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House Agriculture Finance and Policy Committee

February 29, 2024

RE: **HF 4135** (Hansen) a bill to add a \$0.99 per ton fee to fertilizer sales – ***MCPR is opposed!***

Dear Members:

The Minnesota Crop Production Retailers (MCPR) oppose an additional \$0.99 per ton fee on nitrogen fertilizer sales in Minnesota.

We understand the need to address drinking water quality and support public investments to provide safe drinking water as a matter of public health. The State of Minnesota has a variety of funding sources that can be accessed to provide clean water and assist private well owners with financing upgrades and water treatment projects. We disagree with using a statewide tax on fertilizer sales as a funding source.

MCPR members work closely with growers as trusted advisors in planning crops and ensuring plant health. We believe farmers and growers play an important role as stewards of the land who are motivated to protect soil health and address water quality management. Local co-ops and ag retailers are actively using soil testing data and best management practices to assist growers in maximizing fertilizer efficiency and optimizing crop production to ensure farm profitability. MCPR administrators the Certified Crop Advisor program and the 4R Nutrient Stewardship Council; as such, we are strongly interested in promoting best management practices and leveraging industry expertise to be part of the solution.

We are increasingly seeing the benefits of precision agriculture and the benefits of a voluntary approach to deploying best management practices. Based on statewide sales data from the Minnesota Department of Agriculture and production data from the National Agricultural Statistics Service, statewide nitrogen use efficiency has increased over the past 50 years from 1.22 pounds of nitrogen per bushel of corn to 0.86 pounds. We are happy to engage in further discussions to see how we can demonstrate the progress being made and explore incentives that support a business model to realize further the benefits of implementing precision agriculture, utilizing data-driven decision-making, and improving overall fertilizer efficiency.

Thank you,

Lee Helgen, Executive Director
Minnesota Crop Production Retailers