



Department Update

Thom Petersen | Commissioner

February 18, 2026

Minnesota Agriculture: An Economic Cornerstone

Minnesota's ag industry:

- 65,300 farms
 - Average size of 389 acres
- Generates \$105.6 billion in sales
- \$13.1 billion crop sector
- \$8.91 billion livestock sector
- \$10 billion in exports
- Supports more than 388,000 jobs



Minnesota Department of Agriculture

Our 500 employees provide many services that impact Minnesota residents every day:

- We promote Minnesota farm products in local, state, national, and international markets
- We respond to diseases and pests that threaten agriculture and natural resources
- We inspect all grocery stores and convenience stores, as well as all dairy farms and processing plants
- We regulate feed mills and fertilizer plants

Minnesota Department of Agriculture

We have two main areas of responsibility:

- We are the primary state agency responsible for protecting the state's food supply and a key player in protecting the state's natural resources
- We are the primary agency responsible for supporting and promoting the state's ag industry and economy

We carry out our responsibilities through our main program areas:

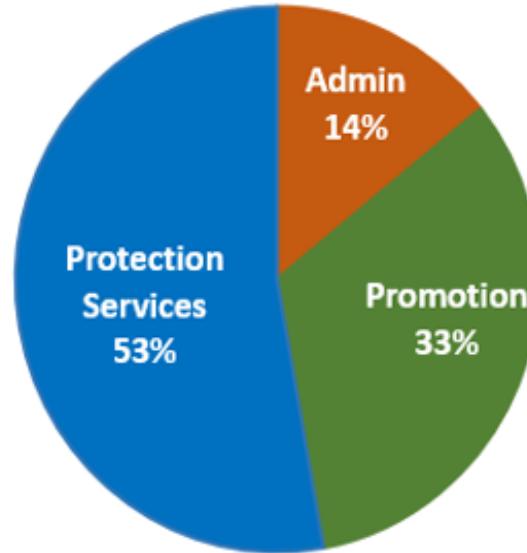
- Agricultural Marketing and Development
- Dairy and Meat Inspection
- Food and Feed Safety
- Laboratory Services
- Pesticide and Fertilizer Management
- Plant Protection
- Rural Finance Authority

FY2024-25 Base Budget

as of August 2025

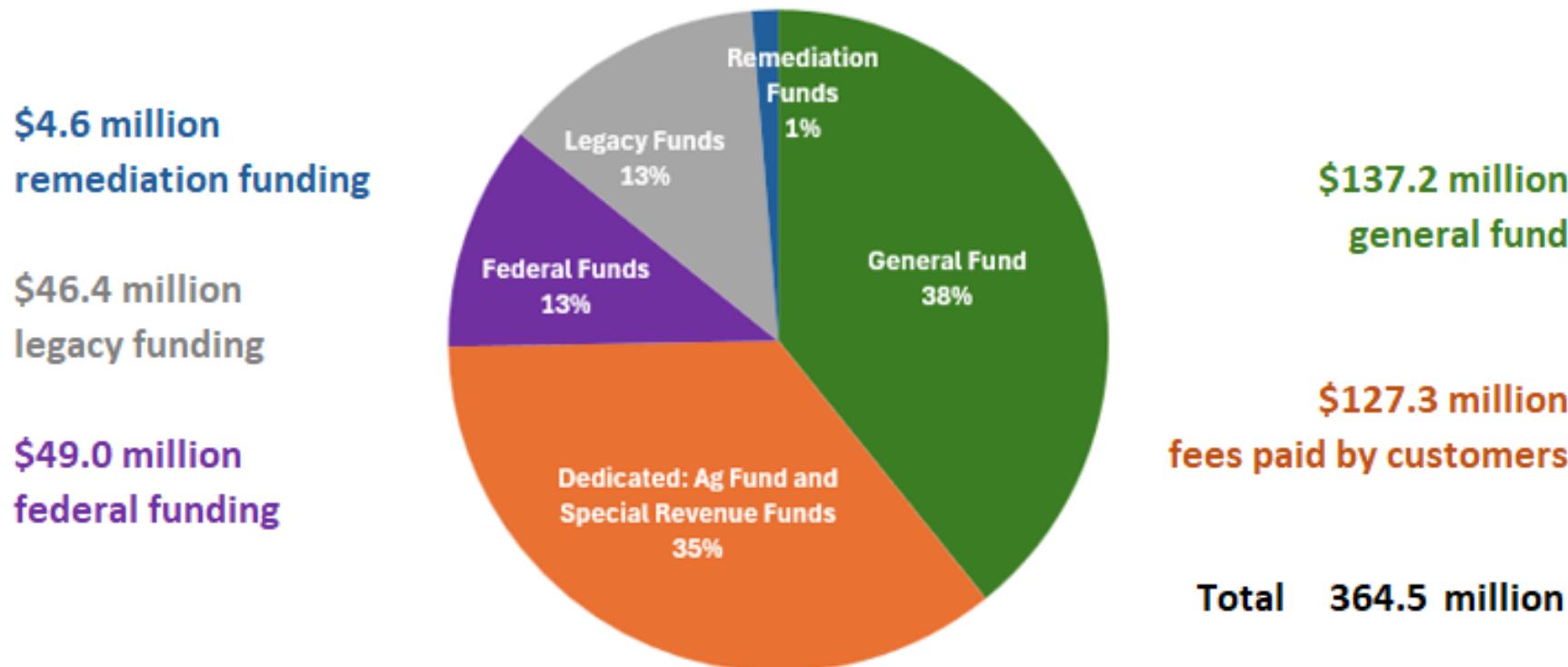
MDA FY2024-25 Funding Sources by Use and Budget Activity

