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10/2/03
Date

2003 HOUSE AGRICULTURE

HB 1026

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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1026

House Agriculture Committee

Conference Committee

Hearing Date 1---16---03

Tape Number	Side A	Side B	Meter #
ONE	A		29 TO END
TWO	A		0 TO 9.1

Committee Clerk Signature *Edward A. Ellyson*

Minutes:

CHAIRMAN NICHOLAS: We will open the hearing on I/B 1026.

JEFF OLSON: Chairman Nicholas and Committee Members. My name is Jeff Olson. I am the Program Manager at the Department of Agriculture. I am here to provide testimony for Commissioner Johnson on HB 10267. Which would establish a transgenic wheat board.

{{{{(PLEASE SEE PRINTED ATTACHED TESTIMONY OF JEFF OLSON)}}}}

CHAIRMAN NICHOLAS: Who would like to be next? Anyone else wishing to offer comments in support of HB 1026?

NEIL FISCHER: Good morning Mr Chairman and Committee Members. I am the administrator of North Dakota Wheat Commission. I am here to offer support for HB 1026 in the form of a motion the North Dakota Wheat Commission has on it's book. We support this Bill as an alternative to some of the moratorium discussion that had serviced the

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last session. I have to tell you that the motion also includes a wish for authority in this transgenic wheat board. I should also say that in the United States Wheat Association. The US.Wheat Industry which includes the National Association of Wheat Growers there preamble starts out with Biotechnology holds great promise for the future for the wheat industry and therefore supports it. There are milestones that need to be accomplished. Tolerances in our foreign markets. Research should go forward in order that we solve some persistent problems that we have in the Wheat Industry in a shorter time about the technology. Much has been accomplished since we discussed this in the last session. Protocols have been established and made public at the North Dakota State University..

Thank you Mr. Chairman

CHAIRMAN NICHOLAS : Next.

JIM BOB: From Gladstone N.D. We question the value, composition and purpose of the Transgenic Wheat Board created HB 1026. {{{{PLEASE SEE ATTACHED TESTIMONY}}}}.

CHAIRMAN NICHOLAS : Any more comments in support of this Bill.

Are there questions for anyone that testified in support of this Bill.

REP. BELTER : Question for Jeff Olson. Jeff comments from Commissioner he made statement that ultimately the North Dakota Wheat should be the major player. Why not just make the board then.

JEFF OLSON: Because there are other enemies that have a play in this. Grain Dealers etc. The Commissioners position is that all players in the Wheat Industry should have a say on this board predominately he feels it is more of a marketing issue instead of a scientific issue.

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The marketability of GMO wheat.

REP. ONSTAD : Mr Chairman, this question is for Mr Fischer from the Wheat Commission.

The Grain Dealers Marketability issues.

NEAL FISCHER: As to market concerns. Most of the comments that we have received are millers in the United Kingdom and Japan. This has been going on for some time.. The wheat industry is formulating a position on Biotechnology. That unfortunately has not changed much. In recent years or recent months. We think we are making some progress in Europe on these tolerances, progress in Japan but as you move forward, often it is two steps forward and one backward. We stay in close contact with our customers. The European Union has brought customers to this country and to technology providers and producers about this issue.

It is clear that there are market concerns. Those would be are concerns in this issue.

It is a process. Joint efforts. Milestones to be accomplished. It is a process, not a date to be collected in time. It demonstrates to producers and the important customers of ours that people are planning and doing their best for everyone's interest in this. There is a plan and there are rules.

Canadians, South Dakota etc. Are all watching to see what happens. A Japanese Miller one time advised us not to be first. There is research going on in Australia, Canada and neighboring states. A large percentage of purchasers have concerns.

REP. BELTER : How do we deal with a fence around are state.

NEIL FISCHER: We want to have a national policy. Not just state policy. State could show some leadership.

REP. BELTER : Our congressional delegation. Are they working on it.

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NEIL FISCHER: There is no congressional activity.

There is a National Committee and there is broad membership to that that committee. It protects providers. Etc. The Wheat Committee constructed a committee that involved the Farm Bureau, The Dakota Growers Pasta, The Spring Wheat Growers and two Commissioners on that Committee so that it would have a broad approach. Those real research needs. The thinking of the Wheat Commission is to be a little more inclusive. Monsanto Corporation has recently said it will be three to five years before regulations.

CHAIRMAN NICHOLAS: Any more testimony in favor of this Bill. We will take opposition.

