APPENDIX G

NDEPA
NORTH DAKOTA ETHANOL PRODUCERS ASSOCIATION

TESTIMONY OF DEANA WIESE
Executive Director, North Dakota Ethanol Producers Association

Interim Political Subdivision Taxation Committee
January 13, 2016

Chairman Dockter and members of the committee, my name is Deana Wiese. I am the executive director of the North Dakota Ethanol Producers Association (NDEPA) and am here today on behalf of the ethanol industry to voice support for the agricultural commodity processing facility investment tax credit.

The North Dakota Ethanol Producers Association represents the state's five ethanol plants, as well as industry stakeholders. One of NDEPA's policy priorities is maintaining a balanced package of incentives to allow North Dakota to remain a competitive and attractive location for ethanol production. The agricultural commodity processing facility investment tax credit is one of just a few incentives that have been instrumental in establishing and growing the state's ethanol industry. The credit has been extremely successful in serving the purpose it was established for – encouraging investment in value-added processing for North Dakota commodities – and will continue to serve that purpose into the future with your support.

Return on investment to the state for this incentive comes in the form of rural economic development. The state's ethanol industry contributes more than $640 million to the economy annually. In 2013, when most recently studied, ethanol production in North Dakota contributed nearly $1.9 billion to the state's agriculture retail industry. Each North Dakota ethanol plant is located in a community with a population of less than 2,500 and contributes an average of 49 jobs and an average annual payroll of $3.3 million to the community. In addition, the plants purchase the majority of their corn from North Dakota farmers and sell distillers grains to North Dakota livestock producers.

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Without the incentive, it is unlikely the industry would have been able to attract investors for its five current plants. In addition, as facilities evaluate expansion and diversification of existing facilities, this tax credit plays a key role in evaluating return on these projects. These are the types of projects that will ensure the long-term viability of our existing facilities. Repeal of the credit would hinder expansion, diversification and modifications at current facilities, decrease North Dakota's competitive edge and eliminate future opportunity for the state in this industry and others as well.

On behalf of the state's ethanol industry, I urge your support in maintaining the agricultural commodity processing facility investment tax credit as it is a very successful tool that will continue to be used to benefit the state's agricultural producers, create jobs and reduce reliance on federal farm programs.