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March 3, 2022

Chair Paul Marquart
House Tax Committee
597 Rev. Dr. Martin Luther King Jr. Blvd.
St Paul, MN 55155

Dear Chair Marquart and members of the committee:

On behalf of Minnesota Farmers Union (MFU), I write to share our strong support for Rep. Nelson's bill to exempt fencing equipment from sales tax (HF3307). Making this change retroactive through last summer will provide many livestock producers with needed relief and allow others to reinvest in their operations in response to this summer's historic drought.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. This past summer, many of livestock producers—and particularly those who rely on pasture—were hit hard by the 30-year drought. Nearly 80 percent of Minnesota faced severe drought conditions that deteriorated pasture used for haying and grazing. At present, 70 percent of the state is still abnormally dry.

The ongoing drought pushed many livestock farmers to invest in fencing new pasture, erect temporary fencing on state-owned land, or build paddocks to intentionally graze their livestock to make best use of the land they had. Providing a retroactive reprieve from sales tax is one way your committee can provide them with relief from the drought. Long-term, this investment will help grazers reinvest in their operations, graze more intentionally, and remain resilient to future droughts.

Much farm equipment is already exempt from sales tax, including most machinery, grain dryers, milking systems, and irrigation equipment. Adding fencing material to the list of exemptions will benefit livestock grazers long-term.

I appreciate your consideration of this proposal and thank Rep. Nelson for his leadership. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for your work on behalf of farm families and all Minnesotans.

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