



Environment and Natural Resources Trust Fund

M.L. 2022 Final Work Plan Accepted

General Information

ID Number: 2022-305

Staff Lead: Corrie Layfield

Date this document submitted to LCCMR: August 16, 2022

Project Title: Developing Markets for Continuous Living Cover Crops

Project Budget: \$500,000

Project Manager Information

Name: Margaret Wagner

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Project Reporting

Reporting Schedule: March 1 / September 1 of each year.

Project Completion: June 30, 2025

Final Report Due Date: August 14, 2025

Legal Information

Legal Citation: M.L. 2022, Chp. 94, Sec. 2, Subd. 10k

Appropriation Language: \$500,000 the second year is from the trust fund to the commissioner of agriculture for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development, including but not limited to regenerative poultry silvopasture systems, Kernza perennial grain, winter camelina, and elderberry.

Appropriation End Date: June 30, 2025

Narrative

Project Summary: Grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development.

Describe the opportunity or problem your proposal seeks to address. Include any relevant background information.

Current partnerships and research programs in plant breeding, agronomics, environmental sciences, and food science have made recent advancements in bringing new crops and cropping systems to commercial readiness. Crops such as; Kernza®, winter camelina, elderberry, and cropping systems such as regenerative poultry silvopasture are ready for market-driven, scalable production. These new crops protect soil and water resources while also creating economic opportunities for farmers and rural communities in Minnesota. To realize their potential, viable markets and robust supply chains are critically needed. This includes support for Minnesota businesses working to develop value chains for “continuous living cover” (CLC) agricultural products.

This proposal will develop a grant program which will fund emerging enterprises to accelerate new businesses/industries around continuous living cover crops and cropping systems. The focus is on those crops that are ready to be piloted, launched, and initially scaled in Minnesota. These new industries build on decades of university and nonprofit research. As businesses create greater demand for new crops, farmers will have less risk in growing them. Significant value chain development is needed to expand crop production and begin realizing their benefits at scale.

What is your proposed solution to the problem or opportunity discussed above? Introduce us to the work you are seeking funding to do. You will be asked to expand on this proposed solution in Activities & Milestones.

To accelerate and scale up the demand, the MDA will develop and provide grants to Minnesota businesses to develop enterprises, supply chains, and markets for CLC crops and cropping systems. This grant opportunity will target enterprises primed for commercial breakthroughs and provide new market opportunities for Minnesota farmers interested in growing perennial and winter annual crops.

The goal is to provide grants to CLC crops and cropping systems value chain enterprises for equipment infrastructure, business, and market development. For example, this could include customized harvesting, seed cleaning and storage, processing and equipment to make food products, developing markets, and bringing these products to consumers.

The intended outcome is supply chain and market development that can increase CLC crops and cropping systems on agricultural lands in Minnesota. Specifically, it is designed to provide financial support to entrepreneurs to scale the supply chains that are bringing these new crops to market. Farmers benefit because they will have a market for their crop and businesses by having supply to make their product. Expanded production of CLC crops and cropping systems will provide environmental benefits such as clean water, healthy soil, pollinator forage and habitat, and climate resilient agriculture.

What are the specific project outcomes as they relate to the public purpose of protection, conservation, preservation, and enhancement of the state’s natural resources?

CLC crops have been shown to enhance water and soil quality, sequester carbon, build soil health, and provide greater biodiversity and pollinator habitat. Significant environmental benefits of these crops will result from widespread production, which require robust value chains and markets.

Outcomes expected may include:

- Increased acres grown and capacity for CLC crop production
- Increased ability to handle commercial-scale volumes of other crops
- Support for a regional hub of commercial-scale production
- Increase ability and capacity of processing facility to prepare CLC crops for commercial sales

- Post-harvest processing and handling infrastructure for CLC crops
- Developing and bringing crops to market

Project Location

What is the best scale for describing where your work will take place?

Statewide

What is the best scale to describe the area impacted by your work?

Statewide

When will the work impact occur?

In the Future

Activities and Milestones

Activity 1: Stakeholder meeting and gather input for grant program development

Activity Budget: \$9,375

Activity Description:

Convene a half-day, stakeholder meeting to gather feedback on the design, eligibility and scoring criteria used in the grant process. The stakeholder meeting will provide input on program criteria, funding priorities, amount of individual grants, and a process to encourage a diverse and inclusive applicant pool. In addition, a web-based feedback form may be developed to allow for additional feedback from interested parties. Through this activity, the MDA will consult with interested and engaged stakeholders early in the process to see what the needs and interests are, and, where feasible, incorporate their feedback as the MDA designs the grant program in Activity #2.

