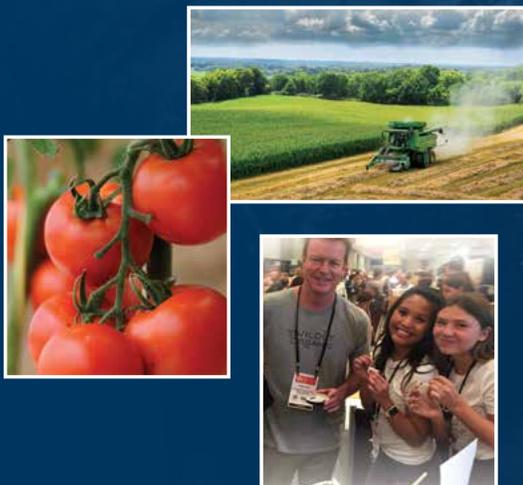


# AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION

FISCAL YEAR 2017

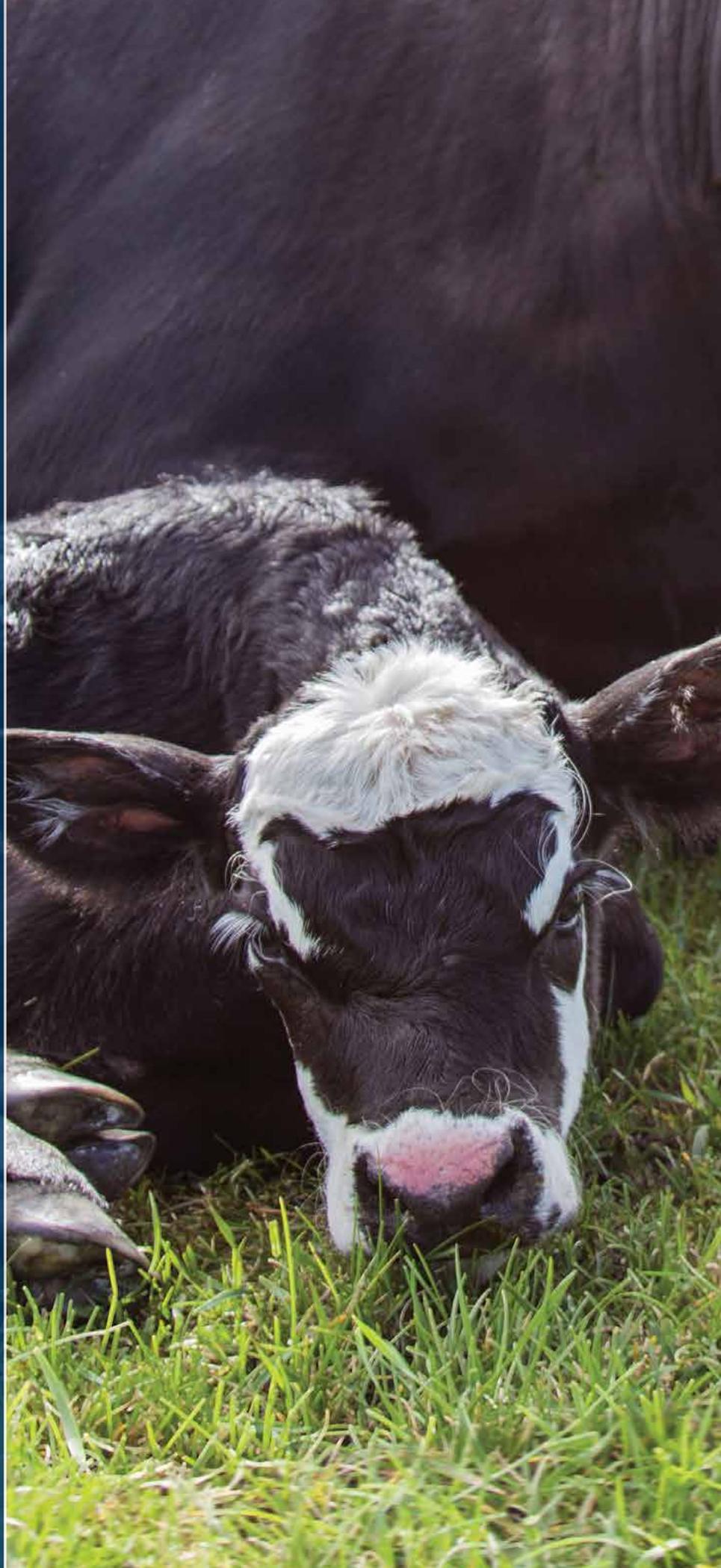


## LEGISLATIVE REPORT

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February 1, 2018

**mn** DEPARTMENT OF  
AGRICULTURE



AGRICULTURAL  
GROWTH,  
RESEARCH, AND  
INNOVATION

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*Thank you to Minnesota ag photo contributors Pete Bouman (cover calf), Lori Ende (cover farm field), Rose Wurtzberger (Contents soybeans), and Kabao Her (Executive Summary girl and pig)*

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# AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION

## EXECUTIVE SUMMARY



The Agricultural Growth, Research, and Innovation (AGRI) Program, established at the Minnesota Department of Agriculture in Minn. Stat. 41A.12, advances Minnesota's agricultural and renewable energy industries. In FY17, the fifth year of the program, we awarded \$10 million to farmers, agricultural businesses, and schools through Livestock Investment Grants, Value Added Agriculture Grants, Farm to School Grants, Good Agricultural Practices/Good Handling Practices (GAP/GHP) Certification Cost Share, New Market Development, Minnesota Biofuels Infrastructure Partnership Cost Share, Crop Research Grants, Beginning Farmer Assistance, County Fair Grants, Food Hub Grants and Sustainable Agriculture Demonstration Grants. Significant immediate economic impacts have been realized in increased production and new products for sale, increased employment, entry into new markets, and increases in efficiency of production and processing.

FY17 investments resulted in:

- \$78 million of non-state investment leveraging \$6.93 for every \$1 of state investment;
- 254 new full- or part-time jobs on livestock farms;
- 91 new full-time jobs and 70 new part-time jobs in value added businesses;
- 20 schools increasing their purchases of Minnesota grown food for school food service; and
- 20 meat processors improving efficiency and/or increasing the number of livestock they process.

The AGRI Program appropriation for FY16 and FY17 was \$20.47 million; \$1.47 million of unspent funds appropriated for AGRI and designated for the bioeconomy incentive payments were canceled to the general fund by the 2017 Legislature. Of the appropriated amount, \$8 million was awarded in FY16 and \$10 million was awarded in FY17. Funding was also used for administration, biofuel producer payments, and other programs.

For FY18, the AGRI Program was appropriated \$13.26 million, and for FY19, \$13.31 million was appropriated. As of January 1, \$3.13 million has been awarded in FY18. Requests for proposals remain open for applications to the Value Added Grants, County Fair Grants, Farm Business Management Scholarship, Urban Agriculture Grants, and GAP/GHP Certification Cost Share programs. Livestock Investment and Crop Research proposals have been received and are under review.

Pursuant to Minn. Stat. 3.197, the cost of preparing this report was approximately \$3000.

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## Introduction

The Agricultural Growth, Research and Innovation (AGRI) Program was established at the Minnesota Department of Agriculture (MDA) in Minn. Stat. 41A.12 in 2009. Funds for this program were made available after the state fulfilled its ten year commitment to support the ethanol industry. The Commissioner of Agriculture is authorized to issue grants, loans, and other forms of financial assistance for activities including, but not limited to, grants to livestock producers under the Livestock Investment Grant Program (Minn. Stat. 17.118), bioenergy awards made by the NextGen Energy Board (Minn. Stat. 41A.105), cost share grants for the installation of biofuel blender pumps, and financial assistance to support other rural economic infrastructure activities.<sup>1</sup>

Funds were first available to the AGRI Program in FY13 when \$641,422 in excess funds from the FY12 ethanol producer payments appropriation were combined with \$2.30 million appropriated by the Legislature for FY13 (Laws of Minnesota 2011 Ch. 14 sec. 3 subd. 4). Beginning in FY14 the AGRI Program's annual authorization grew to \$10.235 million.

The goal of the AGRI Program is to generate agricultural jobs and profitable businesses by focusing on areas of opportunity and potential economic impact. In FY17, the Commissioner implemented programs in the following areas:

- Livestock Investment Grants – to initiate or expand livestock production and processing;
- Value Added Equipment Grants – to purchase equipment in order to create, upgrade, or modernize value added businesses, including meat processing;
- Value Added Feasibility Study Grants – to assist the development of profitable businesses that add value to Minnesota agricultural products;
- Farm to School Grants – to help schools and early care and education organizations purchase more Minnesota grown food by investing in processing equipment and storage;
- Crop Research Grants – to catalyze research that will improve quality, quantity, and value of crops grown in Minnesota;
- Minnesota Biofuel Infrastructure Partnership Cost Share – to increase availability of renewable liquid fuels;
- Bioincentive Program – encourages commercial-scale production of advanced biofuels, renewable chemicals, and biomass thermal energy through production incentive payments;
- New Market Development – to help Minnesota's small- to medium-sized food businesses and value added agriculture producers explore new markets and expand their market reach;
- Beginning Farmer Assistance – to support beginning farmers and facilitate the intergenerational transfer of farmland;
- Sustainable Agriculture Demonstration Grants – to enhance the environmental, economic, and social sustainability of Minnesota farms through farmer-led on-farm research;
- GAP/GHP Certification Cost Share – to increase the number of GAP/GHP certified farms and food processors;
- County Fair Grants – to support development and activities at county fairs; and
- Food Hub Grants – to assist food hubs and other alternative community-based food distribution systems increase sales of Minnesota agricultural products.

Each program is described in the following sections. Details about recipients are provided in the appendices.

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<sup>1</sup> The NextGen Energy statute, Minn. Stat. 41A.105 that created the NextGen Energy Board and authorized NextGen grants expired on June 30, 2015.

## Livestock Investment Grants

The Livestock Investment Grant (LIG) Program's goal is to increase the competitiveness and long-term development of Minnesota's livestock sector. Minnesota livestock farmers may apply for grants to purchase, construct, or improve buildings or facilities, or purchase fencing, feeding, and waste management equipment. Awards cover 10 percent of qualifying purchases with a maximum award of \$25,000 and a lifetime cap of \$50,000 per operation.

Grants are awarded competitively. A panel of MDA and external reviewers evaluated applications based on the entry or transition of an operation to the next generation, impact on the environment, number of employment opportunities, natural disaster consequences, and improvements in efficiency or profitability of the operation.

The FY17 target for LIG awards was \$2 million. We received 180 grant applications requesting \$2.9 million and awarded 105 grants totaling \$2.1 million. Participating farmers invested \$51 million in private funding, a 24.3 to 1 return on the state's investment. Awards were made across many livestock species and ranged from \$791 to \$25,000, with an average award of \$20,000. A list of awardees and a map of their locations are available in Appendices 1 and 2, respectively.

Livestock producers made improvements such as building barns and fences, purchasing robotic milking equipment, waterbeds, and trailers, and improving biosecurity through improved ventilation. For example, Shawn Olson, a farmer from Blue Earth, is building a new wean to finish swine barn in an effort to offer opportunities for his children to return to the farm after attending college. Manure generated from the hogs in the new barn and used as fertilizer will allow for the family to meet all their crop nutrient needs and reduce input costs.

Of the grants awarded:

- 99 percent addressed an environmental issue;
- 88 percent of the farmers had a conservation plan;
- 96 percent were awarded to applicants who were either entering farming or helping to transition the operation to the next generation; and
- 86 percent of recipients had ten years of farming experience or less.

