



## Environment and Natural Resources Trust Fund

M.L. 2025 Approved Work Plan

### General Information

**ID Number:** 2025-317

**Staff Lead:** Tiffany Schaufler

**Date this document submitted to LCCMR:** June 11, 2025

**Project Title:** Developing Markets for CLC Crops

**Project Budget:** \$450,000

### Project Manager Information

**Name:** Margaret Wagner

**Organization:** Minnesota Department of Agriculture

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### Project Reporting

**Date Work Plan Approved by LCCMR:** June 24, 2025

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

**Project Completion:** June 30, 2028

**Final Report Due Date:** August 14, 2028

### Legal Information

**Legal Citation:** M.L. 2025, First Special Session, Chp. 1, Art. 2, Sec. 2, Subd. 08s

**Appropriation Language:** \$450,000 the first year is from the trust fund to the commissioner of agriculture to provide 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. This appropriation is exempt from the income repayment requirements in Minnesota Statutes, section 116P.10, paragraph (c).

**Appropriation End Date:** June 30, 2028

## 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.**

Minnesota's farmland is dominated by summer annual crops (e.g. corn, soybeans) that leave the soil bare for as much as eight months out of each year; the resultant erosion and runoff is a leading source of pollution to our ground- and surface waters. Conventional monocultural farming practices can also negatively impact wildlife such as pollinators. By incorporating novel winter annual and perennial crops into rotations – creating “continuous living cover” (CLC) systems – farmers can minimize nutrient and soil loss and greatly improve ecosystem function. When such crops have cash value in the marketplace, the cost burden of scaling up farmland conservation is shifted from taxpayers to market actors, greatly increasing the potential acreage under CLC management. Nascent industries are already growing in Minnesota around CLC crops such as Kernza perennial grain, regenerative poultry systems, camelina, pennycress, hazelnuts, elderberry and more, but the markets for these crops need to grow as does the critical infrastructure to support them.

**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.**

Significant value chain development is needed to expand crop production and begin realizing their benefits at scale. This proposal will support MDA's "Developing Markets for CLC Crops" grant program, which funds emerging enterprises and catalyzes private investment to accelerate new businesses/industries around continuous living cover crops and cropping systems. The focus is on a suite of crops that are ready to be piloted, launched, and initially scaled in Minnesota. These new industries build on decades of university and nonprofit research, farmer support, and early commercialization.

The goal is to provide grants to CLC crops and cropping systems value chain enterprises for equipment infrastructure, business, and market development. Grants awarded since the program's inception in 2022 have helped these companies invest in customized harvesting, seed cleaning and storage, processing and equipment to make food products, developing markets, and bringing these products to consumers. As businesses create greater demand for new crops, farmers will have less risk in growing them, and expanded adoption of these systems will provide environmental benefits such as clean water, healthy soil, pollinator forage and habitat, and climate resilient agriculture. In the pilot grant program the MDA received requests for over \$1 million, over double available funds.

**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. Project outcomes will be tracked by grant recipients and included in the final report.

- Increased acres grown and capacity for CLC crop production
- Increased ability to handle commercial-scale volumes of other crops
- Increased capacity of processing facility to prepare CLC crops for commercial sales
- Post-harvest processing infrastructure for CLC crops
- Developing and bringing end products to consumers

## 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?**

During the Project and In the Future

## Activities and Milestones

### Activity 1: Publish RFP, Project Selection, Grant Agreements and Grant Management

**Activity Budget:** \$2,300

**Activity Description:**

The MDA will publish the RFP in the State Register and post it for a minimum of a 30-day period. Promotion will be done through the MDA website, 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 one staff to reply to interested applicants and manage questions regarding the RFP and reimbursement to awarded grantees (in-kind). This ensures that all information shared is consistent and available to all potential applicants.

MDA and a small group of external partners (offered stipend) 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 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 grant work

MDA will approve funding based on established review and approval criteria. Progress reports/invoices will be required biannually.

