



February 18, 2025

Chairman Aric Putnam
Senate Agriculture, Veterans, Broadband and Rural Development Committee
3215 Minnesota Senate Building
St. Paul, MN 55155

Dear Chairman Putnam & Committee Members,

On behalf of the Minnesota Grain and Feed Association (MGFA), a 118-year-old non-profit, voluntary membership organization that represents the interests of the grain elevator and feed mill industries of this state, I would like to share both our concerns and support for portions of SF 1552.

MGFA supports the following:

- the change in threshold reporting to a tiered approach. For the last several years, MGFA has fielded calls from members who have had difficulty complying with the financial reporting requirements due to the small number of auditing firms that work with grain facilities and the high cost of obtaining reviewed and audited financial statements.
- the exemption of cash grain buyers under \$1M in gross annual purchases from the financial reporting requirement

MGFA is concerned about:

- the change from *generally accepted accounting principles* to *national or international accounting standards* because of the increased range and type of financial statements that will be allowable under the statute. This means that from licensee to licensee, MDA will no longer collect the same uniform financial information. Instead, they may receive financials prepared on a tax basis, cash basis or an accrual basis, all of which differ from each other. With a limited MDA staff alone bearing the responsibility to adequately monitor and evaluate the financial integrity of more than 300 licensees every year, we question the outcome this change will bring.
- MGFA does not support eliminating the CEO & Board certification of a licensee's financial statement. The Board of Directors has a fiduciary responsibility to its members and as such, should be willing and able to attest to the accuracy of their financial statement.

Sincerely,

Laura Lemke
MGFA Executive Director