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*Minnesota Timber Producers
Association, Inc.*

Testimony
Minnesota Timber Producers Association
Minnesota Forest Industries
Omnibus Agriculture Finance, Housing and Broadband Bill
HF 4366
May 11, 2022

Conference Committee Members:

The Minnesota Timber Producers Association (MTPA) represents loggers, truckers, small sawmills, and allied businesses in the forest products industry in our state. Minnesota Forest Industries (MFI) is an association representing the state's forest products companies, including manufacturers of paper, lumber, oriented strand board, utility poles, and other products. We appreciate the opportunity to submit comments on the Omnibus Agriculture Finance, Housing and Broadband bill.

Some MFI member companies are enrolled in the AGRI Bioincentives Program as provided in Minnesota Statutes 2020, sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21.

This program provides an excellent incentive to attract biomass-based businesses to Minnesota and for existing businesses to restructure to take advantage of abundant waste woody raw materials. Using wood waste not only helps the state's mills, but it also creates jobs for loggers and truckers, and can help us meet carbon reduction goals.

Unfortunately funding for the program has not met the demand, and money typically runs out in the second quarter of the year. One MFI member heats facilities with mill residues. They don't need heat in the first quarter, start using it in the second, and use it extensively in the third. By then there are no funds available. The House version includes sufficient funding to make up for past shortfalls and meet existing demand into the future. We urge the Committee to increase funding in this program.

Additionally, we find the new reporting requirements under Minnesota Statutes 2021 Supplement, section 41A.19 REPORT; INCENTIVE PROGRAMS (Revisor lines 45.23-46.13) unworkable at best. If the language passes MFI members have indicated that they will strongly consider dropping out of the program altogether. Please consider removing this section from the bill in conference committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ray Higgins', written in a cursive style.

Ray Higgins
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A handwritten signature in black ink, appearing to read 'Rick Horton', written in a cursive style.

Rick Horton
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