This meeting could include individuals, businesses and organizations that work on continuous living cover (CLC) crops and cropping systems. The MDA will work with the U of M to identify and contact key partners that have been part of an on-going discussion and to have the following type of stakeholders represented:

- Small and medium sized businesses
- Prospective CLC-focused entrepreneurs
- Rural economic development entities
- Farm advocacy groups
- Environmental advocacy groups
- Industry coalitions
- UMN researchers focused on CLC
- Community partners
- Rural water interests

Activity Milestones:

Description	Approximate Completion Date
A well facilitated discussion that gathers stakeholder input, shares different perspectives, and informs the program	November 30, 2022
Gather and consider web-based feedback	November 30, 2022
Engaged small -medium sized businesses, advocacy groups, rural economic development entities, researchers, and community partners.	November 30, 2022

Activity 2: Develop funding priorities, grant eligibility criteria, RFP, and evaluation scoring

Activity Budget: \$15,000

Activity Description:

MDA staff will work with a small group of partners during grant program development to assist with determining; grant process and timelines, eligibility criteria, funding priorities and parameters, the request for proposal (RFP), and evaluation scoring criteria. Information gathered at the stakeholder meeting (Activity 1) will be considered and incorporated whenever possible. Grant program materials will be developed through this activity.

The small group may include the University of Minnesota, nonprofits, and individuals who provide expertise in CLC crop and cropping systems as well as the value supply chain and market potential of these crops. Members of the group are not eligible to apply for the grant and should not directly advise any potential grantee on their application.

*Please note: All steps in this activity 2-4 will follow guidelines, procedures, and policies from the Department of Administration’s Office of Grants Management. This will ensure a fair, competitive, and transparent grant making process.

Activity Milestones:

Description	Approximate Completion Date
Grant program details have been developed and are ready for implementation.	February 28, 2023
All materials have been developed and finalized following guidelines and procedures from the Department of Administration’s Office	February 28, 2023

Activity 3: Publish the RFP

Activity Budget: \$12,425

Activity Description:

The MDA will publish the RFP in the State Register and post it for a minimum of a 30-day period. The MDA will promote this new grant opportunity through our website and public outreach, and gov delivery and other email list serves. Grant applications will be managed using Foundant, an online application system, similar to other grant programs at the agency.

The MDA will manage the RFP process by assigning a single point of contact to reply to interested applicants and manage questions regarding the RFP. This ensures that all information shared is consistent and available to all potential applicants.

Activity Milestones:

Description	Approximate Completion Date
An established fair, competitive, and transparent RFP process that enables broad participation and proposals.	April 30, 2023

Activity 4: Project Selection and Grant Management

Activity Budget: \$10,075

Activity Description:

MDA will work with the the small group described in Activity 2 to review grant applications received to evaluate; grant program eligibility, project evaluation, and prioritization. Established criteria will be used to score and select proposals.

Deliverables and outcomes of individual projects will be identified during the grant agreement and work plan development process and may include:

- CLC crop or cropping system details
- Submittal of standards and specifications on materials or equipment to be purchased
- Details on product(s) development
- Research and development process and outcome
- Marketing plan
- Others as specified in the grant work plan

Activity Milestones:

Description	Approximate Completion Date
Grant recipients will be selected. We anticipate being able to fund 5-8 grants	June 30, 2023
Deliverables and outcomes of individual projects will be identified during the grant agreement process	June 30, 2023

Activity 5: Grant management

Activity Budget: \$29,125

Activity Description:

Selected grant recipients will receive funds for grant identified activities. MDA will review and approved funding for grant eligible activities based on established review and approval criteria. Progress reports will be required, along with invoices, biannually. MDA will reimburse grant applicants based upon receipt of deliverable in their workplan.

Funds will be distributed to grant projects selected for funding, based on established grant process developed under Activity 2.

Activity Milestones:

Description	Approximate Completion Date
First progress report and invoice received (start distributing funds)	December 31, 2023
Progress reports and invoices will be received every 6 months (2023-2024)	June 30, 2024
Visit grant project locations and meet with grant recipients	April 30, 2025
Final reports received	April 30, 2025

Activity 6: Pilot grant program that is durable and reproducible

Activity Budget: \$18,750

Activity Description:

Create a final report of grant program design, ‘lessons learned’ and outcomes, and suggested program revisions. This will be a short, actionable report that is intended to support a future program if applicable.

Activity Milestones:

Description	Approximate Completion Date
All grants are complete and payments are finalized	April 30, 2025
CLC grant program report complete including a summary of outcomes and deliverables	June 30, 2025

Activity 7: Grant funding to recipients (sub awardees)

Activity Budget: \$405,250

Activity Description:

Grant funding provided to projects selected through the competitive RFP process. Grants will follow ENRTF guidance on allowable expenses and meet the requirements of MS 116P.10 regarding royalties, copyrights, patents, and sale of products and assets.

Activity Milestones:

Description	Approximate Completion Date
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Grant projects selected for funding	June 30, 2023
First progress report and invoice submitted	December 31, 2023
Final progress report and invoice received	December 31, 2024
Final report submitted (template provide by MDA)	April 30, 2025

Dissemination

Describe your plans for dissemination, presentation, documentation, or sharing of data, results, samples, physical collections, and other products and how they will follow ENRTF Acknowledgement Requirements and Guidelines.

