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305 Roselawn Ave E | Suite 200 | St. Paul, MN 55117  
Phone: (651) 639-1223 | [www.mfu.org](http://www.mfu.org)

March 11, 2022

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 my strong support for Vice Chair Vang's proposal to reauthorize cooperative development grants (HF4111). This will help our members build and scale cooperatives that add value to MN-grown products, improve profitability, and keep money in rural communities.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. In the wake of COVID-19 and the face of market concentration and global supply chain challenges, our members are seeking new ways to process, market, and otherwise add value to the products they produce. One model that has a strong history in both Farmers Union and Minnesota is forming a farmer-owned cooperative to process or market products.

Importantly, cooperative development grants are different than other programs already offered by the Minnesota Department of Agriculture (MDA). The AGRI Value-Added program, for example, is targeted toward already established businesses to scale their work. The cooperative development grants proposed in Vice Chair Vang's bill would provide critical support for early-stage cooperatives, providing support for feasibility studies, drafting bylaws, establishing financial systems, and otherwise preparing the cooperative to take investment from member owners.

This opportunity is particularly important for emerging crops like the Forever Green Program's perennial wheat variety, Kernza, or industrial hemp, but it can also help farmers develop processing for meat and poultry and other products with established markets. Cooperative development grants at MDA will help groups of established and emerging farmers develop new and more resilient models for processing and marketing their products in the wake of COVID-19.

I thank Vice Chair Vang for her leadership on this proposal and the Governor for including this in his supplemental budget request. I hope it earns your support. If you have any questions, please contact our Government Relations Director, Stu Lourey, at [stu@mfu.org](mailto:stu@mfu.org) or (320) 232-2047 (C). Thank you for your work on behalf of farmers and all Minnesotans.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is written in a cursive style with a large, looped initial "G".

Gary Wertish  
President, Minnesota Farmers Union