

Minnesota farmers face a new crisis

The 1980s showed that local, direct support revived farms, families and communities – and it can again.

By **TONYA ALLEN, JENNIFER FAHY** and **ANNA WASESCHA**

Farm Aid 40 comes to Minneapolis this week. It is more than a celebration of music and family farms. It is also a reminder that for the farmers who fuel our economy, enliven our communities and feed our state, these are daunting days. Minnesota farmers for years have braced for uncertainties and adapted to forces beyond their control. They face severe challenges, many shared by farmers across the country and the globe. Some are unprecedented, others all too familiar and intensifying: consolidation; high costs for seeds, fertilizer and land; unstable trade and shrinking markets, and unpredictable, extreme weather.

The numbers tell a stark story. In 2024, the median net farm income in Minnesota reached just \$21,964. U.S. agriculture has shifted from decades of trade surpluses to an estimated \$40 billion deficit

in 2025 with once-dependable trade partners becoming significantly less so. In June and July alone, more than 500 farmers turned to the state’s farmer-lender mediation program, signaling mounting difficulty in paying back the annual operating loans that allow farmers to put seeds in the ground.

Yet we know from experience that adversity can spark transformation, and Minnesota can help guide the way.

During the farm crisis of the mid-1980s, thousands of Minnesota farm families lost their lands and livelihoods, and the economic fallout strained rural communities. Across the country, hundreds of thousands of farmers defaulted on loans.

From that painful period, new institutions arose. Farm Aid held its first concert in 1985 to raise money for farm families nationwide and it continues to fight for American farmers. The McKnight Foundation, drawing on the wisdom of local communities, helped launch the Minnesota Initiative Foundations – six regional independent foundations that continue to strengthen rural economies. Forty years later, each of these organizations has helped countless families, revitalized rural communities and deepened

our understanding of farming’s central role in fortifying local to global well-being.

Now, farmers stand on the cusp of a new crisis. We must build on this legacy of support for the people who don’t just collectively make up a \$106 billion industry in Minnesota, but also form the foundation of our rural communities.

Today, weather extremes add to economic uncertainties that have never fully lifted. In 2024 alone, American farmers lost more than \$20 billion to climate-related disasters. In Minnesota, the total was \$1.45 billion. Farmers already employ practices to protect soil health, such as planting cover crops and using regenerative grazing to hold soil in place.

That farmer-led response to climate change matches what we have seen elsewhere: When farmers and communities lead, solutions take root.

Globally, McKnight has invested in farmer-centered partnerships and collaborative research for 30 years. Through these efforts, farmers show they can improve yields, protect water and soil health, and strengthen communities, while creating economic prosperity.

Against a volatile backdrop, Minnesota can expand

its economy by creating new, more resilient markets for local farmers. Our partners at the Land Stewardship Project are supporting Minnesota farmers as they diversify their crops by planting oats, which were once part of our region’s crop rotation but are now imported from abroad.

This is one example of an emerging market that would start at the farm and have ripple effects to other industries. Rather than importing oats, Minnesota-based food corporations could source directly from local farmers, saving money and shielding themselves from international trade uncertainties. This new market would also create and maintain wealth in our communities, while making our lands healthier.

Farm Aid has shown nationally and studies indicate that direct support for family farmers creates jobs across industries. The Minnesota Initiative Foundations foster community-driven solutions to build wealth, improve health and strengthen resilience for their regions. West Central Initiative, which serves nine counties and a portion of the White Earth Nation, supports farming practices that protect the earth and connect farmers to local



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“Against a volatile backdrop, Minnesota can expand its economy by creating new, more resilient markets for local farmers,” the writers say.

consumers.

More hope lies in expanding who farms, what they grow and how they protect soil and water. Minnesota’s Emerging Farmer Program supports farmers from historically underserved communities. Downpayment assistance grants aid first-time farmers as they seek to buy land. The University of Minnesota is advancing innovative winter cover crops, which have shown promise as sources of sustainable aviation fuels, even powering one Delta flight, while also protecting soil, streams and groundwater. These programs make Minnesota a model for the nation, one reason Farm Aid decided to bring their festival to Minneapolis.

Strategic budget shifts toward programs like these that help farmers get started, stay on their land and steward it for the future yield enormous returns – for families, our food

security, the environment and our economy.

Minnesota farm fields hold promise for our collective future. But realizing that promise requires commitment – from the government, agribusiness institutions and leaders across sectors – to ensure that farmers are supported to overcome the challenges of this moment.

Tonya Allen is president of the McKnight Foundation, a Minnesota-based family foundation that seeks to advance a more just, creative and abundant future. Jennifer Fahy is the co-executive director of Farm Aid, which supports a family farm-centered system of agriculture in America. Anna Wasescha is president of West Central Initiative, a community foundation and regional planning organization headquartered in Fergus Falls. Find information about this weekend’s Farm Aid event at farmaid.org/festival.