January 28, 2025

Re: Update of the Minnesota Climate Action Framework

The Institute for Agriculture and Trade Policy (IATP) appreciates the opportunity to submit comments regarding the update to Minnesota's Climate Action Framework. This is critically important work to help the state reach its emission reduction targets, but also to aid the state in adapting to climate change.

IATP is a 37-year old, non-profit organization based in Minneapolis that works to ensure fair and sustainable food, farm and trade systems. We have worked specifically at the intersection of climate and agriculture policy for more than a decade, including in Minnesota, nationally and internationally.

We are focusing our comments on the Climate-Smart Natural and Working Lands Chapter of the Framework and the forecasting model. Agriculture is currently Minnesota's highest emitting sector and its emissions have remained largely flat. The Minnesota Pollution Control Agency (MPCA) reported that since 2005 the state has seen a 10% increase in agriculture methane emissions and a 9% increase in nitrous oxide emissions from manure and fertilizer use for crops, including for animal feed.[1] Both emission sources are part of long-term trends in the state toward expanding Concentrated Animal Feeding Operations (CAFOs) and the growth in corn acres tied to ethanol production.

The state's rural communities and environment have paid a price for the adoption of large-scale CAFOs. In the latest U.S. Department of Agriculture Census, Minnesota lost 130 hog producers from 2012-2017, but the number of hogs in the state grew by 850,000.[2] The state lost 16% of its dairy farms from 2016-2019, while dairy herd size grew 16% over the same period, according to MDA.[3] As more farmland has shifted toward animal feed production, Minnesota has lost valuable pastureland, including long-rooted grasses that can sequester carbon. Since 2012, Minnesota experienced a 27% loss of pastureland.

As Minnesota's Climate Framework considers equity, it should prioritize strategies that build stronger rural communities. We urge the state to consider three principles in guiding agriculture mitigation strategies within the Framework: 1) Cause no harm. Any initiative that reduces GHG emissions, but has negative outcomes in other areas such as increasing water pollution or disadvantaging small and mid-sized scale farmers, should not be pursued; 2) Strategies should not slow down the rapid reduction of fossil fuel-based emissions; 3) Strategies should strive for policy coherence. We should not be building out or reinforcing

[1] https://public.tableau.com/app/profile/mpca.data.services/viz/GHGemissioninventory/GHGsummarystory

[2] https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_2_US_State_Level/st99_2_0012_0012.pdf

[3] https://wrl.mnpals.net/islandora/object/WRLrepository%3A3609/datastream/PDF/view

fossil-fuel based infrastructure as we transition toward renewable energy like wind and solar.

Below we offer some specific actions tied to the framework's Climate Smart Natural and Working Lands Chapter. In addition to these suggestions, we urge the state to learn from what other countries and states are doing on climate, agriculture and natural areas. Specifically, we point to recent policy passed in Denmark that addresses livestock and fertilizer climate emissions and water pollution through a combination of sticks (a tax) and carrots (public spending to restore peatlands and forests, transition out of CAFO systems of animal production).[4] The Denmark policy was a compromise proposal developed by representatives of the farming, climate, labor and business communities. Second, recently passed policies in New York and Vermont characterized as "Climate Superfund" laws offer a new model to help the state pay for climate related damage.[5] Such a program, following the Polluter Pays principle, requires the fossil fuel industry to contribute to a state fund for climate-related recovery or adaptation that could include farming and rural economies.

We are optimistic about the potential for significant shifts in Minnesota's agriculture landscape to reduce emissions. There is enormous pent-up farmer demand for conservation-based incentives in Minnesota. An analysis by IATP last year found that in Minnesota only 21% of applicants for the federal Environmental Quality Incentives Program were granted contracts and only 12% of applicants for the Conservation Stewardship Program in Minnesota were approved.[6] These numbers reflect the enormous opportunity to expand working lands conservation that reduces emissions in the state.

We believe that many of the Framework's goals for Climate Smart Natural and Working Lands are interconnected and several existing programs, if expanded, could reach multiple goals as identified in initiatives 2.1, 2.2, 2.3, 2.4 and 2.5. For that reason, we recommend the updated Framework identify the following programs for deeper investments:

- MN Soil Health Financial Assistance Grants (https://www.mda.state.mn.us/soil-health-grant)
    - These grants, which help farmers purchase specialized equipment for soil-health focused practices, can lower the financial hurdles that keep farmers from farming with conservation in mind. This program can be strengthened by focusing more on implementing systems-based approaches to soil health, similar to the federal CSP. Tying reduced tillage, edge-of-field buffers, and practices that reduce the need for synthetic fertilizers can keep carbon in the soil and reduce nitrous oxide emissions.
- Minnesota Conservation Reserve Enhancement Program (MN CREP) (https://bwsr.state.mn.us/mn-crep-landowners)

[4] https://www.wri.org/insights/denmark-agriculture-climate-policy
[5] https://www.sidley.com/en/insights/newsupdates/2024/06/vermont-and-new-york-climate-acts-are-first-in-a-wave-of-likely-climate-change-cost-recovery-laws
[6] https://www.iatp.org/still-closed-out

