



March 15, 2021

Chair Mike Sundin
House Agriculture Finance and Policy Committee
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Chair Sundin and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to share strong support for Governor Walz's agriculture budget recommendations (HF 1524), to highlight some provisions that are particularly important to our family farmer members, and to share some priorities we would like to see reflected in the 2021 Omnibus Agriculture Finance bill.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. When COVID-19 hit, the Minnesota Department of Agriculture (MDA) was quick to respond with hands-on support for farms and ag and food business they rely on to market their products. So that they can continue helping farmers build a more resilient food system, we support strong funding for MDA, the Agricultural Utilization Research Institute (AURI), and the Board of Animal Health (BAH), and oppose any cuts to programs funded in the last biennium.

While agriculture is the foundation of Minnesota's economy—generating \$112 billion in economic impact and supporting more than 430 thousand jobs—our budget for MDA makes up less than 1 percent of the state's overall budget. We support growing that investment in farmers and rural communities.

Of the change items in the Governor's budget recommendations, we want to highlight our members' strong support for:

- **Expanding access to meat and poultry processing** through a one-time investment in livestock processing and by hiring an additional inspection staff for the states meat and poultry inspection program.

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 both private and federal 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 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.

Similarly, hiring another inspector for Minnesota’s meat and poultry inspection program will not only expand access to inspection—which farmers rely on to market their products at restaurants or at retail—but also add technical capacity at MDA. This will help them continue their work to expand existing plants and get new plants up and running.

- **Building out biofuels infrastructure** through a grant program will expand the use of higher-octane, cleaner-burning biofuels, strengthen an important market for many family farmer, and reduce our reliance on fossil fuels. Funding the infrastructure needed to move toward higher blends of biofuels—including E15 and beyond—will help clean up our air and reduce the carbon intensity of our current transportation fleet.
- **Supporting the voluntary adoption climate-smart practices** that promote soil health and provide other ecosystem services. The proposed increase to the in the Ag Best Management Practices Loan Program will help farmers and others in rural Minnesota invest in practices that not only improve water quality, but also help sequester carbon in the soil.
- **Assisting in land access and transition** to help the next generation of farmers get on the land and build a life in agriculture. The average age of Minnesota farmer is approaching retirement, meaning that the state will soon see millions of acres change hands. This investment will help new and aspiring farmers take advantage of this important opportunity.
- **Strengthening Minnesota’s industrial hemp program** to ensure that it can serve the state’s fast-growing industry. Farmers are investing in learning about, growing, and processing this new crop and we need to make sure that the state’s licensing software works for these new businesses.
- **Investing in farm and rural mental health**, which will strengthen MDA’s important and impactful work to alleviate stress in among farmers, their families, and agricultural workers. COVID-19 only added to the uncertainty and financial hardship experienced by many farm families. The programs offered by MDA are nation-leading and help make sure that when farmers are ready to ask for help there are supports ready to help make sure they get it.
- **Expanding the farm advocate program** by increasing funding by \$20,000 per year, allowing MDA to contract an additional farm advocate. This will provided needed capacity to the program and help more farmers who are in crisis manage their operation and stay on the farm.
- **Funding the Noxious Weed Program** to make sure MDA can continue working with local governments to combat noxious weeds that threaten farmers livelihoods.
- **Funding broadband development** to make meaningful progress toward ensuring that every family has affordable, high-speed internet.

As the bill moves forward, **we would appreciate your consideration of additional MFU priorities for the 2021 Omnibus Agriculture Finance bill. These include:**

- **Reauthorizing Farmer-Lender Mediation** (HF 80; Lippert) and extend the timeline for mediations, providing important relief for farmers who are facing financial crisis and are—at times—at risk of losing their home and farm.
- **Funding the Emerging Farmers Working Group** (HF 1274; J. Hanson) and otherwise help MDA best meet the needs of emerging farmers including through expanding access to credit, strengthening tax incentives for land transition, and improve the Department's outreach to BIPOC and immigrant farmers (HF 1186; Vang).
- **Reauthorizing Cooperative Development Grants** (HF 1687; Vang) to help farmers add value to their products and build new, more resilient models in the wake of COVID-19.
- **Further expanding opportunities in meat processing** through supporting the development of technical training programs, investing in the infrastructure needed for training, and funding a meat innovations specialist at the Agricultural Utilization and Research Institute (AURI) (HF 2037; Sundin).

We 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 underline.

Gary Wertish
President, Minnesota Farmers Union