



# BIOECONOMY

COALITION OF MINNESOTA

**April 2, 2025**

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

Thank you for the opportunity to provide written testimony on Senate File 2458. 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 urges this committee to increase funding for the Minnesota Bioincentive Program. More funding is needed to maximize the program's benefits for Minnesota's economy and to fulfill the state's commitments to companies that have invested in projects in 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.

Based on a report by the University of Minnesota Extension Center for Community Vitality, the economic benefits of the Bioincentive Program far exceed its cost. Each dollar spent on this program has generated \$407.10 for the state's economy and \$8.90 in new tax collections.<sup>1</sup> 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.

Thank you for your consideration and for your work on this important issue.

Sincerely,

Carolyn Berninger

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

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<sup>1</sup> 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>