33.12 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated
33.13 rules;

33.14 (2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232;
33.15 sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

33.16 (3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232;
33.17 sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

33.18 Sec. 21. Minnesota Statutes 2024, section 18J.07, subdivision 3, is amended to read:

33.19 Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner
33.20 may cancel or revoke a registration, permit, license, or certification provided for under
33.21 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92;
33.22 or associated rules or refuse to register, permit, license, or certify under provisions of chapter
33.23 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or
33.24 associated rules if the registrant, permittee, licensee, or certified person has used fraudulent
33.25 or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G,
33.26 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated
33.27 rules.

33.28 Sec. 22. Minnesota Statutes 2024, section 18J.07, subdivision 4, is amended to read:

33.29 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an
33.30 order, the commissioner may attach the order to the facility, site, seed or seed container,
33.31 plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223,

34.1 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules and notify the
 34.2 owner, custodian, other responsible party, or registrant.

34.3 (b) The seed, seed container, plant, or other living or nonliving object regulated under
 34.4 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92;
 34.5 or associated rules may not be sold, used, tampered with, or removed until released under
 34.6 conditions specified by the commissioner, by an administrative law judge, or by a court.

34.7 Sec. 23. Minnesota Statutes 2024, section 18J.07, subdivision 5, is amended to read:

34.8 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or
 34.9 certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232;
 34.10 sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not allow a final
 34.11 judgment against the applicant for damages arising from a violation of those statutes or
 34.12 rules to remain unsatisfied for a period of more than 30 days.

34.13 (b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this
 34.14 chapter results in automatic suspension of the license, permit, registration, or certification.

34.15 Sec. 24. Minnesota Statutes 2024, section 18J.09, is amended to read:

34.16 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

34.17 Penalties, cost reimbursements, fees, and other money collected under this chapter must
 34.18 be deposited into the state treasury and credited to the appropriate nursery and phytosanitary
 34.19 account under section 18H.17, industrial hemp account under section 18K.07, or seed potato
 34.20 inspection account under section 21.115, seed inspection account under section 21.92, or
 34.21 grain buyers and storage account under sections 223.17 and 232.22.

34.22 Sec. 25. Minnesota Statutes 2024, section 21.111, is amended to read:

34.23 **21.111 DEFINITIONS.**

34.24 Subdivision 1. **Scope.** When used in sections 21.111 to ~~21.122~~ 21.125 the terms defined
 34.25 in this section shall have the meanings ascribed to them.

34.26 Subd. 2. ~~**Inspected.** "Inspected" means that the potato plants are examined in the field~~
 34.27 ~~and that the harvested potatoes produced by the potato plants are examined by or under the~~
 34.28 ~~authority of the commissioner. For seed potatoes produced in a lab, inspected means that~~
 34.29 ~~the lab's records, including records related to the lab's procedures and protocols, as well as~~
 34.30 ~~the seed potatoes, have been examined under the authority of the commissioner.~~

35.1 Subd. 3. **Certified.** "Certified" means that the potatoes were inspected while growing
35.2 in the field and, when possible, again after being harvested, and were thereafter duly certified
35.3 by or under the authority of the commissioner, as provided in sections 21.111 to ~~21.122~~,
35.4 ~~and as provided by rules adopted and published by the commissioner~~ 21.125. For seed
35.5 potatoes produced in a lab, certified means that:

35.6 (1) the seed potato lab facilities and the lab's procedures and protocols have been
35.7 examined under the authority of the commissioner; and

35.8 (2) the seed potatoes have been inspected after they have been harvested, removed, or
35.9 released from the lab, and were duly certified by or under the authority of the commissioner,
35.10 as provided in sections 21.111 to ~~21.122~~ 21.125.

35.11 ~~Subd. 3a. **Interstate cooperation.** In order to best use state resources, the commissioner~~
35.12 ~~may enter into agreements with other seed potato certification entities to carry out the~~
35.13 ~~purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections,~~
35.14 ~~shipping point inspections, winter tests, and other certification functions to be carried out~~
35.15 ~~by personnel employed by either entity according to methods determined by the certification~~
35.16 ~~entities of the respective areas. The commissioner may extend seed potato certification~~
35.17 ~~services to states where growers wish to grow certified seed potatoes and the state does not~~
35.18 ~~have a seed potato certification program. Any agreement must be reported to the chairs of~~
35.19 ~~the legislative committees responsible for the budget or policy of the seed potato inspection~~
35.20 ~~program and to the commissioner of management and budget.~~

35.21 Subd. 3b. **Certified seed potatoes.** "Certified seed potatoes" means potatoes that have
35.22 been produced, graded, sacked or placed in bulk, inspected, and certified in accordance with
35.23 this chapter.

35.24 Subd. 3c. **Class.** "Class" means the seed quality level related to compliance with
35.25 tolerances for diseases and varietal purity.

35.26 Subd. 3d. **Clone.** "Clone" means a unit of seed potatoes that is the progeny of one plant,
35.27 which has been tested to become eligible to produce Generation 1 class seed potatoes.

35.28 Subd. 3e. **Commissioner.** "Commissioner" means the commissioner of agriculture or
35.29 the commissioner's designee.

35.30 Subd. 3f. **Crop.** "Crop" means all lots produced on a farm in one year.

35.31 Subd. 3g. **Department.** "Department" means the Department of Agriculture.

36.1 Subd. 3h. **Explant.** "Explant" means an in vitro potato plant or a plantlet that is produced
36.2 by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant and that
36.3 serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

36.4 Subd. 3i. **Farm.** "Farm" means a potato-growing enterprise. Farm includes all land,
36.5 equipment, storage facilities, and laborers used to produce potatoes.

36.6 Subd. 3j. **Field.** "Field" means a plot of land on a farm where potatoes are grown.

36.7 Subd. 3k. **Inspected.** (a) For plants growing in a field, "inspected" means that the
36.8 commissioner has examined the plants in the field where the plants are grown and has
36.9 visually assessed the plants for disease and factors impacting quality.

36.10 (b) For harvested potatoes, inspected means that the commissioner has observed the
36.11 tubers and, when requested, the commissioner has evaluated the tubers for quality and
36.12 conditions described in section 21.125.

36.13 (c) For seed potatoes produced by a laboratory, inspected means that the commissioner
36.14 has examined the seed potatoes and the laboratory's records, including records related to
36.15 the laboratory's procedures and protocols.

36.16 Subd. 3l. **Lot.** "Lot" means a group of seed potatoes of one variety, planted in one
36.17 continuous plot, grown on the same farm, and physically separated from other lots while
36.18 being grown and stored.

36.19 Subd. 3m. **Material in maintenance.** "Material in maintenance" means propagative
36.20 material, plantlets, or tubers that are maintained, not multiplied, under controlled laboratory
36.21 conditions.

36.22 Subd. 3n. **Roguing.** "Roguing" is the process of removing infected plants from a field
36.23 of certified seed potatoes.

36.24 Subd. 3o. **Stand.** "Stand" is the live plant population in a certified seed potato lot.

36.25 Subd. 5. **Seed potatoes.** "Seed potatoes" means potatoes used, sold, offered or exposed
36.26 for sale, or held with intent to sell or as a sample representing any lot or stock of potatoes
36.27 offered or exposed for sale or held with intent to sell within this state, for the purpose of
36.28 planting.

36.29 Subd. 6. **Person.** "Person" includes an individual, partnership, corporation, company,
36.30 society, association, and firms.

36.31 Subd. 7. **Physically separated.** "Physically separated" means separated by at least the
36.32 width of one row and markings such as flags at every corner of the lot.

37.1 Subd. 8. **Rejected.** "Rejected" means that a field or lot fails to meet the certification
 37.2 standards in this chapter.

37.3 Subd. 9. **Tuber units.** "Tuber units" means the separate pieces of one tuber that are
 37.4 planted consecutively in two or more hills in a row.

37.5 Subd. 10. **Winter testing.** "Winter testing" means growing out and visually inspecting
 37.6 a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and
 37.7 disease.

37.8 Sec. 26. Minnesota Statutes 2024, section 21.112, is amended by adding a subdivision to
 37.9 read:

37.10 Subd. 1a. **Interstate cooperation.** In order to best use state resources, the commissioner
 37.11 may enter into agreements with other seed potato certification entities to carry out the
 37.12 purposes of sections 21.111 to 21.125. An agreement under this subdivision may provide
 37.13 for field inspections, shipping point inspections, winter testing, and other certification
 37.14 functions to be carried out by personnel employed by either the commissioner or other seed
 37.15 potato certification entities according to methods determined by the seed potato certification
 37.16 entities. The commissioner may extend seed potato certification services to a state where
 37.17 growers wish to grow certified seed potatoes and where the state does not have a seed potato
 37.18 certification program. Any agreement under this subdivision must be reported to the chairs
 37.19 and ranking minority members of the legislative committees responsible for the budget or
 37.20 policy of the seed potato inspection program and to the commissioner of management and
 37.21 budget.

37.22 Sec. 27. Minnesota Statutes 2024, section 21.113, is amended to read:

37.23 **21.113 SHIPPING POINT CERTIFICATES ~~OF INSPECTION~~; CERTIFICATES**
 37.24 **OF ORIGIN; AND BULK CERTIFICATES.**

37.25 Subdivision 1. **Shipping point inspections.** (a) The commissioner shall issue shipping
 37.26 point certificates of inspection only when seed potatoes have been inspected while growing
 37.27 in the field and again after being harvested.

37.28 (b) For seed potatoes produced in a lab or greenhouse, the commissioner shall issue
 37.29 certificates of inspection only after:

37.30 (1) the seed potato ~~lab~~ growth facility and the ~~lab's~~ growth facility's records have been
 37.31 inspected; and

38.1 (2) the seed potatoes have been inspected after they have been harvested, removed, or
 38.2 released from the lab or greenhouse.

38.3 (c) Certificates of inspection under this section shall show the varietal purity and the
 38.4 freedom from disease and physical injury of such potatoes and any other information as
 38.5 may be prescribed by ~~rules adopted and published under~~ sections 21.111 to ~~21.122~~ 21.125.

38.6 Subd. 2. Other certificates. (a) The use of a certificate of origin requires the approval
 38.7 of the seller and the purchaser and must only be used for intrastate shipments between
 38.8 certified seed potato producers. The certificate of origin must contain information considered
 38.9 necessary by the commissioner and must at a minimum identify the producer, receiver,
 38.10 variety, classification, quantity, date of shipment, and lot of the seed potatoes. The limitation
 38.11 of warranty as described in paragraph (c) must not include any representation of the condition
 38.12 of the potatoes at the time of shipment. A certificate of origin must only be used for intrastate
 38.13 shipment if a shipping point inspection is not available. Use of a certificate of origin must
 38.14 be approved by the commissioner prior to shipment.

38.15 (b) A bulk certificate must include the date of issuance, class, grade, lot number, and
 38.16 approximate weight of the load.

38.17 (c) A certification does not represent a warranty of any kind, express or implied, including
 38.18 merchantability, as to the quality of the crop produced from the certified seed potatoes. A
 38.19 certification must only represent that the seed potatoes were produced, graded, sacked or
 38.20 placed in bulk, and inspected in accordance with this chapter. A certification under this
 38.21 subdivision must not include any representation of the condition of the potatoes at the time
 38.22 of shipment.

38.23 Sec. 28. Minnesota Statutes 2024, section 21.115, is amended to read:

38.24 **21.115 FEES; SEED POTATO INSPECTION ACCOUNT.**

38.25 The commissioner shall fix the fees for all inspections and certifications in such amounts
 38.26 as from time to time may be found necessary to pay the expenses of carrying out and
 38.27 enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and
 38.28 shall require the same to be paid before such inspections or certifications are made. All
 38.29 moneys collected as fees or as penalties for violations of any of the provisions of such
 38.30 sections shall be paid into the agricultural fund and credited to the seed potato inspection
 38.31 account of the commissioner, which account is hereby created and appropriated for carrying
 38.32 out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits
 38.33 of these moneys shall be credited to the account, and there shall be paid into this fund any

39.1 sum provided by the legislature for the purpose of carrying out the provisions of such
39.2 sections.

39.3 Sec. 29. Minnesota Statutes 2024, section 21.117, is amended to read:

39.4 **21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS;**
39.5 **AMENDMENTS.**

39.6 (a) Any person may make application to the commissioner for inspection or certification
39.7 of seed potatoes growing or to be grown. Upon receiving such application and the required
39.8 fee and such other information as may be required, the commissioner shall cause such
39.9 potatoes to be inspected or certified in accordance with the provisions of sections 21.111
39.10 to ~~21.122 and the rules adopted and published thereunder~~ 21.125.

39.11 (b) If a grower wishes to withdraw ~~a field or lab~~ an application after having made a
39.12 timely application for inspection and such withdrawal is requested before the field or lab
39.13 inspection has been made, the fee paid shall be refunded to said grower. A grower must
39.14 submit a withdrawal request in writing and include a reason for withdrawal. A grower must
39.15 remove withdrawn acres from production before the first field inspection.

39.16 (c) If a grower wishes to amend an application after submitting a timely application for
39.17 inspection, the grower must submit the request in writing, including a reason for the
39.18 amendment.

39.19 Sec. 30. Minnesota Statutes 2024, section 21.119, is amended to read:

39.20 **21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.**

39.21 It shall be unlawful to use or employ the term "certified" or the term "inspected," or any
39.22 term or terms conveying a meaning substantially equivalent to the meaning of either of
39.23 these terms, either orally or in writing, printing, marking, or otherwise in reference to or in
39.24 connection with, or in advertising or characterizing or labeling seed potatoes or the containers
39.25 thereof, unless such potatoes shall have been duly inspected and certified pursuant to the
39.26 provisions of sections 21.111 to ~~21.122~~ 21.125.

39.27 Sec. 31. Minnesota Statutes 2024, section 21.1195, is amended to read:

39.28 **21.1195 MINIMUM STANDARDS FOR PLANTING.**

39.29 (a) Seed ~~Seed~~ Potatoes may not be planted in the state in lots of ten or more acres unless the
39.30 seed meets the minimum disease standards prescribed by the commissioner. ~~Seed~~ Potatoes
39.31 may meet the standards by being certified in accordance with this chapter and rules adopted

40.1 by the commissioner, or under the certification program of another state or province which,
 40.2 in the judgment of the commissioner, provides equivalent assurances of seed potato quality.
 40.3 ~~Seed~~ Potatoes may be planted without certification if they have had at least field inspection
 40.4 as required for certified seed potatoes, have passed the field inspection standards of disease
 40.5 tolerance, and are free from ring rot. ~~A person that plants seed potatoes in violation of this~~
 40.6 ~~section is subject to a civil penalty of \$20 per acre for each acre or part of an acre planted~~
 40.7 ~~in violation of this section.~~ Failure to maintain complete and accurate records in accordance
 40.8 with this section ~~or rules adopted by the commissioner is an additional violation resulting~~
 40.9 ~~in a separate civil penalty of \$200 for each failure~~ is a violation and subject to enforcement
 40.10 under chapter 18J.

40.11 (b) If there is not available to be planted in this state, in any year, a sufficient volume
 40.12 of potato seed meeting certified seed potato disease standards, in any or all varieties, the
 40.13 commissioner may, upon application by one or more growers, permit seed that does not
 40.14 comply with this section to be planted for that growing season if the seed does not pose a
 40.15 serious disease threat.

40.16 (c) Each grower shall keep records of each lot of ~~seed~~ potatoes planted. For each growing
 40.17 season, the records must include, by field, the variety, planting location, and source of the
 40.18 seed potatoes. Each grower shall register fields and file records as prescribed by the
 40.19 commissioner. All records must be made available for inspection by the commissioner or
 40.20 the commissioner's agents during normal business hours.

40.21 (d) In addition to the enforcement powers and penalties in this section, the commissioner
 40.22 may issue a subpoena to a grower in order to compel delivery of records which are required
 40.23 under this section. These subpoenas are enforceable by any court of competent jurisdiction.