We estimate that 1,325 construction jobs and 254 full- or part-time jobs on the farm were created as a result of LIG.

Proposals for FY18 grants were due on December 15, 2017. We received 196 applications requesting \$3.6 million with approximately \$1.9 million available for funding of new projects. Grants are set to be awarded in late February.

## Value Added Equipment Grants

The Value Added Grant Program (VAG) aims to increase sales of Minnesota agricultural products by diversifying markets, increasing market access and improving food safety. Eligible businesses or individuals must be involved in the production, processing or marketing of Minnesota agricultural products.

Grants are available for equipment or physical improvements (25 percent of the cost up to \$150,000). In FY17, priority was given to projects involving meat processing, farm to school (or other institution) market access, or implementing components of a food safety plan. The target for the FY17 VAG was \$2 million. We received 100 applications requesting a total of \$5.37 million. Grants were awarded competitively and applications were ranked by a panel of MDA and external reviewers. The evaluation criteria focused on the project's potential to increase sales of Minnesota agricultural products and measurable outcomes.

A total of \$2 million was awarded for 49 projects. The range of awards was \$1,250 to \$150,000 with an average of \$41,231. Private investment of \$18.6 million resulted in a 9.21 to 1 return on the state's investment.

A list of awardees and a map of their locations are available in Appendices 3 and 5, respectively.

Anticipated results from FY17 grants include:

- increased value added sales of \$42 million;
- increased processing of Minnesota livestock by 1.1 million head;
- increased processing of Minnesota grown agricultural products by 260 million pounds;
- increased production of value added businesses by 118 million pounds; and
- increased access to 6,460 additional markets for value added businesses, including retail establishments, schools and institutions, wholesalers or distributors, and direct sales.

A survey was sent to the FY15 and FY16 grantees with completed projects. The 32 respondents reported that, of their completely projects:

- 84 percent improved food safety;
- 72 percent were able to sell more than baseline projections, increasing annual sales by more than \$1 million;
- 81 percent were able to increase production of value added products by 5.5 million pounds;
- 78 percent were able to hire new employees (39 full-time and 43 part-time);
- 69 percent were able to increase the use of Minnesota agricultural products above baseline projections by a total of 650,000 pounds; and
- 91 percent were able to expand into one or more new markets, including retail establishments, wholesale and distributor accounts, direct marketing, schools and institutions, out of state markets, and restaurants.

The FY18 target for VAG is \$3.5 million. Two requests for proposals are issued each fiscal year. In the first round, applicants could apply for up to \$200,000 in funding. We received 23 applications requesting \$1.2 million and are in the process of awarding \$608,498 to 16 applicants. Those grant recipients will invest \$2.2 million in matching funds – a 3.65 to 1 return on the state's investment. During the second round, two levels of grants will be offered. Level 1 projects may request between \$1,000 and \$200,000, and Level 2 projects may request between \$200,001 and \$1 million. Up to \$1 million will be reserved for Level 1 projects, and up to \$1.5 million will be reserved for Level 2 projects.



Stony Creek Dairy of Melrose used grant funding to update their truck fleet, allowing them to make longer delivery runs while keeping their products cool.

## Value Added Feasibility Study Grants

Value Added Feasibility Study Grants assist the development of profitable businesses that add value to Minnesota agricultural products. Minnesota residents and businesses may apply for funds to conduct a feasibility study for a new business, or for expansion or diversification of an existing business. Awards cover up to 50 percent of costs, with a maximum award of \$35,000.

Letters of Interest are reviewed by MDA staff and external partners on a rolling basis throughout the year until all funds are expended. Approved applicants are offered free consulting services from the Agricultural Utilization Research Institute (AURI) to help them refine project goals, develop a scope of work, and identify a third-party consultant to generate a quote for the feasibility study. After selecting a consultant, the applicant submits a final application to the MDA for review.

In FY16 and FY17, we received 24 letters of interest and contributed a total of \$164,000 towards nine feasibility studies. Grantees examined business ventures related to advanced biofuels, dairy processing, organic dried distillers grains, buckwheat and sugar beets. For a full list of funded applications, and project locations and descriptions, see Appendices 4 and 5.

In FY18, the MDA has allocated \$250,000 for feasibility studies. As of January 1, 2018, five businesses are working towards selecting a contractor.

## Farm to School Grants

The Farm to School (F2S) Grant Program's goal is to increase the sales of Minnesota agricultural products by enhancing the ability of schools and other institutions to purchase, store and serve Minnesota grown products. Public and private schools that are a part of the National School Lunch Program and certain early care and education organizations that participate in the Child and Adult Care Food Program were eligible applicants. Two types of projects were eligible for awards:

- Equipment purchases or physical improvements to allow schools to purchase, prepare, and serve more Minnesota grown food. Awards cover up to 50 percent of expenditures, with a maximum award of \$50,000.
- Feasibility studies to determine product availability and cost of the specific equipment, tools, training, or policies that a school or school district needs to increase the purchase of Minnesota grown food. Awards cover up to 75 percent of the cost of the study, with a maximum award of \$30,000.

Grants were awarded competitively. A panel of MDA and external reviewers evaluated the applications based on the capacity to increase the amount of Minnesota grown food used.

The FY17 target for the Farm to School Grant was \$500,000. We received 23 applications totaling \$453,835 and awarded \$364,505 for 20 projects. Awards ranged from \$3,750 to \$50,000, with an average of \$18,225. The Center for Prevention at Blue Cross and Blue Shield of Minnesota (Blue Cross) contributed \$125,000 to help schools meet matching requirements. This funding is part of Blue Cross' long-term commitment to improve the health of all Minnesotans by tackling the leading root causes of preventable disease: tobacco use, lack of physical activity, and unhealthy eating. A list of awards and a map are located in Appendices 6 and 7, respectively.

Schools purchased coolers and freezers, combi ovens, salad bars, food processors, steamers, rotisserie ovens, and more. For example, Northfield Public Schools purchased a combination oven/steamer and a countertop freezer. The countertop freezer is primarily used at the high school to offer frozen products from Minnesota companies such as mixmi Brands and JonnyPops. Both mixmi and JonnyPops have benefited from AGRI Value Added Grants that focused on increasing their abilities to access the Farm to School market. The combi oven/



Hill City School purchased a tilting skillet and convection steamer to help jumpstart their Farm to School program. They aim to offer one meal each month that uses entirely Minnesota grown ingredients.

steamer will enable the school to more efficiently prepare vegetables from local gardeners and farmers.

We conducted a follow-up survey of all FY16 and FY17 grantees. All recipients reported that the grant funds helped make their project possible. Most of them agreed that the project would not have been possible at all without the grant funding, and the rest reported that the project would have been done on a more limited scale.

Schools that received a grant in FY16 are anticipating a \$2 million increase in local purchases between School Year 2015-2016 and School Year 2017-2018. FY17 recipients are expecting an additional \$2.3 million in local purchases this school year. It often takes schools a full year to implement their projects because of the demanding nature of the school year; equipment is typically installed during the following spring break, summer break, or MEA weekend. Note that some schools received grants in both years.

A growing number of schools are moving beyond local fruits and vegetables to also incorporate local meat products into their meals. For example, in FY17, Holdingford Public Schools purchased a meat slicer which is making it easier for them to purchase local ham and roast beef from St. Joseph Meat Market. Similarly, Eden Prairie Public Schools purchased rotisserie ovens,

enabling them to offer whole roast local chickens. Many schools are using equipment received through the grant to prepare turkey products from Ferndale Market.

The Farm to School Grant is enabling schools to strengthen connections between students and farmers. For example, the nutrition director at Lewiston-Altura has led student field trips to an organic produce farm and a bison farm after connecting with the farmers through the Farm to School Program.

In FY18, we received 32 proposals requesting \$697,589 and we are in the process of awarding about \$380,000 through 23 grants to 22 applicants. Blue Cross committed funds again in FY18 to help schools and early care and education providers meet their matching fund requirement.

## New Market Development

The New Market Development Program helps Minnesota food and beverage companies explore new markets and expand their market reach. The program assists startups and entrepreneurs with business development advice and resources, and helps companies gain a competitive advantage in regional, national and international markets. In FY17, 125 food and beverage companies headquartered in 36 Minnesota counties participated in either a Minnesota Pavilion at a trade event, or benefitted from cost sharing provided by the Tradeshow and Demonstration Support Program (TSP).

Those 125 companies projected \$26.3 million in new sales as a result of their participation in AGRI supported New Market Development programs.

### Minnesota Pavilions

The MDA hosted Minnesota Pavilions (gatherings of Minnesota companies) at eleven food and feed ingredient trade events in FY17, including: Anuga (Germany), SIAL Canada (Montreal), VIV China (Beijing), Winter Fancy Food Show (San Francisco), Gulfood (Dubai), Natural Products Expo West (Anaheim), National Restaurant Association/ American Food Fair Pavilion (Chicago), BAR 17 @ NRA (Chicago), Sweets and Snacks Expo (Chicago), SIAL China (Shanghai), and at the Summer Fancy Food Show (New York City). Approximately \$171,000 in AGRI funds were used to help fund these events. A list of participating companies and their locations can be found in Appendices 8 and 9, respectively.

Overall, the MDA helped manage 71 booths that were purchased at a reduced cost by food companies at Minnesota Pavilions in FY17. Participating companies reported:

- \$20.3 million in projected sales over the next 6-12 months;
- A 41:1 return on investment (based on projects sales versus companies' event expenses); and
- 4,818 new sales contacts and 290 new distributor relationships.

### Growth in projected sales and ROI reported by Minnesota Pavilion participants

State Fiscal Year	Projected Sales	Expense Totals	Average ROI	Projected Sales Per Event Per Company
2014	\$2,096,500	\$170,600	\$22.67	\$80,634
2015	\$2,896,000	\$161,100	\$17.31	\$72,400
2016	\$6,704,600	\$378,579	\$19.77	\$115,596
2017	\$20,310,000	\$489,720	\$41.47	\$286,056



Thousand Hills Cattle Company participated in a Minnesota Pavilion at Natural Products Expo West in Anaheim, California. Based in Cannon Falls, they market 100 percent grass-fed beef.

In FY18, we anticipate hosting Minnesota Pavilions at Anuga (Germany), Winter Fancy Food Show (San Francisco), Gulfood (Dubai), Natural Products Expo West (Anaheim), National Restaurant Association/American Food Fair (Chicago), Sweets and Snacks Expo (Chicago), and Summer Fancy Food Show (New York City). The Minnesota Pavilions at the Winter Fancy Food Show and Natural Products Expo West will be the largest state organized pavilions at the shows. Fewer events will be held in FY18, but the Minnesota companies will have more opportunities for booth spaces at these events.

Further, we are partnering with Grow North MN (University of Minnesota Carlson School of Management) and other sponsors to offer Minnesota Mingle receptions at each of the domestic trade show events. The first Minnesota Mingle, hosted at Natural Products Expo West, resulted in more than 200 Minnesotans gathering to network and work together to develop businesses in Minnesota.

## Tradeshow Support Program (TSP)

TSP helps small- to medium-sized companies exhibit at wholesale food events where there is not a Minnesota Pavilion option, and shares some of the high cost for them to execute in-store demos, where they can introduce products to new markets and stores. Costs eligible for reimbursement include mileage and labor for in-store demos, and items such as booth space rental, shipping, and new signage at wholesale food shows. A list of participating companies and their locations can be found in Appendices 10 and 11, respectively.

We used approximately \$165,000 in FY17 funds to reimburse Minnesota companies. As a result of their participation, these companies collectively reported the following outcomes:

- \$5.9 million in projected sales over the next 6-12 months;
- 291 new markets were explored (2.8 per company);
- 6,755 new stores were added (66 per company); and 156 new distributor relationships were initiated (1.5 per company).