TERRY WANZEK: I am Terry Wanzek, farmer from Jamestown and a member of the North Dakota Grain Growers Association board. {{{{PLEASE SEE PRINTED TESTIMONY}}}}
I believe strongly that we should be working together and addressing real solutions to this problem. What is realistic. There should not be a moratorium.

MIKE BRANDBURG: On our farm we raise Round Up Ready Soy Beans, corn. Our round up ready corn ran 20 bushels more than conventional corn. Our round up ready Soy Beans ran better than conventional beans. If you look a wheat. The scab problem. With research we may be able to do away with scab. How would a moratorium work.

ERICK OMSTAD: I am a wheat producer from the Devils Lake Area. And I am also President of the North Dakota Farm Bureau. The North Dakota Farm Bureau is fully prepared to come here today and testify in support of this Bill. The policy clearly states the majority of the board is made up of wheat producers we would support a producer driven advisory board. That has not happened yet. That is why I am here in opposition. One of the things that we see

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that has to happen is that we would like to see North Dakota take a lead position. Move down the road and develop this technology. Work cooperatively with producer groups. Public acceptance and market acceptance plan for GM WHEAT. We won't tolerate is any attempt to create an unelected regulatory agency within our state. How can we expect our foreign customers to accept this technology when our own government has not. Lets not be to hasty to put state control on these things when we already have Federal controls.

CHAIRMAN NICHOLAS: Any other opposition.

RICHARD SCHLOSSER: Mr Chairman and members of the Committee. My name is Richard Schlosser. I am Vice President of North Dakota Farmers Union and I am testifying today on their behalf. {{{{{{PLEASE SEE ATTACHED TESTIMONY}}}}}}

BRUCE FREITAG: I am currently service as President of North Dakota Grain Growers. Terry has stated our position so I won't repeat those. We favor Biotech. We have reservations at to the marketability of the crop. Wheat has not kept up with increase in increased yields. We believe the introduction of Biotic wheat is inevitabile. Whether that happens in three years or five year or ten years. Producers would be well served if we were ready for the introduction and testing for tolerances. These issues should be addressed in a scientific manner. NDSU should be given the opportunity to develop answers to biotechnology. Wheat is North Dakota largest crop and we need all the tools needed to be successful. Research is going on around the world. We can't be left out. {{see printed testimony}}

JOHN OLSON: I represent Monsanto in Bismarck., I am passing out a brochure. Round up ready wheat will not available until all regulatory approvals have been made.

Commercialization will not take place until The United States and Canada are ready to

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commercialize their products and that marketing is in place to handle. {{{{{Please see Brochure}}}}

We continue to work with regulatory people.

ROY SWANSON: {{ PLEASE SEE PRINTED TESTIMONY }}

CAL ROLFSON: {{ PLEASE SEE AMENDMENT }} I REPRESENT MONSANTO.

I would like to see a Biotech industry representative on the board if the Bill should pass.

It is crucial to have this representation.

DEL GATES; OWNER OF GATES FARMS, MOHALL, N.D.

{{{{(PLEASE SEE ATTACHED TESTIMONY)}}}}

.DAVID HAFNER: {{{(PLEASE SEE TESTIMONY)}}}

KEN GRAFTON: My name is Ken Grafton. I am the director of the Ag. Experiment Station.

I am neither for or against this Bill. {{{{{(PLEASE SEE PRINTED NDSU POLICY ON BIOTECH RESEARCH EXECUTIVE SUMMARY)}}}}

TODD LEAKE: We are in opposition of this Bill. We feel the Bill lacks regulatory authority.

We would like to see regulatory authority in it to prohibit the sale of GMO wheat until such time as the issues have been addressed. We also would like to creditability, accountability built into this system. We would like to see farmers and the grain industry to have a say in decisions.

{{{{(PLEASE SEE PRINTED TESTIMONY OF TODD'S)}}}}

GAIL WILEY: I am not going to read my testimony. You can read it. In it, are stories of communized travel in Europe. We were funded by several organizations in Europe. Farmers groups, legislators, scientist and every where we were warmly received. There are a lot of stories in the testimony. Everywhere the people were warm. They are looking a moratoriums

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on GMO crops. Very often, just before we got to these countries the USDA were in those countries threading WCO action if they went ahead with the moratoriums. It made us quite ashamed of our country. You can't force these things on people that don't want them.

