

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. Through June 2016, \$30.67 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

Invests in Minnesota's livestock industry infrastructure 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	1,257 applications/\$21.02 million
Applications Funded/Amount Awarded	442 projects/\$7.66 million
Estimated Leveraged Private Investment	\$178.4 million
Estimated Jobs Created	2,561 during construction/1,131 post construction
Awards to Beginning/Transitioning Farmers	84% of grantees have been farming for less than 10 years; 93% of grantees are entering or transitioning the farm to the next generation
Projects Addressing Environmental Issues	97%

FY 2017 Update: The MDA anticipates awarding \$2 million. Review committees are currently evaluating proposals.

Value Added

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

The goal of the Value Added Agriculture 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.

Applications Received/Amount Requested	443 applications/\$17.5 million
Applications Funded/Amount Awarded	200 applications/\$6.26 million
Leveraged Private Investment	\$21.69 million
Estimated Jobs Created	136 full-time and 186 part-time (FY13-15)
Additional Agricultural Product Processed/ Value of Additional Product Processed	11.81 million pounds/\$2.99 million (based on 119 survey respondents up to 24 months post award)
Additional Value-Added Product Produced/ Additional Annual Sales	25.84 million pounds/\$3.22 million (based on 119 survey respondents up to 24 months post award)

FY 2017 Update: The MDA awarded \$1.02 million to 20 applicants in the first round of funding. We received 40 applications requesting \$2.65 million in grant awards. Private investments of \$10.2 million will result in a 10 to 1 return on the state's investment. The MDA anticipates awarding \$1 million in the second round of applications this fiscal year.

Farm to School

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 or 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 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	140 applications/\$2.68 million
Applications Funded/Amount Awarded	83 projects/\$1.46 million
Estimated Leveraged Private Investment	\$1.69 million
Estimated Farmer/School Relationships	173 (based on 34 survey respondents up to 24 months post award)
Estimated Sales of Minnesota Foods in Schools in School Year 2016-2017	\$4.1 million (based on 34 survey respondents up to 24 months post award)

FY 2017 Update: The MDA is in the process of awarding \$377,000 for 20 projects.

New Market Development

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	\$818,000
Number of Companies Participating in TSP and Minnesota Pavilions (sum of each fiscal year)	402
Projected New Sales from TSP and Minnesota Pavilions	\$27.65 million and over 9,900 new relationships with stores and distributors

FY 2017 Update: \$100,000 is available for TSP cost sharing and \$100,000 for Minnesota Pavilions. A tradeshow with a Minnesota Pavilion was held in Beijing, and tradeshow are scheduled in San Francisco, Anaheim, Chicago, Manhattan, Shanghai, and Dubai.

Crop Research

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 and may pay 100 percent of project costs.

Applications Received/Amount Requested	87 projects/\$16.9 million
Applications Funded/Amount Awarded	33 projects/\$6 million

FY 2017 Update: The MDA received 31 applications totaling 5.9 million and expects to make awards in early February.

NextGen Bioenergy and Biochemicals

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

Provides 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 support the deployment and evaluation of existing commercial biothermal technology, address the critical barrier of financing propane/fuel oil heating switch-over projects, and support 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 requested
Applications Funded/Amount Awarded	5 projects/\$522,135
Leveraged Private Investment	\$515,000

Blender Pump Cost Share

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 \$1.5 million and a committee convened by the American Lung Association of Minnesota oversaw the grants.

Applications Received/Amount Requested	39 proposals/\$985,000
Projects Completed	36 service stations/\$950,000
Projects in Progress	1 service station/\$10,000

FY 2017 Update: There is no funding for this program in FY 2017.

Minnesota Biofuel Infrastructure Partnership Cost Share

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 Biofuel's Infrastructure Partnership (BIP) Program for this project. About \$1 million in FY 2016 AGRI funding was carried forward into FY 2017 to help 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. Projects were solicited through a competitive RFP and awards were made in summer 2016.

Applications Funded/AGRI Investment	3 proposals/\$55,075
Leveraged Investment	\$1,568,191

FY 2017 Update: Contracts were awarded to 40 additional stations and included \$443,475 in AGRI funding.

Beginning and Transitioning Farmers

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	891 applications
Scholarships Awarded	891 applications/\$707,781

FY 2017 Update: As of January 1, 2016, the MDA had awarded scholarships to 406 beginning farmers, for a total of \$370,485.

Sustainable Agriculture

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	117 projects/\$2.2 million
Applications Funded/Amount Awarded	43 projects/\$685,000

FY 2017 Update: The MDA received 16 applications requesting \$300,639 with \$250,000 available for funding of new projects. Grants are set to be awarded in late February.

GAP/GHP Certification Cost Share

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	124 farmers and handlers/\$77,741
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FY 2017 Update: \$25,000 is available for cost share; applications are being accepted through May 31, 2017. To date, 20 applications have been received.

County Fairs

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 2014-2015, 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 Awarded	272 projects/\$3.15 million
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FY 2017 Update: The MDA anticipates awarding \$1 million to the 94 active county fairs. Proposals are due on February 21, 2017.



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