

April 28, 2026

RE: Agriculture support for lifting cap on the Beginning Farmer Tax Credit (SF1419)

Dear Chair Rest and members of the Senate Tax Committee:

As organizations who care deeply about the future of farming in Minnesota, we appreciate the opportunity to share our strong support for lifting the cap on total state funding available to the Beginning Farmer Tax Credit (BFTC). This will ensure that no new farmer is turned away from this nation-leading program due to lack of funding. We thank Senator Putnam for his hard work on this change and know it will be meaningful to beginning farmers, those hoping to transition their operations, and others who care about thriving rural communities.

This successful and pioneering credit helps new farmers access land, equipment, livestock, and other assets needed to build a successful farm business. You reauthorized, strengthened, and expanded this credit in 2023. 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 achieve the dream of farm ownership. In 2025, more than half of the applicants were turned away from the credit.

Lifting the cap as in your bill and helping more new farmers get on the land is a win not just for those families, but also our communities and state. Beginning farmers mean new commerce in rural communities, more money spent at main street, and new kids in schools.

Thank you for including the lifting of the cap on total state funding for the Beginning Farmer Tax Credit in your omnibus bill. This important change will strengthen our state by supporting the next generation as they build a life in agriculture. We appreciate your work on this provision in the coming weeks and hope to see it reflected in a final deal.

Sincerely,