**Activity Milestones:**

Description	Approximate Completion Date
Grant recipients will be selected. We anticipate being able to fund 5-8 grants	September 30, 2025
Deliverables and outcomes of individual projects will be identified during the grant agreement process	October 31, 2025
Awarded projects will be announced, individual contracts will be initiated, and MDA's website updated.	October 31, 2025

### Activity 2: Grant funding to recipients (sub awardees)

**Activity Budget:** \$447,000

**Activity Description:**

Grant funding provided to projects selected through the competitive RFP process. MDA requests a waiver for the requirements of MS 116P.10 regarding royalties, copyrights, patents, and sale of products and assets

**Activity Milestones:**

Description	Approximate Completion Date
Grant projects selected for funding and table/spreadsheet created to report on projects funded	October 31, 2025
First progress report and invoice submitted	January 31, 2026
Final progress report and invoice received	June 30, 2027
Final report submitted (template provide by MDA)	June 30, 2027

### Activity 3: Final Report

**Activity Budget:** \$700

**Activity Description:**

The MDA will create a highly visual, public facing report to highlight the market development, new partnerships, project stories, scale of growth, and projected future for CLC crops in Minnesota. The report will be highlighted on the MDA's website and may be shared as a story map. The MDA will complete the report as an in-kind contribution. The \$1000 listed here will be used to print materials.

**Activity Milestones:**

Description	Approximate Completion Date
CLC grant program report complete including a summary of outcomes and deliverables	June 30, 2027
All grants are complete and payments are finalized.	June 30, 2027

## Project Partners and Collaborators

Name	Organization	Role	Receiving Funds
Jen Schaust	MN Department of Agriculture	Program co-lead	Yes
Colin Cureton	University of Minnesota	Project advisor	No
Peter LaFontaine	Friends of the Mississippi River	Project Advisor	No

## 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.**

The final report will summarize all work completed under the grant and it will be made available on the MDA's website. In addition many of the grantees will present their progress and findings to the continuous living cover community through conferences, field days, and small group meetings. The ENRTF logo will be shared with grantees to share in their presentations/materials. The MDA will ensure the acknowledgement is included on the website and in all communication materials.

## 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?**

As part of this grant program, the MDA will ask applicants to explain how results and products developed will be implemented after project completion. In addition, grantees will be encouraged to access free technical assistance through the Resilient Food Systems Infrastructure program, a federally funded program to strengthen the middle of the food supply chain in Minnesota through 2027. For some crops, demand exceeds the current supply. A one-time investment to accelerate processing provides the critical step for market growth. This investment sets Minnesota up to be a leader in agricultural innovation, supports emerging businesses, and supports our rural communities.

## Other ENRTF Appropriations Awarded in the Last Six Years

Name	Appropriation	Amount Awarded
Developing Markets for Continuous Living Cover Crops	M.L. 2022, , Chp. 94, Art. , Sec. 2, Subd. 10k	\$500,000

## Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
<b>Personnel</b>								
							<b>Sub Total</b>	-
<b>Contracts and Services</b>								
Organizations	Service Contract	Between 5 and 10 organizations will be awarded grant funding to support their proposal to develop markets for continuous living cover in Minnesota. Organizations will be selected through a competitive RFP process. Awards will be between \$45,000 and \$90,000.				0		\$447,200
							<b>Sub Total</b>	<b>\$447,200</b>
<b>Equipment, Tools, and Supplies</b>								
							<b>Sub Total</b>	-
<b>Capital Expenditures</b>								
							<b>Sub Total</b>	-
<b>Acquisitions and Stewardship</b>								
							<b>Sub Total</b>	-
<b>Travel In Minnesota</b>								
							<b>Sub Total</b>	-
<b>Travel Outside Minnesota</b>								
							<b>Sub Total</b>	-

