LETTER FROM TAMARA

Dear AgriGrowth members & friends,

It is hard to believe that it is already time for AgriGrowth's mid-year report update! Thus far, 2019 has been a very busy year for our organization and I am proud of what we have accomplished. I am confident AgriGrowth will remain a strong voice for Minnesota's farmers, agribusiness, and supporting organizations.

I am very proud to serve as the Executive Director of this highly respected organization and I thank our members and friends for the positive welcome I received as I returned to Minnesota to fulfill this new leadership role. I enjoy utilizing my experience and expertise to work on behalf of AgriGrowth; I look forward to continuing to work with our members to initiate and achieve positive outcomes for Minnesota's ag sector.

This year, we made significant strides in advancing the agenda of AgriGrowth's members and serving as a strong voice for agriculture in Minnesota. At the state legislature, we effectively forged new relationships with key legislative leaders and hosted several successful meetings and events that allowed our members to develop a constructive dialogue with state legislative leaders. We also hosted and participated in discussions with national leaders, which gave our members the unique opportunity to speak directly to the individuals at the forefront of creating new ag policy.

I am also excited to announce we have hired Patrick Murray as our new Director of Government and Member Relations. Patrick was formerly the Director of Government Relations for Cooperative Network and we are looking forward to adding his wealth of experience to our team!

As we move forward towards concluding 2019, I encourage AgriGrowth members to take advantage of two upcoming opportunities to give us your feedback. Our September 10th and October 8th BULLETINS will have brief electronic survey links allowing members to provide input into AgriGrowth's public policy agenda and programming. Also, please mark your calendars for the Ag and Food Summit November 7th!

At AgriGrowth, we have a long-standing tradition of excellence, and by working together, we have effectively created positive change for Minnesota's farmers, agri-business, and supporting industries. I will keep working with and advocating for you as we build on this year's successes. I look forward to 2020 and to exploring future opportunities to advance and honor AgriGrowth's mission.

I hope to connect with you over the next few months and see you at one of our hosted meetings or events!

Tamara Nelsen
EXECUTIVE DIRECTOR, AGRIGROWTH

If you are interested in joining the membership of AgriGrowth or want to be on our email list, please email Patrick Murray, Director of Government and Member Relations at pmurray@agrigrowth.org.
The 2019 Legislative Session was eventful from start to finish - including special session! This past session was the budgeting year and budget agreements were reached in all state spending areas. Minnesota’s ag and food sector had several significant wins in the 2019 Session—below is a recap of the positive budget and policy outcomes for our farmers and agribusinesses:

**Taxes**

**Increased Section 179 expensing** – A top priority for AgriGrowth and its members, the state will now allow up to $1M in expensing of farm and business equipment. The only catch is that it must continue to be spread out over five years rather than taken immediately as it is at the federal level. The increase to $1M dollars from $25K dollars is a dramatic improvement; AgriGrowth appreciates the work of the legislature in moving the needle toward full immediate expensing.

**Increased school bond credit** – In 2017, Minnesota created a new property tax credit for farmers. This law created a tax credit equal to 40% of a farmer’s property tax bill attributable to school building bonds. Under the bill passed this session, this credit will be increased to 50% in tax year 2020, 55% in 2021, 60% in 2022, and 70% in 2023. This provision not only provides much-needed tax relief to Minnesota farmers, but also helps rural school districts pass local referendums to improve school facilities.

**Reduction in the statewide general levy** – All Minnesota businesses pay property taxes just like homeowners. Where Minnesota differs is in having an additional property tax known as the commercial-industrial levy, or C/I tax. This tax bill will reduce that levy by $47.5M dollars beginning in tax year 2020. This is a big win for Minnesota businesses which received federal tax reductions in 2017 but not corresponding state tax relief.

**Agriculture Finance and Policy**

- $5.0 million funding for soybean innovation campus and research (AGRI);
- $8.0 million in funding assistance to dairy farmers who enroll for five years of marketing coverage under the current federal farm bill (AGRI & DEED);
- $1.3 million for mental health counseling and advocates;
- $40 million for Rural Broadband;
- Not contained in the bill was a House provision that would have allowed the commissioner of agriculture to delegate pesticide regulation authority to cities of the first class.
Environment and Natural Resources Finance and Policy

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Bill Ingebrigtsen (R-Alexandria), the omnibus environment and natural resources finance bill was approved 84-43 by the House and 61-5 by the Senate. In total, the bill would provide General Fund appropriations of $338 million during the upcoming biennium for the Pollution Control Agency, Department of Natural Resources and Board of Water and Soil Resources. The compromise provides $14.78 million above base appropriations of $338 million from the state's General Fund during the 2020-21 biennium for the Pollution Control Agency and the Department of Natural Resources.

