



Environment and Natural Resources Trust Fund

2026 Request for Proposal

General Information

Proposal ID: 2026-579

Proposal Title: Farmer-Led Delivery of Natural Resource Outcomes

Project Manager Information

Name: Lucas Sjostrom

Organization: Minnesota Milk Producers Association

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Project Basic Information

Project Summary: Implement a transformative approach to enhancing natural resource restoration outcomes through farmer-led initiatives. It will also promote collaboration with the private sector and conservation organizations to accelerate environmental improvements.

ENRTF Funds Requested: \$922,000

Proposed Project Completion: July 31, 2029

LCCMR Funding Category: Resiliency (A)

Project Location

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

Region(s): Central, SE,

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

Region(s): Central, SE,

When will the work impact occur?

During the Project

Narrative

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

Agricultural regions of Minnesota face natural resource challenges such as excess nitrogen in drinking water and pressure to reduce greenhouse gas emissions from crop and food production. This includes the driftless region of Southeast Minnesota, the livestock-heavy area surrounding Stearns County, and the source water area for St. Peter. While many programs exist to deliver conservation to farms, farms often lack foundational information to understand how their operation impacts natural resources and what changes will have the greatest benefit. Opportunities for a farm to understand its connection to natural resource challenges have traditionally been delivered through governmental programs rather than farmer-led frameworks capable of reaching more farmers.

Neighboring states like Wisconsin have formalized farmer-led groups using the Farmers for Sustainable Food Framework for Farm-Level Sustainability Projects, and this framework has started to take root in Minnesota (see the Driftless Area Ag Alliance; <https://driftlessareaag.org/>). However, more work and support are needed to establish the foundation for farmer-led groups to succeed in catalyzing more farmers to improve natural resources in our communities.

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.

This project proposes to deliver the foundational approaches needed to connect individual farms to their natural resource impacts through a farmer-led framework. This project will engage two or three farmer-led groups that help farms to identify their relationship to water quantity, water quality, and greenhouse gas emission outcomes through farm-level assessments. This project will also identify opportunities for conservation actions that the farm can take to improve their baseline performance and share aggregated results through a farmer-led peer-to-peer learning process. Finally, this project will seek to connect the farmer-led groups with collaborators that can support the delivery of conservation actions to the farms. These collaborators will include the private sector, such as dairy processors and consumer packaged goods companies, and traditional conservation delivery through Soil and Water Conservation Districts and State programs. Our overarching goal is to create a foundational demonstration of how this process can function inside of Minnesota to inspire the formation of similar efforts across the agricultural regions of the state. We envision that the formation of similar efforts would be carried out through collaboration of the private sector, local government, and state agencies.

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?

This project will create:

1. A foundational approach for conducting environmental assessments (crops and livestock) that connects farms to natural resources associated with the farming operation.
2. Identify conservation actions, through scenario development, that the farm can take to conserve, enhance, or protect those natural resources.
3. Create a peer-to-peer learning framework for sharing and understanding the conservation actions that fit best within the farms' geography.
4. Pioneer connections between farmer-led groups, the private sector, and traditional governmental sources of conservation delivery.

Activities and Milestones

Activity 1: Foundational Baseline Environmental Assessments

Activity Budget: \$450,000

Activity Description:

This activity will complete foundational baseline natural resource assessments on up to 30 farms in South Central Minnesota and Central Minnesota (15 farms in each geography). An emphasis will be placed on enrolling dairy farms along with the cropped acres supporting the dairy farms. Individual farm reports will be kept private, and an aggregated report will be generated for each geography that can be shared publicly. This foundational assessment will include baseline water quantity, water quality, and greenhouse gas emission outcomes for each participating farm. In addition, a conservation needs assessment will be conducted on each farm that identifies farm-level opportunities for improving baseline scores.

MN Milk will lead the collection of data needed to establish the farm's baseline footprint. MN Milk will work with contractors to conduct the environmental assessment and perform the analysis of the farm's baseline natural resource outcomes. We believe that this first-of-its-kind investment will allow other farmer-led groups to spring up through leveraging their local resources to create, share and measure conservation outcomes.

Activity Milestones:

Description	Approximate Completion Date
Form farmer-led groups (September 2026)	September 30, 2026
Enroll Farms (October 2026)	October 31, 2026
Complete Natural Resource Data Collection	February 28, 2027
Complete Environmental Assessments	June 30, 2027
Complete Individual and Aggregate Farm Outcome Reports	August 31, 2027

Activity 2: Peer-to-Peer Learning

Activity Budget: \$240,000

Activity Description:

MN Milk will engage the farms individually to share the initial baseline scores and develop scenarios from the environmental assessment on how their baseline scores can be improved by adoption of new or enhanced conservation practices or management changes. The scenarios will be integrated into the natural resource assessments to show how each farm could make improvements to their baseline scores. The scenario results will be added to the individual farm reports as well as the aggregated project level reports. Finally, MN Milk will coordinate a project level peer-to-peer meeting of each farmer-led group so that the individual farms can compare their performance with the peers in the project level results.

