



Environment and Natural Resources Trust Fund

2025 Request for Proposal

General Information

Proposal ID: 2025-317

Proposal Title: Developing Markets for CLC Crops

Project Manager Information

Name: Margaret Wagner

Organization: Minnesota Department of Agriculture

Office Telephone: (651) 201-6488

Email: margaret.wagner@state.mn.us

Project Basic Information

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.

ENRTF Funds Requested: \$500,000

Proposed Project Completion: June 30, 2027

LCCMR Funding Category: Methods to Protect or Restore Land, Water, and Habitat (F)

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

Narrative

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. 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

Activities and Milestones

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

Activity Budget: \$9,000

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 a 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.

MDA will work with a small group of external partners to review grant applications received to evaluate; grant program eligibility, project evaluation, and prioritization. Producers chosen for the review committee will be compensated for time. 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

Activity Milestones:

Description	Approximate Completion Date
Grant recipients will be selected. We anticipate being able to fund 5-8 grants	June 30, 2025
Deliverables and outcomes of individual projects will be identified during the grant agreement process	June 30, 2025

Activity 2: Grant management

Activity Budget: \$11,650

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 previously.

Activity Milestones:

Description	Approximate Completion Date
First progress report and invoice received (start distributing funds)	March 31, 2026
Progress reports and invoices will be received every 6 months (2025-2027)	September 30, 2026
Visit grant project locations and meet with grant recipients	March 31, 2027
Final reports received	March 31, 2027

Activity 3: Grant funding to recipients (sub awardees)

Activity Budget: \$471,850

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	March 31, 2024
First progress report and invoice submitted	March 31, 2024
Final progress report and invoice received	March 31, 2024
Final report submitted (template provide by MDA)	March 31, 2024

Activity 4: Final Report

Activity Budget: \$7,500

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.

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

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

Project Manager and Organization Qualifications

Project Manager Name: Margaret Wagner

Job Title: Manager, Fertilizer Non-Point Section

Provide description of the project manager’s qualifications to manage the proposed project.

Margaret Wagner has been the acting section manager for three years, and prior to that was the Clean Water Technical Unit supervisor at the MDA. In both positions she has had an active role in overseeing the MDA's Clean Water Fund programs. These programs provide clean water technical assistance, address nitrate in groundwater, and provide funding for research. Most of the Clean Water Funds received are passed through to local governments and institutions. She is also the Project Manger for two existing LCCMR projects.

Organization: Minnesota Department of Agriculture

Organization Description:

MDA's mission is to enhance all 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.

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
Planner		Provide support for this 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 1-4. This position is responsible for implementing the grant program following lessons learned and the process used for the pilot program. The MDA will hire a staff to assume these responsibilities and 10% 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.			10%	0.3		\$28,150
							Sub Total	\$28,150
Contracts and Services								
							Sub Total	-
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Expenditures								
							Sub Total	-
Acquisitions and Stewardship								
							Sub Total	-
Travel In Minnesota								

							Sub Total	-
Travel Outside Minnesota								
							Sub Total	-
Printing and Publication								
							Sub Total	-
Other Expenses								
		Grant funds awarded	MDA will award grants to supply chain businesses operationalizing "continuous living cover" farming systems.					\$471,850
							Sub Total	\$471,850
							Grand Total	\$500,000

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: \$500,000

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	a46b96c6-f1a.pdf
Letter of support from Midwest Elderberry Cooperative	358093ca-a99.pdf
Letter of support from Friends of the Mississippi River	ae5783d1-349.pdf
Letter of support from U of M Forever Green Institute	01d1bf94-362.pdf

Administrative Use

Does your project include restoration or acquisition of land rights?

No

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 proposal:

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

