

**Agriculture****Projects Summary**

(\$ in thousands)

<b>Project Title</b>	<b>Rank</b>	<b>Fund</b>	<b>Project Requests for State Funds</b>			<b>Gov's Rec</b>	<b>Gov's Planning Estimates</b>	
			<b>2026</b>	<b>2028</b>	<b>2030</b>		<b>2028</b>	<b>2030</b>
East Grand Forks Potato Inspection Facility Updates	1	GO	1,380	0	0	1,380	0	0
		GF	920	0	0	0	0	0
Rural Finance Authority (RFA) Loans	2	GO	50,000	0	50,000	50,000	0	0
<b>Total Project Requests</b>			<b>52,300</b>	<b>0</b>	<b>50,000</b>	<b>51,380</b>	<b>0</b>	<b>0</b>
<b>GO Bonds-User Financing (GO) Total</b>			51,380	0	50,000	51,380	0	0
<b>General Fund Cash (GF) Total</b>			920	0	0	0	0	0

## AT A GLANCE

- 546 employees across the state.
- Analyzed over 1,700 dairy product samples and 1,100 meat and poultry samples in partnership with the MDA Laboratory Division.
- Conducted over 1,700 manufactured food, 7,000 retail food, and nearly 600 animal feed inspections to ensure the safety and quality of products manufactured and distributed in Minnesota.
- Issued about 1,500 phytosanitary certificates annually providing worldwide market access.
- Assisted Minnesota counties, townships, and cities with the enforcement of noxious weed issues.
- 1,410 farms and farmers' markets licensed to use the Minnesota Grown logo.
- In partnership with all MN counties, collected over 613,000 pounds of waste pesticides in 2024.
- The Minnesota Ag Water Quality Certification Program has enrolled over 1,650 producers farming more than 1.1 million acres; certified farms average higher net income than non-certified.

## PURPOSE

Our mission is to enhance Minnesotans' quality of life by equitably ensuring the integrity of our food supply, the health of our environment, and the strength and resilience of our agricultural economy.

The Minnesota Department of Agriculture (MDA) provides many services to Minnesota farmers, consumers, and the agriculture economy. Among our many efforts, we:

- Invest in farmers through education and grants aimed at modernizing the family farm.
- Invest in the future of the agricultural economy with grants for research and value-added processing.
- Ensure that state and federal regulations for food and health safety are followed.
- Educate producers, suppliers, and consumers on proper production and handling of food products.
- Educate Minnesotans about environmental hazards to keep our farms, homes, businesses, and neighborhoods safe.
- Promote the consumption of Minnesota-grown foods.
- Promote the export of Minnesota crops and livestock.

## STRATEGIES

We use a range of regulatory and voluntary strategies to support our mission. These strategies, in turn, are supported by effective tools such as registration, labeling, licensing, permitting, inspection, and enforcement. We pair regulation with education and outreach through workshops, conferences, and field demonstration projects. Additional strategies are supported through grant programs for farmers and farmer-focused organizations.

The following is a summary of the strategies included in our 2023-2027 strategic plan, highlighting our focus on the One Minnesota priority areas of Equity and Inclusion, Minnesota's Environment, and Fiscal Accountability, Customer Experience, and Measurable Results. These are paired with strategies that directly support the mission critical areas for the MDA of a Strong Agricultural Economy, a Safe Food Supply, and a Healthy Environment.

### 1. Equity and Inclusion

- Establish and normalize equitable procurement and grant making processes
- Engage diverse communities in outreach
- Nurture and foster an inclusive culture at MDA

## **2. Minnesota's Environment**

- Increase MDA capacity for environmental work related to agriculture and aligned with the MN State Climate Action Framework (CAF)
- Develop and expand innovative environmental impact programs

## **3. Fiscal Accountability, Customer Experience, and Measurable Results**

- Improve Customer Experience
- Accelerate Implementation of Service Transformation
- Prioritize Public Engagement and Resource Delivery for Non-English Speakers and Underserved Populations

## **4. Strong Agricultural Economy**

- Support Minnesota's local and regional food system development
- Expand sales of MN agricultural products
- Explore Novel Development and Agricultural Pathways
- Award grants to partner organizations to support agriculture and work with farmers
- Upgrade state agricultural services to better support agency policy and regulatory work

## **5. Safe Food Supply**

- Support farmer youth and family mental health
- Support food insecurity and hunger relief programs
- Include and advance indigenous knowledge on sustainability and food sovereignty
- Continue preparedness planning for agricultural emergency responses