Early stakeholder engagement, announce RFP i state register, share grant project titles and summaries online, develop a actionable report and share with stakeholders broadly through the website, gov delivery, list serves, and conversations. The Environmental and Natural Resources Trust Fund will be acknowledge though the use of the trust fund logo or attribution language on project and electronic media, publications, signage and other communications per the ENTRF Acknowledgement Guidelines.

Long-Term Implementation and Funding

Describe how the results will be implemented and how any ongoing effort will be funded. If not already addressed as part of the project, how will findings, results, and products developed be implemented after project completion? If additional work is needed, how will this work be funded?

This 'first of its kind' grant is intended to develop, accelerate, and scale growth of CLC producers, industries, and entrepreneurs in Minnesota. This investment in CLC supply chains will set Minnesota up to be a leader in agricultural innovation, support emerging businesses and cooperatives, and is an investment in our rural communities and farmers. As part of this competitive grant program, the MDA will ask applicants to explain how results and products developed will be implemented after project completion. If this pilot is successful, partners will evaluate alternative sources of funding including economic development funds, federal, and state dollars.

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
Planner		Provide support for this "first of it's kind" grant program. This grant program is in response to a repeatedly identified need to move CLC crops from research/crop development into markets. This position will provide support for the entire grant development process including activities 1-6. This position is responsible for designing and developing a new grant program; this new effort will take significant time. It is important to distinguish that this position will be building a new program and not administering an existing grant program. The MDA will hire a classified staff to assume these responsibilities and 25% of their time will be dedicated to this grant program. The remainder of their time will be working on other water quality related activities and will be supported by alternate funding sources.			25%	0.75	X	\$93,750
							Sub Total	\$93,750
Contracts and Services								
Determined through a competitive grant process	Sub award	Develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development.				0		\$405,250
							Sub Total	\$405,250
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Expenditures								

							Sub Total	-
Acquisitions and Stewardship								
							Sub Total	-
Travel In Minnesota								
	Miles/ Meals/ Lodging	Estimate of 5 trips	visit grant project sites or meetings					\$1,000
							Sub Total	\$1,000
Travel Outside Minnesota								
							Sub Total	-
Printing and Publication								
							Sub Total	-
Other Expenses								
							Sub Total	-
							Grand Total	\$500,000

Classified Staff or Generally Ineligible Expenses

Category/Name	Subcategory or Type	Description	Justification Ineligible Expense or Classified Staff Request
<p>Personnel - Planner</p>		<p>Provide support for this "first of it's kind" grant program. This grant program is in response to a repeatedly identified need to move CLC crops from research/crop development into markets. This position will provide support for the entire grant development process including activities 1-6. This position is responsible for designing and developing a new grant program; this new effort will take significant time. It is important to distinguish that this position will be building a new program and not administering an existing grant program. The MDA will hire a classified staff to assume these responsibilities and 25% of their time will be dedicated to this grant program. The remainder of their time will be working on other water quality related activities and will be supported by alternate funding sources.</p>	<p>Classified : MDA will hire a new classified position to complete this work.</p>

Non ENRTF Funds

Category	Specific Source	Use	Status	\$ Amount
State				
In-Kind	General Funds	Two MDA staff will provide additional support for the development of this grant program, including attending meetings, material development, meeting facilitation, contracts, and communicating with project partners and grantees. We estimate the in-kind contribution to be a total of 0.1 FTE/ year or 0.3 FTE over the project (3 years).	Secured	\$37,500
			State Sub Total	\$37,500
Non-State				
			Non State Sub Total	-
			Funds Total	\$37,500

Attachments

Required Attachments

Visual Component

File: [792c2854-e38.pdf](#)

Alternate Text for Visual Component

Minnesota Department of Agriculture logo...

Optional Attachments

Support Letter or Other

Title	File
Signed Background check certification form	43dfe4f8-da3.pdf

Difference between Proposal and Work Plan

Describe changes from Proposal to Work Plan Stage

NA

Additional Acknowledgements and Conditions:

The following are acknowledgements and conditions beyond those already included in the above workplan:

Do you understand and acknowledge the ENRTF repayment requirements if the use of capital equipment changes?

N/A

Do you agree travel expenses must follow the "Commissioner's Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan?

Yes, I agree to the Commissioner's Plan.

Does your project have potential for royalties, copyrights, patents, or sale of products and assets?

Yes

Do you understand and acknowledge IP and revenue-return and sharing requirements in 116P.10?

Yes

Do you wish to request reinvestment of any revenues into your project instead of returning revenue to the ENRTF? If so, describe here:

Yes, The MDA believes there might be a potential for royalties, copyrights or patents since this is a grant program that is investing in enterprises looking for commercial breakthroughs for CLC crops. Project selection will occur through a competitive RFP process.

The MDA is developing and administering the grant program and will not have potential for royalties , copyrights, etc. .

Does your project include original, hypothesis-driven research?

No

Does the organization have a fiscal agent for this project?

No