{{{{(PLEASE SEE PRINTED TESTIMONY)}}}}

{{{{(PLEASE SEE ADDITIONAL TESTIMONY ATTACHED OF PEOPLE THAT DID NOT ACTUALLY ADDRESS THE CHAIR)}}}}

CHAIRMAN NICHOLAS: Thank you Gail. Dose anyone have testimony they would like to turn in. Thank you. We are going to hold this Bill. We will not take action on the Bill today. We will close on HB 1026.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1026

House Agriculture Committee

Conference Committee

Hearing Date 1---30---03

Tape Number	Side A	Side B	Meter #
ONE	A		00 TO 038
Committee Clerk Signature <i>Edward D. Cleffon</i>			

Minutes:

CHAIRMAN NICHOLAS: We will open the hearing on HB 1026

Chairman Nicholas handed out an article from the Dakota Farmer. Committee Members HB 1026 was part of our interim committee. We have former Senator Wanzek with us who was part of that committee. There were several of us on the Interim committee.

I would like to get your input on this Bill.

REPRESENTATIVE MUELLER: It seemed that no one liked the bill at least as it stood there before us. Representative Mueller passed out amendments to the bill. Representative Mueller passed out amendment and read through it. A thought shared was do the benefits out way the risks. What this amendment dose is it puts into play in essence a control mechanism for the release of GM wheat in the state of ND.

CHAIRMAN NICHOLAS: In the hand out that I provided for you, I think what we talked about on a previous Bill this morning in harmonization. We see the industry move toward

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harmonization because some of things that have been created here in ND and the environment that has been created. The Companies are moving in the proper direction. I think that the extensive discussion of last session on this issue. This piece of material that I handed out from the Dakota Farmer states that the Monsanto dose not have there own wheat breeding program. So these releases are going to come through the University System. The have agreed that they will not be released unless there is continuity on the market front and all of the problems that we have addressed, so I think again its a case of the industry kind of heeding the message of this legislative body and I think we here in ND took a real leadership position on this last session. The industry has moved toward the target we want to accomplish., From that I am not personally not sure that this legislation we even need anymore. We are already growing GMO Crops. I question the wisdom of going down this road.

REPRESENTATIVE MUELLER: You have some good points but GMO wheat growing states are all concerned with GMO'S. We hope that checks and balances will work. Europe uses every excuse to stop US Products from there market. I am handing ut a hand out as To GMO SEEDS We have been told point blank if you start putting this stuff in your fields We are not only going to buy your stuff, you are off the Map. Argentina and Brazil and China Are new wheat providers. It is just to big a deal for us to ignore.

CHAIRMAN NICHOLAS. For those who follow the market very closely and I would consider myself one of those people as you probably notices thirty percent of the soybeans in Brazil are GMO soy beans and they have a moratorium to the supply chain. At the end of the day price is going to dictate. On the European front it is trade issues. They do everything to keep

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us out of there markets. Companies that do research need to know that we don't send the wrong message about using there technology

REP. BELTER : We can't isolate ourselves. We have growers such as the Wheat Growers, the Grain Growers. We have to look far beyond the State of North Dakota that I am sure other states are all extremely concerned about GMO. I believe these groups are monitoring. We have checks and balances that are taking place. This will protect us from the introduction of a product that is not acceptable for the market place.

The Europeans use every possible means to stop imports. Probably has noting to do with GMO I do not think that we need a transonic wheat board. I think there are sufficient organizations that are monitoring this. The infrastructure is in place. We don't need a board that could impede progress.

CHAIRMAN NICHOLAS. We have a lot of negative information going out which is unfortunate.

REP. MUELLER Lets take a position that we are positive about GMO CROPS. I do not have a problem with that. We need to change the minds of Japan and France etc. I still go back to they don't want it they told us they don't want it, we should pay attention. That is what this amendment dose.

REPRESENTATIVE POLLERT: I would agree that the chemical companies made a mistake By not educating the public by bring out the issue of GMO quicker and not educating before they brought out this product. I think it behooves us to trust our Universities that they will do the right thing.

REPRESENTATIVE ONSTAD Contamination is in markets.

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CHAIRMAN NICHOLAS: We can't sit here on a island by itself. Obviously rail cars, 100 unit trains now are moving wheat. Take the unit train from SD, the next time it gets routed to ND the bottom of that rail car and we all know there are five to ten bushels left in the bottom of the car. That is how the starving problem was created.. Farmer will solve problems by themselves.

We have a motion to move the amendments to HB 1026. MUELLER MADE A MOTION ON THE AMENDMENTS. SECONDED BY ONSTAD. THERE WERE 10 YES 3 NO 0 ABSENT. REPRESENTATIVE POLLET CARRIED THE BILL.

