

Minnesota state programs available to alternative protein producers

These Minnesota state grants, loan programs, and tax credits are likely relevant to the alternative protein industry. Companies should assess their respective eligibility for programs of interest.

Grant programs

STEP Grant Program

[Website](#) | [Application](#)

Provides financial assistance to small businesses in Minnesota seeking to export their products to foreign markets. Businesses are eligible for reimbursement of up to 50 percent of qualified expenses, with a maximum reimbursement cap of **\$500** for export training that will result in the development of an export strategy or **\$7,500** for approved export development activities, including:

- Participation in trade missions
- Exhibiting at trade shows or industry-specific events
- Translation of marketing materials
- Development of foreign language websites
- Gold Key or other business matchmaking services
- Company-specific international sales activities
- Testing and certification (such as CE marking) required to sell products in foreign markets

Eligibility: Companies must fit the Small Business Administration [definition](#) of a small business and:

- Have been in operation for at least one year
- Be operating profitably, based on U.S. operations
- Have an understanding of the costs associated with exporting
- Have a strategic plan for exporting (unless applying for an export-planning grant)

Job Training Incentive Program

[Website](#) | [Program fact sheet](#)

Minnesota-based businesses that partner with an accredited Minnesota educational institution are eligible for grants of up to **\$400,000** (awarded to the educational institution) to develop and provide specific training in accordance with the business's needs. The business must match grant funds (via cash or in-kind contributions) on at least a 1:1 ratio.

Automation Training Incentive Program

[Website](#) | [Program guide](#)

This program provides grants of up to **\$35,000** to Minnesota-based businesses to train existing workers on new automation technology. The businesses must be “located outside of the seven county metropolitan area OR located in the cities of Cannon Falls, Hanover, Rockford, Northfield, and New Prague that are investing in new automation technology at the project location.” Grant funds can be used for training for existing full-time jobs “paying at least 120 percent of federal poverty guidelines for a family of four. For 2025, this is \$38,580 per year.”

Minnesota Forward Fund

[Website](#) | [Application](#)

The Minnesota Forward Fund provides grants and loans of up to **\$15 million** per business (no more than **\$10 million** in grants) to support business attraction, retention, and expansion in both new and existing industries. Funds may be used for machinery and equipment purchases, building construction and remodeling, land development, infrastructure, and working capital.

Loan programs

Small Business Participation Loan

[Website](#) / [List of approved lenders](#)

In this program, “DEED (the Department of Employment and Economic Development) purchases 25 percent to 30 percent participations in loans made by approved non-depository Community Development Financial Institution (CDFI) and nonprofit lenders.”

Businesses need to be located in Minnesota and have fewer than 500 employees. Loan amounts range from **\$10,000** to **\$250,000**, and lenders determine approval criteria and terms. Loans may be used for business purposes, including “equipment purchases, working capital and startup costs, as well as real estate purchase, construction, renovation, or tenant improvements of an eligible place of business.” Most businesses are eligible for this loan; please see the “FAQs” tab here for more information on non-eligible businesses.

Automation Loan Participation Program

[Website](#) / [Pre-application questionnaire](#)

Through this program, DEED provides loans to “fill gap financing needs for businesses purchasing machinery, equipment, or software to increase productivity and automation.” The definition of automation is on the “FAQs” page here. Eligible businesses include “manufacturing, distribution, technology, and warehousing businesses” located in Minnesota with fewer than 500 employees.

Loans are distributed together with private financing from a lead lender, usually a bank. Private financing should be five times the amount of the DEED loan (lenders must provide explanations for requests where private financing is less than 5:1) and must be at least equal to the DEED loan. Both loans must be used for automation expenses as described in the FAQs. Loan amounts may be up to **\$500,000** with one percent interest on a five to seven-year term.

Growth Loan Fund

[Website](#) | [Application](#)

The Growth Loan Fund offers direct loans to early-stage businesses that qualify for the [Angel Tax Credit](#) or are working with accredited investors or a venture capital firm. Loan amounts are up to **\$400,000** and are based on 20 percent of the total investment in a defined funding round (cannot exceed 12 months). For example, to qualify for a \$400,000 loan, an applicant must raise at least \$2 million.

Eligibility: Eligible applicants are Minnesota-headquartered early-stage businesses with fewer than 50 employees who have raised less than \$250,000 or later-stage businesses who are not yet ready for a Series A round. Please see the “Apply” section [here](#) for more eligibility information.

This program targets businesses focused on technological innovations, such as “aerospace, **agricultural processing**, renewable energy, energy efficiency and conservation, environmental engineering, **food technology**, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, **biotechnology**, medical devices, pharmaceuticals, diagnostics, biologicals, chemistry, [or] veterinary science.”

Businesses must be engaged in at least one of the following:

- Using proprietary technology to add value to a product, process, or service in a qualified high-technology field
- Researching or developing a proprietary product, process, or service in a qualified high-technology field
- Researching, developing, or producing a new proprietary technology for use in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation
- Researching or developing a proprietary product, process, or service in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation (no technology component required)

Minnesota Loan Guarantee Program

[Website](#) | [Lender directory](#)

This program provides loan guarantees of up to **\$800,000** to participating lenders for up to 80 percent of the principal for loans given to small business applicants. Eligible small businesses are businesses based in Minnesota with fewer than 500 employees. Most industries are eligible to apply for this loan, and non-eligible business information can be found on the “FAQs” page [here](#).

