



Environment and Natural Resources Trust Fund

2027 Request for Proposal

General Information

Proposal ID: 2027-533

Proposal Title: Scaling Oats for Soil Health and Water Quality

Project Manager Information

Name: Aicam Laacouri

Organization: Minnesota Department of Agriculture

Office Telephone: (651) 747-7870

Email: aicam.laacouri@state.mn.us

Project Basic Information

Project Summary: Grants to farmers and organizations in Minnesota to develop supply chains and markets for oats to improve soil health and water quality by diversifying crop rotations

ENRTF Funds Requested: \$500,000

Proposed Project Completion: June 30, 2030

LCCMR Funding Category: Water (B)

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.

There is a burgeoning market for food-grade oats in Minnesota, presenting an opportunity to diversify crop rotations and harness multiple benefits provided by oats. However, oats require significant capital investment in specialized equipment that is distinct from machinery and storage used for other crops.

Regional research has shown adding oats to rotation enhances water quality, soil health, ecological services and thus contributes to climate resiliency (Hunt et al., 2020). Diversifications also build economic resilience for farmers by diversifying their revenue streams. Additionally, oats mature earlier than corn and soybeans, and thus allow for double-cropping, grazing and establishing cover crops. Moreover, food-grade oats require less nitrogen compared to corn, and research in the state has shown significant improvement in nitrogen use efficiency and nitrate loss with oats in the rotation (Christianson and Rosen, 2025), thus aligning with the state nutrient reduction strategy goals and groundwater protection rule. Yet oats adoption in MN remains low with less than 200,000 acres (UMN Extension, 2026), a significant reduction from over 4 million acres in the 1950s (Otto et al., 1969). Many factors have contributed to the current low adoption of oats including local market economics and storage logistics.

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 proposal will build on existing market opportunities to accelerate and scale oats as a primary crop marking a shift away from the limited production of feed-grade varieties in Minnesota. We believe the time is perfect for state investment in oats supply chain, leveraging current interest from MN farmers and farmer-led groups as well as the recent investments in Green Acres Milling, and release of Amber-MN, a new high yielding oat variety by the UMN. This grant opportunity will prioritize vulnerable groundwater areas of the state to have the most environmental impact and best return on state funds.

The funding will target activities such as customized harvesting, seed cleaning and storage, bin modification. Likewise, processing and equipment to make food products, develop markets, and bring these products to consumers.

The intended outcome is increased oat acres on agricultural lands in Minnesota by providing financial support to farmers and stakeholders to scale the supply chains bringing oats to market. Farmers will benefit because they will have more market opportunities for their oats. Businesses will also benefit by having a stable supply to make their products. Finally, citizens of Minnesota will benefit from cleaner water because of increased adoption of oats.

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?

Oats have been shown to enhance water and soil quality, sequester carbon, build soil health, and provide greater biodiversity and climate resilience. To harness these benefits we need widespread adoption, which require robust value chains and markets.

Outcomes expected include:

- Increased oats acres in vulnerable groundwater areas of the state
- Increased processing capacity and handling infrastructure for oats
- Reduced nitrogen use in vulnerable groundwater areas in the state, as on average, oats after soybean require 30-70 lbs. N/acre, more than 50 % less than a corn crop (UMN Extension, 2025).
- Improved water quality in the state

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 with oats. The MDA will work with the UMN 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 oat entrepreneurs
- Rural economic development entities
- Farm advocacy groups
- Environmental advocacy groups
- Industry coalitions
- UMN researchers focused on oat
- 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	November 30, 2027
Gather and consider web-based feedback	November 30, 2027
3. Engaged small -medium sized businesses, advocacy groups, rural economic development entities, researchers, and community	November 30, 2027

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

Activity Budget: \$5,000

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 oat cropping systems as well as the value supply chain and market potential of oats. Members of the group are not eligible to apply for the grant and should not directly advise any potential grantee on their application

Activity Milestones:

Description	Approximate Completion Date
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Grant program details have been developed and are ready for implementation	February 28, 2028
All materials have been developed and finalized following guidelines and procedures from the Department	February 28, 2028

Activity 3: Publish the RFP

Activity Budget: \$2,000

Activity Description:

