

March 5, 2025

Chair Ann Rest  
Senate Tax Committee  
Capitol, Room 328  
St. Paul, MN 55155

RE: Ag groups support for the Beginning Farmer Tax Credit (BFTC) (SF1419)

Dear Chair Rest and members of the Senate Tax Committee:

As organizations who care deeply about the future of farming in Minnesota, we write to express strong support for lifting the cap on total state funding available to the Beginning Farmer Tax Credit (BFTC) so that no new farmer is turned away from this nation-leading program. This successful and pioneering credit helps new farmers access land, equipment, livestock, and other assets needed to build a successful farm business.

Thank you for reauthorizing and expanding this credit in 2023, allowing family members to participate for the sale of ag land, increasing the value of the credit to keep pace land values, and providing additional support to farmers who are often not coming into a family operation. These changes will help more new farmers achieve the dream of farm ownership.

However, as part of these changes, the overall amount of funding available to the credit was lowered from \$6.5 million (with the remainder carrying forward) to \$4 million annually. With this change—and for the first time in the credit’s history—beginning farmers were turned away from utilizing this credit to close purchases on land, livestock, and other farm assets.

This is a loss not just for those beginning farmers, but also our communities and state. Beginning farmers often mean new businesses in rural communities, more money spent at main street, and new kids in rural schools. Senator Putnam’s bill (SF1419) would remove the cap on overall state funding for the BFTC, ensuring that no one is turned away from this program due to lack of funding.

We ask that you include SF1419 in your tax proposal this year and strengthen our state by helping the next generation build a life in agriculture. Thank you for your work on behalf of farmers and all Minnesotans.

Sincerely,

AgCountry Farm Credit Services  
Compeer Financial  
Hmong American Farmers Association  
Land Stewardship Project  
Latino Economic Development Council  
(LEDC)  
MN Association of Wheat Growers  
MN Corn Growers Association (MCGA)  
MN Farm Bureau Federation (MFBBF)  
MN Farmers’ Market Assn. (MFMA)  
MN Farmers Union (MFU)

MN Milk Producers Association (MMPA)  
MN Pork Producers Association  
MN Soybean Growers Association (MSGA)  
MN State Cattlemen’s Association (MSCA)  
MN Sustainable Farming Association (SFA)  
MN Turkey Growers Association  
Red River Valley Sugarbeet Growers  
Association  
Renewing the Countryside (RTC)  
The Food Group  
The Good Acre (TGA)