



March 16, 2023

House Agriculture Finance and Policy
Chair Samantha Vang
545 State Office Building
St. Paul, MN 551155

Dear Chair Vang, Republican lead Anderson and Members of the Committee,

The Minnesota Corn Growers Association (MCGA) submits the following written testimony on HF 2679 on behalf of our nearly 7,000 family farm members.

There are several items in the Governor's proposed budget for agriculture that MCGA supports:

- **Biofuels Infrastructure grants** – proposed funding of \$4.5 million per year within the Agricultural growth, Research and Innovation (AGRI) program (lines 10.1-11.5). This funding would help to expand the number of fuel retailers that offer higher biofuel blends to consumers. Typically, a 15 percent ethanol blend is marketed as Unleaded 88. According to the MN Department of Commerce, Unleaded 88 sold for 17 cents per gallon less than regular 87 in 2022. Higher blends of biofuels improve air quality while helping to support feedstock and biofuel production in greater Minnesota. We appreciate the inclusion of \$4.5 million per year by Governor Walz.
- **Soil Health Financial Assistance program** – proposed funding of \$2 million per year would provide direct financial assistance to farmers for equipment used to establish soil health practices (lines 2.25-3.2). Last year, under a pilot program, the Minnesota Department of Agriculture (MDA) initiated a first of its kind equipment grant program for soil health practices. Response to the pilot from Minnesota farmers has been very strong and we would encourage the committee to invest at least \$10 million one-time and an ongoing investment of \$2 million as included in HF1316, authored by Vice Chair Pursell, which has been previously considered by the committee.
- **Agriculture Research, Education, Extension and Technology Transfer (AGREETT)** - the purpose of AGREETT is to support agricultural productivity growth through research, education and extension in long-term base funding (lines 7.3-8.4). Since 2015, when the AGREETT program was established by the state legislature, significant progress has been made towards restoring and expanding capacity and research capabilities at the University of Minnesota in the College of Food, Agriculture and Natural Resource Sciences (CFANS), Extension and the College of Veterinary Medicine. Maintaining the base funding for AGREETT will ensure CFANS, Extension and the College of Veterinary Medicine and MDA are able to build on previous work to increase the capacity for agricultural research at the University of Minnesota.
- **Trade Promotion** – Minnesota continues to be in a strong position on agricultural exports to foreign markets. According to data from MDA, Minnesota is the fourth largest agricultural exporting state in the U.S. and ag exports support more than 52,000 on-farm and off-farm jobs, and generates over \$14 billion in total economic impact. The Governor's budget for agriculture proposes to increase capacity for

international trade opportunities at MDA, which will help to capture available opportunities to expand new markets for Minnesota agricultural commodities with \$150,000 per year in new funding (line 5.7-5.10).

- **Noxious Weeds** – in order to maintain healthy growth of agricultural crops, noxious weeds and invasive plant species must be controlled. The Governor’s agriculture budget proposes \$400,000 per year for grants to local units of government and Tribal Nations to manage noxious weeds and invasive plant species (line 3.8-3.14).
- **Mental Health Outreach and Support** – MDA has developed programming that provides critical support tools for farmer mental health and to manage stress, while also expanding programs for farm safety to avoid accidents that can increase stress on the farm. Proposed funding of \$250,000 per year will build on the excellent programming already developed at MDA to help assist even more farmers, ranchers and rural communities to improve mental health and farm safety (lines 5.31-6.31).

We do have concerns with the Department proposing to increase the fertilizer inspection fee by 25 cents on page 36 line 25. These fees are ultimately passed on to farmers when they pay for their inputs for the growing season. Separately the department has increased the Agriculture Chemical Response and Reimbursement Account (ACRRA) fertilizer and pesticides surcharge fees two years in a row to pay for clean ups that usually occur at commercial sites. With fertilizer prices at record highs the last two years, now is not the time to further increase fertilizer costs.

Thank you for the opportunity to submit written testimony. If you or your staff have any questions, please contact MCGA’s Senior Public Policy Director Amanda Bilek at 952-460-3604 or at abilek@mncorn.org.

Sincerely,



Richard Syverson
President
Minnesota Corn Growers Association