40.24 Sec. 32. Minnesota Statutes 2024, section 21.1196, subdivision 2, is amended to read:

40.25 Subd. 2. **Restriction.** ~~(a) The seed potato certification requirements under sections 21.111~~
 40.26 ~~to 21.122 apply to potatoes grown in plots of ten acres or more in the restricted seed potato~~
 40.27 ~~growing area. Qualifying potatoes grown in the restricted seed potato growing area must~~
 40.28 ~~be certified as seed potatoes.~~ A grower who seeks to plant potatoes in the restricted seed
 40.29 potato growing area and who does not intend to have the potatoes certified as seed potatoes
 40.30 must meet the following requirements:

40.31 (1) seed potatoes planted in the restricted seed potato growing area must have been
 40.32 certified before planting. For seed potatoes to be certified, the seed potatoes must meet the
 40.33 standards of this chapter or the standards of a certification program of another state or

41.1 province that, in the judgment of the commissioner, provides equivalent assurances of seed
 41.2 potato quality;

41.3 (2) certification documentation for all lots planted on a farm must be filed with the
 41.4 Department of Agriculture;

41.5 (3) planted lots must meet tolerances for certified class seed potatoes; and

41.6 (4) the potato plants must be inspected by the commissioner during a site visit.

41.7 (b) The commissioner may enter and inspect plots subject to paragraph (a) during the
 41.8 growing season.

41.9 (c) Potatoes grown in the restricted seed potato growing area that have not met the
 41.10 requirements for certification must not be labeled, marketed, or sold as certified seed potatoes.

41.11 (d) If, in any year, a sufficient volume of potato seed that meets certification standards
 41.12 related to disease, in any or all varieties, is not available to be planted in Minnesota, the
 41.13 commissioner may, upon application by one or more growers, permit potato seed that does
 41.14 not comply with this section to be planted for that growing season if the seed does not pose
 41.15 a serious threat of disease to the public.

41.16 Sec. 33. **[21.123] SEED POTATO CERTIFICATION.**

41.17 Subdivision 1. **Eligibility.** In order to produce certified seed potatoes, a grower must
 41.18 comply with the following requirements:

41.19 (1) a grower must ensure that potatoes meet the tolerances prescribed by this chapter
 41.20 and the potatoes have been inspected by the commissioner while growing in a field;

41.21 (2) a grower must ensure that all potatoes planted on the grower's farm have been entered
 41.22 for certification by the commissioner;

41.23 (3) a grower must ensure that each lot is grown while physically separated from other
 41.24 lots. Markers must be visible to an inspector from anywhere in the area of separation;

41.25 (4) a grower must submit an application for certification before June 16 each year on
 41.26 forms provided by the commissioner. The commissioner must charge a ten percent late
 41.27 registration fee to a grower who submitted an application postmarked after June 15 and
 41.28 before July 1. The commissioner may extend the deadline due to special circumstances,
 41.29 such as a natural disaster, that make it impractical or impossible for planting to be completed
 41.30 by the deadline and that affect an area or large number of growers. A grower must make a
 41.31 request for an extension in writing before June 16;

42.1 (5) an application for certification must include a North American Health Certificate
42.2 and a shipping point certificate, bulk seed certificate, or certificate of origin. The
42.3 commissioner must not accept an incomplete application for certification;

42.4 (6) an application for recertification must demonstrate that the seed potatoes being
42.5 entered for recertification originated from a class system in Minnesota or another state or
42.6 province under the supervision of another certifying agency; and

42.7 (7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections
42.8 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower
42.9 must not sell or label potatoes as certified seed potatoes when the potatoes were grown in
42.10 a rejected field or lot.

42.11 Subd. 2. Certification process. (a) As part of the certification process, the commissioner
42.12 must visually inspect sample plants and tubers from each field and lot belonging to the
42.13 grower, except that the commissioner is not required to visually inspect sample plants and
42.14 tubers when certifying prenuclear class potatoes.

42.15 (b) For seed potato varieties that do not exhibit visible symptoms of a specific pathogen,
42.16 the commissioner must subject the seed potatoes to laboratory tests to determine the level
42.17 of a pathogen in a seed lot. Testing under this paragraph may occur during the growing
42.18 season, the storage season, or winter testing.

42.19 (c) The commissioner must not accept an application for certification from a grower in
42.20 a community or county without sufficient acreage for total inspection fee charges to cover
42.21 the cost of wages and expenses of the commissioner to complete an inspection. The
42.22 commissioner must make a determination of sufficient acreage under this paragraph before
42.23 conducting an inspection as part of the certification process.

42.24 (d) The commissioner must not inspect a field for certification unless both the planted
42.25 seed potato variety and the particular planted lot have been authorized by the commissioner.
42.26 When considering the authorization of a particular seed potato variety for planting as certified
42.27 seed potatoes, the commissioner must consider scientific evidence and the expert opinions
42.28 of inspectors.

42.29 (e) The following classes of seed potatoes are eligible for planting as certified seed
42.30 potatoes: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3),
42.31 Generation 4 (G4), Generation 5 (G5), and experimental class seed potatoes. The
42.32 commissioner may authorize the planting of Certified (C) class or Generation 6 (G6) class
42.33 seed potatoes if the commissioner determines that the seeds do not pose a serious threat of
42.34 disease to the public.

43.1 Subd. 3. **Bacterial ring rot or potato spindle tuber viroid.** If the commissioner finds
43.2 the presence of bacterial ring rot or potato spindle tuber viroid in a field or lot, the
43.3 commissioner must reject the entire field or lot. If the commissioner discovers a single plant
43.4 in a field or a tuber in storage that is infected with bacterial ring rot or potato spindle tuber
43.5 viroid, the commissioner must reject the entire field or lot where the plant was grown. If
43.6 the commissioner has not found bacterial ring rot or potato spindle tuber viroid in a field
43.7 or lot, the field or lot is not necessarily free from either disease.

43.8 Subd. 4. **Winter testing.** (a) In order to detect certain virus diseases, the commissioner
43.9 must conduct winter testing of a sample from each class seeking eligibility for recertification,
43.10 except PN, G1, and experimental classes. The commissioner must grow out and visually
43.11 inspect a representative sample of tubers from each seed lot for stand, vigor, varietal purity,
43.12 and disease. If, during a visual inspection, a plant shows signs of potato virus Y or potato
43.13 leafroll virus, or if the plant is of a variety that does not express visual symptoms of infection,
43.14 the commissioner must ensure that a sample of the plant is lab tested for potato virus Y and
43.15 potato leafroll virus. The commissioner must determine whether a field or lot contains the
43.16 threshold amount of disease permitted under section 21.124, subdivision 9. The commissioner
43.17 must include any lot that passes winter testing in the approved list of certified seed lots
43.18 eligible for recertification.

43.19 (b) If the commissioner determines that a winter test of a lot or field has a serious
43.20 malfunction, the commissioner must base classification of the lot or field on summer field
43.21 readings from the previous year or lab testing.

43.22 (c) Instead of winter testing a sample of winter grow out, the commissioner may accept
43.23 comprehensive lab testing if the commissioner determines that special circumstances exist,
43.24 such as a natural disaster, that would make submission of samples for inclusion in winter
43.25 testing impractical or impossible.

43.26 (d) The commissioner must reject a field or lot if the commissioner determines that a
43.27 large number of plants are missing from the field or lot due to disease.

43.28 (e) The commissioner must reject a field or lot if the commissioner determines that the
43.29 field or lot contains a large number of weak plants.

43.30 (f) The commissioner may reject a field or lot if the field or lot contains a large number
43.31 of plants that have a mixture of variety.

43.32 Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be
43.33 differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed

44.1 origin. Seed potato certification classes are: Prenuclear, Generation 1, Generation 2,
44.2 Generation 3, Generation 4, Generation 5, Generation 6, and Certified.

44.3 Subd. 6. **Experimental status.** (a) Lots from a breeder's seed that have not been tested
44.4 and have not been determined to be virus-free are considered experimental. The commissioner
44.5 must designate seedlings or numbered selections in experimental status as a class and
44.6 determine requirements of that class.

44.7 (b) To obtain experimental status under this subdivision, an applicant must submit a
44.8 written statement from the seedlings' or numbered selections' breeder, originator, or
44.9 originator's designee verifying that the applicant has full and unrestricted rights to introduce
44.10 the seedlings or numbered selections into the commercial market and that the applicant may
44.11 apply to enter the seedlings or numbered selections into the certification system. The written
44.12 statement must accompany the certification application submitted by the applicant.

44.13 (c) After reviewing the applicant's written statement and certification application, the
44.14 commissioner may designate seedlings or numbered selections described in the application
44.15 as having experimental status.

44.16 (d) After an applicant is notified by the commissioner that the seedlings or numbered
44.17 selections have experimental status, the applicant must ensure that the seedlings or numbered
44.18 selections are tagged with the word "EXPERIMENTAL."

44.19 Subd. 7. **Protected varieties.** If an applicant seeks to enter a seed potato variety protected
44.20 under the Plant Variety Protection Act Amendments of 1994 into the certification system,
44.21 the applicant must submit a written statement from the breeder, originator, or originator's
44.22 designee that the applicant has full and unrestricted rights to introduce the protected variety
44.23 into the certification system. The applicant must ensure that the written statement
44.24 accompanies the certification application for any protected seed potato variety.

44.25 Subd. 8. **Certification factors; field inspection.** (a) The commissioner must consider
44.26 the following factors when conducting a field inspection pursuant to a certification
44.27 application:

44.28 (1) the commissioner must reject a field or lot if a large number of plants are missing
44.29 due to disease;

44.30 (2) the commissioner must reject a field or lot if the field or lot contains a large number
44.31 of weak plants;

44.32 (3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner
44.33 must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If

45.1 bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification
45.2 planting;

45.3 (4) the commissioner must reject a field or lot if the field or lot contains potatoes with
45.4 a level of disease higher than the acceptable tolerance for the disease for the potatoes' seed
45.5 potato certification class according to section 21.124, subdivision 9;

45.6 (5) the commissioner must reject a field or lot if the field or lot contains a percentage
45.7 of diseased plants that exceeds the acceptable percentage of disease listed in section 21.124
45.8 for the seed potato certification class;

45.9 (6) the commissioner must reject a field or lot if any of the following are present in the
45.10 field or lot to such an extent that the commissioner is unable to complete a satisfactory
45.11 inspection for diseases: early or late blight, blackleg or wilt of any kind, weeds, plant injury
45.12 from insects, or chemical damage; and

45.13 (7) the commissioner must reject a field or lot if any other conditions are present to such
45.14 an extent that the commissioner is unable to make a satisfactory inspection for diseases.

45.15 (b) The commissioner must determine that a field is ineligible for certification if cull
45.16 piles are in such close vicinity to the field that it is likely that the field is contaminated.

45.17 (c) The commissioner must make at least two field inspections of a field during the
45.18 growing season. The commissioner must conduct a final inspection of a field for bacterial
45.19 ring rot during the time of year that symptoms of bacterial ring rot are most likely to be
45.20 observed. If the commissioner is unable to conduct a final inspection under this paragraph
45.21 due to management practices of the grower or for a reason that is out of the grower's control,
45.22 such as a natural disaster, the grower must ensure that laboratory testing is conducted to
45.23 maintain eligibility for certification. An additional inspection or additional laboratory testing
45.24 may be necessary to meet phytosanitary requirements in established markets in another state
45.25 or in a Canadian province.

45.26 Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are
45.27 present in a field in amounts greater than the maximum disease tolerance level, the grower
45.28 must rogue the field and remove the infected plants before the final inspection by the
45.29 commissioner. If a grower has completed roguing a field after tubers have formed, the
45.30 grower must remove and destroy all tubers from rogued plants.

45.31 Subd. 10. **Storage.** (a) A grower must ensure that a lot is stored under conditions that
45.32 prevent disease contamination. A grower must not store a lot in any warehouse where other
45.33 potatoes are stored, unless the grower labels the lot according to paragraph (b).

46.1 (b) If more than one grower stores lots in the same warehouse, each grower must identify
46.2 the grower's lots by labeling the bin containing the lot with the grower's name, the grower's
46.3 address, the variety of potatoes in the bin, and the number of potatoes in the bin.

46.4 (c) If a grower plans to store a lot in a public warehouse or storage unit that is not directly
46.5 under the grower's control, the grower must send a complete record of storage to the
46.6 commissioner prior to storing the lot. The record must include the address and location of
46.7 the public warehouse or storage unit, the variety of potatoes in each bin, and the number of
46.8 potatoes in each bin. If a warehouse receipt for the lot is available, the grower must submit
46.9 a copy of the warehouse receipt to the commissioner. If more than one grower stores lots
46.10 in the same public warehouse or storage unit, the grower must label each lot according to
46.11 paragraph (b).

46.12 (d) A grower must not use the same equipment for grading and handling lots of certified
46.13 seed potatoes and other potatoes. If a grower has used the same equipment for grading and
46.14 handling certified seed potatoes and other potatoes, the commissioner must reject the grower's
46.15 lots.

46.16 (e) A firm that handles lots under contract must label each bin containing a lot with the
46.17 name of the grower whose lots are being stored. A firm handling lots under contract must
46.18 properly label and handle bins containing lots. A certification tag or bulk certificate must
46.19 not be issued unless all bins are properly labeled according to this paragraph.

46.20 (f) By November 1 of each crop year, a grower must submit to the commissioner a
46.21 completed storage and yield report for each lot on a form prescribed by the commissioner.
46.22 The commissioner may extend the deadline after November 1 due to special circumstances,
46.23 such as a natural disaster, that would make it impractical or impossible for a grower to
46.24 complete harvesting and storage by November 1 and that affect an area or a large number
46.25 of growers. A grower must submit a written request for an extension to the commissioner
46.26 before November 1 of the crop year for which the extension is sought.

46.27 Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower
46.28 that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125,
46.29 a grower may tag the potatoes using an approved tag indicating the grade of potatoes as
46.30 blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or
46.31 white-tag-certified seed potato grade. A grower's name, the city where the farm is located,
46.32 the potato variety, and the crop year must be printed on a tag under this subdivision.

46.33 (b) When fastening a tag to a potato sack, a grower must fasten the tag to the sack to
46.34 form a seal at the time that the lot is prepared for shipment.

47.1 (c) A bulk certificate must include the date that the certificate was issued, class, grade,
47.2 lot number, and approximate weight of the lot.

47.3 (d) If a grower wishes to tag the grower's own potatoes, the grower must order the tags
47.4 for the grower's own potatoes.

47.5 (e) A grower may print a tag for potatoes if the grower has provided proof of each lot
47.6 to the commissioner for review before using the tag. A tag printed by a grower must contain
47.7 the following statement: "The quality and condition of each lot is only confirmed through
47.8 a shipping point inspection certificate. This tag, without an accompanying shipping point
47.9 inspection certificate, is not proof that the potatoes contained within have been duly
47.10 inspected."

47.11 Subd. 12. **Certified seed potato grades.** Certified seed potatoes must be classified by
47.12 certified seed potato grades based on the number of physical defects of tubers. A grower
47.13 must only use a certified seed potato grade for potatoes after a shipping point inspection of
47.14 the potatoes has been completed. The following three grades of certified seed potatoes must
47.15 be used for Minnesota-certified seed potatoes:

47.16 (1) the blue-tag-certified seed potato grade is the first grade of certified seed potatoes.
47.17 The blue-tag-certified seed potato grade is stricter than other grades. The blue-tag-certified
47.18 seed potato grade does not allow as many physical defects of tubers as other grades. A
47.19 grower may use the blue-tag-certified seed potato grade for intrastate and interstate shipments
47.20 of certified seed potatoes.

47.21 (2) the yellow-tag-certified seed potato grade is the second grade of certified seed
47.22 potatoes. The yellow-tag-certified seed potato grade allows more physical defects of tubers
47.23 than the blue-tag-certified seed potato grade. A grower may use the yellow-tag-certified
47.24 seed potato grade for intrastate and interstate shipments of certified seed potatoes; and

47.25 (3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes.
47.26 The number of physical defects that the white-tag-certified seed potato grade allows is
47.27 determined by an agreement between the purchaser and seller of the certified seed potatoes.
47.28 A grower may use the white-tag-certified seed potato grade for intrastate and interstate
47.29 shipments of certified seed potatoes.

47.30 Subd. 13. **Grading.** (a) A grower must ensure that a lot is inspected at the shipping point
47.31 if the lot requires a grade statement.

47.32 (b) If an inspection at the shipping point is impossible, a grower must request a grading
47.33 inspection in transit.

48.1 (c) A grower must ensure that a bagged lot or shipment offered for sale and tagged with
 48.2 approved certification tags is contained in new even-weight sacks.

48.3 (d) A grower must ensure that a bulk shipment is identified with a bulk certificate.

