

Testimony on Behalf of the Minnesota Farm Bureau Federation

House Ways and Means Committee

7.10.23

Chairman Smith, Members of the Committee,

My name is Carolyn Olson, and I serve as the Vice President of the Minnesota Farm Bureau Federation, representing nearly 30,000 farm and ranch families across the state.

I'd like to welcome Chairman Smith to my great state and say thank you for holding this important hearing. Additionally, I'd like to thank my Representative, Congresswoman Fischbach, for all her work on behalf of farmers in Minnesota's 7<sup>th</sup> district.

My Husband and I farm near Cottonwood, MN, where we grow organic crops for a variety of uses and feed hogs for conventional markets. Farmers here in Minnesota could really use some rain, and drought conditions are present across our state and throughout the country. We remain hopeful for summer rains to come and want to highlight how difficult a drought situation like this can be in Rural America. When weather conditions out of our control hamper the ability to grow an abundant and safe food supply, it is incredibly frustrating on emotional and economic levels.

Regarding the topic of today's hearing, I cannot overstate the importance of trade to the agriculture industry. As members of this committee may be aware, farmers in the US rely on trade for approximately 20 percent of our agricultural products, and according to the USDA Economic Research Service (ERS), US agricultural exports reached \$196 billion in sales in 2022. Minnesota is the fourth largest agricultural export state in the nation, and our products are worth \$9.2 billion annually according to the Minnesota Department of Agriculture.

This importance is highlighted at my own farmgate. The organic grains grown on my farm are utilized in multiple exported products, including alcoholic spirits, organic animal feed, and shelf-ready products. Many of these exported products are sent to Canada and the EU, and my family has worked hard to earn production equivalency certifications so that our grains can be used in those imported products.

The demand created from this opportunity means real dollars to my farm and strengthens the long-term viability of our 110-year-old operation. Just like any business, more buyers for our products creates more competition, and more competition makes for more favorable margins.

In addition to our organic grains, we also see the importance of trade to the hogs we finish. The pork industry is incredibly efficient, and demand for pork continues to remain strong across the globe. The US pork industry has responded to that demand for decades. Meat products from our hogs are often exported to Mexico or China, and one plant we sell to is in the process of preparing facilities to be able to ship products to Japan.

Many of these countries are purchasing variety meats, like offal, which are not consumed in great amounts in the United States. This continues to highlight the importance of international trade to United

States agriculture because these countries are purchasing products at a premium that have very little demand in our country.

Examples like mine are why continued efforts to expand market access to US agriculture are so vital to farmers like me. Not only does trade create economic benefits for those growing the commodities, but it also strengthens our foreign relationships. Farmers want greater access to trade opportunities, and foreign consumers demand more of our high-quality and safe commodities; this situation is a win-win for all.

In addition to the opportunities trade provides, our trade agreements also provide a framework to ensure fairness between ourselves and our trade partners. An example of this is the US-Mexico-Canada Agreement, also known as the USMCA. We know that Canada and Mexico are the second and third largest importers of agricultural goods, and value the trade relationship we have with them. We are encouraged that the US has been working through the USMCA's processes to dispute behaviors by both Canada and Mexico. Whether it is Canada with dairy imports, or Mexico on biotech corn, we advocate for the continued efforts by our trade representatives and are hopeful for an equitable outcome.

Changing gears to our supply chain, I believe it is important to recognize the connection between trade and the ability to move goods. If we cannot get our products to the places that have a high demand for them, then all our hard work to produce them is null and void. Here in Minnesota, we are blessed with many ways to move goods, from the Mississippi River, Duluth Port, the rail system, and through trucking.

The MFBF is hopeful to see growth in the use of the Duluth Port for agricultural products and believes that utilizing the world's largest freshwater port will lead to continued opportunities for the transportation of our commodities to other countries. Additionally, maintaining the Mississippi River system is vital for Minnesota and the nation, as it is a powerful corridor for the movement of goods.

I thank the committee for this opportunity to testify on behalf of Minnesota farmers and ranchers and look forward to any questions you may have.