



BIOECONOMY

COALITION OF MINNESOTA

March 27, 2023

Dear Chair Putnam, Vice Chair Kupec, Ranking Minority Member Westrom, and members of the Senate Agriculture, Broadband, and Rural Development Committee,

Thank you for the opportunity to provide written testimony on Senate File 1955. The Bioeconomy Coalition of Minnesota brings everyone involved in the Bioeconomy together to collaborate and grow the industry along the entire value chain from research and development to production and use. Coalition members include representatives from agriculture, forestry, local government, nongovernmental organizations, and start-ups. The Coalition aims to position Minnesota as a global leader in the Bioeconomy by supporting innovation in biobased industries, add value to Minnesota's resources, and create a sustainable bioeconomy.

The Bioeconomy Coalition of Minnesota appreciates this committee's continued support for the Bioincentive Program, as evidenced by the inclusion of \$6 million annually in funding in the Senate Agriculture, Broadband, and Rural Development omnibus finance bill. Based on a report by the University of Minnesota Extension Center for Community Vitality¹, each dollar spent on this program has generated \$407.10 for the state's economy and \$8.90 in new tax collections. This program is actively boosting Minnesota's economy and creating value across the bioeconomy supply chain. Additionally, the program only makes payments to participating companies after production has already started, making it a low-risk, high-reward investment for the state.

We appreciate the proposed modest funding increase for the Bioincentive Program. However, in order to maximize the program's benefits for Minnesota's economy, more investment is needed to fulfill the program's commitments to existing projects and to attract new investments to the state. Incentive programs such as the Bioincentive Program are also critical to competing with other states for federal funding opportunities for biobased industries, but only if those programs are fully funded.

Thank you for your consideration of this important legislation, and for the opportunity to submit written testimony.

Sincerely,

Carolyn Berninger

Public Policy Manager, Transportation & Fuels

Great Plains Institute (facilitator of the Bioeconomy Coalition of Minnesota)

¹ Brigid Tuck, *Economic Contribution of the Biobased Industrial Products Industry in Minnesota: 2019*, University of Minnesota Extension Center for Community Vitality, August 2020, <https://conservancy.umn.edu/handle/11299/217094>