



LAND STEWARDSHIP PROJECT

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Dear Chair Vang and Members:

Thank you for your hard work this legislative session to put together a budget that delivers for our farmers, rural communities, and state. We are excited that the DE amendment for House File 2278 includes many priorities of Land Stewardship Project members and supporters. It also presents a few opportunities to adjust or build upon what is in the amendment.

Local Processing

Thank you for your robust investments in local meat, poultry, egg, and dairy processors. As you know, it is challenging for small and mid-sized meat and poultry processors to navigate inspection and certification processes, develop health and safety plans, and expand and transition their businesses. It is also challenging for small and mid-sized livestock and poultry farmers to secure processing dates that are well-timed and local. **We applaud your inclusion of:**

- \$75,000 per year to establish a meat processing liaison position in the Department of Agriculture, continuing in the base budget.
- \$500,000 per year for grants to meat and poultry processors with 100 or fewer full-time employees to reimburse for costs of training and retention of employees.
- \$1.25 million per year from the AGRI fund for grants for meat, poultry, egg, and dairy processors to start-up, modernize, or expand their businesses.

Emerging & Beginning Farmers

As you know, emerging farmers, particularly those without access to generational land or wealth, face many barriers to starting a farm. Emerging farmers, especially those who are Black, Brown, Indigenous, or people of color, have lacked institutional support. Ensuring the Emerging Farmers Office has stable funding and staffing is crucial to their ability to start farming and thrive. Thank you for your inclusion of the following:

- \$750,000 per year for Farmland Down Payment Assistance Grants.
- \$400,000 per year for the Emerging Farmers Office through FY 2027, with a base of \$500,000.
- Repealing the sunset for the Emerging Farmers Working Group.
- \$250,000 per year for Beginning Farmer Equipment and Infrastructure Grants, with a base of \$500,000.

We would like to see the language of the Farmland Downpayment Assistance Grants include language that the Midwest Farmers of Color Collective, Land Stewardship Project, and others have been recommending. This language ensures the program is accessible and equitable to those who need the funds most, including a 30-day application window, and we will follow up on this with Chair Vang.

Moreover, we recommend matching the Governor's proposed budget when it comes to funding for the Emerging Farmers Office. That proposal included \$1 million for FY 2024-25, \$1.55 million for FY 2025-26, and a base of \$1.25 million. This would ensure that the Emerging Farmers Office can stably expand its staffing to be able to meet the needs of emerging farmers in Minnesota. In particular, we think it's important that the base budget is not less than the amount appropriated for this biennium to ensure stable staffing.

Local and Regional Food Systems

Our local and regional food systems provide nutrient-dense food to our communities, create market options for small and mid-sized farmers, and foster economic resiliency. **We particularly appreciate the inclusion of the following:**

- \$1 million per year from the AGRI fund for the Farm-to-School Program, extending eligibility for the Farm-to-School program to include early childhood education centers.
- \$100,000 per year to facilitate the startup and expansion of co-packing facilities, commercial kitchens and other supply chain infrastructure.
- \$100,000 per year for The Good Acre's Local Emergency Assistance Farmer Fund (LEAFF).
- \$500,000 per year for the Good Food Access Program.
- \$600,000 per year for urban youth agricultural education and urban agriculture community development.

We are disappointed to not see the creation of a full-time statewide coordinator of farm-to-institution strategy and programming. Additionally, it is critically important to increase the base funding amount for the Farm-to-School grant program to allow our farmers to see this as a viable market and keep the momentum up for food service directors to incorporate local purchasing.

The demand is there from both school food service staff to students to farmers to build out what could be an incredibly powerful part of our economy. States like Oregon and Michigan spend up to \$10 million per year on their farm to school program, Minnesota should follow their lead.

In the future, we also hope the committee includes funding for several regional food systems coordinators in different parts of the state in order to adequately provide institutional support for farm-to-institution programs, the development of regional food systems infrastructure, and more. Even a pilot amount of \$50,000 would be powerful to see the impact these positions could have for our growers and local institutions to scale local purchasing.

We would also like to see the inclusion of funding for farmers' markets. Minnesota has 370+ farmers markets in Minnesota and needs critical support for infrastructure, marketing, and more. We recommend considering repurposing some dollars for parts of the industry that have abundant private investments to ensure our farmers' markets, and the thousands of producers that rely on them (primarily made of up emerging farmers) have the support they deserve.

Soil Health, Water Quality, and Climate Change

As you know, investments in farming practices that truly build soil health are investments in the economic sustainability of farms, clean water, climate and landscape resiliency, human health, nutrient reduction, and more.

We applaud your inclusion of the following:

- \$150,000 for a Climate Coordinator Position. This position would be responsible for bringing federal dollars to Minnesota, coordinating efforts to advance the Climate Action Framework, and building collaborations and partnerships with private, public, and non-profit entities.
- \$500,000 for the Continuous Living Cover Supply Chain Development Grant Program.
- \$1,000,000 per year for grants to support hemp processing. Hemp is an incredible crop that has multitude benefits for soil health, creating more options for crop rotations, does not utilize synthetic herbicides, and as a product has seemingly limitless options for uses from hemp-concrete to bioplastics, fiber products and oil.
- \$2.5 million for a pollinator research account.
- \$100,000 for the MDA to prepare a proposal to regulate systemic pesticide-treated seed.
- \$1.688 million for identification and regulation PFOS and PFAS in pesticides, forever human-made chemicals that are extremely harmful to human health.

We appreciate the inclusion of \$250,000 per year for the Soil Health Financial Assistance Program. However, this funding is not nearly enough to meet farmers' needs and adequately address water quality issues and our rapidly changing climate. Comparing this amount with other items in the budget also shows that this is not a high priority. With high barriers to the adoption of soil-healthy farming practices, such as the cost of specialized equipment, the need for technical support, and tight profit margins it is difficult to incorporate something new, and we ask that you to consider increasing this amount.

We also ask that you limit the Soil Health Financial Assistance program to practices and equipment for practices that are proven to build soil organic matter, such as cover-cropping, managed rotational grazing, no-till, perennial cropping, agroforestry, and organic transitions.

Fair Farm Economy

We also want to thank you for your inclusion of the following, which will help keep small- and mid-sized farms in business:

- The establishment of a Grain Indemnity Fund to protect producers in the event of fraud, elevator collapse or other events that result in nonpayment to producers.
- \$337,000 per year for farm advocate services with \$50,000 per year directed toward farmland transition programs.
- \$3 million for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants.

Again, we understand the reality of the budget target and we encourage you to consider repurposing some dollars for parts of the industry that have abundant private investments to ensure small and mid-sized farmers, emerging and beginning farmers, local processors, and other need to start, expand, or transition their businesses, build a resilient food system, and steward our land, water, air, and climate.

Thank you for your work and for your consideration.

Sincerely,



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