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January 18, 2023

Chair Samantha Vang  
House Ag Committee  
545 State Office Building  
St. Paul, MN 55155  
651-296-3709

Dear Chair Vang and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to express strong support for authorizing the Minnesota Department of Agriculture's (MDA) to borrow funds to replenish the Rural Finance Authority (RFA) bond funded account. We ask that you do so early in session, limiting the effects of a funding lapse, allowing MDA to lock in interest rates, and providing certainty to farm families.

MFU is a grassroots membership organization that has represented Minnesota's family farmers, ranchers, and rural communities since 1918. While our members are diverse in their operations, they are unified in the fact that affordable financing often presents a significant challenge, particularly when families are already faced with uncertainty related to increasing input costs, unpredictable weather, and generational farm transition.

Broadly, the low-interest loans made available by the RFA help young farmers, farm families rebuilding after natural disasters, and others reinvesting in their operations. Top of mind right now, is the Disaster Recovery Loan Program which helped producers weather COVID-19 and 2021's historic drought. Today, we are hearing from members facing devastating barn collapses from this winter's already heavy snow and are optimistic that this program can be of help. Also important to work championed by this committee last session, the Beginning Farmer Loan is the RFA's most popular program.

We thank Chair Vang and Representative Burkel for leading a bill that ensure the RFA can continue to serve farm families with programs in the bond funded account, including the Beginning Farmer Loan Program. And we ask that members see that this is passed early in session so that this program can assist farmers with the start of the 2023 growing season. This will also allow MDA to lock in interest rates, hedging future uncertainty. Significantly, there is precedent for funding RFA programs early, ahead of a full bonding package. In 2017, when the program was also facing a funding shortfall, funding was passed with bipartisan support and made effective in February that year. Again in 2020, full RFA funding was approved and signed by the Governor in March.

My hope is that you will again act early to give added certainty to family farmers and rural communities. If you have any questions, don't hesitate to contact our Government Relations Director, Stu Lourey, at [stu@mfu.org](mailto:stu@mfu.org) or (320) 232-3047. Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is written in a cursive style with a large, prominent "G" and "W".

Gary Wertish  
President, Minnesota Farmers Union