In FY18, we have allocated \$260,000 for TSP cost sharing. As of January 1, we have reimbursed approximately \$105,000 to 54 Minnesota food and beverage companies.

## Crop Research Grants

Crop Research Grants were intended to improve the quality, quantity and/or value of crops grown in Minnesota. Awards of up to \$250,000 were made on a competitive basis for applied crop research that will result in near term benefits to farmers. Projects create public, transferable information and include a robust outreach component.

One researcher is creating a structural model of oat stalks that will be used to study lodging. Once the model has been tested in lab and field conditions, researchers will be able to screen new University of Minnesota oat lines. If successful, this will expedite the release of lodging resistant varieties to producers. Another research project is looking at planter technologies for canola. This new technology will be able to precisely plant one seed at a time, which will reduce seed costs and reduce inter-plant competition allowing optimum yield conditions. A third project will develop new winter barley and soybean varieties that are better adapted to a rotational cropping system in Minnesota, adding new opportunities for regional malting and brewing industries to source locally grown barley.

In FY17, we received 31 applications totaling \$5.9 million. A panel of MDA and external evaluators reviewed the applications and 11 projects were awarded a total of \$2.1 million. A list of projects is provided in Appendix 12.

In FY18, we received 43 applications totaling \$8.9 million and expect to award \$1.5 million.

## Minnesota Biofuel Infrastructure Partnership Cost Share

In September 2015, we were awarded \$8 million through the United States Department of Agriculture's Biofuel Infrastructure Partnership (BIP). Funding is intended to promote infrastructure for stores that dispense renewable liquid fuels such as E15 and Flex-Fuel blends such as E30 and E85, with the goal of increasing the use of ethanol in Minnesota. These funds were leveraged by \$1.3 million in FY16 and FY17 AGRI funding. An additional \$3.06 million was contributed by the Minnesota Corn Research and Promotion Council, 17 of Minnesota's ethanol plants, and a separate fund for E15 infrastructure created by the Minnesota Legislature. Projects were solicited through competitive RFPs. A team comprised of MDA and American Lung Association in Minnesota staff evaluated grant proposals and recommended awards based on projects' scope and potential to meet the goal of BIP.

In FY16 and FY17, a total of 122 stations were awarded contracts. Of these, 99 stations benefited from AGRI funds, 88 of which are now open and selling E15 and Flex-Fuel blends.

As of January 1, 2018, in FY18, contracts have been awarded for 59 sites, including \$1.56 million in AGRI funding.

## Bioincentive Program

The Bioincentive Program was established by the Legislature during the 2015 session to encourage commercial-scale production of advanced biofuels, renewable chemicals, and biomass thermal energy through production incentive payments (Minnesota Statutes sections 41A.15-41A.19). Funding was first made available for the program in FY16 (\$500,000) and FY17 (\$1.5 million). For each fiscal year, unspent funding is available to the AGRI program as a whole for an additional year.

Incentive payments are available for three types of production: advanced biofuels, renewable chemicals, and biomass thermal energy. Statute sets payment rates, criteria for minimum production levels, and standards for the sourcing of biomass feedstock. A minimum of 80 percent of the biomass must be obtained ("sourced") from Minnesota; however, biomass may be sourced within a 100 mile radius if production facilities are 50 miles or less from the state border. Harvest standards intended to protect natural resources and the environment have been established for forestry and agricultural cellulosic biomass (which is fibrous material such as wood or plant stalks).

There were no claims in FY16, so in FY17, unspent funds were used for the Minnesota Biofuel Infrastructure Partnership Grant Program. In FY17, there was one claimant requesting \$29,599. The remaining funding, \$1.47 million, was canceled to the general fund by the 2017 Legislature.

In FY18 and FY19, \$1.5 million is available for each year. Any unspent funds will be available to the AGRI program as a whole for one additional year. As of January 1, 2018, there has been one claim for \$28,586. We anticipate additional claims for the full \$1.5 million.

## Beginning and Transitioning Farmer Assistance

The MDA and numerous public and nonprofit partners recognize that support for beginning farmers is critical to the future of Minnesota's agricultural sector. The AGRI Program provided important funds for a number of activities, including the creation of Minnesota FarmLink, a web-based tool designed to link farmers with farmland. Minnesota FarmLink includes all types of farming – ranging from small fruit and vegetable farms to large grain and livestock operations. The goal of Minnesota FarmLink is to connect farmers through mentoring

and employment opportunities and farmland for rent or purchase. In addition, we created an online directory for beginning and transitioning farmers that functions as a clearinghouse of programs and services. The website includes a database of available land and farmers, financial assistance and loans, farmer education programs, legal services, multi-cultural resources, networking and mentoring opportunities, and transitioning and succession planning tools.

Another major beginning farmer initiative at the MDA is the continuation of the Farm Business Management (FBM) Scholarship Program. FBM helps farm operators learn profitable business management strategies. The program teaches farmers how to use their own farm records to make sound business decisions. Instruction is offered by Minnesota State Colleges and University campuses statewide. Instructors meet with students 1:1 and/or in small group settings.

The program defines a beginning farmer as a person who has owned or operated a farm or ranch, wholly or in partnership with others, for ten years or fewer. As owner/operator, a person must have a financial interest in the farm, must participate in making some or all management decisions, and must participate in the operation of the farm on a regular basis.

The FBM Scholarship Program pays 50 percent of the cost for beginning farmers to enroll in up to ten credits of FBM education per year until the student earns 40 credits. In FY17, we awarded scholarships to 571 beginning farmers, for a total of \$467,000.

As of January 1, 2018, the MDA had awarded scholarships to 451 beginning farmers, for a total of \$368,438 in FY18.

## Sustainable Agriculture Demonstration Grants

Since 1989, the Sustainable Agriculture Demonstration Program (Minn. Stat. 17.116) has encouraged farmers, nonprofit groups, agricultural researchers and educators to explore ways to enhance the sustainability of a wide range of farming systems. The program was originally funded through a dedicated biennial appropriation with funding shifting to the AGRI program in FY13.

Projects can last two to three years and receive a maximum award of \$25,000. Projects must research or demonstrate the energy efficiency, environmental benefit, and/or profitability of sustainable agriculture techniques or systems from production through marketing on Minnesota farms. Grantees are required to provide information on their research projects for the *Greenbook*. The *Greenbook*, published annually by the MDA, features the description, results, and management tips from all funded projects.

The FY17 target for Sustainable Agriculture Demonstration Grants was \$250,000. We received 16 applications requesting \$300,000 and made seven awards totaling \$108,569. Grants were awarded competitively and applications were ranked by MDA and external reviewers. Appendix 13 contains a list of the projects funded.

Proposals for FY18 grants were due on December 13, 2017. We received 19 applications requesting \$416,115 with \$250,000 available for funding of new projects. Grants are set to be awarded in late February.

## GAP/GHP Certification Cost Share

The Good Agricultural Practices (GAP)/Good Handling Practices (GHP) Certification Cost Share program defrays farmer and processor costs for GAP/GHP certification for food safety, a certification that is increasingly required to sell produce to schools and institutions, and through retail markets.

GAP/GHP certification focuses on improving the safety and quality of produce in the field and during handling. It requires a food safety plan and independent audits to verify that farmers and processors are producing, packing, handling, and storing fruits and vegetables in the safest manner possible.

Farmers and handlers who meet USDA standards by an accredited certifier were eligible to receive a reimbursement of 75 percent of their certification costs up to \$2,500.

For FY17, we received and funded 31 applications and funded all of them, disbursing a total of \$22,072. On average, farmers and processors spent \$949 on certification costs, and we reimbursed 75 percent of these expenses.

According to the USDA, there are currently 57 Minnesota GAP/GHP certified entities, an increase of two compared to the previous year. As of January 1, 2018, we have received 18 applications for the \$25,000 available again this year.

## County Fair Grants

The AGRI County Fair Grant enhances access to the preservation and promotion of Minnesota's agriculture at county fairs. In FY17, \$1 million was available to Minnesota's 94 county fairs. Each fair was eligible for up to \$10,638. The program distributed \$977,172 to 89 county fairs. Fairs used the funding in a variety of ways, such as purchasing sound equipment for judging in their livestock barns, making structural repairs or updating outdated electrical in livestock barns, and creating displays for agricultural education.

For FY18, this AGRI grant opportunity will continue to focus on the preservation and promotion of Minnesota agriculture. A total of \$1 million is available in equal amounts to the 94 active county fairs. Minnesota's Legacy Arts and Cultural Heritage Fund will allocate an additional \$150,000 to provide access to the arts, or to the state's agricultural historical, and cultural heritage.

## Food Hub Grants

Exclusive to FY17, the AGRI Food Hub Grant Program assisted food hubs and other alternative community-based food distribution systems to increase sales of Minnesota agricultural products. Grants were intended to stimulate purchases of locally grown and raised foods. Both for-profit and not-for-profit organizations were eligible to apply. Two types of projects were eligible for awards:

- Business Planning, Feasibility Study, and Marketing Plan: These grants covered up to 75 percent of total project costs, with a maximum award of \$50,000 and a minimum grant award of \$2,500.
- Equipment Purchase and Physical Improvements: Grants covered up to 25 percent of total project costs, with a maximum award of \$50,000 and a minimum grant award of \$1,000.

Grants were awarded competitively. A panel of MDA and external reviewers evaluated the applications based on long-term sustainability, capacity to implement the project, and commitment to increasing purchases from Minnesota farmers.

The target for the Food Hub Grant was \$200,000. We received 15 proposals (seven for equipment/physical improvements and eight for planning) for requests totaling nearly \$374,000. We awarded ten grants totaling \$165,000 to seven organizations. See Appendix 14 for detailed descriptions of each project.

## Livestock Investment Grant Recipients

Producer	City	County	Species
Haley Ammann	Truman	Martin	Swine
Dustin Arndt	Owatonna	Steele	Swine
Alan Barka	Grove City	Meeker	Dairy
Robert Bents	Bigelow	Nobles	Swine
Brian Boser	Pierz	Morrison	Swine
Glenn Brambrink	Saint Cloud	Sherburne	Poultry
Sarah Brouwer	Raymond	Kandiyohi	Poultry
David Buttenhoff	Howard Lake	Wright	Sheep/Goats
Mark Chamberlain	Pine Island	Goodhue	Dairy
Kyle Chirpich	Fairmont	Martin	Swine
Trey Cranston	Heron Lake	Jackson	Swine
Brent Czech	Rice	Benton	Dairy
Luke Daninger	Forest Lake	Washington	Dairy
Jordon Daugherty	Raymond	Kandiyohi	Sheep/Goats
Jordan Dean	Lakefield	Jackson	Beef
Jim Dieball	Green Isle	Sibley	Dairy
Paul Dobis	Avon	Stearns	Dairy
Sean Driessen	Canby	Yellow Medicine	Dairy
Quinton Eaton	Waseca	Waseca	Swine
Anthony Eilers	Clear Lake	Sherburne	Beef
Matthew Eischen	Comfrey	Brown	Swine
Christian Erickson	Viking	Marshall	Beef
Florian Euteneuer	Paynesville	Stearns	Dairy
Daniel Fick	Hills	Rock	Beef
Jacob Fick	Luverne	Rock	Swine
Cory Forcelle	Faribault	Rice	Swine
Ryan Franta	Lafayette	Nicollet	Swine
Jayden R. Garlick	Fairmont	Martin	Swine
Connor Garry	Blue Earth	Faribault	Swine
Kurt Goebel	Burtrum	Morrison	Poultry
John Gottwald	Paynesville	Stearns	Beef
Matthew Green	Greenbush	Roseau	Dairy
Patrick Gregor	Waseca	Waseca	Beef
Isaac J Griebel	New Ulm	Brown	Dairy
Joe Grote	Kenyon	Rice	Beef