Transportation Finance

The House and Senate passed a $6.7 billion transportation finance bill. The proposal appropriates just shy of $100 million in new transportation spending over the 2020-21 biennium. It includes $55 million to replace the troubled Minnesota Licensing and Registration System and $13 million in reimbursement to deputy registrars that were hit hard by the problematic rollout of the system in July 2017.

HF6, sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Scott Newman (R-Hutchinson), doesn't include transportation initiatives like the proposed 20-cent gas tax increase, metro area transit-dedicated sales tax increase, nor vehicle registration fee increases. Together, they would have raised an additional $1.5 billion over the biennium for road, bridge and transit projects.

Several significant House provisions that would be detrimental to the agri-food industries failed to make their way into the compromise, including:

- Re-establishing the MPCA Citizens’ Board;
- Designating the new state bee as endangered; and
- Banning the use of neonicotinoids on all wildlife management areas.

PROVISIONS OF INTEREST THAT DID PASS INCLUDE:

- $55 million to replace the vehicle licensing system known as MNLARS
- Allows an individual to use a restricted license for farm work on any type of farm, regardless of how it is legally organized. The radius in which a farm work license-holder may operate is increased from 20 miles to 40 miles of the farmhouse. This restriction on driving in a city of the first class is removed.

- Agricultural products that can be hauled under a special overweight vehicle permit. Qualifying agricultural products include: soybeans, corn, oats, grain, by-products of agricultural crops, cattle, hogs, and poultry, sugar beets, potatoes, carrots, and onions, fluid milk, seed and material used for or in livestock and poultry, livestock manure.
WHAT’S NEXT FOR AGRIGROWTH?

AgriGrowth members and Executive Director to participate in Ag Innovation Showcase

From September 9-11, Minnesota will host the 11th Ag Innovation Showcase powered by the Larta Institute. Since 2009, The Ag Innovation Showcase has curated and presented high-impact innovation from around the world, facilitating important discussions about the ag industry. Known as a leader among ag events, it is acclaimed as the “go-to” event for food and ag innovators and investors.

AgriGrowth members including AURI, Cargill, Corteva, General Mills, Land O’Lakes, the University of Minnesota, and others are involved in or sponsoring the event. Executive Director Tamara Nelsen will moderate the September 9th panel of farmers entitled “Push/Pull or Proactive Stance?” where participants will discuss whether growers are being pushed or pulled through the explosion of new innovative technology solutions for agriculture, how and where their voices should be heard, and whether their farm’s business models affect the adoption of new technologies.

AgriGrowth members and Executive Director hosting Chamber of Commerce Leaders Lab participants

On September 18-20, AgriGrowth members Christensen Farms, CHS, and Davis Family Dairies are hosting tours for the Minnesota Chamber of Commerce’s Leaders Lab Program. Executive Director Tamara Nelsen will offer a presentation on the Current State of Minnesota Agriculture to the group on September 18.

AgriGrowth partners on “From Field to Glass: Innovations in Brewing and Distilling” event during October 10-15 Food Ag Ideas Week

On October 10, AgriGrowth will partner with AURI, The Artisan Grains Collaborative and Renewing the Countryside, The Lab and BevSource to offer a networking event, “From Field to Glass: Innovations in Brewing and Distilling”. The 11:00 a.m. to 3:00 p.m. event is designed to celebrate the diversity of Minnesota agri-food from grain to bottle and to identify opportunities for continued growth, networking, and innovation.

Join us November 7 for the Food and Ag Summit hosted by AgriGrowth!

Don’t miss this year’s event! In addition to traditional favorites like the Economic Outlook, the Distinguish Service Award, the Governor’s State of the State Address, and the political report out of Washington, DC, this year’s Summit features a panel of quintessential Minnesota grocers followed by a panel of Minnesota’s ag and food CEOs who are partners in Minnesota’s MBOLD initiative. What a great chance to get closer to the consumer-driven section of the food chain!
Meetings & Events

AgriGrowth’s meetings and events give members the unique opportunity to hear from and speak directly to the legislative leaders involved in setting policy and making financial decisions for Minnesota and the nation’s food and ag industries.

Roundtable with Deputy Secretary of Agriculture Steve Censky

At the request of the U.S. Department of Agriculture, AgriGrowth hosted a roundtable discussion with Deputy Secretary Steve Censky and more than two-dozen leaders from Minnesota’s agri-food sector. Deputy Secretary Censky focused on the need to address market access barriers in trade discussions with China, Japan and Canada, the importance of ratifying the United States-Mexico-Canada Agreement (USMCA), the importance of rural development and investments, and the farm bill. Over 20 agriculture and food sector leaders were represented at the roundtable discussion led by AgriGrowth Board Chair Pat Lunemann, that also included Thom Petersen, Minnesota’s Ag Commissioner.

Participants also discussed financial hardships related to market prices, tight lending requirements, the need to increase ag and food research and provide more access to mental health services, and expressed appreciation for movement on year-round E15.

