







2019 ANNUAL REPORT

2019 Annual Report Chair of the Board and Executive Director Joint Letter

In 2019, AgriGrowth entered its 51st year as a convener, promoter, and advocate for Minnesota's agri-food sector. Not only is the agri-food sector a major contributor to our state's economy and quality of life, but it is also a critical industry for our nation and the world.

This past year brought significant challenges to agriculture as we entered our sixth straight year of declining farm income, experienced severe weather events that challenged the entire agri-food chain and witnessed limited progress on trade agreements that are essential to our industry's long-term health. Such trends affected every member, from individual farmers, to producer organizations and cooperatives, to agri-food companies large and small, to supporting industries like lending, transportation, and others. Together with our industry partners, we worked cooperatively to achieve positive results on everything from local and state regulations, to tax policy, to funding agricultural research, to seeking new or value-added markets, to improving trade with existing partners.

Importantly, AgriGrowth remained center stage in its mission of "Advocating for Minnesota's Agriculture and Food Sector." Not only did we successfully advocate for state-level initiatives on ag research funding, dairy disaster assistance, tax policy reform, and others, but we also led an early request for USMCA passage and actively participated in other USMCA efforts throughout the year. That agreement, which is critical to Minnesota's agri-food sector and the state's economy, is poised to be voted on and approved in the coming months.

Like all of our efforts, promoting USMCA and achieving progress with legislative leaders in St. Paul depend greatly on our position as a respected convener and advocate. As the political landscape and food system continue to change, AgriGrowth is working hard to enhance relationships that will improve our ability to advocate on behalf of our industry. Not only will we need to maintain exceptional relationships with state and federal leaders, but we will also need to build and expand relationships with influential agri-food chain participants.

In 2019, AgriGrowth enhanced its reputation as a trusted convener and advocate for the agri-food industry via multiple events. We hosted USDA Deputy Secretary Steve Censky and Under Secretary Bill Northey – providing direct access to senior U.S. leadership on policies and positions critical to the agri-food industry. In addition, we hosted roundtables on markets and issues that impact our state and industry including agricultural conservation and finance, opportunities in brewing and distilling, and objectively assessing markets for industrial hemp. We continued to engage in and offer leadership to coalitions working to ensure a strong and available workforce, enhance stewardship of soil, water, and other resources, and improve consumers' perceptions of the agri-food industry. Finally, our 2019 **Ag & Food Summit** featured not only a State of the State of Agriculture from Governor Tim Walz, but also a first-time ever presentation by and discussion with leaders from Minnesota's grocery sector. Thanks to popular demand, expect to see both sessions at our next Ag & Food Summit on November 5, 2020.

Speaking of 2020, as an election year, it is an opportunity for all of us to continue to engage in the issues and support those candidates who work positively on behalf of the agri-food industry. Please plan to join us on Tuesday, February 25, 2020, for AgriGrowth's annual legislative reception.

In closing, AgriGrowth is grateful for the continued support of our members, and the opportunity to work with, and on behalf of our membership as we continue our work to help GROW Minnesota's agriculture and food industry. We thank you for your continued investment and engagement in this work and look forward to working with you over the next year.



Pat Lunemann
BOARD CHAIR, AGRIGROWTH
PARTNER AND GENERAL MANAGER,
TWIN EAGLE DAIRY



Tamara Nelsen EXECUTIVE DIRECTOR, AGRIGROWTH

OUR MISSION:

Advocating for Minnesota's Agriculture and Food Sector

AGRIGROWTH MEMBERS HAVE ACCESS TO:

INFORMATION, ENGAGEMENT, ADVOCACY

- Access to state and national experts on agriculture policy.
- Regional policy development and member input meetings across the state that give AgriGrowth members an opportunity to discuss legislative and other priorities for our organization.
- Our Minnesota Ag & Food Summit gathers experts from policy and economics to share insights on the biggest challenges and opportunities that U.S. agriculture will face in the coming decades.

ACCESS TO:

ADVOCATES AND A PLATFORM TO ADVOCATE FOR YOUR ISSUES

Public Policy Team

AgriGrowth's Lobbyist, Cory Bennett; Director of Government and Member Relations, Patrick Murray; and Executive Director, Tamara Nelsen, all work to help express our members' interests on federal and state policy issues.

