



April 1, 2025

Co-Chairman Paul Anderson
Co-Chairman Rick Hansen
House Agriculture Finance and Policy Committee
75 Rev. Dr. Martin Luther King Jr. Blvd., Room G3
St. Paul, MN 55155

RE: HF 2446 - Sections 62 & 63 – Grain Buyers and Storage Account Fees

Dear Co-Chair Anderson, Co-Chair Hansen and Committee Members,

On behalf of the Minnesota Grain and Feed Association (MGFA), a 118-year-old non-profit, voluntary membership organization that represents the interests of the grain elevator and feed mill industries of this state, I would like to share our opposition to the grain license fee increase contained in HF 2446.

This proposal will cost many grain buyers and storage facilities from 40 – 250% more to obtain their State license. The base fee increase of \$500 per licensed location is higher compared to most of our neighboring states. The capacity charge per bushel for inspection fees specifically targets facilities with substantial storage capacity and increases their inspection fees alone by more than 155% at the top of the scale. As a result, this will drive larger cooperative grain elevators to become federally licensed, which will now be the more cost-effective choice for many of them, translating into both reduced income for MDA and likely, less work for their grain inspection staff. This license fee increase is also *in addition* to the new, separate technology surcharge MDA is adding to grain license renewals.

Under this proposal, state-licensed grain elevators located near our borders will become less competitive in the marketplace compared with their counterparts in neighboring states, especially when grain markets are already fraught with uncertainty.

The grain industry is not immune to the increased cost of doing business, from soaring insurance premiums, property taxes, and higher wages for our workforce. In Minnesota, we continue to see consolidation within the grain industry, creating fewer but larger facilities, however we're still working with small margins which makes it challenging to handle each financial hardship thrown our way. While we understand MDA's grain program is experiencing a budget shortfall and has not adjusted their fee schedule in 20 years, their proposed license fee increase is excessive and we feel will unfairly gouge the grain industry.

MGFA would be open to working with MDA to find a more reasonable balance to the licensing fee issue.

Sincerely,

Laura Lemke
MGFA Executive Director



FARMWARD COOPERATIVE

Advancing farming for generations

April 1, 2025

Mark Nisley
Committee Administrator
Email: Mark.nisley@house.mn.gov
Re: HF2446

House Agriculture Finance & Policy Committee:

I am writing to you regarding the proposed MN Department of Ag increases to the fees for examination and license for grain buyers included in HF2446, Section 62.

While our company understands the need to cover the expenses incurred by the department, the proposed change will increase the fee that we are currently paying by 250%. That is a substantial increase to absorb in one year. As I read it, we will reach the cap amount for each of our locations. I would propose that the cap amount be lowered from the \$4,000 included in the bill to \$2,000. At that level our increase would still be 139%.

Thank you for your consideration.

Sincerely,

Craig Hebrink

Craig Hebrink
Senior Vice President Grain Merchandising
Farmward Cooperative
PO Box 278
Morgan, MN 56266

Business office: 507.249.3196 or toll free 800.245.5819 ▶ ▶ Visit us online at www.farmward.net

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MN Valley Grain Co., LLC

◇ Le Center ◇ Montgomery ◇ Webster

◇ Email: HollyM@MNValleyGrain.Com ◇ WWW.MNValleyGrain.Com

392 West Derrynane Street

P.O. Box 67

Le Center, MN 56057

Phone: 507-357-6841

Fax: 507-357-4211

April 1, 2025

RE: HF2446

To The Elected Officials of the State of Minnesota,

My name is David Woestehoff, the owner & operator of MN Valley Grain Company LLC, a 4-point location grain elevator headquartered in Le Center MN. I am writing to speak in opposition of MDA's proposed grain license fee increase (HF2446). The proposed change would increase our licensing fee by 169% from 2024 to 2025.

Our company has already experienced extreme increases in operating costs in recent times. Since 2019, our insurance for our facilities alone, have increased by 132%. Property taxes and special assessments have increased by 45% over the same period. The cost of our hired labor and the benefits package we provide them have increased at an alarming rate.

My company has not been profitable over the past 3 years. The passage of this bill would make it very difficult for my business to remain viable.

Given the economic environment I am working in, I am asking you vote against MDA's proposed grain license increase.

Sincerely,



David J Woestehoff

MN Valley Grain LLC

Sargeant Grain Company

302 Main Street NW

Sargeant, MN 55973

April 1, 2025

To: Co-Chairman Paul Anderson
Co-Chairman Rick Hansen
MN House Agriculture Finance & Policy Committee
Mark Nisley the Committee Administrator
Mark.nisley@house.mn.gov

From: Sargeant Grain Company
302 Main Street NW
Sargeant, MN 55973
(507) 584-6870

Re: HF2446 Grain Licensing Fee Increase

Dear Committee,

I would like to express my opposition to HF2446, Grain Licensing Fee Increase.

Sargeant Grain Company was established by my grandfather Lyall Larson in 1965. My father Larry Larson took over in the 1980's and I took over from my father in the 2000's. I am in the process of bringing my two sons, Jacob and Benjamin into our business.

The proposed legislation would double our licensing fees. You may say it is only \$2,000 more. I would say small agriculture businesses are being slowly killed by a death of a thousand cuts. We face increases in expense in every area of our business, while our margin structure has not increased in decades.

The proof is very easy to see. Independently owned country elevators are almost gone. Local elevators have been closed or have been gobbled up by larger corporate operators. My four closest competitors have around 70 locations. Thirty years ago, these were probably 35 different coops or independent elevators.

So, I am asking you not to increase grain licensing fees on small country elevators.

Thank you



Donald Larson



CENTRAL REGION COOPERATIVE

Central Region Cooperative

27875 County Road 27

PO Box 429

Sleepy Eye, MN 56085

507-794-3031

April 1, 2025

Co-Chairman Paul Anderson
Co-Chairman Rick Hansen
House Agriculture Finance & Policy Committee
75 Rev. Dr. Martin Luther King Jr. Blvd., Room G3

RE: HF2446- Sections 62 & 63 - Grain Buyers and Storage Account Fees

Dear Co-Chairman Anderson, Co-Chairman Hansen and Committee Members,

On behalf of Central Region Cooperative and its members. We are a Cooperative in Southern Central Minnesota with eight (8) grain locations that handles 25 -27 million bushels of grain per year with a combined Storage capacity of 28 million bushels. I am writing to give my testimony in opposing the increases proposed in the Governor's Budget bill, HF2446.

Our cost of licensing is currently around \$14,531, including Buyer's fee, Storage fee and Exam Fees, per year. Under the proposed changes contained in HF2446, our costs would be \$35,811. That is 159% higher than the current fees. These proposed changes specially target the facilities with large storage capacities. I do agree that the costs of operating the MDA have increased, but I am opposed to the proposed amount. We would be driven to obtain a Federal Grain License which would cost us \$18,500 per year. If all the large grain Cooperatives in Minnesota do this the MDA would have reduced income and less work for their staff.

Our costs of operations have also increased over the years and our margins have not kept up. The cost of insurance, property taxes, higher wages and constructing and operating our facilities have forced local Coops to merge together to try to improve efficiency to enable coops to stay in business. These proposed license fee increases are just another cost thrown at us when grain markets are already facing uncertainty.

Thank you for considering my opinion on these proposed changes.

Carlin Johnson
Grain Department Manager
Central Region Cooperative