MN Milk will work with each farm to understand their individual farm reports and develop conservation scenarios. A contractor will be engaged to integrate the conservation scenarios into the farm reports and project level reports. MN Milk will lead the coordination of the project level meetings of the farmer-led groups.

Activity Milestones:

Description	Approximate Completion Date
Individual farm meetings on reports and conservation scenario development (November 2027)	November 30, 2027
Integrate scenarios into individual and project level reports	February 28, 2028
Connecting farms to available technical and financial assistance opportunities	March 31, 2028
Peer-to-peer farmer-led meetings	April 30, 2028

Activity 3: Pioneer Lasting Collaborations

Activity Budget: \$232,000

Activity Description:

MN Milk will facilitate discussions between individual farms and collaborators that could support the implementation of conservation actions selected by the farms. This stage in the project is meant to demonstrate partnership opportunities that will live beyond the resources provided by LCCMR. We envision that MN Milk will work with the farmer-led groups to collaborate with dairy processors, farm credit companies, consumer packaged good companies, and traditional government led conservation delivery organizations such as soil and water conservation districts to assist the farmers with implementing conservation actions.

We do not plan to use the resources of the project to implement the conservation actions. Rather, we anticipate that the foundational information delivered through this project will create lasting collaborations between the participating farms and the proposed collaborators that will create investment channels into the conservation actions.

Activity Milestones:

Description	Approximate Completion Date
Build connections between farms and collaborators	July 31, 2029

Project Partners and Collaborators

Name	Organization	Role	Receiving Funds
Lauren Brey	Farmers for Sustainable Food	Managing Director	Yes
Rita Young	Driftless Area Ag Alliance	President	Yes

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?

We anticipate that all outcomes will be implemented during the duration of this project. For ongoing work, we anticipate connecting farmer-led groups to private sector investments as well as creating pathways for collaboration between farmer-led groups and existing state programs such as watershed-based implementation funding through local watershed plans or the state's general fund. This project should create a foundation for stronger engagement between farmer-led groups, the private sector, and traditional conservation delivery programs within Minnesota.

Project Manager and Organization Qualifications

Project Manager Name: Lucas Sjostrom

Job Title: Executive Director

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

The executive director carries out all activities of the board and associated staff, including grant management, reporting, and implementation.

Organization: Minnesota Milk Producers Association

Organization Description:

Advancing the success of Minnesota dairy farms

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
Member Services Representative		Farmer-relations data collection, promotion and reporting			17.63%	2.25		\$185,000
Group Coordinator		Administer group meetings, findings and data			17.63%	2.25		\$138,000
							Sub Total	\$323,000
Contracts and Services								
TBD	Service Contract	Work with producers to complete conservation planning and certification of practices				1.5		\$150,000
TBD- Engineering firm	Service Contract	Work with producers to complete conservation planning and certification of practices including engineering				0.3		\$150,000
TBD - Engineering practice change calculations	Service Contract	Engineering firm to calculate practice change metrics for water, soil and carbon				1.5		\$270,000
							Sub Total	\$570,000
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Expenditures								
							Sub Total	-
Acquisitions and Stewardship								
							Sub Total	-

Travel In Minnesota								
	Miles/ Meals/ Lodging	About 600 miles for three group coordinations and three group visits each per quarter, 1200 miles times four quarters at IRS rate = \$804x3, rounded up to nearest thousand.	Quarterly in-person meetings to three farmer-led groups, Quarterly visits to farms (one per quarter per area)					\$3,000
							Sub Total	\$3,000
Travel Outside Minnesota								
							Sub Total	-
Printing and Publication								
	Publication	Annual practices report	Printing of annual reports for disbursement to Minnesota dairy farms - printing 16 page report, mailing to 1600 farms in years two and three, includes graphic design, printing, binding and mailing. Rough cost of \$8 per booklet with all costs.					\$26,000
							Sub Total	\$26,000
Other Expenses								
							Sub Total	-
							Grand Total	\$922,000

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				
In-Kind	Farmers for Sustainable Food (FSF)	FSF, a sister company of Minnesota Milk, donates 50% of time to help ensure conservation achievements. Three groups would have approximately 300 hours donated per year at \$25 per hour (Wisconsin rate as they are based in Green Bay) for three years.	Secured	\$22,500
			Non State Sub Total	\$22,500
			Funds Total	\$22,500

Total Project Cost: \$944,500

This amount accurately reflects total project cost?

Yes

Attachments

Required Attachments

Visual Component

File: [ec7c66a1-746.pdf](#)

Alternate Text for Visual Component

Counties in which this grant would plan to operate with local partners (farmer-led groups or dairy processors)....

Financial Capacity

Title	File
Minnesota Milk 990 form	dc5d31ff-2d7.pdf

Board Resolution or Letter

Title	File
Board-Authorization	d3c9314c-455.pdf

Administrative Use

Does your project include restoration or acquisition of land rights?

No

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?

Yes, I understand the Commissioner's Plan applies.

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

No

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

N/A

Do you wish to request reinvestment of any revenues into your project instead of returning revenue to the ENRTF?

N/A

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:

Anna Waldron, Farmers for Sustainable Food

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

