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April 6, 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 share strong support for provisions included in the agriculture omnibus bill (SF 958, DE 1) and to share priorities we would like to see reflected in the final package. Thank you to Chair Westrom, Ranking Member Murphy, members of the committee, and staff for their hard work crafting this proposal. We look forward to continuing to partner with you as the bill moves forward.

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 businesses 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 our investment in farmers and rural communities.

Of the provisions included in the bill, I would like to thank Chair Westrom and express our strong support for:

- **Expanding small and mid-sized meat and poultry processing** by supporting the development of a meat processing technical training program at the Minnesota State College System (SF 2196; Sen. Ruud) and by funding additional state inspection services.

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. 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.

A technical training program (15.29) that incorporates slaughter through a mobile processing unit (16.21) will serve local producers, address workforce needs experienced by

processors, and train new entrepreneurs to take over existing plants. Taken together, this is a significant step forward for small and mid-sized livestock farmers across the state.

Similarly, hiring another inspector for Minnesota's meat and poultry inspection program (3.21) 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 MDA continue their work to expand existing plants and get new plants up and running across the state. This new funding will also bring a federal match, making it an even higher-value investment in our state's livestock farmers.

- **Building out biofuels infrastructure** through a grant program (8.32), which will expand the use of higher-octane, cleaner-burning biofuels, strengthen an important market for many family farmers, 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.
- **Funding broadband development** to make meaningful progress toward ensuring that every family has affordable, high-speed internet. As an active member, we echo testimony from the Minnesota Rural Broadband Coalition in sharing our support for new and needed funding for the Border-to-Border Broadband Grant Program and for staff at the Office of Broadband Development.
- **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 farmers can get help when they need it.
- **Helping new farmers access Farm Business Management (FBM) training** to help ensure that they are making smart financial decisions that can safeguard their operation into the next generation.
- **Supporting small food businesses** who operate under the Cottage Food exemption by continuing to develop a compromise that allows small food business to start and grow under the exemption and by clarifying the ability to sell pet treats.
- **Supporting famers who experience wolf and elk depredation** by funding accounts that help reimburse famers for losses due to wolves or elk. Particularly for small livestock producers, the loss of animals takes a significant financial and often emotional toll.
- **Supporting Farm to School and Early Care** initiatives that help improve local markets for Minnesota-grown foods.

Thank you for your hard work to develop and incorporate these initiatives into the final package. Each represents a positive step forward for our family farmer members and their communities.

As this package works its way through conference, we hope that the committee will be able to **secure general fund dollars for investments included in the Agricultural Growth Research and Investment (AGRI) program in order to maintain flexibility and continue support for farmer-facing programs already served through the program.** MDA's ability to quickly and effectively respond to the unpredictable challenges experienced by producers and others across the food supply chain this past year exemplify how farmers benefit from flexibility in the AGRI program.

Not only that, but we are concerned that not finding general fund support will result in important programs going unfunded. Of those that could lose funding, we want to highlight our strong support for:

- **Urban Agriculture Grants** which help advance agricultural education and support community development in urban areas across the state. We believe that everyone should have the opportunity to engage in agriculture and this programs helps make that possible for people who live in urban areas, including many Black, indigenous, and farmers of color.
- **Sustainable Agriculture Demonstration Grants** which help our members and others develop new ways to keep their farming operations resilient.

In addition to securing additional general fund dollars to support new initiatives, **we hope to earn the committees support for:**

- **Reauthorizing Farmer-Lender Mediation** (SF 1329; Sen. Eken) 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.
- **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.
- **Expanding the Farm Advocate program** by increasing funding for the program and allowing MDA to contract with an additional farm advocate. An additional advocate 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 Emerging Farmers Working Group** (SF 2231; Sen. Murphy) and otherwise help MDA best meet the needs of emerging farmers. We appreciate that the bill highlights the need to better serve emerging farmers (line 17.4) and support advancing specific initiatives including expanding access to credit, strengthening tax incentives for land transition, and improve the Department's outreach to BIPOC and immigrant farmers through a dedicated coordinator.
- **Funding the Noxious Weed Program** to last biennium's level to make sure MDA can continue working with local governments to combat noxious weeds that threaten farmers livelihoods.

- **Further expanding opportunities in meat processing** through augmenting current investments in helping meat processors open new facilities, transition to new ownership, or expand capacity (SF1228; Sen. Lang). We also support hiring a meat innovations specialist at the Agricultural Utilization and Research Institute (AURI).

I understand that crafting a budget requires making difficult decisions and hope to work with the committee to incorporate these priorities as the bill moves forward. Thank you again to Chair Westrom, Ranking Member Murphy, members, and staff for your work and accessibility this session—particularly given the challenges that come with remote work. We appreciate your partnership.

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, prominent "G" and "W".

Gary Wertish
President, Minnesota Farmers Union