Roundtable on Agricultural Conservation and Finance

On August 13, 2019, AgriGrowth hosted a Roundtable on Agriculture Conservation and Finance in Bloomington, Minnesota. The purpose of the roundtable was to connect farmers, farm business partners, and conservation organizations to discuss the financial impacts of conservation adoption and potential opportunities to create financial incentives to advance agricultural conservation. Participants included farmer and staff leaders from Minnesota farm and ag finance and lending organizations, major state and national conservation organizations, engineering firms and others working on water quality, the Minnesota Department of Agriculture, and state and local water conservation districts. As follow-up to the Roundtable, AgriGrowth is developing a refined list of conservation finance opportunities for agriculture in Minnesota to encourage future discussions and collaboration opportunities among participants.
Day on the Hill

The AgriGrowth Day on the Hill and Legislative Reception were successful! Legislators we spoke with provided positive feedback regarding the how valuable the information provided by our members was to their ag and food sector work. We greatly appreciate members’ participation and advocacy - you made a real impact! Your expertise and knowledge effectively promoted AgriGrowth’s legislative priorities and highlighted initiatives that are vital to Minnesota’s agriculture and food industries.

Legislative Kick-Off

AgriGrowth’s Legislative Kick-Off event set a positive tone for effectively working with Minnesota legislators through-out the session. We were honored to welcome the following as speakers: Thom Petersen, Commissioner of Agriculture; Senate Majority Leader Paul Gazelka; Senate Agriculture Policy Committee Chair, Senator Bill Weber; and House Agriculture Finance Committee, Representative Jeanne Poppe. The event not only provided AgriGrowth members with early insight into the issues legislative leaders planned to tackle during session, but also allowed members to share their thoughts on the most pressing issues facing their industry.

Post-Session Wrap Up

AgriGrowth hosted a lively Annual Legislative Wrap-Up discussion with the following legislative leaders: Majority Leader Rep. Ryan Winkler, Senate Tax Chairman Senator Roger Chamberlain, Deputy Minority Leader Rep. Anne Neu, and Environment and Natural Resources House Chairman Rep. Rick Hansen. The panelists highlighted key legislative issues related to the agriculture and food industries, what was accomplished over the past session, and indicated what we can anticipate to see in the next legislative session.
FarmFest

On August 6, Minnesota AgriGrowth Council Executive Director Tamara Nelsen joined the “Ag Policy Discussion with National Ag Leaders” panel at the 2019 Farmfest. Moderated by Mark Dorenkamp of Brownfield Ag News, the panel included discussions on several critical ag policy issues such as trade, the new USMCA agreement, MFP and disaster aid payments, the new Farm Bill, immigration reform, rural health care and infrastructure improvements.

“We do need certainty. We need to get our markets back, because if we get the markets back, we will get the higher prices and people’s optimism will return” Nelsen said while discussing the US trade negotiations. “We put together a coalition letter on the USMCA and sent it to our legislators to make sure they all know where our family of companies stand on this issue. We have been consistent in our messaging on trade and will continue to do so alongside farmers, trade associations, ag companies and producers”.

The featured panel speakers were Tamara Nelsen, Executive Director, MN Agri-Growth, Scott VanderWal, Vice President, American Farm Bureau, Rob Larew, Sr. Vice President, National Farmers Union, Harold Wolle, Board Member, National Corn Growers Association and Joel Schreurs, Board Member, American Soybean Association.
Minnesota AgriGrowth Council is a non-partisan, non-profit member organization representing the agriculture and food systems industry. Our strategic approach to policy development, issues management, collaboration and awareness fosters long-term sustainability, competitiveness and business growth. AgriGrowth’s diverse membership provides an informed and respected perspective for key influencers and consumers. AgriGrowth’s industry-wide perspective is essential in a state where agriculture and food is the second largest economic driver.

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**November 7, 2019**

**Minneapolis Convention Center**

**Ag & Food Summit**

**Hosted by AgriGrowth**

**Wednesday, November 6, 2019**

5-8 pm  Pre-conference Reception at Brit’s Pub

**Thursday, November 7, 2019**

7:30 am  Registration open / Breakfast
8:15-9 am  AgriGrowth Business meeting (members only)
9-10 am  Economic Outlook;
10-11:30 am  Innovating for Relevancy and Sustainability
11:30 am  Break & Exhibit Fair
12-1 pm  Luncheon Panel: Sustaining Minnesota’s AgriFood Future – MBOLD Initiative
1-1:30 pm  State of the State Address
1:30-2 pm  Break & Exhibit Fair
2-3 pm  Political Update
3-4:30 pm  Keynote: Innovating Together for Ag’s Future
4:30 pm  Post-conference Reception & Exhibit Fair
6 pm  Conference concludes