## Livestock Investment Grant Recipients

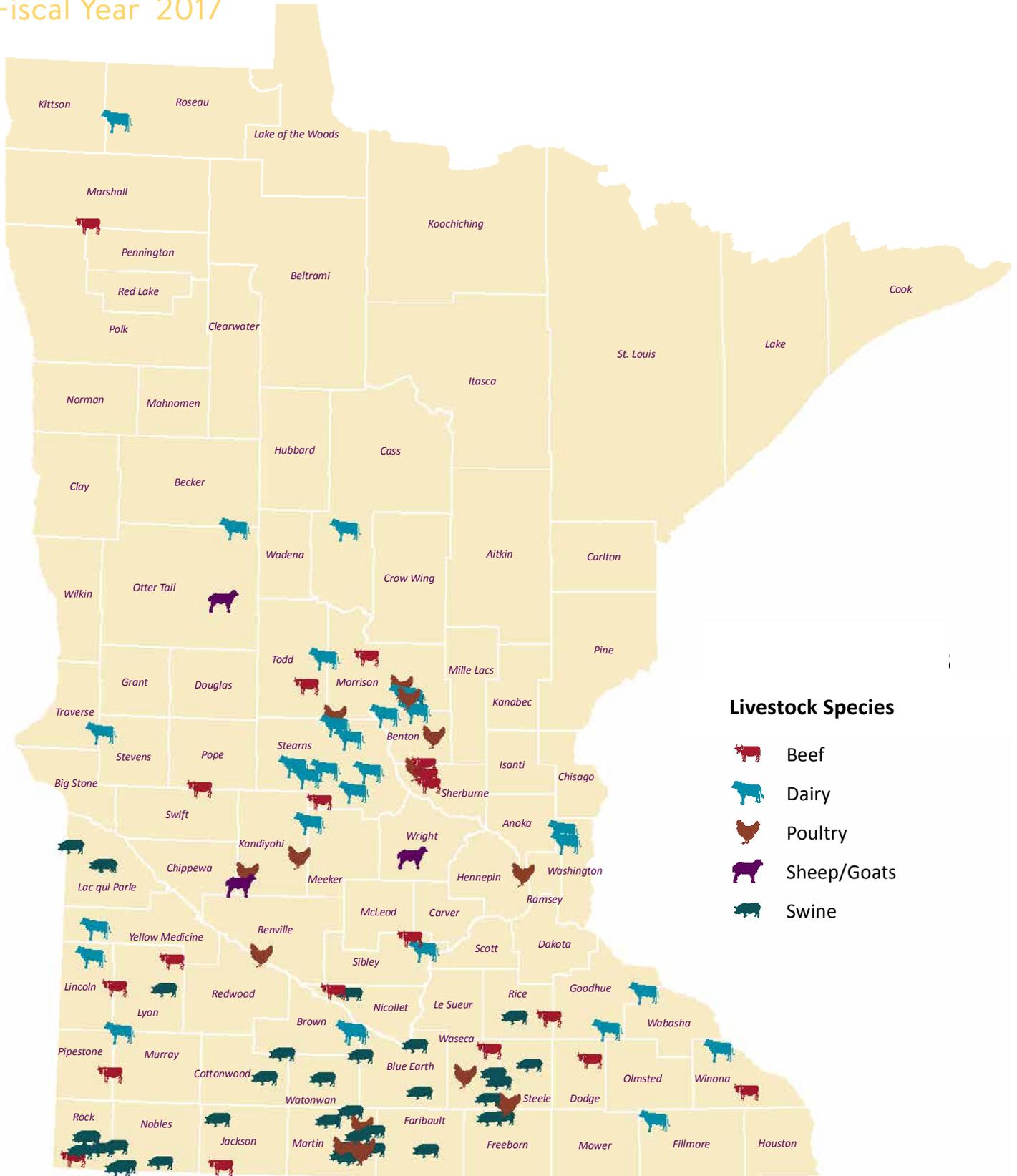
Producer	City	County	Species
Seth Haas	Madison	Lac qui Parle	Swine
Samuel Haas	Madison	Lac qui Parle	Swine
Brad Hagen	Saint Cloud	Sherburne	Beef
Nicholas Harris	Granada	Martin	Swine
Frederick Hartung	Freeport	Stearns	Dairy
Abe Hauge	Winona	Winona	Beef
Daniel Helvig	Truman	Martin	Swine
Joseph Hemmesch	Paynesville	Stearns	Dairy
Joseph Hoffman	New Ulm	Brown	Dairy
Erin Holland	Ellendale	Steele	Poultry
Paige Holland	Ellendale	Steele	Poultry
Brady Jensen	Hartland	Freeborn	Swine
Lucas Johnson	Fairmont	Martin	Poultry
Travis Johnson	Gibbon	Nicollet	Beef
Matthew Jones	Mankato	Blue Earth	Swine
Riley Jones	Waseca	Waseca	Poultry
Andrew Jorgensen	Fairmont	Martin	Swine
Adam Kalthoff	Melrose	Stearns	Dairy
Brian Kas	Woodstock	Pipestone	Beef
Michael Koltes	Saint Cloud	Stearns	Dairy
Larry Lahr	Cold Spring	Stearns	Dairy
Sean Maday	Granada	Martin	Poultry
Lucas Maday	Granada	Martin	Poultry
Timothy Marquardt	Mantorville	Dodge	Beef
Brandon Marshik	Rice	Benton	Dairy
Rick Meisch	Altura	Winona	Dairy
Jon C. Meyer	Lake City	Wabasha	Dairy
Elijah J. Miller	Spring Valley	Fillmore	Dairy
Andrew Miron	Hugo	Washington	Dairy
Alex Moer	Ellendale	Waseca	Swine
Troy Nelson	Benson	Pope	Beef
James Nelson	Ruthton	Murray	Dairy
Brian Nickel	Mountain Lake	Cottonwood	Swine
Brent Niznik	Pierz	Morrison	Poultry
Joseph Norman	Pine River	Cass	Dairy
Bryan Nowicki	Granada	Martin	Poultry

## Livestock Investment Grant Recipients

Producer	City	County	Species
Chad Olsen	Canby	Lincoln	Dairy
Shawn Olson	Blue Earth	Faribault	Swine
Erik Peeters	Menahga	Otter Tail	Dairy
John Peterson	Atwater	Kandiyohi	Poultry
Ryan Peterson	Clear Lake	Sherburne	Beef
Carrie Redden	Chokio	Stevens	Dairy
Nick Richison	Granada	Martin	Swine
Daniel Roberts	Madelia	Blue Earth	Swine
Casey Schilling	Ellsworth	Nobles	Swine
Curtis Schilling	Ellsworth	Nobles	Swine
Colton Schlaak	Hartland	Freeborn	Swine
Keith Schlaak	New Richland	Waseca	Swine
John Snyder	Little Falls	Morrison	Beef
Juan Solorzano	Saint James	Watonwan	Swine
Brittany Springer	Henning	Otter Tail	Sheep/Goats
Craig Stangl	Pierz	Morrison	Dairy
Shane Stangl	Pierz	Morrison	Dairy
Micah Stensland-Bos	Luverne	Rock	Swine
Nathan Thompson	Luverne	Rock	Swine
Matthew Thooft	Arco	Lyon	Beef
Nickolas Tonne	Granada	Martin	Swine
Bradley Trapp	Pierz	Morrison	Poultry
Richard Traugott	Foley	Benton	Poultry
Aric Uithoven	Luverne	Rock	Swine
Jeremy Vandelanote	Cottonwood	Lyon	Beef
Ryan Vandendriessche	Marshall	Lyon	Swine
Loren Vetsch	Browerville	Todd	Dairy
Dylan Wacek	Redwood Falls	Renville	Poultry
Samuel Wede	Mapleton	Blue Earth	Swine
Anthony Wells	Minneapolis	Hennepin	Poultry
Christopher Westerberg	Long Prairie	Todd	Beef
Ryan Wittnebel	Bellingham	Lac Qui Parle	Swine
Philip Wolf	Adrian	Nobles	Swine
Jeff Ziegler	Green Isle	Sibley	Beef

# Livestock Investment Grants by County

## Fiscal Year 2017



### Livestock Species

-  Beef
-  Dairy
-  Poultry
-  Sheep/Goats
-  Swine

## Value Added Equipment Grant Recipients

Business Name	County	Summary
Al-Corn Clean Fuel, LTD	Dodge	Overhaul corn processing facility and construction of dried distillers grain with solubles (DDGS) storage silos to improve efficiency and profitability of production of value-added products, including DDGS.
Alexis Bailly Vineyard, Inc.	Dakota	Purchase of a bladder press to increase sales and profitability of the business by improving quality of the wine.
Ann River Vineyard, LLC	Kanabec	Construction of a winery facility and purchase of grape and wine processing equipment to diversify their market channels and increase economic sustainability of their farm.
Belgrade Meat Center, LTD	Stearns	Purchase of two Pro Smoker Smokehouses increasing production to expand sales in on-site retail store to meet demand.
Big Steer Meats	Ramsey	Purchase of dual printing scales, walk-in freezer, ball former and knee lever stainless steel sinks to address food safety and increase efficiency and number of meat products and thereby expand sales.
Bolton Bees	Ramsey	Facility improvements to a new honey house to improve efficiency, increase production and improve food safety.
Buckwheat Growers Association of Minnesota	Wadena	Purchase of equipment to modernize facility to increase processing efficiency and capacity, shelf life, and increase sales.
Carl's Lefse, Inc.	Clay	Purchase of several pieces of equipment to increase food safety, production capacity and efficiency to meet increased demand and expand markets.
City Foods Studio, LLC	Hennepin	Install and purchase walk-in cooler/freezer unit, exhaust hood, sink and upgraded electrical service to increase production, storage capacity and number of start-up food production businesses that can utilize this incubator kitchen.
Conger Meat Market, LLC	Freeborn	Build new walk-in cooler, knock boxes, rails and racking and purchase equipment to increase efficiencies, expand number of value-added meat products, and enter new wholesale markets.
Country Blossom Farm, LLC	Douglas	Purchase of several pieces of equipment to process fruit and crust ingredients more efficiently, meet increased demand, increase sales and add to value added offerings.
Dehmer's Meats, Inc.	Wright	Facility upgrades and installation of a smokehouse and purchase a sausage mixer and water activity meter kit to be able to safely produce new product lines.
Dombrovski Meats Co.	Benton	Purchase of a jerky packaging machine and smokehouse to increase efficiencies in production and packaging to increase sales.
Dover Processing, Inc.	Olmsted	Purchase of a vacuum packaging system to increase efficiency of packaging, sales, and expanding to new markets.
Dumpling and Strand, Noodlers at Large, LLC	Hennepin	Purchase and install a modified atmosphere packaging tray sealer to increase production rates and shelf life and enter new markets.
Erdmans County Market	Dodge	Purchase and install roll stock vacuum packing machine, automatic tie clipper, water activity meter, pH meter, refrigerated cooler, and wireless data loggers to address food safety requirements, and increase product line and production efficiency.