48.4 (e) A grower must ensure that a bagged lot and bulk lot or shipment meets grade standards
 48.5 in section 21.125.

48.6 (f) A grower must recondition a lot or shipment that fails to meet the grade standards in
 48.7 section 21.125.

48.8 (1) If a lot or shipment fails to meet grade standards and is contained in sacks, a grower
 48.9 must remove approved certification tags from the lot or shipment before the lot or shipment
 48.10 may proceed to its destination.

48.11 (2) If a shipment is in bulk and fails to meet grade standards in section 21.125, a bulk
 48.12 certificate must not be issued.

48.13 (g) If a lot or shipment fails to meet grade standards, the shipper must bear the costs of
 48.14 reconditioning potatoes to meet the grade standards in section 21.125.

48.15 Sec. 34. **[21.124] REQUIREMENTS FOR PRODUCTION OF DIFFERENT**
 48.16 **CLASSES OF CERTIFIED SEED POTATOES.**

48.17 Subdivision 1. Prenuclear class certified seed potatoes. (a) A lot grown as and intended
 48.18 to be prenuclear class certified seed potatoes must be grown from plants tested and shown
 48.19 to be free from the following pathogens:

48.20 (1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);

48.21 (2) *Pectobacterium atrosepticum* ssp. *Atrosepticum*, *carotovora* (blackleg);

48.22 (3) potato virus X;

48.23 (4) potato virus S;

48.24 (5) potato virus A;

48.25 (6) potato virus M;

48.26 (7) potato virus Y;

48.27 (8) potato spindle tuber viroid; and

48.28 (9) potato leafroll virus.

48.29 (b) When growing prenuclear class seed potatoes, a grower must ensure that each explant
 48.30 or tuber is tested for organisms for which testing is required by the state or province of

49.1 destination. A grower must ensure that material in maintenance is tested during the year of
49.2 producing prenuclear class seed potatoes.

49.3 (c) A grower must produce prenuclear class seed potatoes in a greenhouse or screenhouse
49.4 under sanitary conditions, free from insects and weeds that can harbor or transmit potato
49.5 diseases or other conditions that would allow possible disease contamination. A grower
49.6 must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated
49.7 from insects by screens and double doors. The commissioner may inspect any facility or
49.8 equipment used for growing, handling, and storing prenuclear class seed potatoes to verify
49.9 that the facility or equipment complies with this paragraph.

49.10 (d) A grower must ensure that one percent of each lot or ten plants or tubers from each
49.11 lot, whichever is greater, is tested during the growing season to verify that the crop is free
49.12 from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P.*
49.13 *atrosepticum*.

49.14 (e) Prenuclear tubers may originate from greenhouse tubers for one year only if the
49.15 greenhouse tubers have remained at the same growing operation and have remained isolated
49.16 from field-grown tubers.

49.17 (f) Prenuclear class certified seed potatoes must not contain more than the allowable
49.18 tolerances for disease and varietal mixture in subdivision 9.

49.19 Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes
49.20 must meet the following requirements:

49.21 (1) the seed source must be either prenuclear tubers, clones, or plantlets; and

49.22 (2) tubers or plantlets must be planted in identifiable family units.

49.23 (b) Lots in Generation 1 class may be exempt from winter testing requirements if leaves
49.24 collected during the growing season are laboratory tested and shown to be within the
49.25 allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the
49.26 commissioner.

49.27 (c) Each lot must be stored in an individual identifiable unit.

49.28 (d) Generation 1 seed potatoes must not contain more than the allowable tolerances for
49.29 disease and varietal mixture for seed potatoes in subdivision 9.

49.30 Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes
49.31 must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must

50.1 not contain more than the allowable tolerances of disease and varietal mixture in subdivision
 50.2 9.

50.3 Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes
 50.4 must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must
 50.5 not contain more than the allowable tolerances of disease and varietal mixture in subdivision
 50.6 9.

50.7 Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes
 50.8 must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must
 50.9 not contain more than the allowable tolerances for disease and varietal mixture in subdivision
 50.10 9.

50.11 Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes
 50.12 must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must
 50.13 not contain more than the allowable tolerances for disease and varietal mixture in subdivision
 50.14 9.

50.15 Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes
 50.16 must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must
 50.17 not contain more than the allowable tolerances for disease and varietal mixture in subdivision
 50.18 9.

50.19 Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must
 50.20 originate from generation classes of seed potatoes. Certified class seed potatoes must not
 50.21 contain more than the allowable tolerances for disease and varietal mixture in subdivision
 50.22 9.

50.23 Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation**
 50.24 **class.** The numbers represent the percentage of potatoes that may be affected out of an
 50.25 individual lot.

	<u>PN</u>	<u>G1</u>	<u>G2</u>	<u>G3</u>	<u>G4</u>	<u>G5</u>	<u>G6</u>	<u>C</u>
50.26								
50.27	<u>Tolerances:</u>							
50.28	<u>Severe Mosaic from</u>							
50.29	<u>potato virus Y, A, M,</u>							
50.30	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
50.31	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
50.32	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
50.33	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
50.34	<u>Mycoplasmas (haywire,</u>							
50.35	<u>witches broom, yellow</u>							
50.36	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

51.1	<u>Total</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
51.2	<u>Blackleg</u>	<u>0</u>	<u>0</u>	<u>0.2</u>	<u>0.5</u>	<u>1</u>	<u>exc.</u>	<u>exc.</u>	<u>exc.</u>
51.3	<u>Varietal mixture</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
51.4	<u>Ring Rot and Spindle</u>								
51.5	<u>Tuber</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
51.6	<u>Winter Test:</u>								
51.7	<u>Virus or expressing</u>								
51.8	<u>symptoms of chemical</u>								
51.9	<u>damage</u>	<u>-</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

51.10 **Sec. 35. [21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND**
 51.11 **TOLERANCES.**

51.12 Subdivision 1. Certified seed potato grading. Potatoes must meet the requirements of
 51.13 sections 21.111 to 21.125 to be graded as certified seed potatoes.

51.14 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
 51.15 meanings given.

51.16 (b) "Damage" means any defect or combination of defects that materially affects the
 51.17 appearance of the individual potato, or that cannot be removed without a loss of more than
 51.18 five percent of the total weight of the potato, including the peel covering the defective area.

51.19 (c) "Diameter" means the greatest dimension at right angles to the longitudinal axis.
 51.20 Diameter means the long axis.

51.21 (d) "Dry rot" means decaying tissue that is dry.

51.22 (e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining,
 51.23 or other foreign matter.

51.24 (f) "Fairly well-shaped" means that the individual potato is not materially pointed,
 51.25 dumbbell-shaped, or otherwise ill-formed.

51.26 (g) "Mature" means that the outer skin does not loosen or feather readily during the
 51.27 ordinary methods of handling.

51.28 (h) "Serious damage" means any defect or combination of defects that seriously affects
 51.29 the appearance of the individual potato or that cannot be removed without a loss of more
 51.30 than ten percent of the total weight of the potato, including the peel covering the defective
 51.31 area.

51.32 (i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or
 51.33 other foreign matter.

52.1 (j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato
52.2 tissues.

52.3 (k) "Well-shaped" means the normal shape for a variety.

52.4 Subd. 3. **Damage.** The commissioner must find that one or more of the following defects
52.5 constitutes damage:

52.6 (1) a russet scab that materially detracts from the appearance of a potato;

52.7 (2) second growth or growth cracks that materially affect the appearance of an individual
52.8 potato;

52.9 (3) air cracks when removal of the air cracks causes a loss of more than five percent of
52.10 the total weight of a potato;

52.11 (4) a potato that is more than moderately shriveled, spongy, or flabby;

52.12 (5) an individual potato that has sprouts over one inch in length;

52.13 (6) a surface scab, powdery scab, or pitted scab that covers more than five percent of
52.14 the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed,
52.15 causes a potato to lose more than five percent of the potato's total weight, including peel
52.16 covering a defective area of the potato; or

52.17 (7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or
52.18 more than 15 percent of a potato's surface is badly caked with soil.

52.19 Subd. 4. **Serious damage.** The commissioner must find that one or more of the following
52.20 defects constitutes serious damage:

52.21 (1) a russet scab that seriously detracts from the appearance of a potato;

52.22 (2) the appearance of a potato is seriously affected by caked or smeared dirt or other
52.23 foreign matter;

52.24 (3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato
52.25 is cut away from one end, or a remaining portion of a clipped potato weighs less than six
52.26 ounces;

52.27 (4) one or more cuts that seriously affect the appearance of a potato or that cannot be
52.28 removed without the loss of more than ten percent of a potato's total weight, including peel
52.29 covering the defective area;

52.30 (5) a potato that is excessively shriveled, spongy, or flabby;

53.1 (6) a surface scab, powdery scab, or pitted scab that covers more than 25 percent of the
53.2 surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed,
53.3 causes a loss of more than ten percent of a potato's total weight, including peel covering the
53.4 defective area; or

53.5 (7) wireworm or air cracks that, when removed, cause a loss of more than ten percent
53.6 of a potato's total weight.

53.7 Subd. 5. **Application of tolerance.** If the average of an entire lot is within the disease
53.8 tolerances specified for the grade in section 21.124, subdivision 9, an individual container
53.9 in the lot may contain no more than double the disease tolerance specified in section 21.124,
53.10 subdivision 9, except that sprouts, at least one defective specimen with a defect other than
53.11 bacterial ring rot, and one off size specimen is permitted. This subdivision does not apply
53.12 to bulk conveyances.

53.13 Subd. 6. **Condition after transit.** Deterioration that developed in transit must affect the
53.14 condition of potatoes. Deterioration that developed in transit must not affect the grade of
53.15 potatoes.

53.16 Subd. 7. **Minnesota blue-tag-certified seed potato grade.** (a) To be graded as Minnesota
53.17 blue-tag-certified seed potatoes, potatoes must meet the following requirements:

53.18 (1) at the time of the shipping point inspection, potatoes must be of one variety;
53.19 unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart,
53.20 and soft rot or wet breakdown; free from damage caused by soil or other foreign matter,
53.21 second growth, air cracks, cuts, shriveling, sprouts, pitted scabs, surface scabs, powdery
53.22 scabs, russet scabs, dry rot, other diseases, insects or worms, mechanical or other means,
53.23 or flattened or depressed areas with underlying flesh discoloration; and free from serious
53.24 damage caused by hollow heart, wireworm, growth cracks, or internal discoloration other
53.25 than hollow heart. Sunburn and silver scurf must not be considered factors that affect the
53.26 grading of potatoes. This clause does not apply to hollow heart if the potatoes are labeled
53.27 "hollow heart exempt" on the affixed tag or accompanying certificate; and

53.28 (2) for round or intermediate shaped varieties, the maximum potato size is 12 ounces
53.29 (340.2 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2
53.30 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces
53.31 (396.9 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2
53.32 inches (38.1 millimeters) in diameter. For all varieties, the minimum diameter for size "B"
53.33 must not be less than 1-1/2 inches (38.1 millimeters) and the maximum size must not be
53.34 more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes

54.1 that do not meet the maximum and minimum size specifications as Minnesota
54.2 blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size
54.3 specifications from the grower and the specifications are listed on the affixed tag or
54.4 accompanying bulk certificate issued by the department.

54.5 (b) To allow for variations incident to proper grading and handling, the following lot
54.6 tolerances are permitted:

54.7 (1) for defects:

54.8 (i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled
54.9 "hollow heart exempt" on the affixed tag or accompanying certificate;

54.10 (ii) up to five percent of a lot may be seriously damaged by internal discoloration due
54.11 to causes other than hollow heart;

54.12 (iii) up to ten percent of a lot may be damaged by soil or other foreign matter;

54.13 (iv) up to 20 percent of a lot may be damaged by sprouts;

54.14 (v) up to ten percent of a lot may be seriously damaged by wireworm;

54.15 (vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a
54.16 lot may contain up to a total of six percent of the following defects combined and must not
54.17 contain more than the following percentage of defects:

54.18 (A) soft rot, frozen, or wet breakdown, 0.5 percent;

54.19 (B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;

54.20 (C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight
54.21 tuber rot;

54.22 (D) bacterial ring rot, 0.0 percent; and

54.23 (E) late blight tuber rot, 1.0 percent; and

54.24 (vii) the presence of the following does not affect seed quality and must not be scored
54.25 against the potatoes' grade:

54.26 (A) brown discoloration following skinning;

54.27 (B) dried stems;

54.28 (C) flattened or depressed areas showing no underlying flesh discoloration;

54.29 (D) greening;

54.30 (E) sunburn;

55.1 (F) skin checks; and

55.2 (G) silver scurf; and

55.3 (2) for off size:

55.4 (i) up to five percent of potatoes may fail to meet the required or specified minimum
55.5 size; and

55.6 (ii) up to ten percent of potatoes may fail to meet the required maximum size.

55.7 Subd. 8. Minnesota yellow-tag-certified seed potato grade. (a) To be graded as
55.8 Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

55.9 (1) at the time of the shipping point inspection, the potatoes must be of one variety;
55.10 unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart,
55.11 and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts,
55.12 shriveling, pitted scabs, surface scabs, powdery scabs, dry rot, other diseases, insects or
55.13 worms, or mechanical means or other means; and free from serious damage caused by soil
55.14 or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal
55.15 discoloration other than hollow heart. Sunburn and silver scurf must not be considered
55.16 factors that affect the grading of potatoes. This clause does not apply to hollow heart if
55.17 labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

55.18 (2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the
55.19 minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum
55.20 diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum
55.21 diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade
55.22 potatoes that do not meet the maximum and minimum size specifications as Minnesota
55.23 yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size
55.24 specifications from the grower and the size specifications are listed on the affixed tag or
55.25 accompanying bulk certificate issued by the department.

55.26 (b) To allow for variations incident to proper grading and handling, the following lot
55.27 tolerances are permitted:

55.28 (1) for defects:

55.29 (i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled
55.30 "hollow heart exempt" on the affixed tag or accompanying certificate;

55.31 (ii) up to five percent of potatoes may be seriously damaged by internal discoloration
55.32 due to a cause other than hollow heart;

- 56.1 (iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign
56.2 matter;
- 56.3 (iv) up to ten percent of potatoes may be seriously damaged by wireworm;
- 56.4 (v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining
56.5 requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total
56.6 of six percent of the following defects combined and must not contain more than the
56.7 following percentage of defects:
- 56.8 (A) soft rot, frozen, or wet breakdown, 0.5 percent;
- 56.9 (B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;
- 56.10 (C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight
56.11 tuber rot;
- 56.12 (D) bacterial ring rot, 0.0 percent; and
- 56.13 (E) late blight tuber rot, 1.0 percent; and
- 56.14 (vi) the presence of the following does not affect seed quality and must not be scored
56.15 against the grade:
- 56.16 (A) brown discoloration following skinning;
- 56.17 (B) dried stems;
- 56.18 (C) flattened or depressed areas showing no underlying flesh discoloration;
- 56.19 (D) greening;
- 56.20 (E) sunburn;
- 56.21 (F) skin checks;
- 56.22 (G) silver scurf; and
- 56.23 (H) sprouts; and
- 56.24 (2) for off size:
- 56.25 (i) five percent for potatoes that fail to meet the required or specified minimum size;
56.26 and
- 56.27 (ii) ten percent for potatoes that fail to meet the required maximum size.

57.1 (c) The potatoes must be fairly well-shaped, with an exception for long varieties when
57.2 specified as "except for shape." When specified as "except for shape," the tubers may be
57.3 misshapen.

57.4 Subd. 9. Minnesota white-tag-certified seed potato grade. Minnesota white-tag-certified
57.5 seed potato grade consists of certified seed potatoes that are graded according to agreement
57.6 between the seller and the purchaser as to size and defects, except that not more than one-half
57.7 percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more
57.8 than one percent late blight tuber rot is allowed.

57.9 Sec. 36. Minnesota Statutes 2024, section 21.891, subdivision 2, is amended to read:

57.10 Subd. 2. **Seed fee permits.** (a) A labeler who wishes to sell seed in Minnesota must
57.11 comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision.
57.12 Each labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain
57.13 a permit. The application must contain the name and address of the applicant, the application
57.14 date, and the name and title of the applicant's contact person. Permit fees are based on the
57.15 initial sale of seed in Minnesota.

57.16 (b) The application for a seed permit covered by section 21.89, subdivision 2, clause
57.17 (1), must be accompanied by an application fee of \$75.

