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March 3, 2025

Chair Sandra L. Pappas
Capitol Investment Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 2113
St. Paul, MN 55155

RE: MFU support for Rural Finance Authority (RFA) Bonding (SF1209)

Dear Chair Pappas and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to express strong support for authorizing the Minnesota Department of Agriculture's (MDA) to borrow funds to replenish the Rural Finance Authority (RFA). We appreciate your efforts to advance this proposal this session, limiting the potential of a funding lapse, and providing certainty to farm families.

MFU is a grassroots membership organization that has represented Minnesota's family farmers, ranchers, and rural communities since 1918. While our members are diverse in their operations, they are unified in the fact that affordable financing often presents a significant challenge, particularly when families are already faced with uncertainty related to increasing input costs, unpredictable weather, and generational farm transition.

The low-interest loans made available by the RFA help young farmers, farm families rebuilding after natural disasters, and others reinvesting in their operations. We're grateful your committee is hearing this bill, because there is reason to fear that RFA funding could run out before the legislature is able to act to renew bonding authority. Top of mind right now, is uncertainty in both the farm economy and at the federal level, meaning more farmers may lean on this state program for affordable financing. Additionally, the RFA Board recently acted to make zero interest Disaster Recovery Loans available to farmers who have sustained losses due to zoonotic diseases.

We thank Senator Putnam for his leadership on this bill. Acting early—as we've done in past years—will give added certainty to family farmers who rely on these programs. If you have any questions, don't hesitate to contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-3047. Thank you for considering the needs of Minnesota's farm families.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Wertish".

Gary Wertish
President, Minnesota Farmers Union