MDA's 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.



Pesticide and Fertilizer Management	\$ 103.9	million
Plant Protection	\$ 20.1	million
Laboratory Services	\$ 24.7	million
Food and Feed Safety	\$ 27.7	million
Dairy and Meat Inspection	\$ 16.9	million
Agricultural Marketing and Development	\$ 80.0	million
Agricultural Advancement Programs	\$ 23.2	million
Grants and Assistance	\$ 17.5	million
Agency Services	\$ 50.5	million
Total	\$ 364.5	million

MDA FY2024-25 Expenditures by Fund



Federal Funding

- 13% of the MDA's budget
- USDA (AMS, APHIS, FSIS, etc.), FDA, EPA
- January 9th letter from Secretary Rollins

Anti-Fraud Efforts

- Culture and reporting process
- Office of Inspector General Coordinating Council
- Compliance Coordinator and Grants Administrator
- Review committees and site visits
- Continuous improvement
- Office of Legislative Auditor
 - The Minnesota Agricultural Water Quality Certification Program (MAWQCP) and Elk Compensation Audits

Dairy Assistance, Investment, and Relief Initiative (DAIRI)

Provides financial assistance to small- to medium-sized dairy operations that participate in the USDA Farm Services Agency's Dairy Margin Coverage (DMC) program

- \$3M of FY24 AGRI funds available
- To be eligible, producers must:
 - Have produced less than 16 million cwt in 2022
 - Enroll in DMC coverage (through the Farm Service Agency) between Jan. 12, 2026, and Feb. 26, 2026, for coverage through 2031
 - Submit an application to the MDA before March 19, 2026