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, 2028

Activity 4: Project Selection and Grant Management

Activity Budget: \$10,075

Activity Description:

MDA will work with 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:

- Increased oat acres grown in Minnesota
- Increased market opportunities for Minnesota oat growers
- Less nitrogen inputs in groundwater vulnerable areas of the state
- Others as specified in the grant work plan

Activity Milestones:

Description	Approximate Completion Date
The number of grants and amount to be awarded	June 30, 2028
Deliverables and outcomes of individual projects will be identified during the grant agreement process	June 30, 2028

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, 2028
Visit grant project locations and meet with grant recipients	April 30, 2030
Progress reports and invoices will be received every 6 months	May 31, 2030
Final reports received	May 31, 2030

Activity 6: Grant funding to recipients (sub awardees)

Activity Budget: \$385,100

Activity Description:

Grant funding provided to projects selected through the competitive RFP process. Grants will follow ENRTF guidance on allowable expenses. During the project grantees are exempt from MS 116P.10 c.

Activity Milestones:

Description	Approximate Completion Date
First progress report and invoice submitted	December 31, 2028
Final progress report and invoice received	December 31, 2029
Final report submitted (template provided by MDA)	May 31, 2030

Activity 7: Pilot grant program that is durable and reproducible

Activity Budget: \$59,325

Activity Description:

Create a final report of grant program design, lessons learned while highlighting investments and durable outcomes.

Activity Milestones:

Description	Approximate Completion Date
All grants are complete and payments are finalized	May 31, 2030
Oats grant program report complete including a summary of outcomes and deliverables	June 30, 2030

Project Partners and Collaborators

Name	Organization	Role	Receiving Funds
Ariel Kagan	Minnesota Farmers Union	Climate and Working Lands Program Director	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.

Early stakeholder engagement, announce RFP, 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 grant is intended to develop, accelerate, and scale growth of oat producers, industries, and entrepreneurs in Minnesota. This investment in oats supply chains and capacity will fill an essential gap to support farmers, emerging businesses and cooperatives, and it is also 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 with this grant 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.

Project Manager and Organization Qualifications

Project Manager Name: Aicam Laacouri

Job Title: Reserach Scientist

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

Dr. Aicam Laacouri is the Clean Water Reserach Coordinator at the MDA.

Organization: Minnesota Department of Agriculture

Organization Description:

Minnesota Department of Agriculture

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
Planner		This position will provide support for the entire grant development process including activities all activities. This position is responsible for designing and developing this 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 30% of their time will be dedicated to this grant program. The remainder of their time will be working on administrative responsibilities for other water quality related programs and they will be supported by alternate funding sources.			30%	0.9		\$114,900
							Sub Total	\$114,900
Contracts and Services								
Determined through a competitive grant process	Subaward	Develop enterprises, supply chains, and markets for oat cropping systems in Minnesota.				0		\$385,100
							Sub Total	\$385,100
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Equipment								
							Sub Total	-
Acquisitions and Stewardship								

							Sub Total	-
Travel In Minnesota								
							Sub Total	-
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
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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).	Potential	\$37,500
			State Sub Total	\$37,500
Non-State				
			Non State Sub Total	-
			Funds Total	\$37,500

Total Project Cost: \$537,500

This amount accurately reflects total project cost?

Yes

Attachments

Required Attachments

Visual Component

File: [10b37cdb-d97.pdf](#)

Alternate Text for Visual Component

Minnesota Department of Agriculture Logo...

Supplemental Attachments

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

Title	File
Olmsted SWCD Letter of Support	071a4f00-c33.pdf
Friends of The Mississippi River Letter of Support	fb24ad40-8d9.pdf
Minnesota Farm Bureau Letter of Support	8754a29b-357.pdf
Land Stewardship Project Letter of Support	8a77ec99-78a.pdf
Seven Sundays Letter of Support	d2883f0c-324.pdf
Minnesota Farmers Union Letter of Support	1ed895e6-3cc.pdf
Green Acres Milling Letter of Support	920c42bc-283.pdf
Nature Conservancy Letter of Support	84630724-74b.docx

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?

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?

No

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:

Ariel Kagan, Minnesota Farmers Union

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

N/A