## **6. Healthy Environment**

- Integrate sustainability practices within the MDA
- Celebrate and communicate diverse agricultural stories

Examples of ongoing work at the department that directly supports the strategies listed above include:

- We use a range of regulatory and voluntary strategies to support our mission. This includes the use of registration, labeling, licensing, permitting, inspection, and enforcement efforts. Additionally, we coordinate and conduct outreach activities such as workshops, conferences, and field demonstration projects.
- Our staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, haulers, grocery and convenience stores, and other industry personnel are producing and handling dairy, food, meat, and feed products in a safe manner to protect them from unintended alteration and contamination.
- We ensure that Minnesota plant products meet the import requirements of our trading partners; meet grading standards established in contracts; that seeds meet viability and purity standards; that general health standards are met for nursery stock; and that standards for freedom from harmful plant pests are met.
- Our marketing and promotional initiatives offer producers technical and financial assistance on a variety of issues, including dairy and livestock development, business planning, and emerging water quality and conservation practices.
- Our staff facilitates access to new markets through the Minnesota Grown Program, regional and domestic marketing opportunities, and support for international trade missions, market research, and export assistance. We also support the organic industry through education and direct financial support.
- We support a diverse agriculture community and economy through outreach and support to emerging and beginning farmers and government-to-government consultation and cooperation with Minnesota's 11 tribal nations.

- We prepare and train staff, provide guidance to farmers and the ag industry, and coordinate work across jurisdictions so that Minnesota is equipped to swiftly act to foreign animal disease outbreaks, adverse weather disasters, and other agricultural emergencies. To prepare for climate impacts to the agriculture industry and our natural resources, we financially support soil health initiatives, promote sustainable agricultural practices, and assess the impact of our regulatory programs.

---

Minnesota Statutes Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) creates the Department of Agriculture and provides specific authority to the commissioner.

## AT A GLANCE

The Department of Agriculture uses capital funding to support its goals of:

- Protecting the food supply, natural environment, and human health.
- Maintaining an ability to assist with emergencies involving the agricultural sector.
- Developing the state's agricultural resources.

## Factors Impacting Facilities or Capital Programs

Major factors impacting the Minnesota Department of Agriculture's (MDA) East Grand Forks facility and capital projects include the age of the facility as well as community and customer expectations. The East Grand Forks building is 31 years old. The building has increasing repair needs to maintain the existing site. Such repairs and investments are essential to the safety and security of staff. Much of the program's operating revenue comes from fees. To maintain these revenues, the MDA must maintain a quality environment and new technology.

The MDA uses the capital budget process to implement the Rural Finance Authority (RFA) loan programs. The RFA loan programs require new bonding authorizations to remain fully funded. Demand for these programs is high because of their favorable interest rates and statutory changes that have expanded eligibility for the loans.

## Self-Assessment of Agency Facilities and Assets

The MDA's Facilities Coordinator performs an annual condition assessment that rates the current condition of major systems with the building. As a result of the assessment, several components of the East Grand Forks building need to be addressed soon to maintain safety and modernization standards. This building is used primarily by the Plant Protection Division for potato-related services, including Seed Potato Certification, laboratory testing for potato pathogens, potato cyst nematode surveys, USDA shipping point inspections, and federal crop insurance grading. The facility currently houses five full-time employees and often hosts potato growers for meetings or submission of samples for testing.

## Agency Process for Determining Capital Requests

To determine which capital upgrades would generate operational savings or address urgent needs, the MDA surveyed its divisions and consulted the Minnesota Department of Administration's Facility Condition Assessment, which found MDA's East Grand Forks facility to be in poor condition. Building renovations would improve employee efficiency, meet current health and safety standards, improve service to the public, and boost fee collection.

The RFA makes decisions on how much loan dollars are needed based upon averages between Fiscal Year (FY) 2018 and FY2025, as well as the current interest rate environment. The RFA estimates that all authorized funding will be encumbered/exhausted by December 2026.

## Major Capital Projects Authorized in 2024 and 2025

No capital projects from 2024 or 2025 sessions.