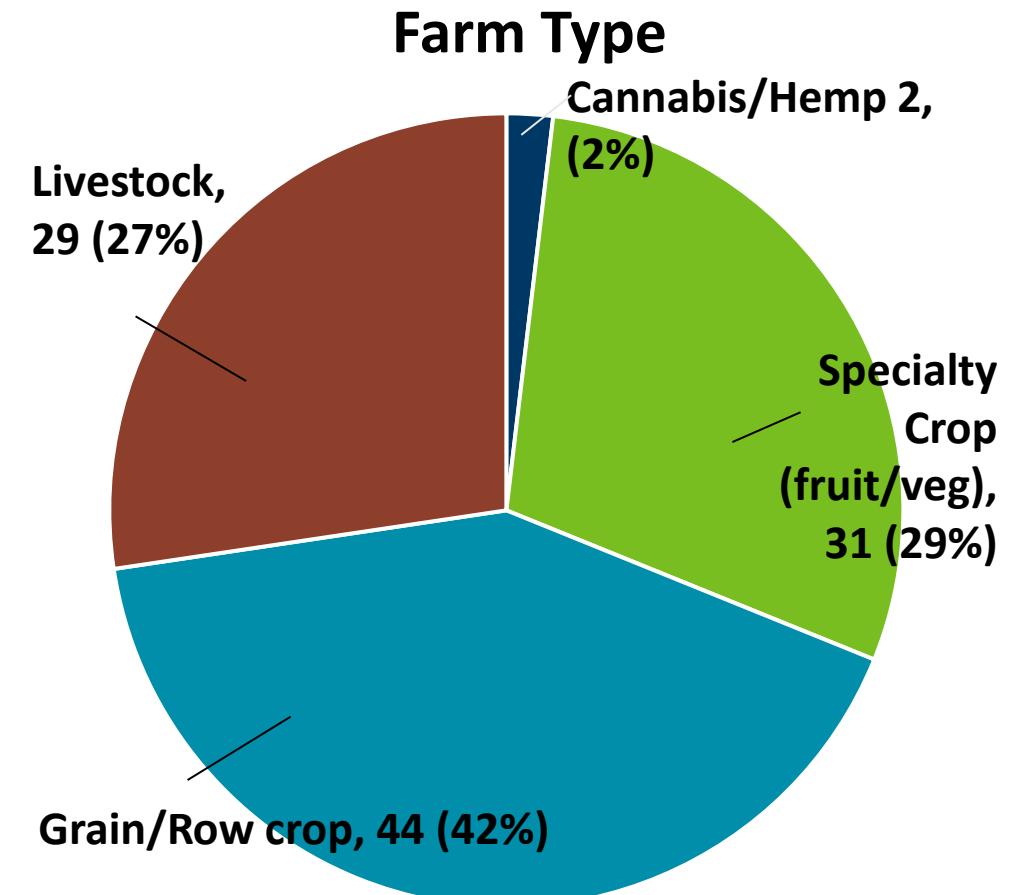
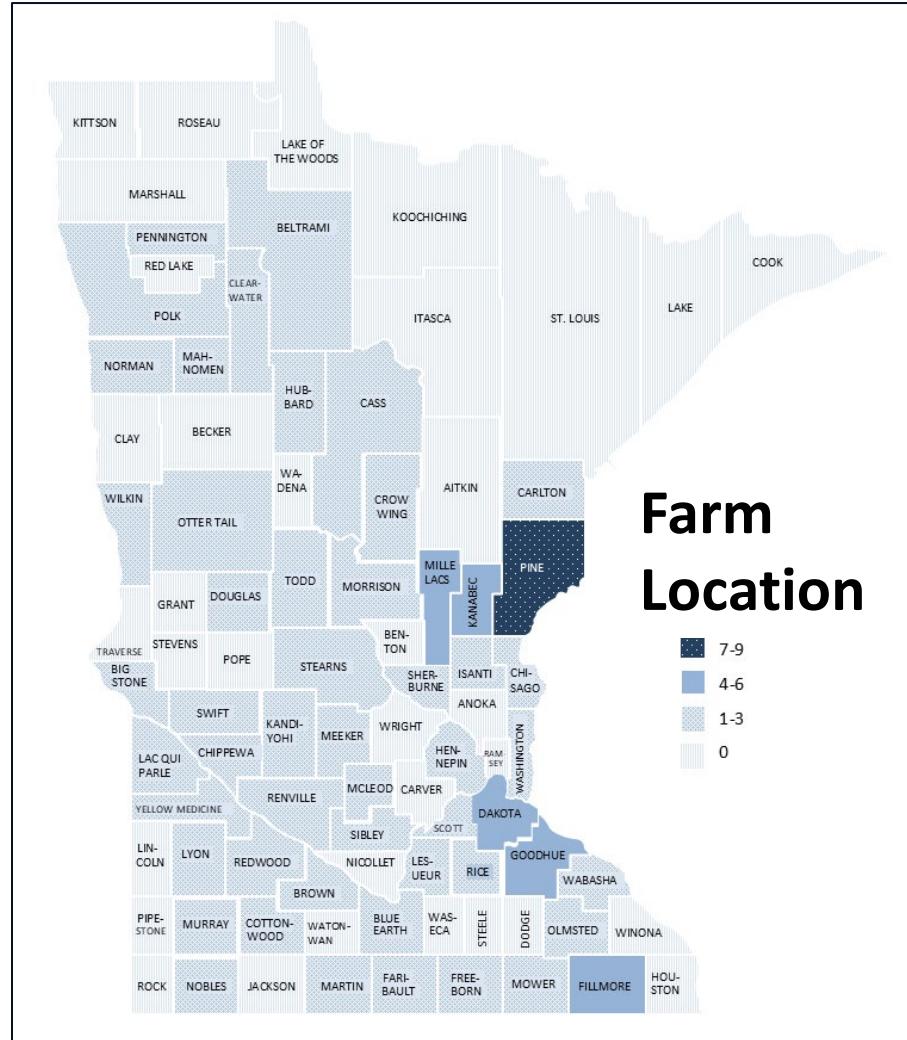
Farm to Food Security

- Established in 2025 as the Local Food Purchasing Assistance Program (LFPA) to support local farmers and producers by funding projects to purchase Minnesota-grown and –raised food and distribute it to Minnesotans experiencing food security
- \$700,000 each year of the biennium
- Request for Proposals will be released soon

