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Historic Win for Minnesota Young and Beginning Farmers

First in the nation land access bill for young and beginning farmers signed by Governor Dayton - bipartisan and agricultural groups supporting.

Saint Paul, Minnesota – On Tuesday evening, Governor Mark Dayton signed ten budget bills that included a first-of-its-kind beginning farmer tax credit. Authored by Rep. Nels Pierson (R-Rochester) and Sen. Mike Goggin (R-Redwing), the bill supports the transition of land to young and beginning farmers through a tax credit incentive.

Central Minnesota Young Farmers Coalition co-founder (CMNYFC) Matthew Fitzgerald, an organic grain farmer, said, “This bill offers a win-win solution for the future of farming in Minnesota. This is also the first bill to include an incentive for the sale of farmland – making it a historic win.” Co-founder and conventional hops farmer Eric Sannerud added, “Less than four percent of Minnesota farmers are under the age of 35 and access to land is the number one barrier to getting started. This bill offers a tangible way to address pressing problems.”

Through the bill, landowners receive a state income tax credit when they sell or rent land or agricultural assets to a beginning farmer. The credit equals five percent of the sale price or ten percent of the cash rent, or fifteen percent for a cash share agreement. In turn, the beginning farmer must take a farm management course to qualify for the tax incentive and would be eligible for a tax credit covering the full cost of training. The tax credit is effective in the 2018 tax year and is funded at 12 million dollars for the 2020-2021 biennium. The funds are available on a first-come-first-served basis. Finally, the sunset for the credit is 2023 with the Rural Finance Authority issuing a report on the effectiveness of the credit no later than Feb. 1, 2022.

Beginning farmer and Central Minnesota Young Farmers Coalition co-leader Andrew Barsness talked about the organizing effort to pass the bill: “Young farmers across the state worked hard to see this pass. We organized, testified, and worked with the authors to get a good piece of legislation. For many of us, this was our first time getting political. This effort showed that by working with a broad coalition and staying focused on practical solutions, beginning farmers have a voice and power.”

The bill had bi-partisan support: House File 608 was co-authored by Representatives Jason Rarick (R-Pine City), Josh Heintzeman (R-Baxter), Mary Franson (R-Alexandria), Greg Davids (R-Preston), Jeanne Poppe (DFL-Austin), Gene Pelowski (DFL-Winona), Clark Johnson (DFL-North Mankato) and David Bly (DFL-Northfield). In the Senate, the bill (SF 1414) was chief authored by Sen. Michael Goggin (R-Redwing) and co-authored by Senators Andrew Mathews (R-Milaca), Rich Draheim (R-Madison Lake), Kent Eken (DFL-Twin Valley) and Dan Sparks (DFL-Austin).

Additionally, the Central Minnesota Young Farmers Coalition worked with major agricultural groups that included: Minnesota Farm Bureau, Minnesota Farmers Union, Land Stewardship Project, and the Minnesota Catholic Conference.

Rachel Brann, a beginning cut-flower farmer, summarized the impact of the bills by saying: “More beginning farmers on the land means stronger communities for Minnesota. This bill helps all farmers -big or small, rural or urban, conventional or organic.”

Founded in 2016, the Central Minnesota Young Farmers Coalition is a membership organization of farmers from Benton, Grant, Stearns, Meeker, Milaca, McLeod, Wright, Carver, and Rice counties. A local chapter of the [National Young Farmers Coalition](#), the group meets regularly to socialize, network, and advocate for young and beginning farmers.