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10/2/03
Date

FISCAL NOTE
 Requested by Legislative Council
 01/09/2003

REVISION

Bill/Resolution No.: HB 1026

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$52,600		\$52,600	
Appropriations						

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

The board will be comprised of 12 members. Eight of the members (non-state employees) will receive \$80 per day compensation. The Commission will meet 8 times during the 2003-05 biennium that will result in lodging, meals, and mileage reimbursement. Additional administrative staff will need to be hired to meet the needs of the new commission. Based on Section 4 of the bill, it is assumed that at least one committee member will make one annual national trip and one annual international trip.

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

None.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Administrative support	\$9,990
Postage, supplies, etc.	1,000
2 national trips per biennium (@\$1,205)	2,410
2 international trips per biennium	8,000
Meeting compensation & travel reimbursement to members	<u>31,200</u>
Total Operating Expense Line Item	\$52,600

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

General fund appropriations will be required.

Name:	Sandy Paulson	Agency:	OMB (for Gov's Office)
Phone Number:	328-2148	Date Prepared:	01/10/2003

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FISCAL NOTE
 Requested by Legislative Council
 12/13/2002

Bill/Resolution No.: HB 1026

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$52,600		\$52,600	
Expenditures			\$52,600		\$52,600	
Appropriations			\$52,600		\$52,600	

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

The board will be comprised of 12 members. Eight of the members (non-state employees) will receive \$80 per day compensation. The commission will meet eight times during the 2003-05 biennium that will result in lodging, meals, and mileage reimbursement. Additional administrative staff will need to be hired to meet the needs of the new commission. Based on Section 4 of the bill, it is assumed that at least one committee member will make one annual national trip and one annual international trip.

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

None.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Administrative support	9,990
Postage, supplies, etc.	1,000
2 national trips per biennium (@\$1,205)	2,410
2 international trips per biennium	8,000

Meeting compensation & travel reimbursement to members 31,200

Total Operating Expense Line Item **\$52,600**

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Same as Expenditures in "3B" above.

Name:	Sandy Paulson	Agency:	OMB (for Gov's Office)
Phone Number:	328-2148	Date Prepared:	01/06/2003

Yalosta Rickford
Operator's Signature

10/2/03
Date

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1026

Page 1, after line 12, insert:

"6. One individual representing the agricultural biotechnology industry from a list of three nominees submitted by croplife america."

Renumber accordingly

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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1026

Page 1, line 1, after "board" insert "and a process for the approval of transgenic wheat seed; to provide a penalty;"

Page 1, line 6, replace "Three" with "Four"

Page 1, line 7, after "bureau" insert "; one of whom must be selected from a list of three names submitted by the North Dakota grain growers association;"

Page 1, line 11, replace "Three individuals" with "One individual", replace "hold" with "holds a", and replace "degrees" with "degree"

Page 2, after line 9, insert:

"SECTION 4. Certificate of approval - Sale of transgenic wheat seed. Before a variety of transgenic wheat seed may be offered for sale in this state, the patent holder shall obtain a certificate of approval for the sale of the particular variety from the transgenic wheat board.

SECTION 5. Petition for certificate of approval - Required documentation. To obtain a certificate of approval, the patent holder shall file with the transgenic wheat board a petition that includes:

1. Identification of the transgenic wheat variety;
2. A description of each genetic modification made to obtain the particular variety;
3. Identification of the introduced or altered genetic material;
4. Information regarding the availability of foreign markets for the transgenic wheat variety;
5. Information regarding the manner in which the transgenic wheat variety will be segregated from nontransgenic wheat varieties during production, harvest, storage, and transportation;
6. Information regarding handling protocols to ensure that the transgenic wheat variety does not enter foreign or domestic food supplies for which it has been approved;
7. An assessment of the benefits and risks anticipated from the planting, harvest, and sale of the transgenic wheat variety;
8. Any other information deemed necessary by the board to complete the review process required by this Act.

SECTION 6. Petition for certificate of approval - Submission of research results. The petition for a certificate of approval must be accompanied by copies of all research results regarding the transgenic wheat variety conducted by or on behalf of the patent holder, together with summaries of the results.

SECTION 7. Receipt of petition - Duties of board. Upon receiving a petition for a certificate of approval, the board shall:

1. Verify that all documentation required by this Act has been included; and
2. Schedule and provide notice of a public hearing.

