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February 17, 2022

Chair Aric Putnam
Senate Agriculture and Rural Development Committee
95 University Avenue W.
St. Paul, MN 55155

Dear Chair Putnam and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to share my strong support for Senator Gustafson's proposal to fund cooperative development grants (SF1256) that were reauthorized last session. This builds on work started last session and will help our members build and scale cooperatives that add value to MN-grown products, improve profitability, and keep money in rural communities.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. In the wake of COVID-19 and the face of market concentration and global supply chain challenges, many of our members are seeking new ways to process, market, and otherwise add value to products they produce. One model that has a strong history in both Farmers Union and Minnesota is the farmer-owned cooperative. This model is beneficial for both farmers and their communities because wealth generated by the business circulates back into the rural economy. New cooperatives also shorten supply chains and make our food system more resilient.

This opportunity to create new cooperatives is important for emerging crops like the Forever Green Program's perennial wheat variety, Kernza, or industrial hemp, but it can also help farmers develop processing for meat, poultry and other products with established markets.

Importantly, cooperative development grants are different than other programs already offered by the Minnesota Department of Agriculture (MDA). The AGRI Value-Added program, for example, is targeted toward already established businesses to scale their work. The cooperative development grants funded by Senator Gustafson's bill would provide critical support for early-stage cooperatives, enabling groups of farmers to commission feasibility studies, draft bylaws, establish financial systems, and otherwise preparing the cooperative to take investment from member owners.

Cooperative development grants at MDA will help groups of established and emerging farmers develop new and more resilient models for processing and marketing their products in the wake of COVID-19.

We appreciate Senator Gustafson's leadership on this proposal and hope it earns your support. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for your work on behalf of farmers and all Minnesotans.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is written in a cursive style with a large, prominent 'G' and 'W'.

Gary Wertish
President, Minnesota Farmers Union