57.18 (c) The application for a seed permit covered by section 21.89, subdivision 2, clause
57.19 (2), must be accompanied by an application fee based on the level of annual gross sales as
57.20 follows:

57.21 (1) for gross sales of \$0 to \$25,000, the annual permit fee is \$75;

57.22 (2) for gross sales of \$25,001 to \$50,000, the annual permit fee is \$150;

57.23 (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is \$300;

57.24 (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is \$750;

57.25 (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is \$1,500;

57.26 (6) for gross sales of \$500,001 to \$1,000,000, the annual permit fee is \$3,000; and

57.27 (7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

57.28 (d) The application for a seed permit covered by section 21.89, subdivision 2, clause
57.29 (3), must be accompanied by an application fee of \$75. Labelers holding seed fee permits
57.30 covered under this paragraph need not apply for a new permit or pay the application fee.

58.1 Under this permit category, the fees for the following kinds of agricultural seed sold either
58.2 in bulk or containers are:

58.3 (1) oats, wheat, and barley, 9 cents per hundredweight;

58.4 (2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;

58.5 (3) field corn, 17 cents per 80,000 seed unit;

58.6 (4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;

58.7 (5) sunflower, \$1.96 per hundredweight;

58.8 (6) sugar beet, 12 cents per 100,000 seed unit;

58.9 (7) soybeans, 7.5 cents per 140,000 seed unit;

58.10 (8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most
58.11 closely resembling it in normal planting rate applies; and

58.12 (9) for native grasses and wildflower seed, \$1 per hundredweight.

58.13 (e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into
58.14 Minnesota by a person other than the labeler, the responsibility for the seed fees are
58.15 transferred to the shipper. An application for a transfer of this responsibility must be made
58.16 to the commissioner. Upon approval by the commissioner of the transfer, the shipper is
58.17 responsible for payment of the seed permit fees.

58.18 (f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as
58.19 a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words
58.20 "Minnesota seed permit fees" must be used.

58.21 (g) All seed fee permit holders must file semiannual reports with the commissioner,
58.22 even if no seed was sold during the reporting period. Each semiannual report must be
58.23 submitted within 30 days of the end of each reporting period. The reporting periods ~~are~~
58.24 ~~October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31~~
58.25 ~~and January 1 to June 30 of each year~~ must be determined by the commissioner and
58.26 communicated annually to permit holders. Permit holders may change their reporting periods
58.27 with the approval of the commissioner.

58.28 (h) The holder of a seed fee permit must pay fees on all seed for which the permit holder
58.29 is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting
58.30 period.

59.1 (i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee
 59.2 within 30 days after the end of each reporting period, the commissioner shall assess a penalty
 59.3 of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater,
 59.4 but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when
 59.5 the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits
 59.6 may be revoked for failure to comply with the applicable provisions of this paragraph or
 59.7 the Minnesota seed law.

59.8 Sec. 37. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

59.9 Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of
 59.10 business described under paragraph (a), or (b), ~~(c) or (d)~~ in section 28A.05 within which
 59.11 category the greatest amount of the applicant's food business lies.

59.12 **EFFECTIVE DATE.** This section is effective August 1, 2025.

59.13 Sec. 38. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to
 59.14 read:

59.15 **Subd. 12. Risk category.** "Risk category" means a classification of the level of food
 59.16 safety risk associated with food handling, processing, preparation, and storage based upon
 59.17 an assessment by regulatory food safety professionals of the potential likelihood and severity
 59.18 of harm.

59.19 **EFFECTIVE DATE.** This section is effective August 1, 2025.

59.20 Sec. 39. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to
 59.21 read:

59.22 **Subd. 13. Gross sales or service.** "Gross sales or service" means a calculation in dollars
 59.23 of the total value of food sales or service at the location before taxes or deductions that
 59.24 includes the value of food items held for distribution to other places of business or donated.

59.25 **EFFECTIVE DATE.** This section is effective August 1, 2025.

59.26 Sec. 40. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to
 59.27 read:

59.28 **Subd. 14. Home food handler prepared food.** "Home food handler prepared food"
 59.29 means food prepared and packaged for human consumption by a home food handler.

59.30 **EFFECTIVE DATE.** This section is effective August 1, 2025.

60.1 Sec. 41. Minnesota Statutes 2024, section 28A.04, is amended to read:

60.2 **28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT**
 60.3 **APPLICATIONS; RENEWALS.**

60.4 Subdivision 1. **Application; date of issuance.** (a) No person shall engage in the business
 60.5 of manufacturing, processing, selling, handling, or storing food without having first obtained
 60.6 from the commissioner a license for doing such business. Applications for such license shall
 60.7 be made to the commissioner in such manner and time as required and upon such forms as
 60.8 provided by the commissioner and shall contain the name and address of the applicant,
 60.9 address or description of each place of business, and the nature of the business to be
 60.10 conducted at each place, and such other pertinent information as the commissioner may
 60.11 require.

60.12 (b) An applicant for a license must submit a nonrefundable application fee of \$50 with
 60.13 each license application. The fee under this paragraph does not apply to annual license
 60.14 renewals. The fee under this paragraph is not required for applications to operate solely as
 60.15 a special event food stand or custom exempt food handler.

60.16 ~~(b)~~ (c) A retail or wholesale food handler license shall be issued for the period July
 60.17 January 1 to June 30 following December 31 and shall be renewed thereafter by the licensee
 60.18 on or before July January 1 of each year, except that:

60.19 (1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to
 60.20 June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026,
 60.21 to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31,
 60.22 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

60.23 ~~(2)~~ (2) licenses for all mobile food concession units and retail mobile units must be
 60.24 issued for the period April 1 to March 31, and must be renewed thereafter by the licensee
 60.25 on or before April 1 of each year; and

60.26 ~~(2)~~ (2) A license issued for a temporary food concession stand must have a license issuance
 60.27 and renewal date consistent with appropriate statutory provisions; and

60.28 (3) a license for a food handler operating only at the State Fair must be issued for the
 60.29 period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July
 60.30 1 of each year.

60.31 (d) A penalty for late renewal under paragraph (b) must be assessed in accordance with
 60.32 section 28A.08.

61.1 (e) A home food handler license must be issued for the period of July 1 to June 30 and
 61.2 must be renewed thereafter by the licensee on or before July 1 of each year. Initial home
 61.3 food handler licenses must be issued effective July 1, 2026, or when rules authorized under
 61.4 section 28A.18, are effective, whichever is later. A penalty for a late renewal must be
 61.5 assessed in accordance with section 28A.08.

61.6 ~~(e)~~ (f) A custom exempt food handler license shall be issued for the period July 1 to
 61.7 June 30 ~~following~~ and ~~shall~~ must be renewed thereafter by the licensee on or before July 1
 61.8 each year. The custom exempt food handler license is for businesses that only conduct
 61.9 custom exempt operations and mark all products as "Not For Sale." Food handlers that
 61.10 conduct retail exempt operations or other operations other than custom exempt processing
 61.11 or slaughter are not eligible for this license.

61.12 ~~(d) A license for a food broker or for a food processor or manufacturer shall be issued~~
 61.13 ~~for the period January 1 to December 31 following and shall be renewed thereafter by the~~
 61.14 ~~licensee on or before January 1 of each year, except that a license for a wholesale food~~
 61.15 ~~processor or manufacturer operating only at the state fair shall be issued for the period July~~
 61.16 ~~1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1~~
 61.17 ~~of each year. A penalty for a late renewal shall be assessed in accordance with section~~
 61.18 ~~28A.08.~~

61.19 ~~(e)~~ (g) On a quarterly basis during the licensing period, the commissioner must prorate
 61.20 the fee for an initial license issued under this chapter, except that a person applying for a
 61.21 new license up to 14 calendar days before the effective date of the new license period under
 61.22 paragraph (b) must be issued a license for the 14 days and the next license year as a single
 61.23 license and pay a single license fee as if the 14 days were part of the upcoming license
 61.24 period.

61.25 **Subd. 2. Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In
 61.26 addition to the license requirements set forth in subdivision 1, every custom exempt processor
 61.27 or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined
 61.28 in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry
 61.29 Grant of Inspection permit. Application for a permit shall be made on forms provided by
 61.30 the commissioner. The commissioner shall cause the ~~eustom~~ processor's place of business
 61.31 to be inspected and if the commissioner finds that the applicant's place of business complies
 61.32 with state standards relating to meat processing plants, a ~~eustom processing~~ permit under
 61.33 this subdivision shall be issued to the applicant. ~~No~~ An additional fee shall of up to \$500
 61.34 may be charged for a ~~eustom processing~~ permit under this subdivision.

62.1 **EFFECTIVE DATE.** This section is effective August 1, 2025.

62.2 Sec. 42. Minnesota Statutes 2024, section 28A.05, is amended to read:

62.3 **28A.05 CLASSIFICATION FOOD HANDLERS; HOME FOOD HANDLER**
 62.4 **PREPARED FOOD.**

62.5 **Subdivision 1. Food handler classes.** All persons required to have a license under section
 62.6 28A.04 shall be classified into one of the following classes of food handlers, according to
 62.7 their principal mode of business.

62.8 (a) ~~Retail~~ Food handlers are persons who:

62.9 (1) sell or process and sell food directly to the ultimate consumer or who custom process
 62.10 meat or poultry. The term includes a person who sells food directly to the ultimate consumer
 62.11 through the use of vending machines, and a person who sells food for consumption on site
 62.12 or off site if the sale is conducted on the premises that are part of a grocery or convenience
 62.13 store operation;

62.14 ~~(b) Wholesale food handlers are persons who~~ (2) sell to ~~others~~ other business entities or
 62.15 establishments for resale; including a person who handles food in job lots ~~(jobbers)~~ is
 62.16 ~~included in this classification~~; or

62.17 ~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or
 62.18 manufacture raw materials and other food ingredients into food items, ~~or who~~ reprocess
 62.19 food items, ~~or who~~ package food for sale to ~~others~~ other business entities or establishments
 62.20 for resale, or ~~who~~ commercially slaughter animals or poultry. Included herein are persons
 62.21 who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack,
 62.22 bottle, recondition, or otherwise treat or preserve food for sale to ~~others~~ other business
 62.23 entities or establishments for resale, cold storage warehouse operators as defined in section
 62.24 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1,
 62.25 and dairy plants as defined in section 32D.01, subdivision 6.

62.26 ~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt
 62.27 processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction
 62.28 may not take place in a facility operated by a person with a custom exempt food handler
 62.29 license.

62.30 ~~(e) A food broker is a person who buys and sells food and who negotiates between a~~
 62.31 ~~buyer and a seller of food, but who at no time has custody of the food being bought and~~
 62.32 ~~sold.~~

63.1 (c) A home food handler is a person who makes home food handler prepared food as
 63.2 defined in section 28A.03, subdivision 14, exclusively in a residential home kitchen and
 63.3 sells directly to the ultimate consumer or to other home food handlers for resale. A home
 63.4 food handler is not an establishment or structure as defined in section 157.15, and is not a
 63.5 food establishment as defined in the Minnesota Food Code. A home food handler includes
 63.6 a person who:

63.7 (1) stores and distributes meat or poultry products processed and packaged for the home
 63.8 food handler and inspected by the United States Department of Agriculture or state equal-to
 63.9 inspection program; or

63.10 (2) stores and distributes food that is processed and packaged for the home food handler
 63.11 in a food processing plant that is regulated by a food regulatory agency.

63.12 Subd. 2. **Home food handler prepared food.** (a) Home food handler prepared food as
 63.13 defined in section 28A.03, subdivision 14, includes food that is produced by cooking, baking,
 63.14 drying, mixing, cutting, slicing, assembling, fermenting, preserving, dehydrating, growing,
 63.15 or raising. Home food handler prepared food includes food ingredients and finished products
 63.16 that:

63.17 (1) may require time and temperature control for safety; and

63.18 (2) may be dispensed from bulk into packages with labeling.

63.19 (b) Home food handler prepared food does not include:

63.20 (1) food produced under section 28A.152, low-acid canned food, beverages containing
 63.21 alcohol, bottled water, packaged ice, or food that contains game animals, fish, or shellfish;

63.22 (2) food produced with or that contains unpasteurized fruit or vegetable juice or
 63.23 unpasteurized dairy products;

63.24 (3) food produced with or that contains raw meat or poultry or custom-processed meat
 63.25 or poultry;

63.26 (4) food that involves hot holding, reheating, or cooking for immediate service;

63.27 (5) food that requires a Hazard Analysis and Critical Control Point plan, or food produced
 63.28 by specialized processing, according to Code of Federal Regulations, title 21, or the
 63.29 Minnesota Food Code;

63.30 (6) meat or poultry products that would fall under the authority of the United States
 63.31 Department of Agriculture or state equal-to inspection program, or operations regulated
 63.32 under chapter 31A;

64.1 (7) dairy operations regulated under chapter 32D; or

64.2 (8) food from an establishment or structure defined in section 157.15.

64.3 **EFFECTIVE DATE.** This section is effective August 1, 2025.

64.4 Sec. 43. Minnesota Statutes 2024, section 28A.06, is amended to read:

64.5 **28A.06 EXTENT OF LICENSE.**

64.6 No person, except as described in section 27.03, shall be required to hold more than one
64.7 license in order to engage in any aspect of food handling ~~described in section 28A.05~~
64.8 ~~provided,~~ except that:

64.9 (1) each issued license shall be valid for no more than one place of business, ~~except that;~~

64.10 (2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid
64.11 statewide and is required to be issued only once each year unless the licensee fails to display
64.12 the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal
64.13 temporary food stand, food cart, or special event food stand as defined in section 157.15,
64.14 in which case the duration of the license is restricted by the limitations found in the definitions
64.15 in section 157.15-; and

64.16 (3) the commissioner may authorize a food handler or a home food handler reporting
64.17 \$50,000 or less gross annual food sales to conduct business activities under the food handler's
64.18 license at up to two additional locations if:

64.19 (i) the food handler or home food handler has reported each location and activity to the
64.20 commissioner; and

64.21 (ii) the commissioner has approved each location and activity before the food handler
64.22 or home food handler conducts business activities at each location.

64.23 **EFFECTIVE DATE.** This section is effective August 1, 2025.

64.24 Sec. 44. Minnesota Statutes 2024, section 28A.07, is amended to read:

64.25 **28A.07 ISSUANCE OF LICENSE.**

64.26 Prior to the issuance or renewal of any license herein, the commissioner may cause
64.27 appropriate inspections to be made to determine under applicable statutory and promulgated
64.28 rule requirements, the applicant's risk category and fitness to engage in the ~~mode(s)~~ of
64.29 business activities described in that person's license application. A valid and properly
64.30 displayed license shall be sufficient to allow the licensee to engage in the manner of food
64.31 handling so described in the licensee's application, provided that the commissioner may

65.1 withhold authorization to engage in any aspects of business for which the applicant is not
 65.2 deemed fit under this section. A licensee may, at any time, apply to change such application
 65.3 which shall then be considered by the commissioner in the same manner as a new or renewal
 65.4 application hereunder.

65.5 **EFFECTIVE DATE.** This section is effective August 1, 2025.

65.6 Sec. 45. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

65.7 Subd. 3. **Food ~~manufacturer, processor, or distributor~~ handlers who manufacture,**
 65.8 **process, or distribute; licensing, preemption by state.** When a food ~~manufacturer,~~
 65.9 ~~processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a),
 65.10 clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer,~~
 65.11 ~~processor or distributor~~ handler is exempt from the licensing requirements of any municipal
 65.12 corporation or subdivision of state government, except for licensing requirements which
 65.13 may be imposed by the municipal corporation or subdivision of state government in which
 65.14 the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery
 65.15 equipment used by such a food ~~manufacturer, processor or distributor~~ handler is included
 65.16 within the meaning of this section, whether owned or operated, independently contracted,
 65.17 or contracted with a common carrier approved by the commissioner of agriculture. This
 65.18 delivery equipment is exempt from licensing by any municipal corporation or subdivision
 65.19 of state government except for those requirements which may be imposed by the municipal
 65.20 corporation or subdivision of state government in which the equipment is principally located.
 65.21 Delivery equipment approved by the commissioner of agriculture shall carry, at all times,
 65.22 a certificate of approval for the purposes for which the equipment is utilized. Nothing in
 65.23 this section is intended to permit the enactment of an ordinance regulating an activity where
 65.24 the state has preempted the field.

