



March 22, 2025

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

RE: SF 2458, Sections 62 & 63 – Grain Buyers and Storage Account Fees

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 our opposition to the grain license fee increase contained in SF 2458.

This proposal will cost most grain buyers and storage facilities from 40 – 250% more to obtain their State license. The base fee increase of \$500 per licensed location is higher compared to most of our neighboring states. The capacity charge per bushel for inspection fees specifically targets facilities with substantial storage capacity and increases their exam fees alone by more than 155% at the top of the scale. As a result, this will drive larger cooperative grain elevators to become federally licensed, which will now be the more cost-effective choice for many of them, translating into both reduced income for MDA and likely, less work for their grain inspection staff. This license fee increase is also *in addition* to the new, separate technology surcharge MDA is adding to grain license renewals.

Under this proposal, state-licensed grain elevators located near our borders will become less competitive in the marketplace compared with their counterparts in neighboring states, especially when grain markets are already fraught with uncertainty.

The grain industry is not immune to the increased cost of doing business, from soaring insurance premiums, property taxes, and higher wages for our workforce. In Minnesota, we continue to see consolidation within the grain industry, creating fewer but larger facilities, however we're still working with small margins which makes it challenging to handle each financial hardship thrown our way. While we understand MDA's grain program is experiencing a budget shortfall and has not adjusted their fee schedule in 20 years, their proposed license fee increase is excessive and we feel will unfairly gouge the grain industry.

MGFA would be open to working with MDA to find a more reasonable balance to the licensing fee issue.

Sincerely,

Laura Lemke
MGFA Executive Director