## Value Added Equipment Grant Recipients

Business Name	County	Summary
Glacial Grain Spirits	Swift County	Purchase of equipment to begin processing organic distillers grains produced from MN-sourced organic corn which will expand and diversify markets.
Grandma's Gourmets, LLC	Freeborn	Purchase and install a steam kettle and food processor to enhance production efficiencies, increase capacity, and expand sales to new wholesale accounts.
Greg's Meat Processing, LLC	Dakota	Purchase of automated slicer, stainless steel equipment, and patty former to produce new products and expand private label and wholesale markets, which will increase profitability.
Guardian Energy, LLC	Waseca	Purchase and install stainless steel tank with foundation and associated equipment to increase production capacity.
Heart O' Lakes Quality Meats	Otter Tail	Purchase two freezer units and construction of an addition to be able to slaughter more livestock and further process more retail meat.
JonnyPops, LLC	Hennepin	Purchase and installation of new equipment for each area of the manufacturing line to increase production capacity and efficiency while reducing food safety risks.
Kettle River Pizza, Inc.	Pine	Conversion and improvement of cooler to freezer to improve process of shipping and handling, and increase production, sales, and profitability.
K-FAITH, LLC (DBA The Meat Shoppe)	Yellow Medicine	Facility improvements to bring facility up to code and licensing requirements, and allow purchase of walk-in cooler and retail case to increase market access to livestock processing services.
Klein Foods, Inc.	Lyon	Purchase of equipment to improve efficiency in honey processing and meet Food Safety Modernization Act requirements for traceability to boost sales.
Lang's Meat Market, LLC	Sibley	Purchase and install two retail fresh meat refrigeration cases and two freezer doors to maintain quality and ensure food safety of meat products to maintain customer base.
Loon Liquors, LLC	Rice	Purchase of equipment to increase all sides of production: mashing, fermentation, distillation, storage and bottling with each piece designed to increase food safety.
Mackenthun's Meats and Deli, Inc.	Hennepin	Purchase and install a large freezer to enable production of a larger variety of sausages and increase profits.
McDonald's Meats, Inc.	Sherburne	Construct a large addition to slaughtering and meat processing facility to expand market outlets by processing more local livestock and expanding product offerings.
Michael G Erickson Farms	Polk	Purchase of a grain cleaning unit to prepare hemp for further processing which will diversify farm income and increase profitability of farm business.
Mighty Axe Hops	Benton	Purchase equipment to process local hops into pellets to enable sales to more markets and increase profitability of hop farmers' businesses.
Mills Locker Plant	Otter Tail	Purchase a vacuum stuffer with a twist linker to increase uniformity of meat products and efficiency of production.
Minnesota Hemp Farms, Inc.	Washington	Initiation of a hemp product processing facility to expand markets and increase profits.

## Value Added Equipment Grant Recipients

Business Name	County	Summary
Minnesota Syrup Co.	Lake	Purchase and install an updated and larger evaporator to increase syrup quality, food safety and efficiency of syrup production.
Nelson Shine Produce	Crow Wing	Purchase of equipment and upgrades to the poultry processing plant to increase processing efficiency and food safety, diversify markets and continue business growth.
Odenthal Meats	LeSueur	Expand and remodel processing facility including purchase of equipment to create efficient production flow, improve food safety and maintain current private label markets.
Ody's Country Meats & Catering, Inc.	Fillmore	Construction of a drip cooler to increase food safety, production efficiency and capacity of meat products from local beef and hogs.
River Rock Kitchen & Baking Co	Nicollet	Purchase of equipment including a walk in cooler and walk in freezer to expand production, and purchase of flooring, sink and steel work tables to increase food safety.
Schroeder Meats, LLC	Carver	Purchase a larger carcass splitting saw to decrease splitting time, increase food safety, and benefit local livestock producers.
Seeds Farm	Rice	Build a new space and purchase equipment to wash, process, prepare and store vegetables to meet food safety standards, improve efficiency and increase market access.
Smude Enterprises, LLC	Morrison	Purchase a filter system and new equipment for custom bottling of oils to diversify markets and services.
Sogn Valley Orchard	Goodhue	Facility improvements to improve the efficiency of apple washing and packaging to increase sales.
Stittsworth Meats	Beltrami County	Construction of new building for USDA ready-to-eat processing and new USDA mobile slaughter trailer to diversify local livestock farmers and increase processing capacity.
TFC Poultry	Grant	Purchase and installation of two water jet de-boners and peripheral equipment to enhance food safety, meat processing efficiency and production and thereby expand markets.
The Good Acre	Ramsey	Purchase of four pieces of processing equipment to process produce into shelf-stable production for use in kitchens and increase farmers' access to markets.
The Hess Meat Company	Carver	Purchase of two commercial trailers and an enclosed trailer to open up a new revenue stream, build a customer base, and increase profits from the farm.
Valley Natural Meats, Inc.	Rice	Facility and equipment costs to retrofit a plant according to food safety requirements to increase niche Minnesota livestock producers' market access.
Vertical Malt	Polk	Purchase equipment to increase processing efficiencies, capacity, and types of products to increase business sustainability.
Von Hanson's Meats of Plymouth, Inc.	Hennepin	Purchase of equipment to increase food safety, produce more meat products, as well as market more efficiently to increase sales.

## Value Added Feasibility Grant Recipients

Business Name	County	Summary
Associated Milk Producers, Inc.	Brown	Studying the expansion of a cheese and whey plant located in the city of Paynesville.
Best Animal Utilization, LLC	Hennepin	Exploring the feasibility of organic and grass-fed byproduct markets.
Buckwheat Growers Association of Minnesota	Wadena	Determining if a retail environment would be a viable way to increase sales of their products.
Chippewa Valley Ethanol Company	Swift	Evaluating if a new project based on emerging conversion technologies would be feasible if co-located or sited nearby its Benson facility.
Country Blossom Farm, LLC	Douglas	Exploring the development of baked goods and dehydrated products into local wholesale outlets, food hubs, farmers markets, and on-farm sales.
Glacial Grain Spirits	Swift	Determine the potential market for organic dried distiller grains production.
Mark Lange	Martin	Exploring the feasibility of adding an on-farm dairy processing facility to the existing dairy operation, and to market local, primarily grass-fed, Vat-Pasteurized fluid milk and butter.
Southern Minnesota Beet Sugar Cooperative	Renville	Studying the overarching feasibility of expanding the further processing of surplus sugar beets, sugar beet co-products, and their waste stream by-products.
The Urban Farmhands	Hennepin	Exploring the further processing of microgreens into more widely available, shelf-stable products.

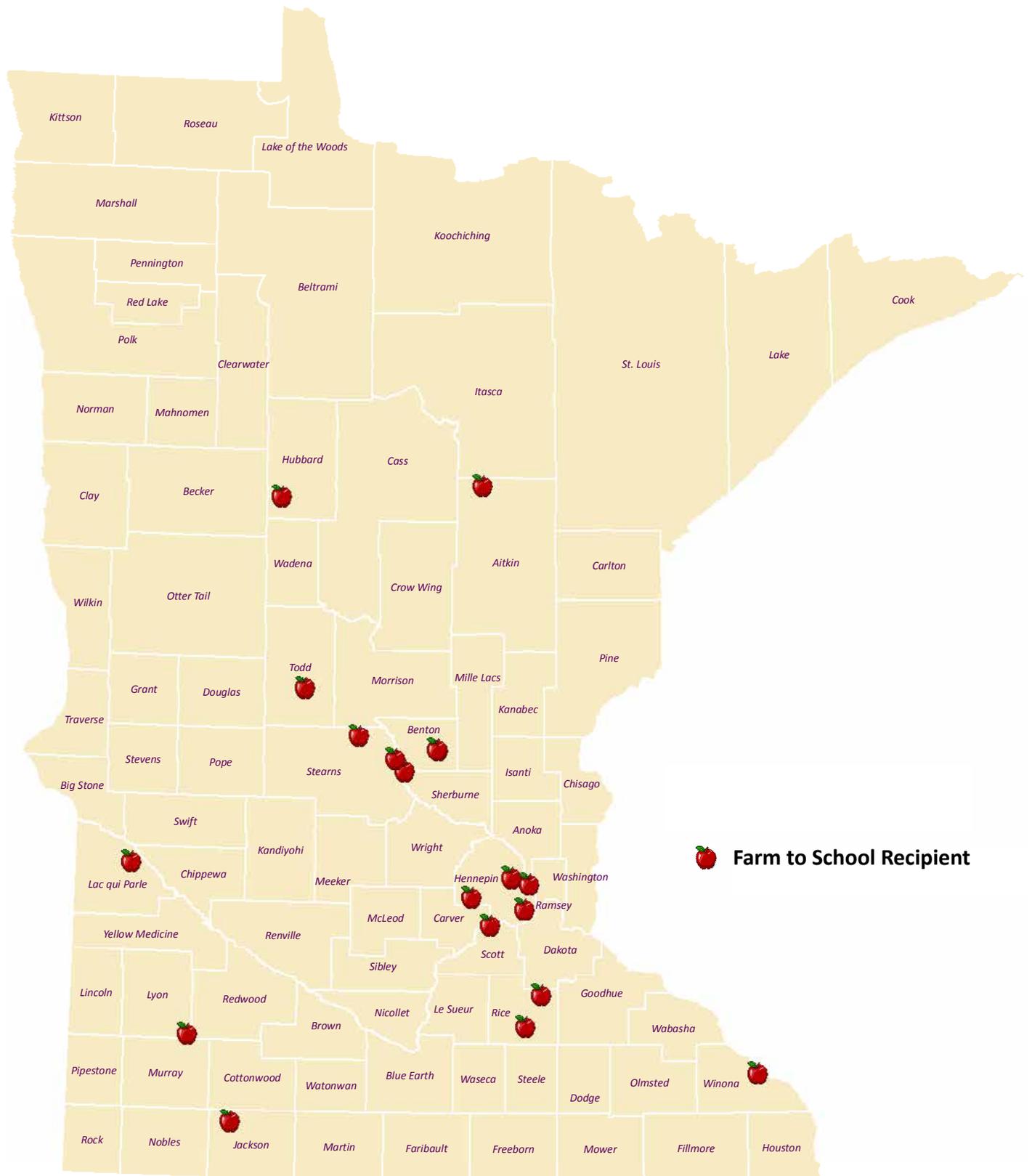


## Farm to School Grant Recipients

School	City	Summary
Bethlehem Academy	Faribault	Purchase convection oven, cool cart for salad bar, and stand mixer.
Foley Public Schools	Foley	Purchase hot and cold serving counters, ice machine, Vita-mix, and smallwares.
Heron Lake-Okabena School	Heron Lake	Purchase doublestack oven, fruit and vegetable cart, and holding cart.
Hill City School	Hill City	Purchase steamer and tilting braising pan.
Holdingford Public Schools	Holdingford	Purchase meat slicer and cart.
Lac qui Parle Valley School District	Madison	Purchase refrigerated buffet station, work table, dicing blade for Robot Coupe, hot steam table, double convection oven, tray platform cart, and construction work.
Long Prairie-Grey Eagle Public Schools	Long Prairie	Purchase convection steamer and accessories.
Minneapolis Public Schools	Minneapolis	Purchase conveyor and bulk product transfer pump.
Northfield Public Schools	Northfield	Purchase a combi oven/steamer and a countertop freezer.
Park Rapids Area Schools	Park Rapids	Purchase portable heating cabinets, pass-thru refrigerator, convection oven, hydrovection oven, plumbing, and electrical.
Playhouse Child Care Center	St Cloud	Purchase combination cooler and freezer, microwave oven/steamer, prep work area, shelving and wall cabinets, dishwasher, dishtable, sorting shelf, range/oven, microwave/steamer, and disposer.
Playhouse Child Care Center	St Cloud	Conduct feasibility study to determine group purchasing and continue research on baby products.
Richfield Public Schools	Richfield	Purchase and construct a “build you own salad” line, including hot and cold wells, electrical pole, cashier’s counter, utility counter, refrigerator, and an electrical plan.
Robbinsdale Area Schools	New Hope	Purchase combi oven, Robot Coupes, and tilting braising pan.
Sartell-St. Stephen School District	Sartell	Purchase two combi ovens, one Robot Coupe, two hot water dispensers, and rotisserie style racks for combi ovens.
Shakopee Public Schools	Shakopee	Purchase walk-in cooler and freezer for East Junior High.
St. John’s Area School	Foley	Purchase electric range, milk cooler, and misc. kitchen equipment.
Tracy Area Schools	Tracy	Purchase refrigerated salad bars for both schools.
Westonka Public Schools	Mound	Purchase tilting skillet, two combi ovens, and two rotating rack convection ovens.
Winona Area Public Schools	Winona	Purchase hydrovection oven.

