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November 30, 2020

Governor Tim Walz & Lt. Gov. Peggy Flanagan
75 Rev. Dr. Martin Luther King Jr. Blvd. #130
St. Paul, MN 55155

Attorney General Keith Ellison
445 Minnesota Street, Suite 1400
St. Paul, MN 55101-2131

Majority Leader Paul Gazelka
95 University Ave. W.
St. Paul, MN 55155

Speaker Melissa Hortman
463 State Office Building
St. Paul, MN 55155

Minority Leader Susan Kent
95 University Ave. W.
St. Paul, MN 55155

Minority Leader Kurt Daudt
267 State Office Building
St. Paul, MN 55155

Dear Governor Walz, Lt. Governor Flanagan, Attorney General Ellison and legislative leaders:

On behalf of Minnesota Farmers Union (MFU), I request that you act quickly to provide relief and certainty to farm families ahead of the holidays by further extending the deadline on farmer-lender mediations. The current extension, which was approved by the Legislature in May, is set to expire at the beginning of December.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers, and rural communities since 1918. In November, delegates to MFU's state convention identified extending the deadline as a top priority, passing a special order calling on state leaders to take action and prevent farm families from being kicked off their farm during a global pandemic.

Extending the deadline on farmer-lender mediations would:

- 1) **Provide relief, certainty and hope to families through the holidays.** For everyone, farmers no exception, this year has presented challenges. For farm families facing mediation, and all the associated stress, a timely extension would provide them needed hope and allow them to celebrate the holidays without the immediate fear of losing the farm.
- 2) **Allow farmers, lenders, and mediators to complete their work when they can meet face-to-face.** Even under the best of circumstances, mediations are challenging, high-stress, and often emotional. This makes reaching a mutually beneficial plan for managing farm debt via phone call or web-based meeting platform challenging.

Per guidance from the University of Minnesota, mediators anticipate that they will be unable to meet with farmers and lenders face-to-face until the end of June. Extending the deadline to a point when mediators can resume in-person meetings will help ensure that mediations are successful and that more farm families can stay on the land.

- 3) **Help farm families improve their financial position and keep the farm.** Despite much uncertainty due to the pandemic, the financial outlook for many farm families is improving. For many, federal support, this fall's strong harvest and recovering commodity prices have all relieved financial pressure. More time could allow some of these farm families to receive additional federal support as talks continue regarding a second substantial COVID-19 relief package.

Additionally, some farmers in mediation are choosing to sell stored grain or land in order to manage their debt. However, with so many assessors, realtors and others working from home, these sales often take longer to complete. An extension to mediation could allow some farmers to complete these sales and improve their financial position, potentially avoiding their lender enforcing a debt.

- 4) **Provide tax relief for many farmers who need it.** As mentioned above, one strategy some farmers are employing is selling land, grain, or other property. Extending the deadline for mediations into the 2021 would allow farmers to spread their tax liability for these sales over more years, improving their financial position and, again, potentially allowing some to avoid foreclosure or seizure of assets.

Because mediators don't expect to meet face-to-face with farmers and lenders until the end of June and as is consistent with what MFU members approved during our state convention, we ask that you extend the deadline until June 30, 2021. This will provide farm families certainty through the holidays, allow mediators to meet with farmers and lenders face-to-face, help farmers to improve their financial position and provide them with needed tax relief.

Thank you for your continued work to address COVID-19 and protect the health and economic future of all Minnesotans, including farmers. 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,



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CC: Commissioner Thom Petersen, MN Department of Agriculture
Chair Bill Weber, Senate Agriculture, Rural Development and Housing Policy Committee
Chair Torrey Westrom, Senate Agriculture, Rural Development and Housing Finance Committee
Chair Jeanne Poppe, House Agriculture and Food Finance & Policy Committee
Senator Michael Goggin
Representative Todd Lippert