Member Engagement

AgriGrowth engages with our membership through legislative updates and webinars, annual member surveys, regional meetings, the Annual Legislative Reception, and the AgriGrowth Day at the Capitol.

AgPAC

MN AgPAC is a Minnesota political action fund, affiliated with the MN AgriGrowth Council, organized by individual supporters across Minnesota to promote the election of pro-agriculture candidates.



LEGISLATIVE LUNCHEON

The 2019 Legislative Wrap Up Luncheon was highly regarded as one of the broadest, and most bipartisan panels in several years. Leaders from both chambers of the Minnesota Legislature attended and shared what they believe to be the successes of the 2019 budget session.

Panelists included (Left to Right): House Majority Leader Ryan Winkler (DFL – Golden Valley); House Deputy Minority Leader Ann Neu (R – North Branch); House Environment and Natural Resources Finance Division Chair Rick Hansen (DFL – South St. Paul); and Senate Tax Committee Chair Roger Chamberlain (R – Lino Lakes). Also pictured are AgriGrowth Board Chair Pat Lunemann and AgriGrowth Executive Director Tamara Nelsen.



Deputy Secretary of the U.S. Department of Agriculture Steve Censky

AgriGrowth hosted a roundtable discussion between Deputy Secretary of Agriculture Stephen Censky and leaders of Minnesota's ag and food production 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. More than 20 agriculture and food sector leaders (including Thom Petersen, Minnesota's Ag Commissioner) were represented at the roundtable discussion led by AgriGrowth Board Chair Pat Lunemann.

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.

Congressman Stauber attends the AgriGrowth board meeting in Duluth

AgriGrowth's 3rd Quarter 2019 Board Meeting in Duluth provided a unique opportunity to receive updates from area member organizations and to learn more about the city and region's influence on the Minnesota economy.

In addition to presentations by AgriGrowth members BNSF Railway, Enbridge, Minnesota Mining, and Minnesota Power, directors also toured the Duluth port by boat to learn more about the facility and area agribusiness facilities including CHS, Cargill, and other member facilities.

AgriGrowth directors also received a personal update from Congressman Pete Stauber. The Congressman shared his thoughts with the group and discussed agricultural and other priorities in Washington. The discussions centered around the new USMCA agreement, WOTUS, rural broadband, tax reform, and trade.





ELECTION ENGAGEMENT

AgriGrowth encourages contributions to MN AgPAC. This PAC supports a variety of state candidates who have demonstrated their interest in supporting Minnesota's agriculture and food sector regardless of party affiliations.

A Greater Minnesota (AGM) was formed to keep Minnesota voters informed about agriculture and food issues. This initiative was created by AgriGrowth, the Minnesota Pork Producers Association, the Minnesota Turkey Growers Association, the Chicken and Egg Association of Minnesota, the Minnesota Milk Producers Association, the Minnesota Corn Growers Association, Minnesota Soybean Growers, the Minnesota State Cattleman's Association, the Minnesota Wheat Growers, and various other Minnesota farm and food entities.

Federal Policy Priorities

AgriGrowth's 2019 federal public policy priorities focused on five key areas: U.S. trade agreements, immigration reform, health care, regulatory reform and infrastructure investments.

Our legislative agenda for 2019 was keenly focused on the negotiation and passage of the new United States-Mexico-Canada Agreement (USMCA). A key to the long-term competitiveness and growth for Minnesota (and the U.S.), agriculture is opening new markets and reducing barriers to the export of U.S. food and agricultural products. AgriGrowth applauds the signing of USMCA and its passage in the U.S. House of Representatives. We hope for quick approval in the U.S. Senate of the new accord so growers and producers will have certainty that their products will resume moving to these critical markets in a timely fashion.

In addition, AgriGrowth encouraged the Minnesota congressional delegation to support immigration policies that help address the workforce needs of Minnesota farmers and food producers, while also recognizing the positive contributions that these individuals make to their communities.

Our members also believe strongly in the need for health care reform to address the lack of access to affordable health care for our farmers nationwide, as well as regulatory reform that addresses the new best practices and innovative technology that help protect the natural resources of our state and ensure a safe food supply. Minnesota's agriculture sector relies on many forms of transportation, and to that end AgriGrowth is strongly supportive of federal efforts to make new investments in our nation's transportation infrastructure.

