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April 9, 2025

Chair John Marty
Minnesota Senate Finance Committee
3235 Minnesota Senate Bldg.
95 University Ave W St. Paul, MN 5515

Dear Chair Marty and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to share strong support for provisions in Senator Putnam's agriculture finance bill (SF2458) and to highlight priorities for our family farmer members. We are grateful for the Agriculture Committee's work to craft a budget that will support family farmers, help fill gaps left by the federal government, and build an agriculture economy that is more resilient, distributed, and fair. In all, this is a strong proposal and we hope it moves forward to conference.

This budget comes as our members are facing significant headwinds. Traveling the state in the last two weeks for a series of 10 listening sessions, we heard firsthand about the impacts of an escalating trade war, cancelled federal contracts, layoffs at local USDA offices, lack of action on a Farm Bill, risk of animal disease, and increasing input costs. All these challenges only make worse the financial stress experienced by farmers and ranchers going into spring.

We recognize that the state's budget for agriculture is comparatively small, making up less than half of one percent of our state's total budget. That said, the Minnesota Department of Agriculture (MDA), the Agricultural Utilization Research Institute (AURI), and the Board of Animal Health (BAH) all have a big impact, helping lead our state's agriculture economy through COVID-19, 2021's historic drought, past zoonotic disease outbreaks, and more.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. Broadly, **we appreciate the Agriculture Committee prioritizing funding for the agencies to maintain operations, ensure continuity of programs, and continue providing quality service to farmers, ranchers, and others in our state.** We also appreciate that—with exceptions—base funded programs are largely held harmless, despite fiscal challenges facing the state.

Beyond that, **we would like to share our support for:**

- **Expanding access to local and regional markets** including by:
 - **Increasing support for Farm to School and Early Care** (SF1559, Gustafson) to help farmers access new markets and ensure young people have access to healthy, nutritious meals that aid their learning. This program has been a success for participating farmers, schools, and the state and we're glad to see the state renew our commitment to this work in the face of cancelled federal funding.

- **Creating a state Local Food Purchasing Assistance (LFPA) program** (SF2430, Kunesh) to help organizations establish wholesale agreements with farmers, providing a stable market to those who are working to build their farm businesses. For many new and emerging farmers, accessing a stable market can provide much-needed financial stability during the high-risk early years of farming. Even beyond that—and much like farm to school efforts—this program is a win-win for communities, improving access to fresh healthy food for people who need it.
- **Dedicating support to the Good Acre’s LEAFF program** (SF629;) which provides emerging farmers a reliable, consistent market for the products they produce, while also achieving the important aim of ensuring that Minnesotans have access to affordable, culturally relevant food.
- **Expanding local and regional processing** is an important way we can help family farmers add value to their products locally, promote rural economic development, and ensure that farmers can earn a fair price for what they produce. That’s why this work has been a top priority for our organization for the last number of years. We support:
 - **New increased funding for state meat and poultry inspectors** (4.3) to ensure that new processors seeking inspection can count on that critical service from the state. This investment is timely as a significant portion of our state meat inspection program is funded by the federal government, creating uncertainty about stable funding going forward. Without inspection, farmers are unable market their meat or poultry through retailers, restaurants, or other means, limiting their markets and opportunities for profit.
 - **Continued support for value-added grants through AGRI value-added program** (5.9), which supports meat, poultry, dairy and other processors in starting up, expanding, or modernizing their facilities. This will help them serve more farmers, directly addressing the bottleneck experienced by our members across the state. Upgrading facilities will also ensure that these businesses are able to transition to the next generation.
- **Supporting new and emerging farmers** and helping the next generation of farmers build a life in agriculture. We believe strongly that this is not only an investment in those individual farms, but also the continued vitality of our rural communities. More specifically, we support:
 - **New funding for Farm Business Management (FBM) scholarships and support** (5.9, 17.23) which will help new farmers and others weather financial challenges and ensure their farms are viable long-term. We’re also glad that FBM has continued to prioritize farmland transition and supporting all farms with one-on-one financial assistance.
 - **The Emerging Farmers Office** (15.5) ensuring that MDA will continue to implement the important work spearheaded by the Emerging Farmers Working Group making the department’s programs are equitable, accessible, and responsive to the unique needs of emerging farmers.
 - **Down Payment Assistance** (12.1) which is a direct way the state helps get new farmers on the land. Land access is a central challenge for new farmers and it’s also how they gain security and build generational wealth. We’re glad to see the state continue to invest in this important program.
 - **Farmland transition support** (15.21) through the continuation Farm Advocate program. Farm transitions which can be costly and complicated for both parties, and this will help get more new farmers started.