Down Payment Assistance Grant

- Established in 2023: \$1.25M in each FY26 and FY27; \$1M in FY28 and thereafter
- \$20,000 grant for first-time farm buyers
- Lottery app with priority for farmers who:
 - Earn less than \$100,000 in gross farm sales **and/or**
 - Grow cannabis, industrial hemp, or specialty crops
 - (Grain and livestock farms can meet priority if gross sales <100K)
- Supported 112 farmers, combined FY23-25
 - Additional 17 awards so far in FY26 (closed or closing scheduled)
 - Remaining 45 awards pending purchase agreements

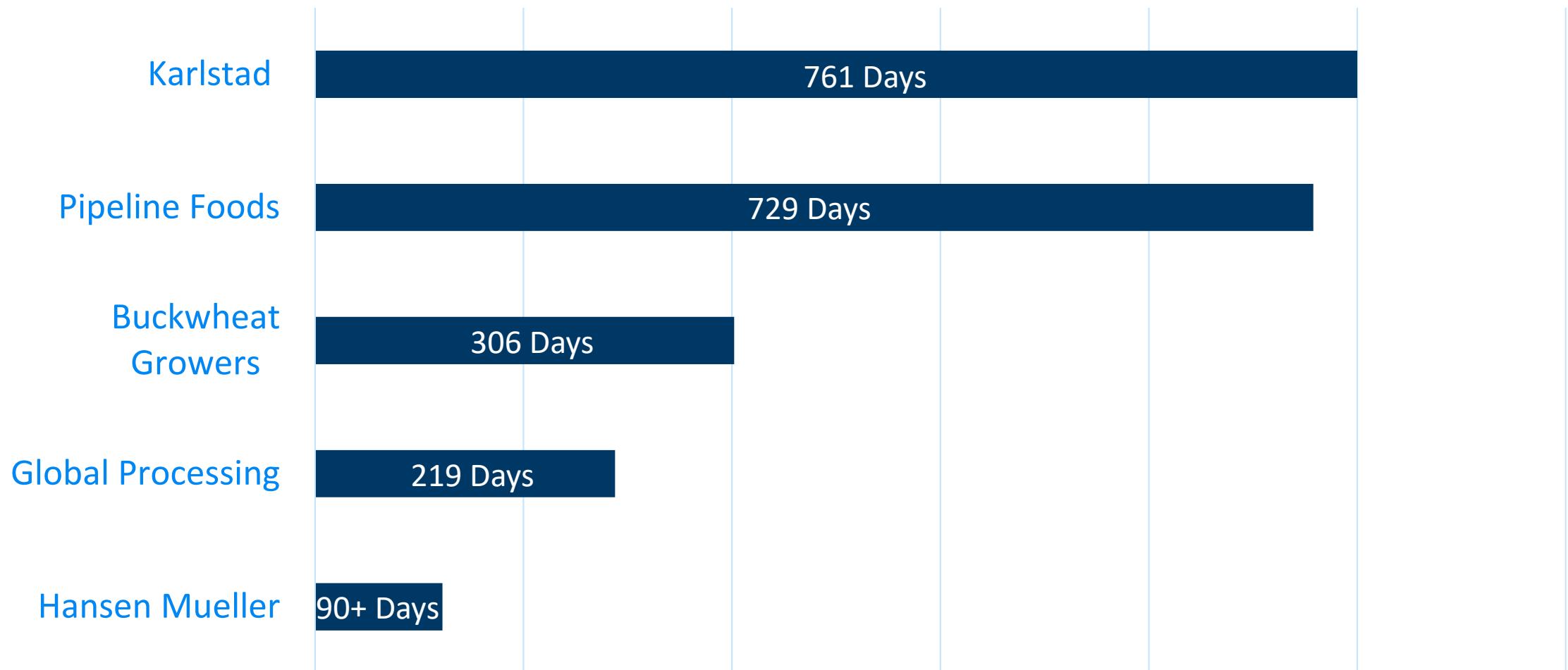
DPA Awardees FY23-25



Grain Indemnity Account

- Account funded with \$10M from the General Fund in FY24
 - \$10.708M in the fund due to accrued interest
- First claim in 2025 – Hansen Mueller
 - Licensed facility in Duluth, as well as one in Superior, WI and Grand Forks, ND
 - 19 claims received
 - Total of \$1.1M, including \$842k of transactions in Minnesota