State Policy Priorities

AgriGrowth's 2019 state public policy priorities focused on several key areas: water quality, environmental, and regulatory reform, access to technology that enhances productivity, workforce development and labor availability, taxes, transportation, the state budget, and other challenges in our rural communities.

2019 was a budget year at the Minnesota State Capitol and the priorities and key initiatives for all 201 legislators and Governor Walz were considered for funding over the next two years of the biennium. While not all of AgriGrowth's priorities were funded, a key initiative supported by AgriGrowth, other ag groups and the University of Minnesota was funded to create the Agricultural Research, Education, Extension and Technology Transfer Program (AGREETT). These dollars go toward helping the food and ag industries take advantage of technological changes that are affecting agriculture while also ensuring that students are properly trained and prepared for the future.

AgriGrowth was also focused on two issues important to our members in agriculture and food production: water quality and environmental and regulatory reform. Our farmers and agribusinesses understand clean water is a shared value in Minnesota and are at the forefront of researching, developing, testing, and adopting best management practices for improving water quality. AgriGrowth believes that addressing and solving water quality issues is best achieved when farmers

are engaged by government agencies rather than being subject to one-size-fits-all solutions developed at the Capitol in St. Paul. Minnesota's agribusinesses and farmers would also like to contribute to a discussion on how to improve the permitting processes to ensure they work for agribusinesses while providing necessary protections to our environment. AgriGrowth supports efforts by state agencies that increase certainty in permitting timelines and reduce projects costs which are a deterrent to new investments and jobs.

Minnesota's food and ag industries have long experienced a labor shortage. With an economy near full-employment, farmers and producers are competing against other states and industries for part-time, full-time, and seasonal employees. AgriGrowth is strongly supportive of initiatives that promote public/private partnerships working with higher education institutions and community colleges to help ensure that students are better prepared for careers in food production and agriculture such as farm business management, food science technology, and soil science.

AgriGrowth was also focused on the cost and access of affordable health care all across Minnesota, as well as the challenges of unmet tax conformity and a transportation system in need of timely repairs and updates that allow our producers to transport their products to market and consumers.



Congressman Peterson, Sec. Sonny Perdue, and Congressman Yoho (FL)



Secretary of Agriculture Sonny Perdue, AgriGrowth Executive Director Tamara Nelsen



Each year before the State Fair in August, Minnesota's ag and food industry participants gather outside of Redwood Falls for Farmfest.

This year's Farmfest was highlighted by a long list of ag community dignitaries. Guests heard speeches and updates from Governor Tim Walz, Congressman Colin Peterson, Chairman of the House Agriculture Committee, U.S. Secretary of Agriculture Sonny Purdue, U.S. Senator Tina Smith and members of Minnesota's congressional delegation, Rep. Pete Stauber, Rep. Dean Phillips, Rep. Jim Hagedorn and Rep. Angie Craig.

Also noteworthy was the "Ag Policy Discussion with National Ag Leaders" that included AgriGrowth Executive Director Tamara Nelsen. Moderated by Mark Dorenkamp from 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.



AgriGrowth Executive Director Tamara Nelsen, American Farm Bureau President Zippy Duvall, Congressman Jim Hagedorn



AgriGrowth Executive Director Tamara Nelsen and AgriGrowth Board Member Don Wick









AgriGrowth's Ag & Food Summit was filled with timely economic, industry, and political updates on issues of critical importance to the ag and food industry. Jonathan Kozy of Bank of America kicked off the day by setting the stage for the U.S. and ag economy within it. AgriGrowth members and guests received an up-to-the-minute report from Governor Tim Walz about his disaster declaration for Minnesota farmers and USDA Under Secretary Bill Northey provided a first-hand account of his work on behalf of farmers struggling with early snow, flooding and heavy fall rain. The Ag & Food Summit also convened, for the first time, a panel of Minnesota grocers, led by former State Representative Dean Simpson. Summit attendees raved about the insights and information they received from this dynamic panel. Jim Wiesemeyer from ProFarmer provided guests with political updates and predictions from Washington, D.C. He shared insights on where he believed the USMCA agreement would be heading into the coming months and when and if there would finally be a trade agreement with China. As always, Jim mixed in his good sense of Midwest humor throughout his presentation.











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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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