SECTION 8. Public Hearing - Notice - Availability of submitted filings. At least thirty days before the date of the public hearing, the board shall publish notice of the hearing in the official newspaper of each county and shall make available electronically all filings submitted by the patent holder in conjunction with the petition for a certificate of approval. If the board is unable to make material available electronically, the board shall provide copies of the material in printed form upon request.

SECTION 9. Public hearing - Testimony and documentary evidence. At the public hearing, the board shall accept testimony and documentary evidence regarding any information required by this Act. The board shall allow for the submission of additional written testimony and documentary evidence for a period of ten days after the date of the hearing.

SECTION 10. Review by board - Determination - Electronic availability of findings and determination.

1. After the public hearing, the board shall review all documentation submitted in conjunction with the petition for a certificate of approval and all testimony and documentary evidence submitted both at the hearing and during the ensuing period for the submission of additional written testimony and documentary evidence.
2. No later than one hundred twenty days from the date the board received the petition for a certificate of approval, the board shall determine whether the petition for a certificate of approval should be granted. The board may not grant the petition unless the board finds that the transgenic wheat variety can be grown, harvested, stored, transported, and sold in a manner that benefits producers and consumers at least to the same degree achievable by a nontransgenic variety.
3. The board shall make its findings and determination available electronically and shall provide copies in printed form upon request.

SECTION 11. Sale of unapproved transgenic wheat - Penalty. Any person who sells or attempts to sell in this state any transgenic wheat seed that has not received approval from the board is guilty of a class C felony."

Page 2, line 10, replace "Duties" with "Additional duties"

Renumber accordingly

HB 1026

Date: 1-30-03
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

Check here for Conference Committee

Legislative Council Amendment Number

AS

more amended

Action Taken

DO NOT PASS

Motion Made By

Mueller

Seconded By

ONSTAD

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS		✓			
VICE CHAIRMAN POLLERT		✓			
REPRESENTATIVE BELIER		✓			
REPRESENTATIVE BOEHNING		✓			
REPRESENTATIVE KELSCH		✓			
REPRESENTATIVE KINGSBURY		✓			
REPRESENTATIVE KREIDT		✓			
REPRESENTATIVE UGLEM		✓			
REPRESENTATIVE WRANGHAM		✓			
REPRESENTATIVE BOE	✓				
REPRESENTATIVE FROELICH	✓				
REPRESENTATIVE MUELLER	✓				
REPRESENTATIVE ONSTAD	✓				

Total (Yes)

9

No

4

Absent

0

Floor Assignment

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10/2/03
Date

HB 1026
1-30-03

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By BELTER Seconded By KELSCH

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS	✓				
VICE CHAIRMAN POLLERT	✓				
REPRESENTATIVE BELTER	✓				
REPRESENTATIVE BOEHNING	✓				
REPRESENTATIVE KELSCH	✓				
REPRESENTATIVE KINGSBURY	✓				
REPRESENTATIVE KREIDT	✓				
REPRESENTATIVE UGLEM	✓				
REPRESENTATIVE WRANGHAM	✓				
REPRESENTATIVE BOE	✓				
REPRESENTATIVE FROELICH		✓			
REPRESENTATIVE MUELLER		✓			
REPRESENTATIVE ONSTAD		✓			

Total (Yes) 10 No 3

Absent 0

Floor Assignment Rep. POLLERT

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Yolanda Rickford 10/2/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
January 31, 2003 2:57 p.m.

Module No: HR-19-1476
Carrier: Pollert
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1026: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO NOT PASS
(10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1026 was placed on the
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-19-1476

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10/2/03
Date

2003 TESTIMONY

HB 1026

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Yolanda Rickford
Operator's Signature

10/2/03
Date

North Dakota Farmers Union

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HB 1026

Mr. Chairman and members of the Committee, My name is Richard Schlosser. I farm near Edgeley and I grow small grains and row crops including wheat, barley, soybeans and corn. I am the Vice President of North Dakota Farmers Union and I am testifying today on their behalf.

North Dakota Farmers Union is the largest general farming organization in North Dakota with over 34,000 member families, of which roughly 20,000 are farmers and ranchers. Each year, the members of NDFU adopt policy that governs the organization for the following year. I have distributed a summary of our policy on biotechnology and specifically on the issue of a genetically modified wheat moratorium.

I won't read you the document, but I would like to make a couple of comments regarding our policy and our position on a gm wheat moratorium.