Timelines for Resolution

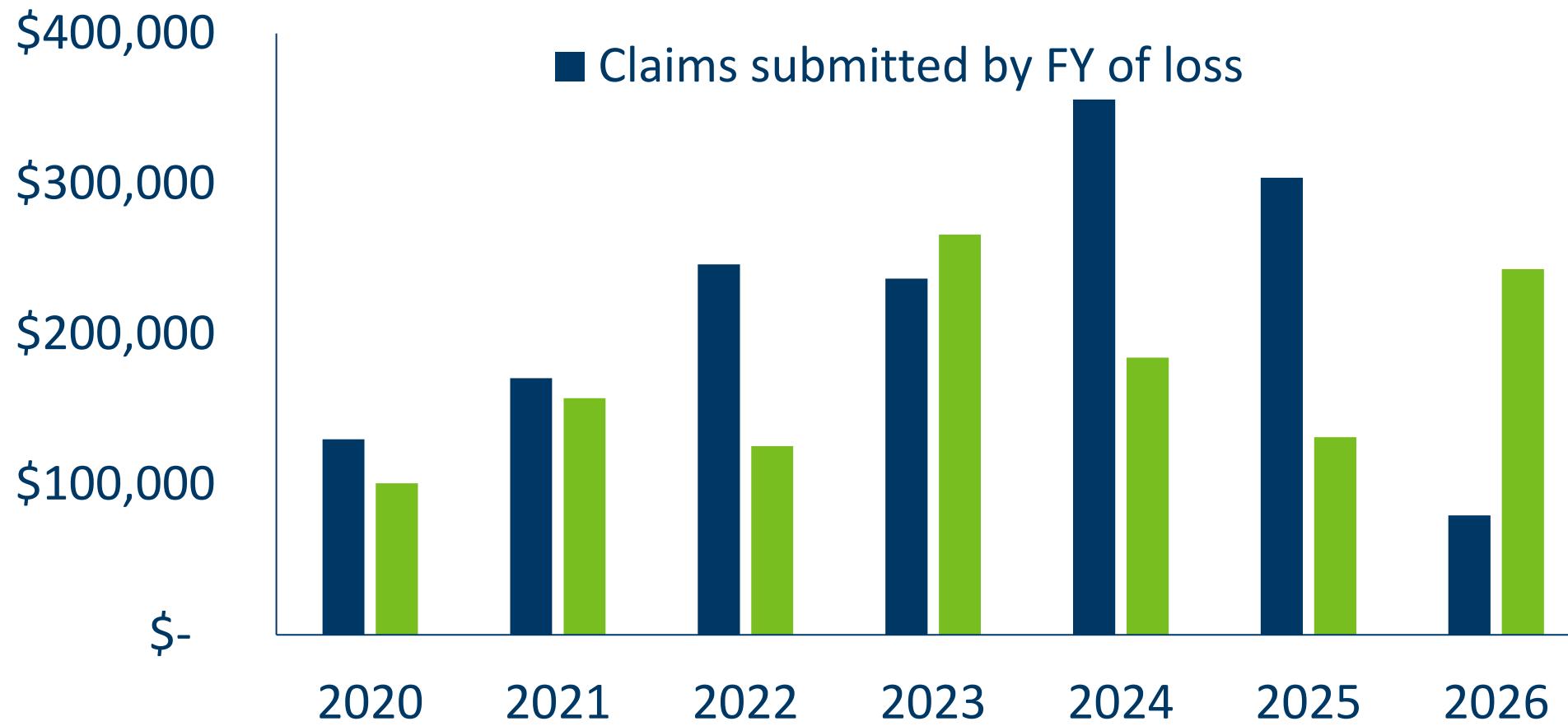


Process to Submit a Claim

- Claim is submitted by farmer
 - Evidence of delivery, sale price, and/or contract are required
- Claim is validated using information from Grain Buyer
 - Inspection conducted or order for records issued
- If valid, claim payment is initiated
 - Claimant submits tax info and signs over payment amount to the MDA

Meanwhile, the MDA files claim with the bankruptcy court to recoup the costs to the indemnity account

Elk Damage to Crops/Fences



Current Status of Elk Claim Payments

FY26

- \$255,000 appropriated
- **\$217,193** paid from FY25 backlog
- \$37,806 available for FY26
- **\$76,187** in eligible claims submitted to date for FY26
- **\$100,000** additional eligible claims anticipated for FY26