65.25 **EFFECTIVE DATE.** This section is effective August 1, 2025.

65.26 Sec. 46. Minnesota Statutes 2024, section 28A.08, is amended to read:

65.27 **28A.08 LICENSE FEES; PENALTIES.**

65.28 Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and
 65.29 penalties for not obtaining a license before conducting business in food handling that are
 65.30 set in this section apply to the sections named except as provided under section 28A.09.
 65.31 Except as specified herein, bonds and assessments based on number of units operated or
 65.32 volume handled or processed which are provided for in said laws shall not be affected, nor
 65.33 shall any penalties for late payment of said assessments, nor shall inspection fees, be affected

66.1 by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses
 66.2 must be based on the anticipated future gross annual food sales. If a firm is found to be
 66.3 operating for multiple years without paying license fees, the state may collect the appropriate
 66.4 fees and penalties for each year of operation.

66.5 (b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation
 66.6 level established in the United States Bureau of Labor and Statistics Consumer Price Index,
 66.7 using July 2025 as the base month and year.

66.8 **Subd. 3. Fees effective ~~July 1, 2003~~ August 1, 2025.**

		Penalties		
Type of food handler	<u>Risk</u>	License	Late	No
	<u>Category</u>	Fee	Renewal	License
		<u>Effective</u>		
		<u>July 1,</u>		
		<u>2003</u>		
66.15	1. Retail food handler or Custom exempt food			
66.16	handler			
66.17	(a) Having gross sales of only prepackaged			
66.18	nonperishable food of less than \$15,000			
66.19	for the immediately previous license or			
66.20	fiscal year and filing a statement with the			
66.21	commissioner	\$ 50	\$ 17	\$ 33
66.22	(b) (a) Having under \$15,000 gross sales			
66.23	or service including food preparation or			
66.24	having \$15,000 to \$50,000 or less gross			
66.25	sales or service for the immediately	\$ 77	\$ 25	\$ 51
66.26	previous license or fiscal year	<u>\$135</u>	<u>\$45</u>	<u>\$90</u>
66.27	(c) (b) Having \$50,001 to \$250,000			
66.28	\$125,000 gross sales or service for the	\$155	\$ 51	\$102
66.29	immediately previous license or fiscal year	<u>\$200</u>	<u>\$67</u>	<u>\$133</u>
66.30	(d) (c) Having \$250,001 to \$1,000,000			
66.31	\$500,000 gross sales or service			
66.32	for the immediately previous license or	\$276	\$ 91	\$182
66.33	fiscal year	<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
66.34	(e) (d) Having \$1,000,001 to \$5,000,000			
66.35	\$1,000,000 gross sales or			
66.36	service for the immediately previous	\$799	\$264	\$527
66.37	license or fiscal year	<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
66.38	(f) (e) Having \$5,000,001 to \$10,000,000			
66.39	\$5,000,000 gross sales or			
66.40	service for the immediately previous	\$1,162	\$383	\$767
66.41	license or fiscal year	<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
66.42	<u>(f) Having \$5,000,001 to \$10,000,000 gross</u>			
66.43	<u>sales or service for the immediately</u>			
66.44	<u>previous license or fiscal year</u>	<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>

67.1	(g) Having \$10,000,001 to \$15,000,000			
67.2	gross sales or service for the immediately		\$1,376	\$454
67.3	previous license or fiscal year		<u>\$2,150</u>	<u>\$717</u>
67.4	(h) Having \$15,000,001 to \$20,000,000			
67.5	gross sales or service for the immediately		\$1,607	\$530
67.6	previous license or fiscal year		<u>\$2,550</u>	<u>\$849</u>
67.7	(i) Having \$20,000,001 to \$25,000,000			
67.8	gross sales or service for the immediately		\$1,847	\$610
67.9	previous license or fiscal year		<u>\$2,950</u>	<u>\$984</u>
67.10	(j) Having over \$25,000,001 gross sales or			
67.11	service for the immediately previous		\$2,001	\$660
67.12	license or fiscal year		<u>\$3,350</u>	<u>\$1,117</u>
67.13	2. Wholesale Food handler			
67.14	(a) Having gross sales of only prepackaged			
67.15	<u>nonperishable food of less than \$30,000</u>			
67.16	<u>for the immediately previous license or</u>			
67.17	<u>fiscal year and filing a statement with the</u>			
67.18	<u>commissioner</u>		\$90	\$30
67.19			\$57	\$19
67.20	(a) (b) Having gross sales or service of less	High	\$285	\$95
67.21	than \$25,000 \$50,000 for the immediately	Medium	\$195	\$65
67.22	previous license or fiscal year	Low	\$135	\$45
67.23	(b) (c) Having \$25,001 \$50,001 to		\$284	\$94
67.24	\$250,000 \$125,000 gross sales or service	High	\$350	\$117
67.25	for the immediately previous license or	Medium	\$260	\$87
67.26	fiscal year	Low	\$200	\$67
67.27	(e) (d) Having \$250,001 \$125,001 to			
67.28	\$1,000,000 \$250,000 gross sales or service		\$444	\$147
67.29	from a mobile unit without a separate food	High	\$415	\$138
67.30	facility for the immediately previous	Medium	\$350	\$117
67.31	license or fiscal year	Low	\$265	\$88
67.32	(d) (e) Having \$250,001 to \$1,000,000		\$590	\$195
67.33	\$500,000 gross sales or service not covered	High	\$520	\$173
67.34	under paragraph (e) for the immediately	Medium	\$430	\$143
67.35	previous license or fiscal year	Low	\$370	\$123
67.36	(e) (f) Having \$1,000,001 \$500,001 to		\$769	\$254
67.37	\$5,000,000 \$1,000,000 gross sales or	High	\$625	\$208
67.38	service for the immediately previous	Medium	\$535	\$178
67.39	license or fiscal year	Low	\$475	\$158
67.40	(f) (g) Having \$5,000,001 \$1,000,001 to		\$920	\$304
67.41	\$10,000,000 \$5,000,000 gross sales or	High	\$1,500	\$500
67.42	service for the immediately previous	Medium	\$1,425	\$475
67.43	license or fiscal year	Low	\$1,350	\$450
67.44	(h) Having \$5,000,001 to \$10,000,000	High	\$1,900	\$633
67.45	<u>gross sales or service for the immediately</u>	Medium	\$1,825	\$608
67.46	<u>previous license or fiscal year</u>	Low	\$1,750	\$583
67.47			\$990	\$327
67.48	(g) (i) Having \$10,000,001 to \$15,000,000	High	\$2,300	\$767
67.49	gross sales or service for the immediately	Medium	\$2,225	\$742
67.50	previous license or fiscal year	Low	\$2,150	\$717

68.1			<u>\$1,156</u>	<u>\$381</u>	<u>\$763</u>
68.2	(h) <u>(j)</u> Having \$15,000,001 to \$20,000,000	<u>High</u>	<u>\$2,700</u>	<u>\$900</u>	<u>\$1,800</u>
68.3	gross sales or service for the immediately	<u>Medium</u>	<u>\$2,625</u>	<u>\$875</u>	<u>\$1,750</u>
68.4	previous license or fiscal year	<u>Low</u>	<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>
68.5			<u>\$1,329</u>	<u>\$439</u>	<u>\$877</u>
68.6	(i) <u>(k)</u> Having \$20,000,001 to \$25,000,000	<u>High</u>	<u>\$3,100</u>	<u>\$1,033</u>	<u>\$2,067</u>
68.7	gross sales or service for the immediately	<u>Medium</u>	<u>\$3,025</u>	<u>\$1,008</u>	<u>\$2,017</u>
68.8	previous license or fiscal year	<u>Low</u>	<u>\$2,950</u>	<u>\$984</u>	<u>\$1,967</u>
68.9			<u>\$1,502</u>	<u>\$496</u>	<u>\$991</u>
68.10	(j) <u>(l)</u> Having over \$25,000,001 or more to	<u>High</u>	<u>\$3,500</u>	<u>\$1,167</u>	<u>\$2,333</u>
68.11	<u>\$50,000,000</u> gross sales or service for the	<u>Medium</u>	<u>\$3,425</u>	<u>\$1,142</u>	<u>\$2,283</u>
68.12	immediately previous license or fiscal year	<u>Low</u>	<u>\$3,350</u>	<u>\$1,117</u>	<u>\$2,233</u>
68.13	<u>(m) Having \$50,000,001 to \$100,000,000</u>	<u>High</u>	<u>\$4,000</u>	<u>\$1,334</u>	<u>\$2,667</u>
68.14	<u>gross sales or service for the immediately</u>	<u>Medium</u>	<u>\$3,925</u>	<u>\$1,309</u>	<u>\$2,617</u>
68.15	<u>previous license or fiscal year</u>	<u>Low</u>	<u>\$3,850</u>	<u>\$1,284</u>	<u>\$2,567</u>
68.16	<u>(n) Having \$100,000,001 or more gross</u>	<u>High</u>	<u>\$4,500</u>	<u>\$1,500</u>	<u>\$3,000</u>
68.17	<u>sales or service for the immediately</u>	<u>Medium</u>	<u>\$4,425</u>	<u>\$1,475</u>	<u>\$2,950</u>
68.18	<u>previous license or fiscal year</u>	<u>Low</u>	<u>\$4,350</u>	<u>\$1,450</u>	<u>\$2,900</u>
68.19	3. Food broker <u>Food handler operating under</u>				
68.20	<u>authority of this chapter solely as a special</u>				
68.21	<u>event food stand as defined in Minnesota</u>		<u>\$150</u>	<u>\$50</u>	<u>\$99</u>
68.22	<u>Statutes, section 157.15</u>		<u>\$75</u>	<u>\$25</u>	<u>\$50</u>
68.23	4. Wholesale food processor or manufacturer				
68.24	<u>Home food handler</u>		<u>\$150</u>	<u>\$50</u>	<u>\$100</u>
68.25	(a) Having gross sales or service of less				
68.26	than \$125,000 for the immediately previous				
68.27	license or fiscal year		<u>\$169</u>	<u>\$56</u>	<u>\$112</u>
68.28	(b) Having \$125,001 to \$250,000 gross				
68.29	sales or service for the immediately				
68.30	previous license or fiscal year		<u>\$392</u>	<u>\$129</u>	<u>\$259</u>
68.31	(c) Having \$250,001 to \$1,000,000 gross				
68.32	sales or service for the immediately				
68.33	previous license or fiscal year		<u>\$590</u>	<u>\$195</u>	<u>\$389</u>
68.34	(d) Having \$1,000,001 to \$5,000,000 gross				
68.35	sales or service for the immediately				
68.36	previous license or fiscal year		<u>\$769</u>	<u>\$254</u>	<u>\$508</u>
68.37	(e) Having \$5,000,001 to \$10,000,000				
68.38	gross sales or service for the immediately				
68.39	previous license or fiscal year		<u>\$920</u>	<u>\$304</u>	<u>\$607</u>
68.40	(f) Having \$10,000,001 to \$15,000,000				
68.41	gross sales or service for the immediately				
68.42	previous license or fiscal year		<u>\$1,377</u>	<u>\$454</u>	<u>\$909</u>
68.43	(g) Having \$15,000,001 to \$20,000,000				
68.44	gross sales or service for the immediately				
68.45	previous license or fiscal year		<u>\$1,608</u>	<u>\$531</u>	<u>\$1,061</u>
68.46	(h) Having \$20,000,001 to \$25,000,000				
68.47	gross sales or service for the immediately				
68.48	previous license or fiscal year		<u>\$1,849</u>	<u>\$610</u>	<u>\$1,220</u>

69.1	(i) Having \$25,000,001 to \$50,000,000			
69.2	gross sales or service for the immediately			
69.3	previous license or fiscal year	\$2,090	\$690	\$1,379
69.4	(j) Having \$50,000,001 to \$100,000,000			
69.5	gross sales or service for the immediately			
69.6	previous license or fiscal year	\$2,330	\$769	\$1,538
69.7	(k) Having \$100,000,000 or more gross			
69.8	sales or service for the immediately			
69.9	previous license or fiscal year	\$2,571	\$848	\$1,697
69.10	5. Wholesale food processor of Meat or			
69.11	poultry products processing solely under			
69.12	supervision of the U.S. Department of			
69.13	Agriculture			
69.14	(a) Having gross sales or service of less			
69.15	than \$125,000 for the immediately previous	\$112	\$37	\$74
69.16	license or fiscal year	<u>\$190</u>	<u>\$63</u>	<u>\$127</u>
69.17	(b) Having \$125,001 to \$250,000 gross			
69.18	sales or service for the immediately	\$214	\$71	\$141
69.19	previous license or fiscal year	<u>\$365</u>	<u>\$122</u>	<u>\$243</u>
69.20	(c) Having \$250,001 to \$1,000,000			
69.21	<u>\$500,000</u> gross sales or service for the	\$333	\$110	\$220
69.22	immediately previous license or fiscal year	<u>\$450</u>	<u>\$150</u>	<u>\$300</u>
69.23	(d) Having <u>\$500,001 to \$1,000,000 gross</u>			
69.24	<u>sales or service for the immediately</u>			
69.25	<u>previous license or fiscal year</u>	<u>\$565</u>	<u>\$188</u>	<u>\$377</u>
69.26	(d) (e) Having \$1,000,001 to \$5,000,000			
69.27	gross sales or service for the immediately	\$425	\$140	\$281
69.28	previous license or fiscal year	<u>\$725</u>	<u>\$241</u>	<u>\$483</u>
69.29	(e) (f) Having \$5,000,001 to \$10,000,000			
69.30	gross sales or service for the immediately	\$521	\$172	\$344
69.31	previous license or fiscal year	<u>\$885</u>	<u>\$295</u>	<u>\$590</u>
69.32	(f) (g) Having \$10,000,001 to \$15,000,000			
69.33	gross sales or service for the immediately	\$765	\$252	\$505
69.34	previous license or fiscal year	<u>\$1,305</u>	<u>\$435</u>	<u>\$807</u>
69.35	(g) (h) Having \$15,000,001 to \$20,000,000			
69.36	gross sales or service for the immediately	\$893	\$295	\$589
69.37	previous license or fiscal year	<u>\$1,515</u>	<u>\$505</u>	<u>\$1,010</u>
69.38	(h) (i) Having \$20,000,001 to \$25,000,000			
69.39	gross sales or service for the immediately	\$1,027	\$339	\$678
69.40	previous license or fiscal year	<u>\$1,745</u>	<u>\$582</u>	<u>\$1,163</u>
69.41	(i) (j) Having \$25,000,001 to \$50,000,000			
69.42	gross sales or service for the immediately	\$1,161	\$383	\$766
69.43	previous license or fiscal year	<u>\$1,975</u>	<u>\$658</u>	<u>\$1,317</u>
69.44	(j) (k) Having \$50,000,001 to \$100,000,000			
69.45	gross sales or service for the immediately	\$1,295	\$427	\$855
69.46	previous license or fiscal year	<u>\$2,215</u>	<u>\$738</u>	<u>\$1,477</u>
69.47	(k) (l) Having \$100,000,001 or more gross			
69.48	sales or service for the immediately	\$1,428	\$471	\$942
69.49	previous license or fiscal year	<u>\$2,465</u>	<u>\$822</u>	<u>\$1,643</u>

70.1	6. Wholesale food processor or manufacturer			
70.2	operating only at the State Fair	\$125	\$ 40	\$ 50
70.3	7. Wholesale food manufacturer having the			
70.4	permission of the commissioner to use the			
70.5	name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
70.6	8. Wholesale food manufacturer processing			
70.7	less than 700,000 pounds per year of raw			
70.8	milk	\$ 30	\$ 10	\$ 15
70.9	9. A milk marketing organization without			
70.10	facilities for processing or manufacturing			
70.11	that purchases milk from milk producers			
70.12	for delivery to a licensed wholesale food			
70.13	processor or manufacturer	\$ 50	\$ 15	\$ 25

70.14 Subd. 4. **Food handler license account; appropriation.** A food handler license account
 70.15 is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04
 70.16 must be deposited in this account. Money in the account, including interest, is appropriated
 70.17 to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers
 70.18 under chapters 28 to 34A or rules adopted under one of those chapters.

70.19 **EFFECTIVE DATE.** This section is effective August 1, 2025.