# Farm to School Grants by County

## Fiscal Year 2017



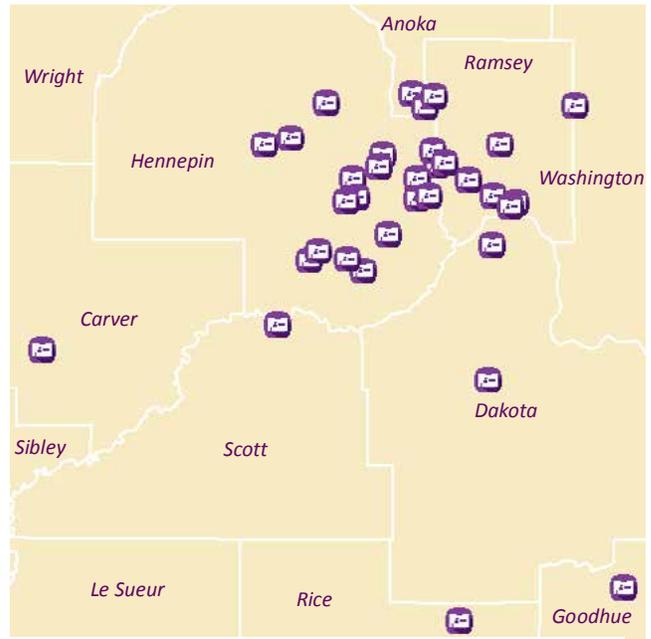
## Minnesota Pavilion Participants

Company Name or Brand Name	City	County
Agropur	Saint Paul	Ramsey
Bare Honey	Saint Paul	Ramsey
Bee Free Honey	Plymouth	Hennepin
Bizzy Coffee	New Brighton	Ramsey
Bliss Gourmet Foods	Saint Paul	Ramsey
Bongards Premium Cheese	Chanhasen	Carver
Buddy's Nut Butter	Minneapolis	Hennepin
Captain Ken's	Saint Paul	Ramsey
CHS Sunflower	Grandin	Cass (ND)
Compart Family Farms	Nicollet	Nicollet
Crapola	Ely	Saint Louis
Dashfire	Saint Paul	Ramsey
Dauus	Bloomington	Hennepin
Davisco	Eden Prairie	Hennepin
Downs Food Group	Mankato	Blue Earth
Dr. In the Kitchen	Eden Prairie	Hennepin
Dutch House Confections	Alexandria	Douglas
Envy Brands	Minneapolis	Hennepin
Farmer You	Northfield	Rice
Five Friends Food (FreshBAR)	Minneapolis	Hennepin
Henke Foods (BT McElrath/Annie B's)	Mahtomedi	Ramsey
Joia	Saint Louis Park	Hennepin
JonnyPops	Saint Louis Park	Hennepin
Kakookies	Plymouth	Hennepin
K-Mama Sauce	Minneapolis	Anoka
K'UL Chocolate	Minneapolis	Hennepin
Leech Lake Wild Rice	Cass Lake	Cass
Maddy & Maize	Saint Paul	Ramsey
Midwest Ag Enterprises	Marshall	Lyon
Northarvest Bean Growers	Frazee	Becker
Nots! Brand Sustenance Snacks	Ada	Otter Tail
Pop'd Kerns	Arden Hills	Ramsey

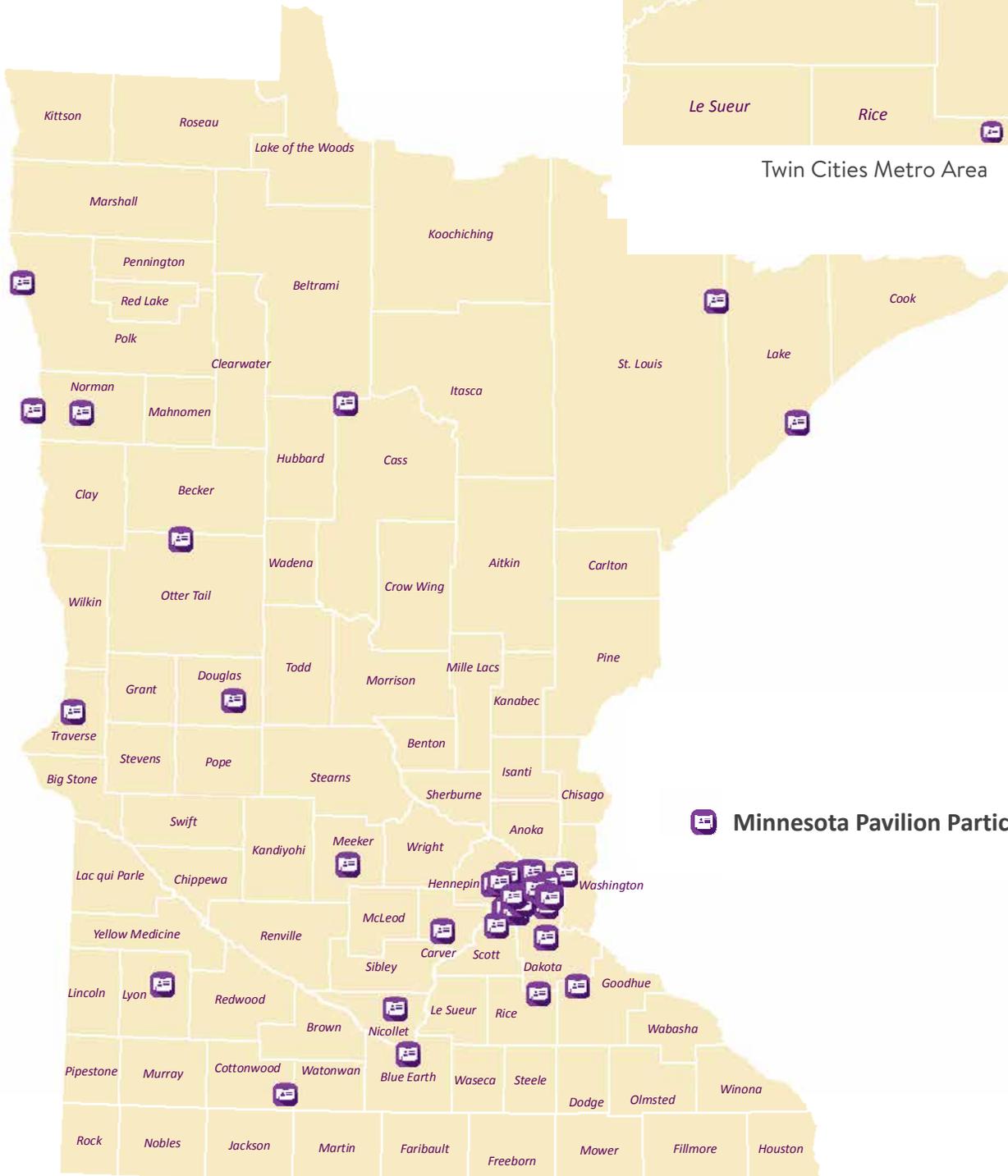
## Minnesota Pavilion Participants

Company Name or Brand Name	City	County
Punk Rawk Labs	Minneapolis	Hennepin
Red River Valley Potatoes	East Grand Forks	Polk
River Hills Harvest Marketers	Minneapolis	Hennepin
Rusty Anchor Bloody Mary Mix	Wheaton	Traverse
Seven Sundays	Minneapolis	Hennepin
So Good Brands	Minneapolis	Hennepin
Sparboe	Litchfield	Meeker
Stone Gate Foods	Shakopee	Scott
SunOpta	Edina	Hennepin
Sweet Harvest Foods (PB Crave)	Rosemount	Dakota
Thousand Hills Cattle Co.	Cannon Falls	Goodhue
Toom Dips (Joyce Foods)	Mendota Heights	Dakota
Total Health Advanced Nutrition	Fridley	Anoka
Waymouth Farms	New Hope	Hennepin
WholeMe	Minneapolis	Hennepin
Wilderness Products	Silver Bay	Lake

# Minnesota Pavilion Participants by County Fiscal Year 2017



Twin Cities Metro Area



 Minnesota Pavilion Participant

## Tradeshow Support Program Participants

Company Name or Brand Name	City	County
Andrej's European Pastry	Chisholm	Saint Louis
Angie's BOOMCHICKAPOP	Mankato	Blue Earth
Bank Brewing Co.	Hendricks	Hennepin
Bizzy Coffee	New Brighton	Ramsey
Bliss Gourmet Foods	Saint Paul	Ramsey
Blue Earth Valley Trading Co.	Mankato	Blue Earth
Bolton Bees	Saint Paul	Ramsey
Bongards Premium Cheese	Chanhassen	Carver
Brody's 579	Mahtomedi	Washington
Buddy's Nut Butter	Minneapolis	Hennepin
Calvit's Shrubs	Minneapolis	Hennepin
Capra Nera Creamery	Altura	Winona
Clover Valley Farms	Duluth	Saint Louis
Coco Amour Foods	Minneapolis	Hennepin
Curly Girlz Candy	Medford	Steele
Desserts by Alighieri	Saint Paul	Ramsey
Double Take	Edina	Hennepin
Dr. In the Kitchen	Eden Prairie	Hennepin
Dry Creek Red Angus	Goodhue	Goodhue
Dumpling and Strand, Noodlers at Large	Minneapolis	Hennepin
Dutch House Confections	Alexandria	Douglas
E & C's (Hunkola)	Eden Prairie	Hennepin
ENKI Brewing	Victoria	Carver
Envy Brands	Minneapolis	Hennepin
Famous Products	Eden Prairie	Hennepin
Far North Spirits	Hallock	Kittson
Farmer You	Northfield	Rice
Five Friends Food (FreshBAR)	Minneapolis	Hennepin
Gardenaire	Rochester	Olmsted
Grandma's Gourmets	Albert Lea	Freeborn
Gray Duck Chai	Minneapolis	Hennepin
Grk	West Saint Paul	Dakota
Gustola Granola	Minneapolis	Hennepin
Heather's Dirty Goodness	Minneapolis	Hennepin
Heavenly Treats	Saint Cloud	Stearns
Hellraising Hot Sauce	Richfield	Hennepin
Henke Foods (BT McElrath/Annie B's)	Mahtomedi	Ramsey
Hot Dang	Minneapolis	Hennepin