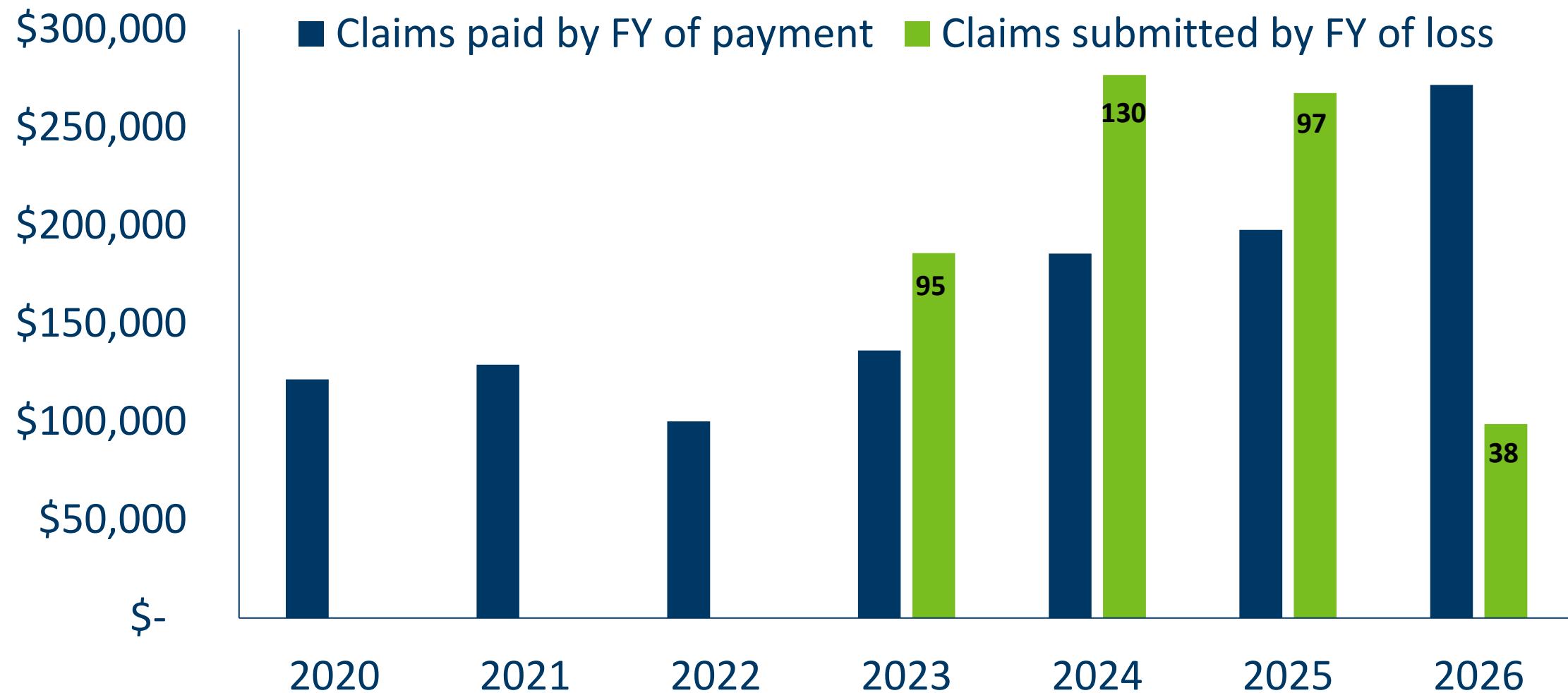
Total of \$138,381 anticipated FY26 shortfall

FY27

- \$230,000 appropriated
- **\$138,381** anticipated FY26 backlog
- \$91,619 anticipated available for FY27 claims
- **\$175,000** anticipated FY27 eligible claims

Total of \$83,381 anticipated FY27 shortfall

Wolf Depredation



Current Status of Wolf Claim Payments

FY26

- \$275,000 appropriated
- **\$217,000** paid from FY25 backlog
- **\$58,000** paid for FY26
- **\$41,100** in eligible claims submitted to date for FY26
- **\$170,000** additional eligible claims anticipated for FY26

Total of \$210,000 anticipated FY26 shortfall

FY27

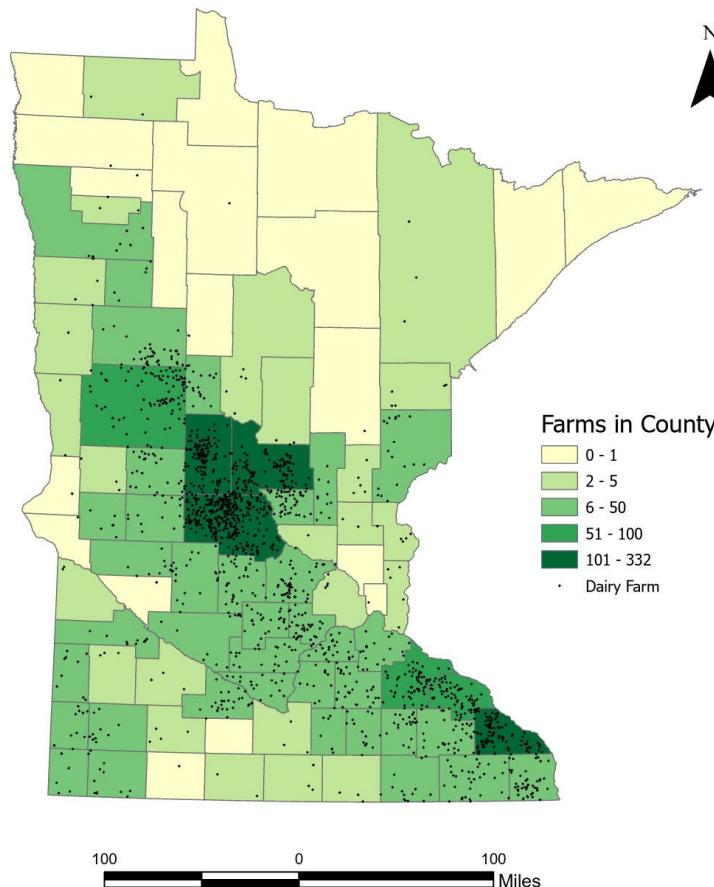
- \$250,000 appropriated
- **\$210,000** anticipated FY26 backlog
- \$40,000 anticipated available for FY27 claims
- **\$270,000** anticipated FY27 eligible claims
- **Total of \$230,000 anticipated FY27 shortfall**