70.20 Sec. 47. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

70.21 Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection
 70.22 fee for each reinspection of a food handler, custom exempt food handler, or home food
 70.23 handler that:

70.24 (1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D,
 70.25 33, or 34, or rules adopted under one of those chapters; or

70.26 (2) fails to correct equipment and facility deficiencies as required in rules adopted under
 70.27 chapter 28, 29, 30, 31, 31A, 32D, or 34.

70.28 The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed
 70.29 at ~~\$150~~ \$250, except that a home food handler must be assessed at \$50. The fee for a firm
 70.30 with gross food sales over \$1,000,000 is ~~\$200~~ \$300. The fee for a subsequent reinspection
 70.31 of a firm for the same violation is 50 percent of their current license fee or ~~\$300~~ \$500,
 70.32 whichever is greater, except that the fee for a home food handler is \$100. The establishment
 70.33 must be issued written notice of violations with a reasonable date for compliance listed on
 70.34 the notice. An initial inspection relating to a complaint is not a reinspection.

70.35 **EFFECTIVE DATE.** This section is effective August 1, 2025.

71.1 Sec. 48. Minnesota Statutes 2024, section 28A.14, is amended to read:

71.2 **28A.14 TRANSFER OF BUSINESS.**

71.3 (a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of
 71.4 its operation by the licensee at the address covered by the license voids the license and the
 71.5 license certificate shall be surrendered to the commissioner immediately by anyone in
 71.6 possession of the same.

71.7 (b) If a licensee discontinues operating at an additional location authorized under section
 71.8 28A.06, the license is not void if the licensee has provided written notification to the
 71.9 commissioner.

71.10 **EFFECTIVE DATE.** This section is effective August 1, 2025.

71.11 Sec. 49. Minnesota Statutes 2024, section 28A.17, is amended to read:

71.12 **28A.17 LICENSE RENEWAL.**

71.13 Licenses for food processors or manufacturers or food brokers handlers and home food
 71.14 handlers shall be renewed annually on January 1. Licenses for retail and wholesale food
 71.15 handlers shall be renewed annually on July 1. Licenses for mobile food concessions and
 71.16 for retail mobile units shall be renewed annually on April 1 prior to the end of the licensing
 71.17 period. Approval of license renewal is contingent upon conditions described in section
 71.18 28A.07 and payment of license fees identified in section 28A.08.

71.19 **EFFECTIVE DATE.** This section is effective August 1, 2025.

71.20 Sec. 50. **[28A.18] HOME FOOD HANDLERS; RULEMAKING.**

71.21 Rules for which notice is published in the State Register before July 1, 2026, may be
 71.22 adopted using the expedited rulemaking process in section 14.389. The 18-month time limit
 71.23 imposed by section 14.125 does not apply to rules adopted under this section. Home food
 71.24 handler licenses must not be issued by the commissioner until rules authorized in this section
 71.25 are effective.

71.26 **EFFECTIVE DATE.** This section is effective August 1, 2025.

72.1 Sec. 51. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to
72.2 read:

72.3 Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures
72.4 milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy
72.5 producers. Milk marketer does not include:

72.6 (1) a person who only brokers a contract between a milk producer and a milk contractor
72.7 but does not become a party to the contract, take control of the milk, or accept payment on
72.8 behalf of the milk producer; or

72.9 (2) a person who only buys or sells milk on a board of trade or commodity exchange.

72.10 Sec. 52. [32D.31] MILK MARKETING LICENSE.

72.11 Subdivision 1. **License requirement and eligibility.** A current milk marketing license
72.12 is required for any milk marketer. Before a milk marketing license is issued, the commissioner
72.13 must determine that the applicant meets the relevant licensing requirements.

72.14 Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form
72.15 provided by the commissioner. An applicant must also submit:

72.16 (1) a report of the total milk payroll obligations that the applicant incurred during the
72.17 applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer
72.18 in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant
72.19 will incur during the applicant's first complete fiscal year;

72.20 (2) a report of any milk payroll obligations to dairy producers that were unpaid during
72.21 the applicant's last completed fiscal year and the payroll amount; and

72.22 (3) the total amount of hundredweights procured, collected, or marketed from Minnesota
72.23 milk producers during the applicant's last completed fiscal year.

72.24 Subd. 3. **Term of license; transferability.** A milk marketing license issued by the
72.25 commissioner expires on December 31 of each year, must be renewed annually, and is not
72.26 transferable.

72.27 Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is calculated based
72.28 on the value of milk procured or collected from December 1 through November 30 prior to
72.29 the license expiration date as follows:

72.30 (1) \$100 for an initial license;

73.1 (2) \$100 annually for a license renewal for persons procuring or collecting 700,000
 73.2 pounds of milk or less in the preceding 12 months; or

73.3 (3) \$250 annually for a license renewal for persons procuring or collecting more than
 73.4 700,000 pounds of milk in the proceeding 12 months.

73.5 (b) The fee must be paid to the commissioner before the commissioner issues an initial
 73.6 or renewal license. If a person has not applied for a milk marketing license renewal before
 73.7 January 1, a late fee of \$100 must be imposed. After January 1, 2026, any person who
 73.8 requires a milk marketing license and conducts activities subject to licensing within 365
 73.9 days prior to obtaining a milk marketing license must pay a penalty of \$250 to receive the
 73.10 person's initial license.

73.11 Subd. 5. **License requirements.** An applicant for a milk marketing license must:

73.12 (1) complete monthly procurement payments under section 32D.11, if applicable;

73.13 (2) provide, upon request of the commissioner, a list of dairy producers from whom the
 73.14 applicant collects milk;

73.15 (3) provide dairy field service as described in section 32D.02, subdivision 6;

73.16 (4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;

73.17 (5) provide, upon the request of the commissioner, a financial statement to demonstrate
 73.18 that sufficient financial resources are available to satisfy payroll obligations for milk that
 73.19 is procured or collected from Minnesota dairy producers; and

73.20 (6) satisfy all contractual payments and agreements made with any Minnesota dairy
 73.21 producer that maintains a permit or certification as required under section 32D.05 or 32D.07.

73.22 A person's failure to pay dairy producers in accordance with contracts may result in the
 73.23 revocation or suspension of the person's milk marketing license.

73.24 Subd. 6. **Permit requirement.** (a) A person conducting the following activities must
 73.25 hold a valid milk marketing permit:

73.26 (1) any activities subject to a milk marketing license; or

73.27 (2) if the person is a Minnesota milk producer, marketing milk on the producer's own
 73.28 behalf.

73.29 (b) An applicant must apply for a milk marketing permit on a form provided by the
 73.30 commissioner. A milk marketing permit must be issued to an applicant in conjunction with
 73.31 the initial license issued and must contain a milk marketing permit number. An applicant
 73.32 for a milk marketing permit must not be required to pay a fee to the commissioner when

74.1 applying. A milk marketing permit is valid if the holder of the permit maintains a current
 74.2 milk marketing license or continues to market the permit holder's own milk, with no renewals
 74.3 required.

74.4 Sec. 53. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

74.5 Subd. 2. **State participation.** The state may participate in a new real estate loan with
 74.6 an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount
 74.7 of the loan ~~or. Individual loans must be no less than \$50,000 and no more than \$500,000,~~
 74.8 ~~whichever is less.~~ The interest rates and repayment terms of the authority's participation
 74.9 interest may be different than the interest rates and repayment terms of the lender's retained
 74.10 portion of the loan.

74.11 Sec. 54. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

74.12 Subd. 8. **State participation.** With respect to loans that are eligible for restructuring
 74.13 under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall
 74.14 enter into a participation agreement or other financial arrangement whereby it shall participate
 74.15 in a restructured loan to the extent of 45 percent of the primary principal ~~or. Individual loans~~
 74.16 ~~must be no less than \$50,000 and no more than \$625,000, whichever is less.~~ The authority's
 74.17 portion of the loan must be protected during the authority's participation by the first mortgage
 74.18 held by the eligible lender to the extent of its participation in the loan.

74.19 Sec. 55. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

74.20 Subd. 4. **Participation limit; interest.** The authority may participate in new
 74.21 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or.~~
 74.22 Individual loans must be no less than \$50,000 and no more than \$500,000, whichever is
 74.23 ~~less.~~ The interest rates and repayment terms of the authority's participation interest may be
 74.24 different than the interest rates and repayment terms of the seller's retained portion of the
 74.25 loan.

74.26 Sec. 56. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

74.27 Subd. 1b. **Loan participation.** The authority may participate in an agricultural
 74.28 improvement loan with an eligible lender to a farmer who meets the requirements of section
 74.29 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.
 74.30 Participation is limited to 45 percent of the principal amount of the loan ~~or. Individual loans~~
 74.31 must be no less than \$50,000 and no more than \$500,000, whichever is less. The interest

75.1 rates and repayment terms of the authority's participation interest may be different than the
75.2 interest rates and repayment terms of the lender's retained portion of the loan.

75.3 Sec. 57. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

75.4 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion
75.5 and modernization loan with an eligible lender to a livestock farmer who meets the
75.6 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively
75.7 engaged in a livestock operation. A prospective borrower must have a total net worth,
75.8 including assets and liabilities of the borrower's spouse and dependents, of less than
75.9 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by
75.10 multiplying that amount by the cumulative inflation rate as determined by the United States
75.11 All-Items Consumer Price Index.

75.12 Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual
75.13 loans must be no less than \$50,000 and no more than \$625,000, whichever is less. The
75.14 interest rates and repayment terms of the authority's participation interest may be different
75.15 from the interest rates and repayment terms of the lender's retained portion of the loan.

75.16 Sec. 58. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

75.17 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

75.18 (1) meet the requirements of section 41B.03, subdivision 1;

75.19 (2) certify that the damage or loss was: (i) sustained within a county that was the subject
75.20 of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly
75.21 contagious animal disease in Minnesota; (iii) due to an infectious human disease for which
75.22 the governor has declared a peacetime emergency; or (iv) due to an emergency as determined
75.23 by the authority;

75.24 (3) demonstrate an ability to repay the loan; ~~and~~

75.25 (4) have received at least 25 percent of annual gross income from farming in the past
75.26 year; and

75.27 (5) have a total net worth, including assets and liabilities of the borrower's spouse and
75.28 dependents, of less than \$5,000,000.

75.29 Sec. 59. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

75.30 Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an
75.31 agricultural microloan program to help finance the purchase of agricultural land or the

76.1 production of specialty crops or eligible livestock. The authority may contract with an
76.2 intermediary to provide an efficient delivery system for this program.

76.3 Sec. 60. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

76.4 Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan
76.5 program to provide loans that enable farmers to:

76.6 (1) add value to crops or livestock produced in Minnesota; or

76.7 ~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~

76.8 ~~(3) reduce or improve management of agricultural inputs resulting in environmental~~
76.9 ~~improvements; or~~

76.10 ~~(4)~~ (2) increase production of on-farm energy.

76.11 Sec. 61. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

76.12 Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan
76.13 with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group
76.14 of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who
76.15 are actively engaged in farming. Participation is limited to 45 percent of the principal amount
76.16 of the loan or \$100,000 per individual, whichever is less. For loans to a group made up of
76.17 four or more individuals, participation is limited to 45 percent of the principal amount of
76.18 the loan or \$250,000, whichever is less. The interest rate on the loans must not exceed six
76.19 percent. A borrower must have a total net worth, including assets and liabilities of the
76.20 borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in
76.21 subsequent years that is adjusted for inflation by multiplying that amount by the cumulative
76.22 inflation rate as determined by the United States All-Items Consumer Price Index.

76.23 Sec. 62. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

76.24 Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the
76.25 fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses
76.26 of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or
76.27 renewed after June 30, 2005, ~~shall be set according to the following schedule:~~ 2025, is \$500
76.28 for each licensed location. A licensed location with no grain bin capacity must be charged
76.29 a \$350 examination fee.

76.30 ~~(1) \$140 plus \$110 for each additional location for grain buyers whose gross annual~~
76.31 ~~purchases are less than \$100,000;~~

77.1 ~~(2) \$275 plus \$110 for each additional location for grain buyers whose gross annual~~
 77.2 ~~purchases are at least \$100,000, but not more than \$750,000;~~

77.3 ~~(3) \$415 plus \$220 for each additional location for grain buyers whose gross annual~~
 77.4 ~~purchases are more than \$750,000 but not more than \$1,500,000;~~

77.5 ~~(4) \$550 plus \$220 for each additional location for grain buyers whose gross annual~~
 77.6 ~~purchases are more than \$1,500,000 but not more than \$3,000,000; and~~

77.7 ~~(5) \$700 plus \$220 for each additional location for grain buyers whose gross annual~~
 77.8 ~~purchases are more than \$3,000,000.~~

77.9 ~~(b) In addition to the license fee required under paragraph (a), a grain buyer must pay~~
 77.10 ~~to the commissioner an annual examination fee for each licensed location, as follows:~~

77.11	Bushel Capacity	Examination
77.12		Fee
77.13	Examinations without a grain measure	\$ 100
77.14	Less than 150,001	\$ 300
77.15	150,001 to 250,000	\$ 425
77.16	250,001 to 500,000	\$ 545
77.17	500,001 to 750,000	\$ 700
77.18	750,001 to 1,000,000	\$ 865
77.19	1,000,001 to 1,200,000	\$ 1,040
77.20	1,200,001 to 1,500,000	\$ 1,205
77.21	1,500,001 to 2,000,000	\$ 1,380
77.22	More than 2,000,000	\$ 1,555

77.23 ~~(b) Examination fees must be calculated based on bushel capacity of each licensed~~
 77.24 ~~location with a charge of \$0.0035 per bushel of capacity.~~

77.25 ~~(c) Examination fees must not be less than \$350 and must not exceed \$4,000.~~

77.26 ~~(e) (d)~~ The fee for any supplemental examination required by the commissioner under
 77.27 section 223.23 is ~~\$55~~ \$110 per hour per examiner.

77.28 ~~(d) (e)~~ A licensed grain buyer meeting the annual examination requirements under section
 77.29 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted
 77.30 by the Agricultural Marketing Service of the United State Department of Agriculture.

77.31 ~~(e) (f)~~ A penalty amount not to exceed ten percent of the fees due may be imposed by
 77.32 the commissioner for each month for which the fees are delinquent.

78.1 ~~(f)~~ (g) There is created the grain buyers and storage account in the agricultural fund.
 78.2 Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury
 78.3 and credited to the grain buyers and storage account. Money in the account, including
 78.4 interest, is appropriated to the commissioner for the administration and enforcement of
 78.5 sections 223.15 to 223.23.

78.6 Sec. 63. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

78.7 Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural
 78.8 fund an account known as the grain buyers and storage account. The commissioner shall
 78.9 set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24
 78.10 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24.
 78.11 All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner
 78.12 into the state treasury and credited to the grain buyers and storage account. Money in the
 78.13 account, including interest, is appropriated to the commissioner for the administration and
 78.14 enforcement of sections 232.20 to 232.24.

78.15 (b) All money collected pursuant to chapter 231 shall be paid by the commissioner into
 78.16 the grain buyers and storage account. Money in the account is appropriated to the
 78.17 commissioner for the administration and enforcement of chapter 231.

78.18 (c) The fees for a license to store grain are as follows:

78.19 (1) for a license to store grain, ~~\$110~~ \$300 for each home rule charter or statutory city or
 78.20 town in which a public grain warehouse is operated; and

78.21 ~~(2) in addition to the license fee required under clause (1), a person with a license to~~
 78.22 ~~store grain in a public grain warehouse is subject to an examination fee for each licensed~~
 78.23 ~~location, as follows:~~

78.24 Bushel Capacity	78.25 Examination
	78.26 Fee
78.27 Less than 150,001	78.28 \$ 300
78.29 150,001 to 250,000	78.30 \$ 425
78.31 250,001 to 500,000	78.32 \$ 545
78.33 500,001 to 750,000	78.34 \$ 700
78.35 750,001 to 1,000,000	\$ 865
78.36 1,000,001 to 1,200,000	\$ 1,040
78.37 1,200,001 to 1,500,000	\$ 1,205
78.38 1,500,001 to 2,000,000	\$ 1,380
78.39 More than 2,000,000	\$ 1,555

79.1 ~~(3)~~(2) the fee for supplemental examinations required by the commissioner under section
79.2 232.24 is ~~\$55~~ \$110 per hour per examiner.

79.3 (d) A penalty amount not to exceed ten percent of the fees due may be imposed by the
79.4 commissioner for each month for which the fees are delinquent.

79.5 Sec. 64. **REPEALER.**

79.6 (a) Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121;
79.7 and 21.122, are repealed.