(\$ in thousands)

**East Grand Forks Potato Inspection Facility Updates****AT A GLANCE****2026 Request Amount:** \$2,300**Priority Ranking:** 1**Project Summary:** \$1.380 million in general obligation bonds and \$920 thousand in general fund cash for updates to the East Grand Forks Potato Inspection Facility to maintain the integrity and function of the building. Bonding dollars were allocated in fiscal year 2023 which was intended to provide repairs and replacement of building components. Through the course of bidding and planning for implementation, it has been determined that many other aspects of the building require attention.**Project Description**

This building is owned, operated and maintained by the MDA and is used to facilitate seed potato certification, laboratory analysis, surveys and inspections required for to market potatoes for sale and export, and federal crop insurance grading for potatoes. The building was built in 1993 and is 8,000 sq ft., and it currently houses five full time employees and often hosts potato growers for meetings or submission of samples for testing.

In legislative session 2023, the MDA requested bonding dollars to address the building roof and exterior finishes, updates to the electrical system, HVAC service and lighting as well as assistance with maintenance costs such as painting and interior finish updates. The department received \$384,000 through bonding and \$73,000 in general funds to make these updates. However, due to efficiency standards, rising material costs and repairs exceeding initial estimates the money allocated only covers a portion of the work planned, specifically replacement of asphalt shingles with a steel roof.

The department is requesting additional assistance for the remaining updates as well as additional needed updates and maintenance that have become known since the original proposal was submitted. The following is an itemized list of the updates and repairs needed for the building:

**Backlog of work from initial proposal:**

- upgrade lighting throughout building and update water heater
- HVAC system upgrade including garage heat
- updated electrical panel
- updated flooring throughout building
- painting throughout building

**New work identified since initial proposal:**

- replace exterior electrical outlets

- repair or replace interior and exterior doors
- install energy efficient windows
- plumbing updates to route water to 2nd floor and remove outdated plumbing on 1st floor
- update furniture and break room appliances
- install window treatments
- install security system
- install pulley system to move heavy materials to 2nd floor
- install building wi-fi
- install A/V for conference room
- install electric vehicle charging station

### **Project Rationale**

The building is an important facility for the department. It houses the potato inspection team and serves as an important meeting area with Minnesota potato growers. The building meets several unique needs of the program including laboratory space, facilities for potato tubers to be collected and stored before shipping to Hawaii for winter testing, and a space where potatoes can be grown for disease testing. The department and program have invested funds in the building at several points in the past, but the number and expense of the updates needed have grown beyond the ability of the program/department to cover.

### **Project Timeline**

Work has already begun on the repairs to the roof and the design and discovery for improvements to HVAC and electrical systems. The backlog of repairs identified in the initial proposal could begin shortly after additional funds are allocated. The new work identified could be completed concurrently with the backlog work to maximize efficiency of contractors and minimize impact to the program work completed in the facility. It is estimated that the extent of the work needed will take two or more years to accomplish. This is based on the timeline experienced with the current project which was funded on June 1st, 2023 and is scheduled to be completed during 2025 with the construction of a steel roof for the building.

### **Other Considerations**

Of the \$2.3 million requested in overall construction funding, approximately \$530 thousand are requested to complete the backlog of work from the original proposal. The remaining dollar amount is to newly identified work items.

### **Impact on Agency Operating Budgets**

Neither the potato program nor the Department is in a position to fund the work needed for this building. The potato inspection program is supported by fees paid by about 2 dozen seed potato growers. The updates needed to bring the building into alignment with modern building standards are greater than the Department can support.

### **Description of Previous Appropriations**

\$384 thousand in general obligation bonds and \$73 thousand in general funds was appropriated in the 2023 legislative session which covered the installation of a steel roof.  
\$50 thousand in 2015 to replace windows - only builder-grade windows could be purchased with

these dollars

\$20 thousand in 2008 to replace the roof with new asphalt shingles - the size and aspect of the roof combined with the weather in East Grand Forks have resulted in numerous roof repairs since leading us to opt for a steel roof replacement that will be more durable.

#### **Project Contact Person**

Mark Abrahamson

Plant Protection Division Director

651-201-6505

[mark.abrahamson@state.mn.us](mailto:mark.abrahamson@state.mn.us)

#### **Governor's Recommendation**

The Governor recommends \$1.38 million in general obligation bonds for this request.