Highly Pathogenic Avian Influenza/H5N1

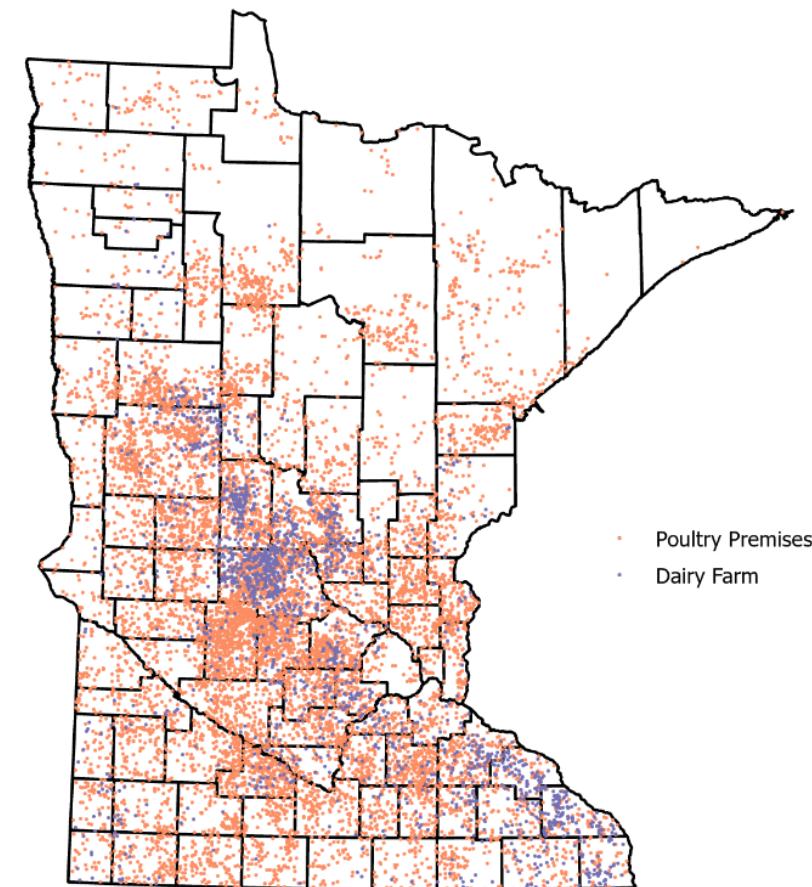
- Detections of HPAI in poultry and wildlife continues
- Since January 2025 we have had 35 HPAI cases in Minnesota
 - 27 commercial premises and 8 backyard premises
- Minnesota has been enrolled in USDA's National Milk Testing Strategy since last February and is conducting silo sampling
- Agricultural Emergency Account has approximately \$2.5M to prepare and respond

Dairy and Poultry Farm Locations

Dairy Farms (2024)



Poultry + Dairy Farms (2024)



Rural Finance Authority

The MDA's Rural Finance Authority (RFA) is the state's agricultural lender with a mission to develop farm resources. RFA offers low-interest loan programs for a variety of farm activities, including:

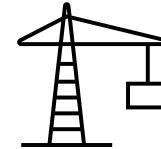
- Land purchases, farm improvements, equipment, meat and poultry processing, operating capital, debt restructure, disaster relief
- We participate with local lenders who lend all the money and we “buy” 45% of the loan
 - The borrower pays the lender, the lender pays us
- Funded in part by sale of state bonds which the RFA must pay back