<b>Printing and Publication</b>								
	Printing	Print materials fact sheet and other materials as needed.	Materials will be used to promote the work completed under this grant.					\$700
							<b>Sub Total</b>	<b>\$700</b>
<b>Other Expenses</b>								
		Proposal Reviewer	Review team includes five members. Members include the Minnesota Department of Agriculture (MDA) and professionals that are experts in the field and work external to the MDA. Up to three external reviewers will be offered a stipend (maximum \$700) for their time to review and score applications, and make recommendations. This amount of the stipend is based on an estimate of the time required to review proposals and participate in a evaluation meeting (scoring and selecting proposals). We estimate up to 8 hours to review and score proposals and not less than 4 hours for the evaluation meeting. Reviewers will be selected from a pool of interested individuals. Within this pool , we will select reviewers based on interest in participating, expertise, availability and capacity to meet review requirements.					\$2,100
							<b>Sub Total</b>	<b>\$2,100</b>
							<b>Grand Total</b>	<b>\$450,000</b>



Classified Staff or Generally Ineligible Expenses

Category/Name	Subcategory or Type	Description	Justification Ineligible Expense or Classified Staff Request
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Non ENRTF Funds

Category	Specific Source	Use	Status	\$ Amount
State				
			State Sub Total	-
Non-State				
			Non State Sub Total	-
			Funds Total	-

Total Project Cost: \$450,000

This amount accurately reflects total project cost?

Yes

## Attachments

### Required Attachments

#### *Visual Component*

File: [b813eb04-d4c.pdf](#)

#### *Alternate Text for Visual Component*

MDA logo...

### Supplemental Attachments

#### *Capital Project Questionnaire, Budget Supplements, Support Letter, Photos, Media, Other*

Title	File
Letter of support from Green Lands Blue Waters	<a href="#">a46b96c6-f1a.pdf</a>
Letter of support from Midwest Elderberry Cooperative	<a href="#">358093ca-a99.pdf</a>
Letter of support from Friends of the Mississippi River	<a href="#">ae5783d1-349.pdf</a>
Letter of support from U of M Forever Green Institute	<a href="#">01d1bf94-362.pdf</a>

## Difference between Proposal and Work Plan

#### *Describe changes from Proposal to Work Plan Stage*

The Minnesota Department of Agriculture has offered in-kind time to complete Grant Management and the Final Report. This reduces the overall budget and consolidates more funds for grant awards.

## 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 understand that travel expenses are only approved if they follow the "Commissioner's Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan?**

N/A

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

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 (1) the source and estimated amounts of any revenue and (2) how you propose to use those revenues:**

Yes, The MDA will develop and provide grants to Minnesota businesses/organizations to develop enterprises, supply chains, and markets for continuous living cover 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. Any revenues from this work will be added back into the business/organization to continue further development.

**Does your project include original, hypothesis-driven research?**

No

**Does the organization have a fiscal agent for this project?**

No

**Does your project include the pre-design, design, construction, or renovation of a building, trail, campground, or other fixed capital asset costing \$10,000 or more or large-scale stream or wetland restoration?**

No

**Do you propose using an appropriation from the Environment and Natural Resources Trust Fund to conduct a project that provides children's services (as defined in Minnesota Statutes section 299C.61 Subd.7 as "the provision of care, treatment, education, training, instruction, or recreation to children")?**

No

**Provide the name(s) and organization(s) of additional individuals assisting in the completion of this project:**

Peter LaFontaine (Friends of the Mississippi River), Jen Schaust (MDA), Margaret Wagner (MDA), Jeff Berg (MDA)

**Do you understand that a named service contract does not constitute a funder-designated subrecipient or approval of a sole-source contract? In other words, a service contract entity is only approved if it has been selected according to the contracting rules identified in state law and policy for organizations that receive ENRTF funds through direct appropriations, or in the DNR's reimbursement manual for non-state organizations. These rules may include competitive bidding and prevailing wage requirements**

Yes, I understand