## Agriculture

## Project Detail

(\$ in thousands)

### East Grand Forks Potato Inspection Facility Updates

#### PROJECT FUNDING SOURCES

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<b><i>State Funds Appropriated and Requested</i></b>				
General Obligation Bonds	\$ 384	\$ 1,380	\$ 0	\$ 0
General Fund Cash	\$ 73	\$ 920	\$ 0	\$ 0
<b><i>State Funds Pending</i></b>				
<b><i>Non-State Funds Already Committed</i></b>				
<b><i>Non-State Funds Pending</i></b>				
<b>TOTAL</b>	<b>\$ 457</b>	<b>\$ 2,300</b>	<b>\$ 0</b>	<b>\$ 0</b>

#### TOTAL PROJECT COSTS

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 154	\$ 0	\$ 0
Project Management	\$ 7	\$ 159	\$ 0	\$ 0
Construction	\$ 450	\$ 1,781	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 206	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 457</b>	<b>\$ 2,300</b>	<b>\$ 0</b>	<b>\$ 0</b>

#### IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0	0	0

#### SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 1,380	100 %

## SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

		Amount	Percent of Total
User Financing	\$ 0	0	0 %

## STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	Yes
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6)?</b>	Yes
<b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	No
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 473.4485: Guideway Project</b>	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

(\$ in thousands)

**Rural Finance Authority (RFA) Loans****AT A GLANCE****2026 Request Amount:** \$50,000**Priority Ranking:** 2**Project Summary:** The Minnesota Department of Agriculture (MDA) requests authorization to sell \$50 million in general obligation bonds to support loan programs administered by the Rural Finance Authority (RFA) including the Beginning Farmer, Seller Sponsored, Agricultural Improvement, Livestock Expansion, Restructure II loans.**Project Description**

MDA's RFA is the state's agricultural lender with a mission to develop farm resources and the RFA offers low-interest loan programs for a variety of farm activities.

Dollars obtained through the bond sale are used to provide loans to Minnesota farmers. Farmers pay back the loans which in turn pay back the bonds plus the interest. Since 1986 the RFA has never defaulted on a loan and carry a loan loss reserve fund as a contingency.

**Project Rationale**

These bonds allow the RFA to help Minnesota farmers obtain affordable financing under terms and conditions not available from other credit sources.

**Project Timeline**

The RFA was established in 1986 and is ongoing. The RFA statute can be found in Chapter 41B Rural Finance Authority.

**Other Considerations**

As of September 2025, the RFA has invested in more than 3,500 participation loans, totaling over \$360 million in loans to Minnesota farmers since 1986.

**Impact on Agency Operating Budgets**

There is not an impact other than potentially positive as all bonds are paid back with interest.

**Description of Previous Appropriations**

General Obligation Bond Appropriations:

Laws of Minnesota for 1986, \$50,000,000;

Laws of Minnesota for 1996, \$41,000,000;

Laws of Minnesota for 2000, \$20,000,000;

Laws of Minnesota for 2002, \$15,000,000;  
Laws of Minnesota for 2005, \$18,000,000;  
Laws of Minnesota for 2007, \$30,000,000;  
Laws of Minnesota for 2009, \$35,000,000;  
Laws of Minnesota for 2012, \$33,000,000;  
Laws of Minnesota for 2017, \$35,000,000;  
Laws of Minnesota for 2018, \$35,000,000;  
Laws of Minnesota for 2020, \$50,000,000;  
Laws of Minnesota for 2023, \$50,000,000

#### **Project Contact Person**

Matt McDevitt  
Ag Finance Supervisor  
651-301-6311  
[matt.mcdevitt@state.mn.us](mailto:matt.mcdevitt@state.mn.us)

#### **Governor's Recommendation**

The Governor recommends \$50 million in user-financed general obligation bonds for this request.

**Agriculture****Project Detail**

(\$ in thousands)

**Rural Finance Authority (RFA) Loans****PROJECT FUNDING SOURCES**

Funding Source	Six Prior Years	FY 2026	FY 2028	FY 2030
<b><i>State Funds Appropriated and Requested</i></b>				
General Obligation Bonds	\$ 100,000	\$ 50,000	\$ 0	\$ 50,000
<b><i>State Funds Pending</i></b>				
<b><i>Non-State Funds Already Committed</i></b>				
<b><i>Non-State Funds Pending</i></b>				
<b>TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 50,000</b>

**TOTAL PROJECT COSTS**

Cost Category	Six Prior Years	FY 2026	FY 2028	FY 2030
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 100,000	\$ 50,000	\$ 0	\$ 50,000
Construction	\$ 0	\$ 0	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ 50,000</b>

**IMPACT ON STATE OPERATING COSTS**

Cost Category	FY 2026	FY 2028	FY 2030
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0	0	0

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

	Amount	Percent of Total
General Fund	\$ 0	0 %
User Financing	\$ 50,000	100 %

## STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents?	Yes
Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6)?</b>	N/A
<b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>	N/A
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	N/A
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	N/A
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	N/A
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 473.4485: Guideway Project</b>	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A