RFA Bonding Request

- \$50M in Governor's proposal for 2026 Legislative session
- Received a \$50M appropriation in 2023
 - Beginning Farmer & Seller Assisted - tax exempt/taxable; Agriculture Improvement – taxable; Livestock Expansion – taxable; Restructure II – taxable
- About \$26M left on the 2023 Authorization
 - Loan requests have increased due to high-interest rate environment
 - Expect to exhaust funds by approximately July of 2027
- RFA Performance Measures (1986 to 2025)
 - 3,951 loans issued, totaling \$390.3M
 - Losses taken on 24 loans (0.0017% of total dollars)
 - Currently have 1008 active loans with balance of over \$139M

East Grand Forks Potato Facility

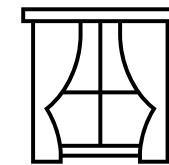
312 4th Ave NE, East Grand Forks, MN



Built in 1993
8,000 sq ft

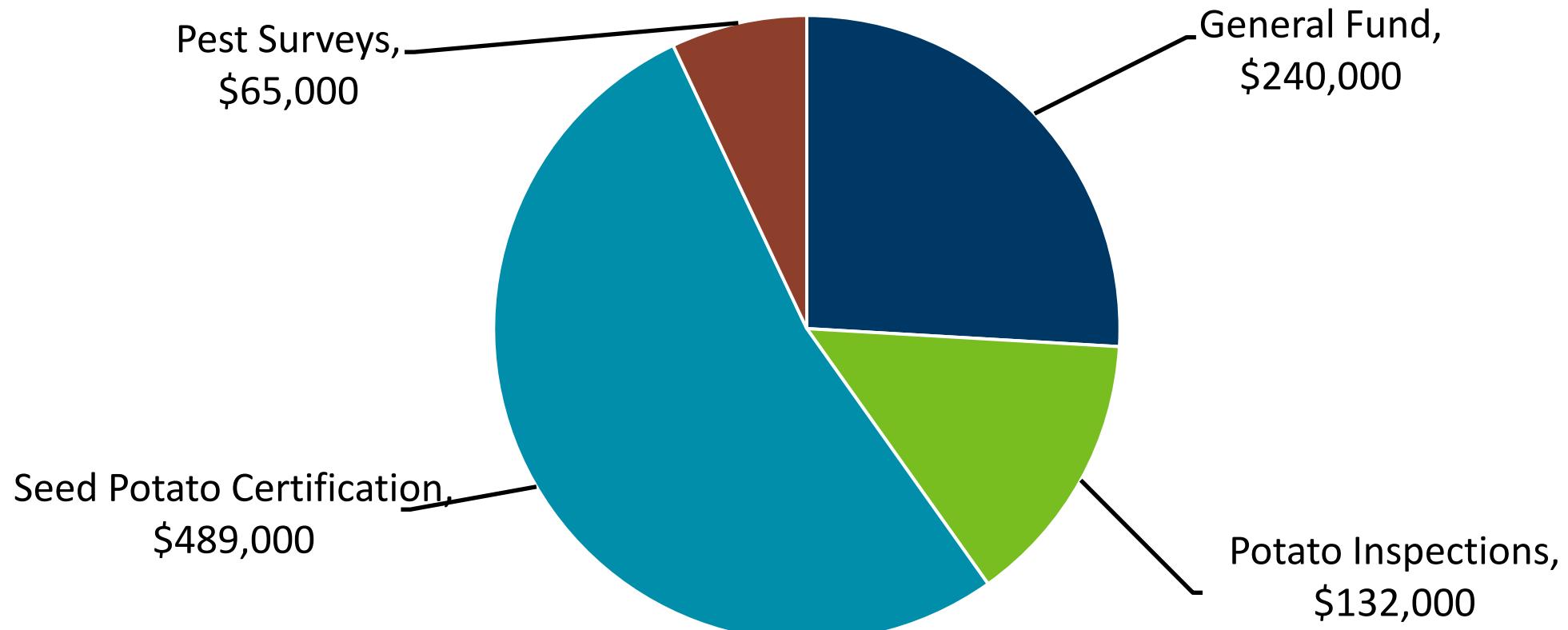


New Roof 2025
\$457k Appropriated



New Windows 2015
\$50,000 Appropriated

EGF Program Budgets



East Grand Forks Potato Facility Bonding Request

Request of \$1.38M for building improvements and maintenance

- Upgrade lighting throughout the building
- Update water heater
- HVAC system upgrade including garage heat
- Updated electrical panel
- Replace exterior electrical outlets
- Replacement of interior and exterior doors
- Installation of energy efficient windows
- Plumbing updates to route water to 2nd floor and remove outdated plumbing on 1st floor
- Install security system
- Install pulley system to move heavy items to 2nd floor



Thank you!

Thom Petersen

thom.petersen@state.mn.us

651-201-6219