



**LAND
STEWARDSHIP
PROJECT**

LEWISTON OFFICE
180 East Main St, Box 130
Lewiston, MN 55952
507-523-3366

MINNEAPOLIS OFFICE
821 East 35th St, #200
Minneapolis, MN 55407
612-722-6377

MONTEVIDEO OFFICE
117 South 1st St
Montevideo, MN 56265
320-269-2105

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Dear Chair Vang and Members of the House Agriculture Finance and Policy Committee:

Today, I am writing on behalf of Land Stewardship Project's (LSP's) 4,500 member households, particularly LSP's Land Access and Land Legacy Steering Committee and LSP's State Policy Steering Committee.

More people farming and being stewards of the land is at the root of LSP's mission. Emerging, small- and mid-sized, and regenerative farmers need secure and affordable land tenure to grow and thrive. LSP works to greatly increase access to land and secure land tenure for those who want to farm in the Upper in various ways:

- LSP's Farm Beginnings Program trains aspiring, young and emerging, and established farmers on how to successfully start and sustain a farm, economically, environmentally, and socially.
- LSP's Land Access/Land Legacy Program organizes landowners, retiring farmers, and emerging farmers to create pathways for transitioning farmland to people who want to farm.
- LSP's Policy Department organizes aspiring, emerging, and established farmers, landowners, rural residents, and others to address land consolidation, greatly expand access to land, keep existing farmers on the land, and more.

In 2006, LSP members conceptualized the Beginning Farmer Tax Credit (BFTC). Through partnership with allies, like the Central Minnesota Young Farmers Coalition, the bill passed in 2017. The program has been successful, but there are opportunities to strengthen it. **House File 2277 strengthens the program by:**

- Extending the program, which is currently set to sunset in December of this year.
- Increasing the credit for the sale of agriculture assets.
- Increasing the credit for sale of agricultural assets to socially disadvantaged farmers.

After conducting a detailed analysis on the program this past Fall, we came to the conclusion that the program is not sufficiently incentivizing the sale of farmland to young and emerging farmers.

Many young and emerging farmers, especially those who do not have inheritable land, are required to rent farmland due to the lack of affordable land to purchase. When farmers own land, their operation is more stable, they are able to build wealth and capital, and they are more likely to invest in the health of their land for themselves and future generations. By increasing the sale tax credit, more farmland owners will be incentivized to not just rent land out to beginning farmers, but to sell their land to young and farmers.

Moreover, due to generations of inequities, we know that emerging farmers face greater barriers in starting a farm, especially if they do not have land or capital to inherit. Increasing the tax credit for the sale or rental of land or assets to emerging farmers is an important piece of the puzzle we need to build to address these inequities.

Thank you to Chair Vang for leading on this bill – we ask the committee to support it.

Sincerely,

Amanda N. Koehler

Amanda Koehler, LSP Policy Manager
akoehler@landstewardshipproject.org, 612-400-6355