

March 20, 2023

Chair Anne Rest
75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol, Room 328
St. Paul, MN 55155

RE: Ag Groups Support for Beginning Farmer Tax Credit Expansion (SF1879, HF2277)

Dear Chair Rest and members of the Senate Taxes Committee:

As organizations who care deeply about the future of farming in Minnesota, we write to renew our strong support for expanding the Beginning Farmer Tax Credit (BFTC) as proposed by Agriculture Chairs Putnam (SF1879) and Vang (HF2277). This successful and pioneering program helps new farmers access land, equipment, livestock, and other assets needed to build a life in agriculture.

First, we support that these proposals extend this nation-leading program. Without legislative action this session, the BFTC will sunset in December 2023.

Second, and to help this program better serve Minnesotans, we support that these proposals:

- Extend the credit for sale of agriculture assets to family members, which will help more young farmers and assist in generational farm transition. As any farmer will tell you, farm transitions are complex, costly, seldom easy – any new farmer on the land is a win for our rural communities and the state.
- Increase the credit for sale of agricultural assets to socially disadvantaged farmers. This will provide additional and needed support to emerging farmers who could benefit from the working relationships the credit helps broker with more established operators.
- Increase the credit for sale of agriculture assets, adding additional incentive to transition ownership of farmland and to keep pace with increasing land values.

Importantly, as proposed, these changes are made within the funding already available to the credit. Taken together, they will strengthen this nation-leading program and better serve beginning farmers.

We thank Agriculture Chairs Putnam and Vang for leading on this important issue and ask that you include these changes in the tax bill this session. Thank you for your work on behalf of farmers and all Minnesotans.

Sincerely,

African Growers and Producers Alliance
(AGAPA)
AgCountry Farm Credit Services
Central MN Young. FarmersCoalition
(CMNYFC)
Duluth Young Farmers Coalition (DYFC)
Compeer Financial
Latino Economic Development Council
(LEDC)
MN Corn Growers Association (MCGA)
MN Farm Bureau Federation (MFBF)
MN Farmers' Market Assn. (MFMA)

MN Farmers Union (MFU)
MN Milk Producers Association (MMPA)
MN Pork Producers Association
MN Soybean Growers Association (MSGA)
MN State Cattlemen's Association (MSCA)
MN Sustainable Farming Association (SFA)
MN Turkey Growers Association
Red River Valley Sugarbeet Growers
Association
Renewing the Countryside (RTC)
The Good Acre (TGA)