## Tradeshow Support Program Participants

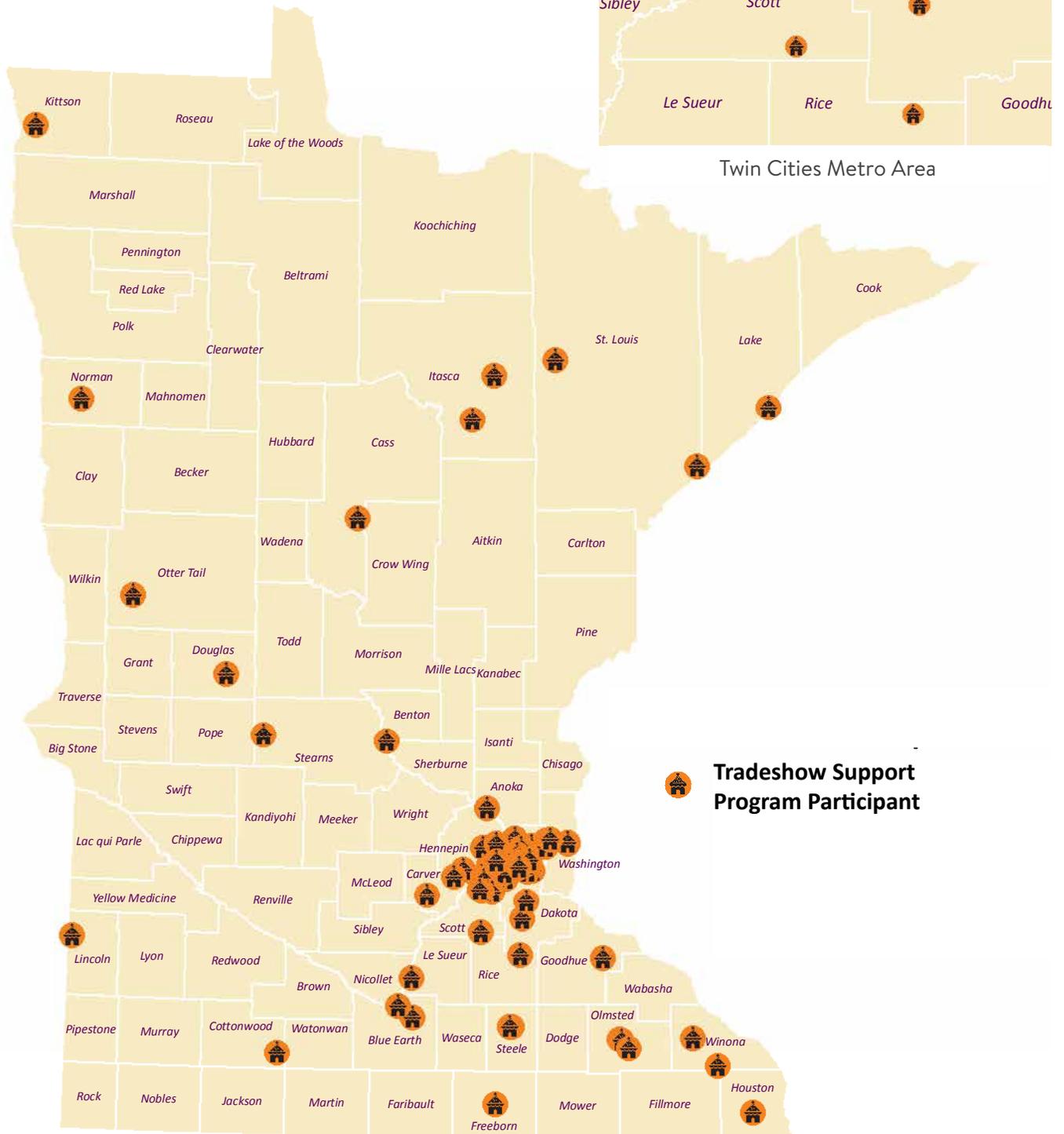
Company Name or Brand Name	City	County
Jazzy Foods	Saint Paul	Ramsey
Joia	Saint Louis Park	Hennepin
JonnyPops	Saint Louis Park	Hennepin
Kakookies	Plymouth	Hennepin
K-Mama Sauce	Minneapolis	Anoka
K'UL Chocolate	Minneapolis	Hennepin
Life Changing Foods	Saint Peter	Nicollet
Life Changing Foods	Saint Louis Park	Hennepin
Lionheart Cider	Little Canada	Ramsey
Luv Ice Cream	Stillwater	Washington
Mademoiselle Miel	Saint Paul	Ramsey
Mama Stoen's	Owatonna	Steele
Metz's Hart-Land Creamery	Rushford	Fillmore
Minnesota Nice Spice	Minneapolis	Hennepin
Mixmi Brands	Eden Prairie	Hennepin
MN Bratwerks	Minneapolis	Hennepin
North Aire Market	Shakopee	Scott
North Mallow	Golden Valley	Hennepin
Nots! Brand Sustenance Snacks	Ada	Otter Tail
Numeez	Saint Paul	Ramsey
Nutrisolutions	Minneapolis	Hennepin
Oak Valley Creations	Savage	Scott
Origin Meals	Excelsior	Hennepin
Pam's Pepper Jam	Robbinsdale	Hennepin
Papa George	Minneapolis	Hennepin
Pashen Corporation	Minneapolis	Hennepin
Philia Foods	Minneapolis	Hennepin
Pipz Jerky	Bloomington	Hennepin
Pop'd Kerns	Arden Hills	Ramsey
Punk Rawk Labs	Minneapolis	Hennepin
Pure Soap Flake	Pine River	Crow Wing
Qwiznibet Foods	Minneapolis	Hennepin
Redhead Creamery	Brooten	Stearns
Regals Catering	Rochester	Olmsted
River Hills Harvest Marketers	Minneapolis	Hennepin
Salad Girl	Willernie	Washington
Salsa Del Diablo	Rochester	Olmsted
Sara's Topsy Pies	Oak Park Heights	Washington

## Tradeshow Support Program Participants

Company Name or Brand Name	City	County
SelfEco Gardens	Stillwater	Washington
Seven Sundays	Minneapolis	Hennepin
Simpls	Minneapolis	Hennepin
Snaptail Smokers, LLC	Bovey	Itasca
Snopac foods	Caledonia	Houston
St. Paul Bagelry (Minnesota Smoothies and More)	Roseville	Ramsey
St. Paul Switchel	Roseville	Ramsey
Steve's Pepper Sauce	Grand Rapids	Carlton
Stone Gate Foods	Shakopee	Scott
Superior Switchel	Saint Louis Park	Hennepin
Sweet Harvest Foods (PB Crave)	Rosemount	Dakota
Sweetland Orchard, LLC	Webster	Rice
Tantalizing Taste	Otsego	Sherburne
Tattersall Distilling	Minneapolis	Hennepin
Terroir Chocolate	Fergus Falls	Ottertail
The Twisted Shrub	Edina	Hennepin
Thelma's Minnesota	Minneapolis	Hennepin
Toom Dips (Joyce Foods)	Mendota Heights	Dakota
Triple Crown BBQ	Minneapolis	Hennepin
True Dough	Farmington	Dakota
Urban Chemist	Minneapolis	Hennepin
West End Enterprises (Chanticlear)	Maple Grove	Hennepin
WholeMe	Minneapolis	Hennepin
Wilderness Products	Silver Bay	Lake
You Betcha Kimchi	Minneapolis	Hennepin

# Tradeshow Support Program Participants by County

Fiscal Year 2017



## Crop Research Grant Recipients

Project Title	Organization Name	Principal Investigator	Crop
Improving sustainable management practices for spotted wing drosophila, an emerging pest of small fruit in Minnesota.	Regents of the University of Minnesota	Mary Rogers	Fruits
Increasing the capacity of an applied, genomics-assisted Kernza breeding program.	Regents of the University of Minnesota	James A. Anderson	Kernza
Identification and characterization of the soybean cyst nematode resistance in dry bean.	Regents of the University of Minnesota	Senyu Chen	Dry beans
Reducing canola input costs through singulation and row spacing.	Minnesota Canola Council	Nancy Ehlke	Canola
Develop vitamin D3-enriched tomato varieties for Minnesota growers.	Regents of the University of Minnesota	Changbin Chen	Tomato
Utilizing structural engineering principles to develop lodging resistant oats.	Regents of the University of Minnesota	Kevin P. Smith	Oats
Breeding barley and soybean for a dual cropping system.	Regents of the University of Minnesota	Aaron Lorenz	Soybean, Barley
Developing a hybrid hazelnut production package for Minnesota.	Regents of the University of Minnesota	Lois Braun	Hazelnut
Agronomic and breeding strategies for improved pennycress grain yield and oil content.	Regents of the University of Minnesota	M. Scott Wells	Pennycress, Soybean
Plant growth, development and yield influenced by sulfur applied in soybean, spring wheat and perennial ryegrass.	Minnesota Turf Seed Council	Nancy Ehlke	Soybean, Wheat, Ryegrass
Improving hard red spring wheat management with plant height, plant stand and nitrogen management	Minnesota Wheat Research and Promotion Council	Grant Mehring	Wheat

## Sustainable Agriculture Demonstration Grant Recipients

Grantee	Summary	Grantee City	Project Location (County)
Anna Johnson	Testing three novel sheep-specific pasture types to maximize average daily gains in lambs on pasture.	Gibbon	Sibley
Blueberry Fields of Stillwater	Using essential oils to repel spotted wing drosophila in blueberries.	Stillwater	Washington
Minnesota Wheat Research and Promotion Council	Impact of two tillage types on yield, economic profitability, and soil health in Polk County.	Red Lake Falls	Polk
Pheasants Forever	Using precision agriculture data to maximize economic and environmental benefits.	Saint Paul	Multiple
Regents of the University of Minnesota	Developing an annual day-neutral strawberry planting system with biodegradable mulches.	Minneapolis	Hennepin, McLeod, Otter Tail, and Stevens
Vande Ag Enterprises	Determining economic feasibility of spray form insulation in a hog finishing barn.	Marshall	Lyon
York Farm	Testing different training systems and varieties to improve the profitability of gooseberries.	Hutchinson	McLeod

## Food Hub Grant Recipients

Organization Name	City	Summary
City of Crookston	Crookston	Develop a detailed business plan, building off of work done through an initial feasibility study.
Greenhouse MN, LLC	Golden Valley	Secure, retrofit and operate a membership-based production, storage, co-working and community facility for small food processors.
Hmong American Farmers Association	St. Paul	Build a GAP certified aggregation, packing, and cooling facility on HAFA land.
Leech Lake Band of Ojibwe - Tribal Development	Cass Lake	Create online food hub and marketing and business plans.
Orr Recreation and Resource Center, Inc.	Orr	Purchase of refrigerator & freezer for the new ORR Center Market created to streamline access to healthy, locally-grown food within the community.
Project Sweetie Pie	Minneapolis	Purchase equipment for a new food hub, including GAP hand washing stations and harvesting bins for five growing sites.
Real Food, LLC	Willmar	Purchase of equipment for commercial kitchen as part of the larger Willmar Regional Food Hub project.
Sprout MN, LLC	Brainerd	Develop a marketing plan to build off the current business plan and operations and to identify market objectives and strategies to increase sales, communicate Sprout's mission, and create a roadmap for achieving goals.
Sprout MN, LLC	Brainerd	Purchase of small equipment, a refrigerated delivery vehicle, hydraulic hand pump, vegetable washing machine, and miscellaneous small equipment for the existing, operational food hub.
Waite House Community Center	Minneapolis	Develop a business plan for all aspects of the food hub, forming of the cooperative that will manage it, and capacity building toward the development and distribution infrastructure at the food hub site.

## AGRI Investments Since FY13



The Agricultural Growth, Research and Innovation (AGRI) Program was established in Minn. Stat. 41A.12 to advance Minnesota's agricultural and renewable energy industries. The program is funded through an annual general fund base appropriation of \$10.235 million to the Minnesota Department of Agriculture (MDA). Through June 2017, \$40.1 million has been awarded.