    - The state just expanded this joint state-federal land conservation program, with a focus on improving water quality, reducing nitrates, improving wildlife habitat, and sequestering carbon.[7]
- Olmsted County's Soil Health Program (https://olmsted-soil-health-program-gis-olmsted.hub.arcgis.com/)
    - The Olmsted Soil Health Program has proven popular with farmers focusing on three main pillars – cover crops, small grains, and haying/grazing. Expanding this program to other counties or even statewide could both reduce emissions and build climate resilience for farmers while helping reduce nitrates in drinking water.
- BSWR Soil Health Cost Share (https://bwsr.state.mn.us/node/9106)
    - This cost share program helps farmers pay for important soil health practices, including forest farming, prescribed grazing, and silvopasture, among other practices that can reduce emissions.
- AGRI Livestock Investment Grant (https://www.mda.state.mn.us/business-dev-loans-grants/agri-livestock-investment-grant)
    - Additional funding could be used by the Minnesota Department of Agriculture's Livestock Investment Grant to provide more targeted resources for regenerative grazing systems.
- University of Minnesota Extension Technical Assistance
    - Resources could be used to bolster staff capacity for technical assistance for climate resilient practices and systems on Minnesota farms.
- Soil Health Action Framework (https://mosh.umn.edu/state-soil-health-action-framework)
    - This collaborative effort between the Minnesota Office of Soil Health, Board of Water and Soil Resources, and external soil and water stakeholders coordinates landscape-level climate resilience. Additional funding could help implement a soil health action plan statewide focused on climate emission mitigation.
- Continuous Living Cover Grant (https://www.mda.state.mn.us/application-now-open-new-mda-continuous-living-cover-grant)
    - Additional resources could be used to bolster the MDA's grant program to assist farmers in implementing continuous living cover through a greater diversity of crops and less nitrogen fertilizer needs throughout the year.

IATP offers the following specific recommendations for updating the Framework's Initiatives:

Initiative 2.1 – In addition to protecting forests, peatland and wetlands, and grasslands, we recommend the additional goal to protect farmland from development.

Initiative 2.2 – We applaud the recognition of the importance of biodiversity for the state's landscapes. We encourage more investment in the Department of Natural Resources work on

[7] https://www.fsa.usda.gov/news-events/news/01-14-2025/usda-minnesota-announce-expanded-conservation-reserve-enhancement#:~:text=The%20Minnesota%20Water%20Quality%20and,acres%20for%20Minnesota%20agricultural%20producers

assessing biodiversity throughout the state[8] in order to ultimately set future targets associated with biodiversity protection and expansion. We would also recommend better assessing the state's agricultural crop and animal diversity, and identify opportunities where greater crop diversity could benefit climate goals, including reduced fertilizer use and greater on-farm resilience.

Initiative 2.3 – The Environmental Quality Board's updated Environmental Assessment Worksheet (EAW) requiring climate considerations on emissions and adaptation is a step forward.[9] We would encourage the MPCA to go further and determine what an appropriate emissions limit should be for new and expanding large-scale CAFOs. We also encourage the MPCA to consider the accumulative effects on the climate of approving multiple new and expanding large-scale CAFOs each year. Additional state resources could support less emitting, dried manure storage systems.[10]

Initiative 2.5 – The Forever Green Initiative is a leader in developing winter-hardy annual and perennial crops, an essential step toward diversifying the state's farmland and can bring climate mitigation and adaptation benefits.[11] Local purchasing provides economic benefits to farmers and Minnesota's rural communities. It also can provide climate benefits. An expanded investment in Minnesota's Local Food Purchase Assistance Program would support Minnesota farms targeting local markets and build diversity in the food supply chain, better insulating it from potential future climate shocks.[12] This program could focus more on prioritizing Minnesota-grown food with climate mitigation focused systems and practices.

On Minnesota's Greenhouse Gas Forecasting, we understate the state is still waiting for a forecasting assessment for agriculture and land. We currently have the following questions:

- How does the COMET model consider the impact of corn ethanol markets into the future? While the emergence of electric vehicles could shrink the market, growth in a Sustainable Aviation Fuels market could expand corn ethanol production in the state.
- How does the forecasting account for the possible expansion of energy-intensive data centers projected for the state?[13]
- While the forecast seems to assume the full implementation of the Inflation Reduction Act, the Trump administration has made clear it will act to limit if not clawback many of the IRA resources and incentives over the next four years. How do the projections account for a diminished IRA?

IATP appreciates the opportunity to submit these comments and looks forward to engaging in the process to update this important Framework.

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[8] https://www.dnr.state.mn.us/snap/biodiversity.html#:~:text=Natural%20area%20conservation%20planning%20focuses,as%20habitats%20for%20rare%20species.

[9] https://www.eqb.state.mn.us/environmental-review/climate-assessments

[10] https://www.cdfa.ca.gov/oefi/AMMP/

[11] https://forevergreen.umn.edu/

[12] https://www.mda.state.mn.us/business-dev-loans-grants/minnesota-local-food-purchase-assistance-program

[13] https://www.startribune.com/mega-data-centers-are-coming-to-minnesota-their-power-needs-are-staggering/601204129