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March 1, 2021

Chair Torrey Westrom
Senate Committee on Agriculture and Rural Development Finance and Policy
95 University Avenue W.
Minnesota Senate Bldg., Room 3201
St. Paul, MN 55155

Dear Chair Westrom and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to express strong support for four bills that are set to be heard in committee on Monday, March 1. Rebuilding our local meat processing infrastructure (SF 1218), assisting in generational farm transition (SF 1228), supporting our county fairs (SF 1504), and developing new perennial and winter annual cropping systems (SF 1506) will all benefit our family farmer members and reflect important investments in the future of Minnesota's rural communities.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. On behalf of our family farmer members, I ask that you support:

- [Expanding small and mid-sized meat and poultry processing](#) (SF 1228; Sen. Lang) – a persistent shortage of processing, which was intensified by the closure of large plants due to COVID-19, is putting pressure on small family farmers, limiting their farm businesses. This investment in meat processing infrastructure will leverage private matching funds to create needed processing capacity across the state.

In an informal survey we helped conduct early in the pandemic, [well over half of the mostly direct-market farmers surveyed](#) reported a lack of processing—and only 17% said they had enough processing. A majority of respondents (54%) said that they would raise more livestock if there was more processing available. That's why our members identified this issue as a top concern at our state convention last fall.

A one-time investment of \$1 million into the AGRI fund—to augment current investments—will help new and existing meat and poultry processors expand their capacity to provide needed relief to farmers who are wondering how they will bring their animals to market. At MFU, we continue to hear from farmers who are considering building their own plants, in large part due to their frustration with trying to find slaughter capacity near their farm. This makes us even more confident that this investment will go to good use.

We thank Senator Lang for bringing this important bill forward and Governor Walz for including this investment in his budget proposal. It reflects a top priority for our members, and I ask for your support.

- Expanding the Beginning Farmer Tax Credit (SF 1228; Weber) – the Beginning Farmer Tax Credit (BFTC) is a successful and pioneering program that helps young farmers in Minnesota get a leg up in accessing land, equipment, livestock, and other assets needed to run a successful farm operation. Last year, it helped nearly 450 beginning farmers to establish farms, which is particularly important as the average age of a farmer in Minnesota approaches retirement age.

Expanding the credit for sale of agricultural assets to family members will help more beginning farmers access the credit and assist in generational farm transition, better securing the long-term sustainability of family farms. As any farmer will tell you, farm transitions are complex, costly, emotional, and seldom easy. Any support for getting new farmers on the land is a win for rural communities and the whole state.

As this bill moves forward, we'd like to work with the author and committee members on two additional changes:

- 1) Increasing the credit for sale of agricultural assets from 5 to 10% for socially disadvantaged farmers – increasing this credit will give needed support to emerging farmers who too often aren't coming into an established operation, and who could benefit from the working relationships the credit helps broker with other, more established, farmers.
- 2) Allowing up to 5% to be used for administration – applicants for this credit still need to apply using paper forms. This investment will help the Rural Finance Authority (RFA) make the credit more accessible by building an online application and otherwise better administering the credit.

All of these changes can be made within the existing funding allocated to the credit under law. Investing in beginning farmers is a smart long-term investment in the future of our rural communities. I encourage your support for strengthening the BFTC and appreciate Senator Weber's work on this important issue.

- Supporting our County Fairs (SF 1504; Dornink) – Minnesota's county fairs help cultivate strong rural communities through promoting each region's unique history and culture. For rural families, the county fair is an important tradition that allows you to connect with neighbors, share stories, celebrate successes, and otherwise build community.

Following the isolation necessitated by COVID-19 it will be all the more important that county fairs are put back on a firm financial footing. We need them now as much as ever.

- Funding research at the Forever Green Initiative (SF 1506; Sen. Dibble) – funding the Forever Green Initiative (FGI) at the University of Minnesota will help researchers continue to develop and commercialize perennial and winter annual crops. These new cropping systems will help producers add value and diversity to their farming operations, deliver important ecosystem benefits, and remain resilient in the face of climate change.

At MFU, a growing number of our members are already growing FGI's first commercialized crop: a perennial wheatgrass called Kernza. Previous funding from the legislature has helped make them successful not only in growing this new crop, but also in processing, marketing, and otherwise building out the infrastructure necessary for its sustainable commercialization.

With state support, the University can leverage private funding for research, making this a smart investment in the future of rural Minnesota's economy and landscape. We appreciate Senator Dibble bringing this bill forward and value the University's continued partnership with farmers in developing these new cropping systems.

I appreciate your consideration of these proposals and hope they earn your support. 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 that reads "Gary Wertish". The signature is written in a cursive style with a large, looped "G" and a long, sweeping tail on the "h".

Gary Wertish
President, Minnesota Farmers Union

CC: Senator Andrew Lang
Senator Bill Weber
Senator Gene Dornink
Senator Scott Dibble