The AGRI Program focuses on the areas of greatest opportunity and potential economic impact to generate agricultural jobs and promote business expansion in the areas of livestock investment, value added business and market development, farm to school, and renewable energy.

### Livestock Investment *FY 2013 to Present*

Invests in Minnesota's livestock industry which adds value to the crops grown in the state

The Livestock Investment Grant awards 10 percent of livestock equipment or facility expenses up to \$50,000 (lifetime). Funds are available to all Minnesota livestock farmers and are awarded competitively. Criteria for reviewing applications include beginning farmer or transition to next generation; positive impact on the environment; increased efficiency or profitability of the operation; and job creation.

Applications Received/Amount Requested	1,437 applications/\$23.92 million
Applications Funded/Amount Awarded	547 projects/\$9.77 million
Estimated Leveraged Private Investment	\$229.99 million
Estimated Jobs Created	3,886 during construction/1,385 post construction
Awards to Beginning/Transitioning Farmers	85 percent of grantees have been farming for less than 10 years; 94 percent of grantees are entering or transitioning the farm to the next generation
Projects Addressing Environmental Issues	97 percent

**FY 2018 Update:** The MDA anticipates awarding \$1.9 million. Review committees are currently evaluating proposals.

## Value Added

*FY 2013 to Present*



Supports Minnesota agricultural producers and processors to expand markets for Minnesota products

The goal of the Value Added Grant Program is to increase sales of Minnesota agricultural products by diversifying markets, increasing market access, and increasing food safety. Grant awards fund 25 percent of equipment purchases or building modification expenses up to \$150,000. Priorities for funding are meat processors, farm to school market access, and projects that address components of a food safety plan. In addition to the equipment grants outlined below, in FY16 and FY 17, we awarded nine \$164,000 to nine grantees to fund feasibility studies of agricultural value-added business ventures.

Applications Received/Amount Requested	543 applications/\$22.82 million
Applications Funded/Amount Awarded	249 applications/\$8.28 million
Leveraged Private Investment	\$40.21 million
Estimated Jobs Created	254 full-time and 254 part-time

**FY 2018 Update:** The target for Value Added Grants is \$3.5 million, including up to two \$1 million grants. In the fall round, the MDA received 23 applications requesting \$1.18 million and awarded grants to 16 applicants totaling \$608,000. Private investments of \$2.2 million will result in a 3.65 to 1 return on the state's investment. A second round of grants for the remaining funding will be available in the spring.

## Farm to School

*FY 2013 to Present*



Enhances schools' ability to purchase, store, and serve locally grown products, increasing sales of Minnesota agricultural products

School districts that are part of the National School Lunch Program and/or early care and education organizations participating in the Child and Adult Care Food Program are eligible to apply. Farm to School awards cover 50 percent of an equipment project, up to \$50,000, and 75 percent of a feasibility study, up to \$30,000. The Center for Prevention at Blue Cross and Blue Shield of Minnesota has annually contributed up to \$150,000 to help schools meet the matching fund requirement. In recent surveys of awardees, nearly all schools indicated grant funding made a major impact on the success of their projects.

Applications Received/Amount Requested	153 applications/\$3.14 million
Applications Funded/Amount Awarded	103 projects/\$1.82 million
Estimated Leveraged Private Investment	\$2.06 million
Estimated Farmer/School Relationships	162 (among FY16 and FY17 grantees)
Estimated Sales of Minnesota Foods in Schools in School Year 2017-2018	\$5.6 million (based on 32 grantees from FY16 and FY17)

**FY 2018 Update:** The MDA is in the process of awarding \$380,000 for 22 projects.

## New Market Development

*FY 2013 to Present*



Helps small food and agriculture companies explore regional and international markets

The MDA coordinates “Minnesota Pavilions” at trade events worldwide to help companies stand out in a very competitive marketplace and to enter new markets. The Tradeshow Support Program (TSP) provides cost sharing for retail sampling events and can help offset the high costs of exhibiting at wholesale food shows.

State Funds Invested in TSP	\$1.07 million
Number of Companies Participating in TSP and Minnesota Pavilions (sum of each fiscal year)	576
Projected New Sales from TSP and Minnesota Pavilions	\$53.85 million and over 16,800 new relationships with stores and distributors

**FY 2018 Update:** \$340,000 is available for TSP cost sharing and Minnesota Pavilions. Tradeshows with Minnesota Pavilions are scheduled in Anuga, Germany; San Francisco, CA; Anaheim, CA; Chicago, IL; and New York City, NY

## Crop Research

*FY 2013 to Present*



Supports applied crop research projects that will result in near term benefits to farmers and the agricultural economy by improving agricultural product quality, quantity, and value

Projects create public, transferable information and include a robust outreach component. Examples of eligible projects include research to increase crop yield and production efficiency; improve traits for market or climate; and develop new crops, cover crops and specialty crops. Grants of up to \$250,000 per project are awarded on a competitive basis.

Applications Received/Amount Requested	118 projects/\$22.84 million
Applications Funded/Amount Awarded	44 projects/\$8.11 million

**FY 2018 Update:** The MDA received 43 applications totaling \$8.9 million and expects to make awards in early February.

## NextGen Bioenergy and Biochemicals

*FY 2014*



Provided for research, technical assistance, equipment, and/or development of business plans and structures related to community ownership of bioenergy and biochemical facilities

Awards were made by the Commissioner of Agriculture after consultation with the NextGen Energy Board. Examples of projects include ethanol plant retrofit engineering for butanol production; pilot plan construction for biochemical production; and research for advanced drop-in biofuel production. This program was discontinued in FY 2016.

Applications Received/Amount Requested	35 projects/\$12.3 million
Applications Funded/Amount Awarded	5 projects/\$1.7 million
Leveraged Private Investment	\$3.6 million

## NextGen Biothermal Energy *FY 2015*



Provided for financial assistance for the installation of woody biomass heating equipment used for propane fuel replacement in regions lacking natural gas infrastructure

This program was a separate allotment from the NextGen Bioenergy and Biochemicals grant fund. These projects supported the deployment and evaluation of existing commercial biothermal technology, addressed the critical barrier of financing propane/fuel oil heating switch-over projects, and supported wood energy market development across the supply chain from fuel, to heating equipment, to installation capacity. This program was discontinued in FY 2016.

Applications Received/Amount Requested	6 proposals/\$632,000
Applications Funded/Amount Awarded	5 projects/\$522,135
Leveraged Private Investment	\$515,000

## Blender Pump Cost Share *FY 2014 and FY 2015*



Provides funding to service stations for flexible fuel pumps, and compatible infrastructure to deliver renewable liquid fuels such as E15 or E85 and other flexible fuel ethanol blends with gasoline

The Minnesota Corn Growers matched the State fund with \$1 million and a committee convened by the American Lung Association of Minnesota oversees the grants. Applications are taken continuously until funds are exhausted.

Applications Received/Amount Requested	39 proposals/\$985,000
Projects Completed	36 service stations/\$950,000

**FY 2018 Update:** Funding for this program in FY 2017 and FY 2018 was used to support projects and match Federal funds as a part of the Minnesota Biofuels Infrastructure Partnership project. See below for detail.

## Minnesota Biofuel Infrastructure Partnership Cost Share *FY 2016 to Present*



Leverages a Federal award to provide funding to service stations for flexible fuel pumps, and compatible infrastructure to deliver renewable liquid fuels such as E15 or E85 and other blends of ethanol

The MDA received \$8 million from United States Department of Agriculture's Biofuel Infrastructure Partnership (BIP) Program for this project. About \$1.3 million in FY 2016 and FY 2017 AGRI funding is being used to fund the State's contribution to the program. An additional \$3.06 million was contributed by the Minnesota Corn Research and Promotion Council, 17 of Minnesota's ethanol plants, and a separate fund for E15 infrastructure created by the Minnesota Legislature.

Applications Funded/AGRI Investment	40 proposals/\$1.3 million
Leveraged Investment	\$7.6 million

**FY 2018 Update:** Contracts have been awarded for 59 sites, including \$1.56 million in AGRI funding.

## Bioincentive Program

*FY 2016 to Present*

Encourages commercial-scale production of advanced biofuels, renewable chemicals, and biomass thermal energy through production incentive payments

An eligible producer may receive payment per unit of production under the program. Minimum production levels are required for eligibility, with maximum total payment amounts that can be claimed in any one year. A producer may collect payments through the program for ten years. The program is scheduled to end in 2035.

Number of claimants/Amount claimed	1/\$29,599
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**FY 2018 Update:** \$1.5 million is available. As of January 1, one payment has been made to a claimant for \$28,586. Additional claimants are expected to use the remaining available funds.

## Farm Business Management Scholarship

*FY 2016 to Present*

Supports Minnesota farmers by making Farm Business Management education more affordable

Scholarships pay 50 percent of Farm Business Management tuition (after financial aid and any other grants) until a farmer/student reaches 40 credits.

Scholarship Applications Received	1,297 applications
Scholarships Awarded	1,297 applications/\$1.08 million

**FY 2018 Update:** As of January 1, 2018, the MDA had awarded scholarships to 451 beginning farmers, for a total of \$368,438.

## Sustainable Agriculture

*FY 2013 to Present*

Provides an opportunity for farmers, nonprofit groups, agricultural researchers, and educators to explore ways to improve the sustainability of a wide range of farming systems

The Sustainable Agriculture Demonstration Grant Program moved to AGRI in FY 2013. The maximum grant amount is \$25,000 for on-farm demonstration and research to improve farm energy efficiency, environmental benefits, and profitability.

Applications Received/Amount Requested	133 projects/\$2.49 million
Applications Funded/Amount Awarded	50 projects/\$794,000

**FY 2018 Update:** The MDA received 19 applications requesting \$416,115. Up to \$250,000 is available for funding new projects. Grants are set to be awarded in late February.

## GAP/GHP Certification Cost Share *FY 2013 to Present*



Assists producers to become GAP certified, a requirement to sell produce to schools, institutions, and through retail markets

Good Agricultural Practices (GAP)/Good Handling Practices (GHP) certification focuses on improving the safety and quality of produce at the farm and at the processor. A food safety plan is required for this third-party certification. Farmers and handlers certified to the USDA standards by an accredited certifier are eligible to receive a reimbursement of 75 percent of their GAP/GHP certification costs up to \$2,500.

Applications Funded /Amount Awarded	150 farmers and handlers/\$99,483
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**FY 2018 Update:** \$25,000 is available for cost share; applications are being accepted through May 31, 2018. As of January 1, 2018, 18 applications have been received.

## County Fairs *FY 2014 to Present*



Supports development and activities at county fairs

Funding is offered on an equal share basis to each of the 94 county fairs. In Fiscal Years 2014 and 2015, investments focused on increasing public access and knowledge of the arts, Minnesota history and cultural heritage. Beginning in Fiscal Year 2016, funding supports the preservation and promotion of agriculture.

Applications Received/Amount Requested	361 projects/\$4.13 million
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**FY 2018 Update:** The MDA anticipates awarding \$1 million to the 94 active county fairs. Proposals are due on February 9, 2018.

## Food Hub Grant *FY 2017*



Assisted food hubs and other community-based food distribution systems to increase sales of Minnesota agricultural products

The goal of the Food Hub Grant Program was to increase sales of Minnesota agricultural products by investing in food hubs and other community-based food distribution systems by helping them purchase equipment/make physical improvements and assisting them in developing long-term plans for business sustainability.

Applications Received/Amount Requested	15 projects/\$373,715
Applications Funded/Amount Awarded	10 projects/\$165,445

**FY 2018 Update:** This was a one-time appropriation of up to \$250,000 for FY 2016 and FY 2017.