79.8 (b) Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320;
79.9 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; and 1510.2355,
79.10 subparts 1, 2, 3a, 4, 5, 6, and 7, are repealed.

APPENDIX
Article locations for 25-02487

ARTICLE 1 APPROPRIATIONS..... Page.Ln 1.23
ARTICLE 2 AGRICULTURE STATUTORY CHANGES..... Page.Ln 17.13

21.116 EXPENSES.

All necessary expenses incurred in carrying out the provisions of sections 21.111 to 21.122 and the compensation of officers, inspectors, and employees appointed, designated, or employed by the commissioner, as provided in such sections, together with their necessary traveling expenses, together with the traveling expenses of the members of the advisory seed potato certification committee, and other expenses necessary in attending committee meetings, shall be paid from, and only from, the seed potato inspection account, on order of the commissioner and commissioner of management and budget.

21.118 RULES.

It shall be the duty of the commissioner to promulgate reasonable rules for carrying out the purposes and enforcing the provisions of sections 21.111 to 21.122.

21.1196 RESTRICTED SEED POTATO GROWING AREA.

Subd. 3. **Penalty.** A potato grower who violates subdivision 2, paragraph (a), is subject to a penalty of \$100 per acre of potatoes grown and not certified.

21.121 VIOLATIONS; REPORTS, PROSECUTIONS.

It shall be the duty of every prosecuting officer, to whom the commissioner shall report any violation of sections 21.111 to 21.122, to cause appropriate proceedings to be commenced and prosecuted in the proper courts without delay for the enforcement of the penalties in such case as provided in such sections.

21.122 PENALTIES.

Any person violating any provision of sections 21.111 to 21.121 or any rule promulgated by the commissioner thereunder shall be guilty of a misdemeanor; and upon conviction for a first offense shall be punished by a fine of not less than \$25 nor more than \$1,000 or by imprisonment for not less than 10 days nor more than 90 days; and for each second and subsequent offense such persons shall be guilty of a gross misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$3,000 or by imprisonment for not less than 30 days nor more than six months. Upon conviction for such second offense the commissioner shall refuse the violator the privilege of handling in any way certified seed potatoes during the season in which such second offense was committed.

1510.2300 AUTHORITY.

Parts 1510.2300 to 1510.2355 provide standards for the inspection, certification, production, and marketing of certified seed potatoes in the state of Minnesota. The authority to adopt these rules is contained in Minnesota Statutes, section 21.118.

1510.2305 DEFINITIONS.

Subpart 1. **General.** As used in parts 1510.2300 to 1510.2355, the following definitions apply unless the context clearly indicates otherwise.

Subp. 2. **Certified.** "Certified" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 3.

Subp. 3. **Certified seed potatoes.** "Certified seed potatoes" means potatoes which have been produced, graded, sacked or placed in bulk, and inspected and certified in accordance with parts 1510.2300 to 1510.2355.

Subp. 3a. **Class.** "Class" means the seed quality level as it relates to compliance with the specified tolerances for diseases and varietal purity.

Subp. 3b. **Clone.** "Clone" means a unit of seed potatoes, being the progeny of one plant, which has been tested to become eligible to produce Primary Foundation 1 seed potatoes.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subp. 5. **Crop.** "Crop" means all lots produced on a farm in one year.

Subp. 6. **Department.** "Department" means the Department of Agriculture.

Subp. 6a. **Explant.** "Explant" means an in vitro potato plant or plantlet produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant which serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subp. 7. **Farm.** "Farm" means a seed potato enterprise. It includes all land, equipment, storage facilities, and laborers used to produce certified seed potatoes.

Subp. 8. **Field.** "Field" means a plot of land on a farm on which potatoes are grown for certification. The potatoes shall be of one variety from one certified seed potato growing operation and shall be grown in physical separation from other fields.

Subp. 9. **Inspected.** "Inspected" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 2.

Subp. 10. **Lot.** "Lot" means a group of seed potatoes entered for certification that have passed the field inspection requirements. For the purposes of parts 1510.2300 to 1510.2355, a lot of potatoes also means that the group is of one variety, from one or more fields, grown on the same farm, and stored in physical separation from other lots.

Subp. 10a. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied under controlled laboratory conditions.

Subp. 10b. **Physical separation.** "Physical separation" means separated by at least the width of one row, or markings such as flags that are at every corner of the lot or at least 100 yards apart, whichever is less. The markings must be visible to the inspector from anywhere on the separation.

Subp. 11. **Rejected.** "Rejected" means that a field or lot fails to meet the standards provided for in parts 1510.2300 to 1510.2355.

Subp. 12. **Seed potato certification inspector.** "Seed potato certification inspector" means an employee of the department authorized by the commissioner to inspect seed potato plants and tubers entered for certification.

Subp. 13. **Seed potatoes.** "Seed potatoes" has the meaning given it in Minnesota Statutes, section 21.111, subdivision 5.

Subp. 14. **Tolerance.** "Tolerance" means a specified allowance for variation from the standards provided for diseases and physical defects, as provided in parts 1510.2300 to 1510.2355.

Subp. 15. **Tuber unit.** "Tuber unit" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

1510.2310 GENERAL GUIDANCE.

Subpart 1. **Scope.** The provisions of this part govern the production of potatoes for use as certified seed potatoes.

Subp. 2. **Seed potato certification.** In order to produce certified seed potatoes, a grower must comply with the following procedures:

A. Potatoes entered for certification shall be inspected while growing in the field and again after harvest at the time of shipment. Certification shall be based upon visual inspection by the commissioner of sample plants and tubers from each field and lot, or for varieties that do not express visible symptoms of a specific pathogen, seed potatoes must be subjected to laboratory tests to determine the level of the pathogen in a seed lot. This testing may occur during the growing season, storage season, or winter testing. Certificates shall be issued to show the varietal purity, freedom from disease, and physical defects of the potatoes at the time of inspection.

B. Participation in the certified seed potato program shall be voluntary. The applicant may withdraw at any time. Farming and sanitation practices are the responsibility of the applicant. Certification and inspection under parts 1510.2300 to 1510.2355 shall be conducted by the commissioner. Failure of the applicant to comply with the requirements of parts 1510.2300 to 1510.2355 shall be cause for rejection of any field or lot. Potatoes from rejected fields or lots cannot be sold as certified seed potatoes.

Subp. 3. **Winter testing.** In order to detect certain virus diseases, samples from all classes as defined in parts 1510.2325 and 1510.2330 shall be winter tested. In the event of serious malfunctions of the winter test, classification of lots in the certified classes must be based on the previous summer field readings.

Subp. 4. **Certified seed potato classes.** Seed potato certification classes are differentiated by their compliance level with disease tolerances and varietal purity. The origin of the seed also determines the class. The classes, according to their origin, in the generation system in descending order are: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and Generation 6 (G6). Equivalent to this in the clonal system in descending order are: Primary Foundation 1 (PF1), Primary Foundation 2 (PF2), Foundation 1 (F1), Foundation 2 (F2), and Certified (C).

Subp. 5. **Certified seed potato grades.** Grades of certified seed potatoes are established according to the physical defects of the tubers. There are three grades used for shipping Minnesota certified seed potatoes.

A. The blue tag certified seed potato grade, the first grade, has tolerances for physical defects of the tubers stricter than the other grades. This grade may be used by growers of Primary Foundation certified, Foundation certified, Generation certified, and Certified seed potatoes. The blue tag grade may be used for intrastate and interstate shipments of certified seed potatoes.

B. The yellow tag certified seed potato grade is the second grade. This grade allows more physical defects of the tubers than the blue tag certified seed potato grade. It may be used by growers of Primary Foundation certified, Foundation certified, Generation certified, and Certified seed potatoes. The yellow tag grade may also be used for intrastate and interstate shipments of certified seed potatoes.

C. The white tag certified seed potato grade is the third grade. The tolerances for physical defects of the tubers are determined by agreement between purchaser and seller of the certified seed potatoes. It may only be used for intrastate and interstate shipments of certified seed potatoes.

Subp. 6. **Zero tolerance for bacterial ring rot and potato spindle tuber viroid.** Certification rules make provisions to allow the presence of certain diseases at levels sufficiently low as to preclude significant effects on certified seed potato value. For bacterial ring rot and potato spindle tuber viroid, there is a zero tolerance, and the discovery of a single plant in the field or a tuber in storage infected with one of these diseases shall cause the rejection of the field or lot. The absence of a finding shall not be construed to mean that the field or lot inspected is free from the disease.

Subp. 7. **Warranty.** A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification represents only that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with parts 1510.2300 to 1510.2355.

1510.2315 APPLICATION FOR INSPECTION.

Subpart 1. **Eligibility; procedure.** All potatoes planted on a farm must be entered for certification. Application for inspection must be made before June 16 each year on forms furnished by the commissioner. Applications postmarked after June 15 but before July 1 must be charged a 50 cents per acre late registration fee. No applications may be accepted that are postmarked later than June 30. The commissioner may extend the deadline due to special circumstances, such as natural disasters, which make it impractical or impossible for planting to be completed by the deadline and which affect an area or large number of growers.

Subp. 2. **Shipping point inspection certificates, bulk seed certificates, or certificates of origin.** An application for the inspection of a field planted with purchased certified seed potatoes must include copies of either the shipping point inspection certificates, bulk seed certificates, or certificates of origin for the total amount of purchased certified seed potatoes planted. Use of certificates of origin requires approval of both the seller and the purchaser and is restricted to intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify seed potatoes as to the producer, variety, classification, and lot. The limitation of warranty in part 1510.2310, subpart 7, must be further limited to exclude any representation as to condition of the potatoes at the time of shipment.

Subp. 3. **Separate application.** A separate application must be completed for each field planted.

Subp. 4. **Sufficient acreage.** No application for inspection may be accepted from a grower in a community or county in which there is not sufficient acreage for the total inspection fee charges to cover the cost of wages and expenses of the inspectors providing the inspection service. Determination of sufficient acreage must be made by the commissioner.

1510.2320 SEED POTATOES ELIGIBLE FOR MINNESOTA CERTIFICATION PLANTING.

Subpart 1. **Authorization.** A field may not be inspected for certification unless both the seed potato variety and the particular lot planted have the authorization of the commissioner. In considering seed potato varieties for authorization for certification planting,

the commissioner shall consider scientific evidence and expert opinion. To be eligible for certification planting, seed potatoes must meet the requirements of subpart 2 or 3.

Subp. 2. **Minnesota grown seed potatoes.** The following classes of seed potatoes grown in Minnesota are eligible for planting: Prenuclear, Generation 1, Generation 2, Generation 3, Generation 4, Generation 5, Primary Foundation 1, Primary Foundation 2, Foundation 1, Foundation 2, and experimental status seed potatoes. The commissioner shall authorize the planting of Certified class or Generation 6 class seed potatoes if there is no source of higher classes than Certified class or Generation 6 class seed potatoes available to the grower, the lot has been winter tested, and the seed does not pose a serious disease threat.

Subp. 3. **Non-Minnesota grown seed potatoes.** Seed potatoes grown outside of the state approved for certification planting by the certifying agency in another state or a Canadian province may be planted if requirements for certification meet Minnesota requirements for certified seed potatoes of classes higher than Certified class or Generation 6 class, as indicated on an import affidavit.

Subp. 4. **Experimental status.** Seedlings or numbered selections may be accepted for entrance into the certification system in an experimental status. The applicant shall submit a written statement with the certification application from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the seedling or numbered selection into the commercial market, and that the seedling or numbered selection must be named within five years from acceptance of the application. If the seedling or numbered selection is not named within five years from acceptance of the application, a two-year waiting period must pass before the seedling or numbered selection may be reentered into the certification program. Seedlings or numbered selections in experimental status must be designated as a class and conform to the requirements of that class. The word "EXPERIMENTAL" must be added on the tag. Lots from a breeder's seed that have not gone through the testing and, when necessary, virus-freeing, are considered either Foundation class 1 or 2, "EXPERIMENTAL."

Subp. 5. **Protected varieties.** Before a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 may be entered into the certification system, the applicant must submit a written statement with the certification application from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the commercial market.

1510.2325 REQUIREMENTS FOR CERTIFIED SEED POTATO PRODUCTION.

Subpart 1. **Requirements.** The standards in this part and part 1510.2330 must be met before potatoes may be classified as certified seed potatoes.

Subp. 2. **Field inspection and laboratory testing.** Certification must be based upon information regarding the following: stand, general vigor, varietal purity, disease tolerances, and factors affecting field inspection. At least two field inspections must be made of each field during the growing season. A final inspection must be made for bacterial ring rot, when symptom expression is optimal. If a final inspection cannot be carried out, because of management practices of the grower, or for reasons out of the grower's control, a laboratory test is necessary to maintain eligibility for certification. Additional inspections and laboratory tests may be made if necessary to meet phytosanitary requirements in established markets such as other states and Canadian provinces.

A. Stand. A field shall be rejected if there are a large number of plants missing due to disease.

B. General vigor. A field shall be rejected if it contains a large number of weak plants.

C. Ring rot. If bacterial ring rot is found in any field or lot, the remaining crop is not eligible for certification planting.

D. Varietal purity. A field must be rejected if it contains more than the tolerances acceptable for a specific class as listed in Tables 1 and 2 in part 1510.2330, subparts 11 and 12.

E. Disease tolerances (percentage of infected plants). A field must be rejected if it contains percentages of diseased plants in excess of those acceptable for a specific class as listed in Tables 1 and 2 in part 1510.2330, subparts 11 and 12.

F. Factors affecting field inspection. A field shall be rejected if any of the following are present to such an extent that satisfactory inspection for diseases cannot be made: early or late blight; blackleg or wilt of any kind; weeds; insect injury; chemical damage.

A field shall be rejected if any other conditions are present to such an extent that satisfactory inspection for diseases cannot be made. A field is ineligible for certification if there are cull piles in such close vicinity to the field that contamination of the field can be expected.

Subp. 3. **Roguing.** If any of the diseases listed in part 1510.2330 are present in a field in amounts less than the maximum disease tolerance level, the field must be rogued and the infected plants removed before the final inspection. If roguing is done after tubers form, the tubers from the rogued plants shall also be removed and destroyed.

Subp. 4. **Storage.** Lots shall not be stored in any warehouse where other potatoes are stored, nor shall they be stored under conditions of possible disease contamination. If more than one grower stores lots in the same warehouse, each grower's lots shall be properly identified by labeling the bin with the grower's name and address, variety, and amount in the bin. If the lots are to be stored in a public warehouse or storage unit not directly under the control of the grower, a complete record giving location of the storage unit, number of the bin, variety, and the quantity stored shall be sent to the commissioner when the lots are put into storage. If it is available, a copy of the warehouse receipt shall also be sent to the commissioner.

Equipment used for grading and handling lots shall not be used for any other potatoes. If any equipment is used on other potatoes, the lots shall be rejected.

Any firm handling lots on contract shall label all bins containing lots with the name of the grower whose lots are being stored. Responsibility for proper labeling and subsequent handling rests with the firm. No certification tags or bulk certificates shall be issued until this is done.

Each grower shall submit a completed storage and yield report on each lot on forms furnished by the commissioner. Certification tags shall not be issued to growers who have not submitted the report.

Subp. 5. **Tags and bulk certificates.** Official blue, yellow, or white tags, bearing the grower's name and address, the potato variety, and the crop year shall be issued when the potatoes meet the certification requirements described in parts 1510.2310 to 1510.2330. Tags shall be fastened onto sacks so as to constitute a seal at the time the lots are prepared for shipment. Bulk certificates must also show the date of issuance, the class, the grade, and the approximate weight of the load.

Tags shall be issued only to growers, except when lots are stored in a public warehouse or in a storage unit not under direct control of the grower. They shall be issued to the owner or manager of the storage unit upon receipt of written authorization from the grower.

Responsibility for ordering tags shall rest entirely with each grower.

Subp. 6. **Grading.** All lots shall be inspected at the loading point whenever possible. If inspection at the loading point is impossible, request for grading inspection in transit shall be made. Every bagged lot or shipment offered for sale and bearing official certification tags shall be in new even-weight sacks. Bulk shipments shall be identified with a bulk certificate. Both bagged and bulk lots or shipments must meet grade standards specified in

part 1510.2355. Lots or shipments that fail to meet grade standards when inspected shall be reconditioned, or:

A. if the lot or shipment is in sacks, the tags shall be removed under the supervision of a state or federal/state inspector before the lot or shipment is allowed to proceed to its destination; and

B. if the shipment is in bulk, no bulk certificate shall be issued.

All costs of reconditioning to meet grade shall be borne by the shipper.

