

April 18, 2022

The Honorable Mike Sundin, Chair
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100 Rev. Dr. Martin Luther King Jr.
Blvd. Saint Paul, Minnesota 55155

The Honorable Torrey Westrom, Chair
3201 Minnesota Senate Building
95 University Avenue West
Saint Paul, Minnesota 55155

The Honorable Samantha Vang
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100 Rev. Dr. Martin Luther King Jr.
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The Honorable Bill Weber
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The Honorable Rob Ecklund
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The Honorable Andrew Lang
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The Honorable Rick Hansen
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The Honorable Gary Dahms
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The Honorable Paul Anderson
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The Honorable Kent Eken
2211 Minnesota Senate Building
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Saint Paul, Minnesota 55155

Dear Conference Committee Conferees:

I want to thank you and your colleagues for the considerable work you put in to drafting your respective chamber's drought relief bills. Our agency appreciates your commitment to Minnesota's agriculture sector and aiding those who were severely affected by last year's drought. I look forward to working with all of you on crafting a bill that will provide relief to those who need it most.

Rapid Response Grants

We are grateful for the thought that went into the rapid response grants for livestock and specialty crop growers and recognize there are several important differences to work through. We are confident we will end up with a strong resolution that will help producers immediately.

In terms of the allocation breakdown and individual payment amounts, we prefer the House approach as it allows us flexibility to ensure we're able to cover the requests made by affected producers and cover more expenses. We also prefer the House language that allows administration costs for the department. A program of this nature, especially at the pace we hope to issue the grants, will take significant staff time.

We have concerns with both the House and Senate approaches to producer eligibility and would like to propose a third option. This proposal would expand the number of eligible counties but would eliminate the need to do a

tiered system based on the level of drought. USDA publishes a list of primary counties and contiguous counties that would include Traverse and several Metro Area counties. It would still exclude four counties in the southeast, but they're a slightly different four than relying on the National Drought Monitor.

- Excluded by Drought Monitor: Dodge, Olmsted, Winona, Wabasha
- Excluded by Primary and Contiguous Natural Disaster Areas: Winona, Wabasha, Goodhue, and Rice
- To get to this third option, the Senate language could be amended as follows:
- Eligible producers must be located in counties that were designated as a primary natural disaster area by the United States Department of Agriculture between July 20, 2021, and December 31, 2021 or that were contiguous to county designated as a primary natural disaster area.

Rural Finance Authority

The Rural Finance Authority (RFA) Disaster Recovery Loans have proven to be helpful to farmers in need and we know there is demand from those who experienced losses due to drought last year. *We would prefer the House language of \$5 million to ensure we cover the expected needs.* In addition, due to the confirmation of High Path Avian Influenza (HPAI) at the end of March, these loans can also be used by producers whose flocks have been affected by the virus.

Agricultural Emergency Account and Veterinary Diagnostic Lab

We support the Senate's investment in both the Veterinary Diagnostic Lab (VDL) and the agency's Ag Emergency Account. We are grateful for the recently passed \$1 million investment into the ag emergency account, but we anticipate additional financial needs for the response to the HPAI outbreak. Our partners at the VDL have been and continue to be integral to the outcome of any response and the investment in their work will ensure a more successful response. We appreciate the addition of these appropriations at this critical juncture.

Department of Natural Resources (DNR)

We support the Governor's original request for dollars to the DNR which the House position also includes.

Thank you for your consideration of these items. I look forward to working with you to develop a drought relief package that helps our producers and invests in Minnesota's agricultural future.

Sincerely,



Commissioner Thom Petersen

CC:

Nancy Conley, House Agriculture Finance and Policy Committee Administrator

Joel Hanson, Senate Agriculture and Rural Development Finance and Policy Committee Administrator