Eligible business costs include “startup costs, working capital, equipment, inventory, the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes, and the purchase of any tangible or intangible assets except goodwill.”

Venture Capital Fund Programs in partnership with the University of Minnesota

[Website](#)

The University's Office of Investments & Banking (OIB) and the Minnesota Department of Employment and Economic Development (DEED) are partnering to fund seed and early-stage Minnesota startups. The venture capital programs include a [Multi-Fund VC program](#) (managed by the University of Minnesota) that invests in Minnesota-based VC Funds, and a [Direct Investment VC program](#) (managed by DEED) for direct investments in Minnesota startups.

These programs invest directly in startups that have secured a lead investor in their current financing round. Areas of funding interest include agtech/foodtech, life sciences, climate tech, advanced manufacturing, software, and technology.

The Emerging Entrepreneur Loan Program

[Website](#) | [Lender directory](#)

This program provides loans for businesses that are owned and operated by "minorities, low-income persons, women, veterans, and/or persons with disabilities." The program finances typical startup and expansion costs such as "machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition."

Loans range from **\$5,000** to **\$150,000** per project with state funds matched at least 1:1 by new private financing.

Native American Business Loan Program

[Website](#) | [Program brochure](#)

This loan program offers financial assistance for the development of Native-owned and operated businesses. Applicants "must be enrolled members of a federally recognized Minnesota-based band or tribe." Loans can be used for "startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition." The average loan amount is **\$57,000**.

Tax credit and incentive programs

Border-Cities Enterprise Zone Program

[Website](#)

This program offers business tax credits, such as property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits, to businesses that are the “source of investment, development, and job creation or retention in the [Border-Cities Enterprise Zone](#) cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville, and the Development Zone of Taylors Falls.”

Excluded: businesses operating a “recreation or entertainment facility, one owned by a fraternal or veteran's organization, one owned by a public utility, one used in operation of a financial institution, or one owned by a retail food or beverage service business operating under a franchise agreement requiring the business to be located in the state.”

Closed programs

The Agricultural Growth, Research, and Innovation (AGRI) Value-Added Grant Program

[Website](#)

The AGRI Value-Added Grant offered grants for value-added businesses to invest in equipment. “Value-added” is defined as “the addition of value to an agricultural product through processing.” This grant prioritized projects that increased food safety and increased hemp fiber production. The total amount overall awarded was \$2 million (individual grant amount of up to **\$150,000**), and the grant requires a cash match with the following stipulations:

- Businesses were “responsible for 50% of the first \$50,000 to receive up to a \$25,000 reimbursement.”
- For costs after the first \$50,000, businesses were “responsible for 75% of the total remaining cost to receive 25% reimbursement, up to a maximum grant award of \$150,000.”

Launch Minnesota Innovation Grants and SBIR/STTR Matching Grants

[Website](#)

These grant programs focused on scalable startup companies in Minnesota. A list of past awardees is available [here](#).

The Innovation Grant reimbursed business expenses generated within Minnesota “for research and development, direct business expenses (including wages of employees, but not salaries or wages of 20 percent or more owners of the business or their family members), and the purchase of technical assistance and services. Qualifying businesses could receive grants up to **\$35,000**, which were disbursed on a 2:1 reimbursement basis (grantee spends \$2, then gets reimbursed \$1).” Eligibility information can be found [here](#).

The Minnesota Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Matching Grant provided funding to federal SBIR/STTR first-time Phase I and Phase II awardees. Qualifying businesses received grants based on [the] sliding scale of their Federal award, up to **\$35,000** for Phase I awards and up to **\$50,000** for Phase II awards. Eligibility information can be found [here](#).

Angel Tax Credit

[Website](#)

This tax credit program offered a 25 percent tax credit to investors or investment funds that make equity investments in startup companies focused on high technology, new proprietary technology, or a new proprietary product, process, or service in specified fields (including aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical devices, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, or similar). Investors could receive up to **\$125,000** (filing single) or **\$250,000** (filing jointly) in tax credits per year for their investments.

Resources

- [Minnesota Department of Employment and Economic Development \(DEED\)](#)
 - [Fact sheet](#) for startups and small businesses.
 - Economic development resource [guide](#) (2024).
- [Minnesota Department of Administration Grants](#)
- [Minnesota Department of Commerce Energy Grants](#)
- [Minnesota Department of Commerce Grants](#)
- [Minnesota Department of Natural Resources Grants](#)
- [The Plant Protein Innovation Center at the University of Minnesota](#)

Please contact GFI Senior Policy Specialist, Public Investment and Industry Maille O'Donnell at mailleo@gfi.org with any questions about this resource or to discuss public investment for alternative protein commercialization.

About GFI

The Good Food Institute is a 501(c)(3) nonprofit working internationally to make alternative proteins like plant-based and cultivated meat delicious, affordable, and accessible. GFI advances open-access research, mobilizes resources and talent, and empowers partners across the food system to create a sustainable, secure, and just protein supply. GFI is funded entirely by private philanthropic support.



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