1510.2330 REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.

Subpart 1. Prenuclear class certified seed potatoes (PN).

A. A lot grown as and intended to be Prenuclear must be grown from plants tested and shown to be free from the following pathogens:

- (1) *Clavibacter michiganensis ssp. sepedonicus* (ring rot);
- (2) *Pectobacterium atrosepticum ssp. Atrosepticum, carotovora* (blackleg);
- (3) potato virus X;
- (4) potato virus S;
- (5) potato virus A;
- (6) potato virus M;
- (7) potato virus Y;
- (8) potato spindle tuber viroid; and
- (9) potato leaf roll virus.

Each initial explant or tuber must also have been tested for any other organisms for which testing is required by the phytosanitary requirements in another state or Canadian province. Material in maintenance must have been tested during the year of the production of prenuclear class.

B. Prenuclear class seed potatoes must be produced in a greenhouse or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions of possible disease contamination. All facilities must be sufficiently insulated from insects by screens and double doors. The facilities and the equipment are subject to inspection to verify freedom from possible disease contamination.

C. One percent of each lot or ten plants or tubers from each lot, whichever is greater, must be tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leaf roll virus, *C. michiganensis*, and *P. atrosepticum*.

D. Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

E. A lot must be rejected if it contains any diseased plants at any inspection, or varietal mixture at final inspection.

F. The allowable tolerances for disease and varietal mixture for seed potatoes classified as prenuclear are in Table 1 in subpart 11 under column PN.

Subp. 2. Generation 1 class certified seed potatoes (G1). Generation 1 class seed potatoes must meet the following requirements:

A. The seed source must be either Prenuclear tubers or plantlets.

B. Tubers or plantlets must be planted in identifiable family units.

C. Each field must be tested during the growing season for potato virus X. For a lot to be tagged "virus tested (VT)," no more than one percent of the plants tested may be infected with potato virus X.

D. Each lot must be stored in an individual identifiable unit.

E. The allowable tolerances for disease and varietal mixture for seed potatoes classified as Generation 1 are in Table 1 in subpart 11 under column G1.

Subp. 3. **Generation 2 class certified seed potatoes (G2).** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Each field may be tested during the growing season for potato virus X at grower's request. For a lot to be tagged "virus tested (VT)," no more than three percent of the plants tested may be infected with potato virus X. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G2.

Subp. 4. **Generation 3 class certified seed potatoes (G3).** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G3.

Subp. 5. **Generation 4 class certified seed potatoes (G4).** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G4.

Subp. 6. **Generation 5 class certified seed potatoes (G5).** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G5.

Subp. 7. **Generation 6 class certified seed potatoes (G6).** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 1 in subpart 11 under column G6.

Subp. 8. **Primary Foundation classes (PF).**

A. A lot grown as and intended to be Primary Foundation certified seed potatoes must originate from clonal selection, with all clones laboratory tested and be proven free from the following pathogens:

- (1) *Clavibacter michiganensis ssp. sepedonicus* (ring rot);
- (2) potato virus A;
- (3) potato virus M;
- (4) potato virus Y;
- (5) potato spindle tuber viroid; and
- (6) potato leaf roll virus.

B. A lot must be kept under direct control of the grower and must not be stored in any warehouse in which other potatoes are stored.

C. The two classes of Primary Foundation seed potatoes are PF1 and PF2.

(1) PF1 class certified seed potatoes must originate from clonal multiplication where all clones have been laboratory-tested. PF1 class seed potatoes are tuber united. Crops must be free of bacterial ring rot for a minimum of two years to be eligible to be PF1 class seed potatoes. The allowable tolerances for disease and variety mixture are in Table 2 in subpart 12 under column PF1.

(2) PF2 class certified seed potatoes must originate from PF1 class seed potatoes and originate from the same farm operation. They must be grown from potatoes produced on a tuber unit seed plot. Crops must be free of bacterial ring rot for a minimum of two years to be eligible to be PF2 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column PF2.

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Subp. 9. **Foundation classes (F).** The two classes of Foundation class seed potatoes are F1 and F2.

A. F1 class certified seed potatoes must originate from Primary Foundation class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column F1.

B. F2 class certified seed potatoes must originate from F1 class seed potatoes. The allowable tolerances for disease and varietal mixture are in Table 2 in subpart 12 under column F2.

Subp. 10. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from Foundation or Generation classes of seed potatoes. The allowable tolerances for disease and varietal mixture are in subpart 11, Table 2, under column C.

Subp. 11. **Table 1.**

TABLE 1
TOLERANCES FOR DISEASES AND VARIETAL
MIXTURE FOR GENERATION CLASSES

	CLASSES							
	PN	G1	G2	G3	G4	G5	G6	C
Tolerances:								
Severe Mosaic	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Leaf Roll	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Other viruses (S and X excluded)	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mycoplasmas	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mild Mosaic (S)	0							
Mild Mosaic (X)	0	VT:1	VT:3	VT:3	VT:3	VT:3	VT:3	VT:3
Blackleg	0	0	0.2	0.5	1	exc.	exc.	exc.
Varietal mixture	0	0	0	0	0.1	0.1	0.2	0.2
Ring Rot and Spindle Tuber	0	0	0	0	0	0	0	0
Winter Test:								
Virus, Ch. Dam.		0.5	0.5	0.5	0.5	0.5	0.5	0.5
BRR, PSTV		0	0	0	0	0	0	0
Summer Test:								
PVX, VT* virus	0	1	3	3	3	3	3	
BRR, PSTV	0	0	0	0	0	0	0	0

Numbers represent percentages

VT means Virus Tested

Mycoplasmas: Haywire, Witches Broom, Yellow Dwarf

Severe Mosaic: PVY, PVA, PVM

BRR means Bacterial Ring Rot

PSTV means Potato Spindle Tuber Viroid

Ch. Dam. means Expressing symptoms of chemical damage

* For the classes G2 and lower, the summer test for PVX is done on request of the grower only. The lot may be labeled "Virus Tested," if the tolerance of one percent for G1 and three percent for the lower classes is met.

Subp. 12. **Table 2.**

TABLE 2
TOLERANCES FOR DISEASES AND VARIETAL MIXTURE FOR
CLASSES ORIGINATING FROM CLONAL MULTIPLICATION

	CLASSES					
	CLONE	PF1	PF2	F1	F2	C
Severe Mosaic	0	0.5	0.5	0.5	0.5	1.00
Leaf roll	0	0.5	0.5	0.5	0.5	1.00
Total	0	0.5	0.5	0.5	0.5	1.00
Total other viruses (S and X excluded)	0	0.5	0.5	0.5	0.5	0.5
Mycoplasmas	0	0.5	0.5	0.5	0.5	0.5
Total	0	0.5	0.5	0.5	0.5	0.5
Mild Mosaic (S)						
Mild Mosaic (X)						
Blackleg		0.1	0.2	exc.	exc.	exc.
Varietal Mixture				0.1	0.2	0.2
Ring Rot and Spindle Tuber	0	0	0	0	0	0
Winter Test:						
Virus, Ch. Dam.		0.5	0.5	0.5	0.5	0.5
BRR, PSTV		0	0	0	0	0
Summer Lab Test:						
Virus	0					
BRR	0					
PSTV	0					

Numbers represent percentages

VT means Virus Tested

Mycoplasmas: Haywire, Witches Broom, Yellow Dwarf

Severe Mosaic: PVY, PVA, PVM

BRR means Bacterial Ring Rot

PSTV means Potato Spindle Tuber Viroid

Ch. Dam. means Expressing symptoms of chemical damage.

1510.2335 FEES.

Fees shall be set by the commissioner in amounts necessary to carry out the seed potato certification service. Fees shall be reviewed annually and notice of the current fee schedule sent to growers from time to time.

1510.2340 FIELD INSPECTION FEES.

Field inspection fees shall be paid at time of application for entry into the certification program.

1510.2345 WINTER-TESTING FEES.

Winter-testing fees shall be paid before results are sent to the grower.

1510.2350 FEES FOR OTHER DISEASE TESTING.

Fees for other disease testing shall be paid before results are listed in the Minnesota Seed Potato Certification Directory.

1510.2355 MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.

Subpart 1. **Minnesota certified seed potato grades.** Before potatoes are eligible for grading as certified seed potatoes, the requirements of parts 1510.2315 to 1510.2330 must be met.

Subp. 2. **Minnesota blue tag certified seed potato grade.** To be graded as Minnesota blue tag certified seed potatoes, the potatoes must meet the requirements in items A to C.

A. Condition. The potatoes must be, at the time of final inspection, of one variety, unwashed, fairly well-shaped, free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown, and free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scab, surface scab, powdery scab, russet scab, dry rot, other diseases, insects or worms, mechanical or other means, flattened or depressed areas with underlying flesh discoloration, and from serious damage caused by hollow heart, wire worm, growth cracks, or internal discoloration other than hollow heart. Sunburn and silver scurf are not factors. This item does not apply to hollow heart if labeled "hollow heart exempt," on the tag or certificate.

B. Size. For round or intermediate shaped varieties, the maximum size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size shall be not less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size shall be not less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, size "B," the minimum diameter shall be not less than 1-1/2 inches (38.1 millimeters) and the maximum size shall be not more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue tag certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and these specifications are listed on the tag or bulk certificate issued by the department.

C. Lot tolerances. In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, are provided:

(1) For defects:

(a) ten percent for potatoes seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the tag or certificate;

(b) five percent for potatoes seriously damaged by internal discoloration (other than hollow heart);

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- (c) ten percent for potatoes damaged by soil or other foreign matter;
 - (d) 20 percent for potatoes damaged by sprouts;
 - (e) ten percent for potatoes seriously damaged by wireworm; and
 - (f) six percent for potatoes which fail to meet the remaining requirements of the grade, provided that included in that amount not more than the following percentages are allowed for the following defects:
 - i. soft rot, frozen, or wet breakdown, 0.5 percent;
 - ii. damage by surface, powdery, or pitted scab, 2.0 percent;
 - iii. damage by dry rot, 2.0 percent, of which not more than 1.0 percent late blight tuber rot;
 - iv. bacterial ring rot, 0.0 percent; and
 - v. late blight tuber rot, 1.0 percent; and
 - (g) the following do not affect seed quality and must not be scored against the grade:
 - i. brown discoloration following skinning;
 - ii. dried stems;
 - iii. flattened or depressed areas showing no underlying flesh discoloration;
 - iv. greening;
 - v. sunburn;
 - vi. skin checks; and
 - vii. silver scurf.
- (2) For offsize:
- (a) five percent for potatoes which fail to meet the required or specified minimum size; and
 - (b) ten percent for potatoes which fail to meet the required maximum size.

Subp. 3a. **Minnesota yellow tag certified seed potato grade.** To be graded as Minnesota yellow tag certified seed potatoes, the potatoes must meet the requirements in items A to D.

A. Condition. At the time of final inspection, the potatoes must be of one variety, unwashed, fairly well-shaped, free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown, and free from damage caused by second growth, air cracks, cuts, shriveling, pitted scab, surface scab, powdery scab, dry rot, other diseases, insects or worms, mechanical means or other means, and from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scab, or internal discoloration other than hollow heart. Sunburn and silver scurf are not factors. This item does not apply to hollow heart if labeled "hollow heart exempt," on the tag or certificate.

B. Size. For all varieties, the maximum size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 mm) in diameter. For all varieties, the minimum diameter for size "B" shall not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter shall not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow tag certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications

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from the grower and these specifications are listed on the tag or bulk inspection certificate issued by the department.

C. Lot tolerances. In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, are provided:

(1) for defects:

(a) 20 percent for potatoes seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the tag or certificate;

(b) five percent for potatoes seriously damaged by internal discoloration (other than hollow heart);

(c) ten percent for potatoes seriously damaged by soil or other foreign matter;

(d) ten percent for potatoes seriously damaged by wireworm;

(e) 20 percent for potatoes that fail to meet the remaining requirements of the grade with not more than six percent serious damage provided that included in that amount not more than the following percentages are allowed for the following defects:

i. soft rot, frozen, or wet breakdown, 0.5 percent;

ii. damaged by surface, powdery, or pitted scab, 5.0 percent;

iii. damaged by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

iv. bacterial ring rot, 0.0 percent; and

v. late blight tuber rot, 1.0 percent; and

(f) the following do not affect seed quality and must not be scored against the grade:

i. brown discoloration following skinning;

ii. dried stems;

iii. flattened or depressed areas with or without underlying flesh discoloration;

iv. greening;

v. sunburn;

vi. skin checks;

vii. silver scurf; and

viii. sprouts; and

(2) for offsize:

(a) five percent for potatoes that fail to meet the required or specified minimum size; and

(b) ten percent for potatoes that fail to meet the required maximum size.

D. Shape. The potatoes must be fairly well shaped, with an exception for long varieties when specified as "except for shape." In that case the tubers may be misshapen.

Subp. 4. **Minnesota white tag certified seed potato grade.** Minnesota white tag certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Subp. 5. **Application of tolerance.** The contents of individual containers, other than bulk conveyances, in the lot are subject to the following limitations provided that the averages for the entire lot are within the tolerances specified for the grade. An individual container in any lot may contain not more than double the tolerance specified except for sprouts and except that at least one defective specimen, other than bacterial ring rot, and one offsize specimen may be permitted in any container.

Subp. 6. **Condition after transit.** Deterioration developing in transit shall be considered as affecting condition and not grade.

Subp. 7. **Definitions.** For the purpose of this part, the terms in items A to J have the meanings given them unless the context clearly indicates otherwise.

A. "Mature" means that the outer skin (epidermis) does not loosen or "feather" readily during the ordinary methods of handling.

B. "Well-shaped" means the normal shape for the variety.

C. "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

D. "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

E. "Slightly dirty" means that the appearance of the individual potato is not materially affected by dirt, staining, or other foreign matter.

F. "Diameter" means the greatest dimension at right angles to the longitudinal axis. The long axis shall be used without regard to the position of the stem (stolon).

G. "Soft rot or wet breakdown" means any soft, mushy, or leaky condition of the tissues.

H. "Dry rot" means decaying tissue that is dry.

I. "Damage" means any defect or combination of defects which materially affects the appearance of the individual potato or which cannot be removed without a loss of more than five percent of the total weight of the potato including the peel covering the defective area. Any one of the following defects or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(1) russet scab when it materially detracts from the appearance of the individual potato;

(2) second growth or growth cracks which have developed to such an extent as to materially affect the appearance of the individual potato;

(3) air cracks when removal causes a loss of more than five percent of the total weight of the potato;

(4) shriveling when the potato is more than moderately shriveled, spongy, or flabby;

(5) sprouting when the individual potato has sprouts over one inch in length;

(6) surface, powdery, or pitted scab, individually or in combination, which covers an area of more than five percent of the surface of the potato in the aggregate, or causes a loss of more than five percent of the total weight of the potato including peel covering defective area;

(7) soil if the individual potato has more than 50 percent of its surface affected by lightly caked soil which is scattered, or more than 15 percent of its surface badly caked with soil.

J. "Serious damage" means any defect or combination of defects which seriously affects the appearance of the individual potato or which cannot be removed without a loss

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of more than ten percent of the total weight of the potato including the peel covering the defective area. Any one of the following defects or any combination of defects, the seriousness of which exceeds the maximum allowed for any one defect shall be considered as serious damage:

- (1) russet scab when it seriously detracts from the appearance of the potato;
- (2) dirt when the appearance of the individual potato is seriously affected by caked or smeared dirt or other foreign matter;
- (3) cuts when both ends are clipped or when more than an estimated one-fourth of the potato is cut away from one end or when the remaining portion of the clipped potato weighs less than six ounces;
- (4) other cuts which seriously affect the appearance of the individual potato or which cannot be removed without a loss of more than ten percent of the total weight of the potato including peel covering defective area;
- (5) shriveling when the potato is excessively shriveled, spongy, or flabby;
- (6) surface, powdery, or pitted scab, individually or in combination, which covers an area of more than 25 percent of the surface of the potato in the aggregate, or causes a loss of more than ten percent of the total weight of the potato including peel covering defective area;
- (7) wireworm and air cracks when removal causes a loss of more than ten percent of the total weight of the potato.