- **Farm Safety and Rural Mental Health** (SF2809, Kunes; 4.26), supporting outreach and counseling services and ensuring that MDA can continue their nation-leading work to support farmers experiencing crisis. Farming can be stressful and the financial uncertainty of the coming growing season will only add to that stress. This appropriation compliments other investments in mental health and safety by enabling MDA to operate the Farm and Rural Helpline, coordinate the Farm Safety Working Group, and other important initiatives.
- **Farm Advocates** (15.9) to help expand their work to support farmers experiencing financial hardship. While the department's work on rural mental health supports farmers, the advocates help the farm finances.
- **Zoonotic disease preparedness**, including through direct investments in the Board of Animal Health (BAH) is critical for helping our state prepare for a renewed bout of HPAI, H5N1, and other animal diseases that pose a significant threat to our state's livestock farmers. We support:
 - **New funding for the Ag Emergency Account** (18.17), ensuring that the state is well-prepared to quickly respond in the face of an outbreak this spring.
 - **Protect grants** (SF1839, Putnam; 8.30) to help poultry producers install technology to limit interactions with wild birds and prevent the transmission of avian influenza. This is an important and comparatively cost-effective method the state can help mitigate risk of devastating outbreaks.
- **Cooperative Development Grants** (8.26) – continuing this successful program helps our members and others build and scale cooperatives that add value to MN-grown products, improve profitability, and keep money in rural communities. In the face of market concentration and an escalating trade war, many of our members are seeking new ways to process, market, and otherwise add value to products they produce. Helping new cooperatives get started will shorten supply chains and make our food system more resilient.
- **Livestock investment grant changes** (SF2147, Kupec; 41.8) to help more livestock producers upgrade and improve their farm infrastructure. Helping livestock producers make update their operations and make them more resilient is good for main street businesses, the health of soil, and the vitality of our rural communities. This past November, delegates to our annual convention adopted new policy supporting this update to the grant program. Originating at the county level, our members saw the value of this grant program and the need to increase the reimbursement amount to 50 percent for the first \$20,000. This will help beginning farmers and those adding livestock to their operations by allowing them to get more meaningful cost share on installing watering systems, building fences, or adding shelter for grazing animals. Importantly, this bill also maintains equity for larger projects by ensuring that projects above that threshold still get the increased reimbursement on their first \$20,000.
- **Soil Health Financial Assistance Grants** (SF882, Gustafson; 2.1) – continued strong funding for this successful program will help more farmers get started with practices that make farmland more resilient to extreme weather events, retain topsoil, build organic

matter, and promote water quality. We appreciate that this program is flexible and allows farmers to lead in pursuing innovations that make sense for their operation and geography.

- **Funding Forever Green** (SF1220 Seeburger; 20.18) – continued investment in the development of perennial and winter annual crops will help our family farmer members add value and diversity to their farming operations, deliver important ecosystem benefits, and remain resilient in the face of climate change. On the other hand, this proposal does not renew funding for market development and commercialization, which we also feel is an important strategic next step in developing new cropping systems in a way that supports small businesses, increases adoption, and ensures a fair price for farmers.
- **County fair support** (6.9) to help promote agriculture, enhance arts access and education, and preserve and promote our state’s history and cultural heritage.
- **Wildlife depredation funding** (SF469, Johnson) to support farmers and ranchers who’ve lost livestock to wolves (2.17), or crops and infrastructure to elk (2.33). Farmers losing livestock to wolves carries a financial and emotional toll. These programs help compensate producers and limit the financial loss. Going forward, we support the committee consider continued investment in wolf-livestock prevention grants, which help mitigate conflicts before they happen.

Last but not least, we strongly support the consistent **investment in our state’s work on rural broadband** (32.1). Strong and consistent funding will help us make sorely needed progress toward ensuring that every Minnesotan can access quality, high-speed internet. Family farmers rely on the internet to connect with customers, monitor market trends, educate themselves on the latest farming methods, and make use of modern farming technology—it’s increasingly essential to running a farm business and support a family in rural Minnesota.

We realize that the state is facing broader fiscal challenges and that this is still an early step in crafting a budget for the coming years. We also know that staying within a spending target requires difficult choices between worthy priorities. With that in mind, we’d like to share our concern about omissions or cuts in this budget that we hope can be addressed as this bill moves forward. These include:

- **Making AGRI a dedicated account** (SF1172, Kupec) to ensure that funding allocated to this flagship program stays in AGRI. This structural change would grant MDA flexibility and—in effect—make more money available to Farm to School and Early Care, biofuels infrastructure Grants, Farm Business Management scholarships, and so much more. Also important at a time when farmers are facing incredible uncertainty, this change would ensure that AGRI has more undesignated funds to quickly respond to challenges as they have with COVID-19, 2021’s historic drought, and recent outbreaks of HPAI.
- **Cut to the Green Fertilizer Grant program** (18.21) – we value Senator Putnam’s leadership in establishing this program in 2023 and hope it is not cut in a final budget. This nation-leading pilot program not only invests in green fertilizer production, but also incentivizes farmer ownership of production facilities through Minnesota’s existing network of farmer-owned cooperatives. There are many benefits to building this industry in our state, including lowering the carbon intensity growing crops, increasing economic resilience for farmers and rural communities, and creating a stable market for green hydrogen that can then be scaled and deployed to green manufacturing and mining. That

said, with all these benefits, projects are hugely capital intensive and early investment from the state will could prove consequential for getting distributed, farmer-owned production capacity online soon. We we can find a way to expand funding for this program going forward.

- **Cut to the DAIRI Program** (18.24) – this program was created in 2023 to help small and mid-sized dairies access federal risk protection, manage increasing input costs, and weather market volatility. Unfortunately, lack of action on an updated Farm Bill has meant that this money has gone unspent. While have concerns about this cut, we appreciate that the committee has prioritized funding for other challenges facing dairy farmers, including the renewed threat of H5N1.
- **Cut to biofuels infrastructure grants** – expanding the use of higher-octane, cleaner-burning biofuels through upgrading the infrastructure at fuel retailers across the state will help consumers save money and support an important market for family farmers. While we have concerns about cuts to the program, we appreciate that this program will continue improving consumer access to higher blends, lowering prices at the pump and lowering the emissions from existing vehicles.
- **Noxious weeds funding** (Kupiec SF1831) – which helps with detection, control, and management. This is a threat to producers' livelihoods, and we support Minnesota continuing support to County Agricultural Inspectors.

In all, this is a strong bill, and we encourage your support. We thank Senator Putnam for his partnership in crafting this proposal and look forward to working with the strengthening this bill as it moves forward. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

A handwritten signature in black ink, appearing to read "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