



May 3, 2021

Chair Torrey Westrom
Agriculture and Broadband Finance Conference Committee
95 University Avenue W.
St. Paul, MN 55155

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

Dear Chair Westrom, Chair Sundin and members of the conference committee:

On behalf of Minnesota Farmers Union (MFU), I write to share comments on the agriculture omnibus bills before you and to highlight some specific provisions our members would like you to include in a final package. I appreciate you and your teams' hard work to develop these proposals, your responsiveness during a largely virtual session, and your attention to these priorities.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. For many family farmers, COVID-19 came on the heels of 5 years of record low farm income. And—while this year proved profitable for many farm operations—the future is still uncertain. This makes it all the more important that we have a strong budget for food and agriculture this session.

Not only that, but the pandemic's disruption of our largely consolidated food system made it all the more apparent that farmers, consumers, workers, and rural communities will all benefit from a food system that is more distributed, resilient, and fair. Many of the investments before you in conference committee represent a meaningful first step and we are eager to voice our support.

In particular, I want to thank the authors and highlight some provisions we feel are important to have reflected in the final package. Those include:

- **Expanding access to small and mid-scale meat and poultry processing**, including through:
 - **Further investment in meat and poultry processing** development (Senate 10.18; House 11.20), which will augment current investments. This 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;
 - **Hiring an additional inspection staff** for the state's meat and poultry inspection program, which will expand access to inspection and add valuable technical capacity at MDA, helping get new plants off the ground (Senate 4.7; House 4.3);
 - **Supporting a technical training program** (Senate 16.23) that incorporates slaughter through a mobile processing unit (Senate 17.16) will serve local

producers, address workforce needs experienced by processors, and train new entrepreneurs to take over existing plants; and

- **Adding a meat scientist to the staff at Agricultural Utilization Research Institute (AURI)** who will work closely with small meat processors and family farmers to sustainably develop that important industry (House 17.25).
- **Reauthorizing Farmer-Lender Mediation** (House 41.27) and extending the timeline for mediations by 30 days (House 42.1-45.16), providing important relief for farmers who are facing financial crisis and are—at times—at risk of losing their home and farm. Like so many other sectors of the economy, the effects of the pandemic were not uniformly felt and many farm families are still struggling.

In considering these changes, it is important that the committee remember that:

- Mediation is voluntary for the farmer—they choose it and can choose to end proceedings at any time;
- Mediations are emotional and increasingly complex, often involving multiple lines of credit with multiple lenders; and
- Farming is unique in that it is not just a family's livelihood, but also their home.

During the last ag census, from 2012 to 2017, Minnesota lost over 5,000 farms. And during the previous five-year period the state lost 6,000. This loss takes an economic and social toll on our rural communities and the entire state. While not the only tool, Farmer Lender Mediation is an important way the state helps level the playing field for those facing financial crisis, helping many families continue farming. We strongly support reauthorizing this program and strengthening it for farmers.

- **Building out biofuels infrastructure** through a grant program (Senate 9.22; House 12.4, 36.14), 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 the Emerging Farmers Working Group** (House 7.20) and an additional outreach position (House 7.24), both of which will improve MDA's outreach to and service of BIPOC and immigrant farmers. We are lucky in Minnesota to have many resources to support farmers – these investments will help ensure that everyone can access and use them to build a successful farm business.
- **Assisting in land access and transition** to help the next generation of farmers get on the land and build a life in agriculture (House 7.4). We appreciate the Senate's focus on and support for beginning farmers (Senate 11.18) and feel like that investment can be strengthened with the House's language on emerging farmers and land access.
- **Reauthorizing Cooperative Development Grants** to help farmers add value to their products and build new, more resilient models in the wake of COVID-19 (House 19.24).

- **Supporting the voluntary adoption climate-smart practices** that promote soil health and provide other ecosystem services through the Climate Smart Farms endorsement (House 4.10) and the proposed increase to the in the Ag Best Management Practices (AgBMP) Loan Program (House 15.20). Both build on successful programs and will help farmers and others in rural Minnesota invest in practices that not only improve water quality, but also help sequester carbon.
- **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 and share 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 (Senate 4.7; House 3.32)
- **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 (Senate 5.28; House 6.32).
- **Expanding the farm advocate program** by increasing funding, allowing MDA to contract an additional farm advocate, providing needed capacity to the program (House 13.3). We appreciate the Senate’s continued support and hope that a joint target allows for additional investment.
- **Funding the Noxious Weed Program** to match the previous biennium (House 3.29). This will make sure MDA can continue working with local governments to combat noxious weeds that threaten farmers livelihoods.
- **Funding the Market Bucks Program**, identified in statute as the Healthy Eating Here at Home program (House 16.28) to alleviate hunger while supporting small farmers who sell direct to consumer. This program matches federal Supplemental Nutrition Assistance Program (SNAP) dollars at participating farmers markets.
- **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 to wolf depredation 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, while connecting kids with healthy, nutritious food.
- **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. As part of this agreement, we have heard from members who have identified that the current registration fee is not a meaningful barrier to participation and supports the administration of the program.

In prioritizing these initiatives, we ask that you **secure general fund dollars for new investments and not displace current priorities in the Agricultural Growth Research and Investment (AGRI) program.** The undesignated nature of the fund helps MDA remain flexible, which allowed them to quickly and effectively respond to the unpredictable challenges experienced by producers and others across the food supply chain last year. Not only that, but avoiding further set-asides will allow the department to continue their support for farmer-facing programs, including the **Urban Agriculture Grant**, the **Sustainable Agriculture Demonstration Grant**, and the **Good Food Access Grant Program**. We support these programs, all of which could go unfunded if the Senate bill were enacted as written.

I understand that crafting a budget requires making difficult decisions and hope to work with all of you to incorporate these priorities into a final package. Thank you again to Chair Westrom, Chair Sundin, members, and staff for their work and accessibility this session. 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, looped "G" and "W".

Gary Wertish
President, Minnesota Farmers Union