First, our policy clearly supports a state and national moratorium on all classes of genetically modified wheat until critical issues such as segregation, liability, and market access are addressed. Again, I would emphasize our policy calls for a moratorium, not a prohibition of gm wheat. What distinguishes a moratorium from a prohibition, is that a moratorium suggests a temporary suspension of the release and places a high priority on dealing with farmer concerns.

North Dakota Farmers Union policy does not, in general, oppose biotechnology or genetically modified wheat. Our policy asks that each application of biotechnology be evaluated individually, not as a whole. A moratorium would allow us to evaluate the impact of gm wheat on North Dakota producers prior to its release rather than after the fact.

NDFU's policy allows flexibility in its position on new technologies while providing for cautious and careful consideration. Our policy does not describe gm wheat or any biotechnology as good or bad. It simply provides principles to guide our public policy decisions, I would suggest that our members view this as an economic more than a biotech issue.

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Richard Schlosser
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As to whether this is a state or federal issue, the stakes are high for North Dakota agriculture. We have all heard the statistics illustrating how important agriculture is to North Dakota's economy, representing nearly 40% of our economic base. And we are all aware that we export roughly half of what we produce in North Dakota. And we know that we are consistently at or near the top in U.S. wheat production and first in the production of Hard Red Spring Wheat and Durum. The potential economic impact to North Dakota if gm wheat is prematurely released, could be a staggering blow to our economy.

If the federal government decides to take a position on gm wheat, so be it. However, in the mean time, it, is entirely appropriate, reasonable and necessary that the state of North Dakota act on behalf of its largest industry.

States are a testing ground for new public policies. There are countless examples of state legislation that is now federal legislation. Most recently, in agriculture, we have seen country-of-origin labeling, mandatory price reporting, and protections for contract producers put into federal law after states, including North Dakota first passed them. And one could argue that Senate passage of the prohibition on packer ownership of livestock would never have passed had it not been implemented and supported on the state level first.

If the members of the committee believe that the moratorium legislation that was considered in the last session does not adequately address current concerns, needs to be revisited, or if there are changes that need to be made, then we should do that. If we need to revisit the timeline, the certification board or how the moratorium is lifted, then we should do that, too.

The bottom line is that we should implement meaningful policies to prepare for possible market impacts of gm wheat. The proper order to release gm wheat is to first perfect crop and marketing segregation issues, evaluate market acceptance of the gm wheat, establish standards for liability concerns, and then to consider opening our state to the commercial release of genetically modified wheat. At that time, producers will be free to decide if growing the wheat is worth the risks involved. If segregation channels are available and after markets for gm wheats have been established, then producers can make an informed decision about whether to grow gm wheat.

If these steps are not taken, all North Dakota farmers, whether they choose to grow gm wheat or not, could be affected. In that light, a moratorium could actually preserve the right of farmers to choose. If gm wheat is prematurely released before issues, of segregation and market access are dealt with, then every farmer in ND may be *perceived* as a gm producer and conventional farmers

stand to lose critical markets. Public policies should protect the choices of all farmers, not just those who choose to grow gm.

Again, this really is a market issue, not a biotech issue. We don't know what the potential damage to our markets will be with the premature release of gm wheat, if segregation issues and market issues are not in place. A moratorium would help allay some of those concerns. By definition a moratorium is a temporary hold, a postponement, or delay. It is not a permanent policy and it does not cut us off from research, from progress or from opportunity.

Some have stated concerns that temporarily suspending the commercial release of gm wheat would be viewed as "backward" or opposed to technology. However, it should be argued that a moratorium would show that we are visionary, that we care deeply about agriculture and the people who rely on farming for their livelihoods. A moratorium is proactive instead of reactive. It sends the message to North Dakota farmers and ranchers that the state of North Dakota does have a role to play in securing a prosperous future for production agriculture.

The converse is also true. If we fail to take a proactive approach, it could send the message that we are unwilling to take a stand for production agriculture and that we believe that our farmers should be left to the caprice of agribusiness and transnational corporations.

Throughout Farmers Union policy, we support farmers retaining a measure of control over agriculture, and ultimately, their own destiny. That is the basis for our position on issues such as corporate farming, market concentration and free trade agreements. We believe that everything works better, from agriculture to government, when decisions are made and the power is held by the people. It is a very simple but important concept. It is democracy.

The North Dakota legislature is an extension of the people of North Dakota. Public policy decisions made by this body are intended to reflect the voice of the people. That is why it is both appropriate and necessary for this issue to fall under legislature consideration. This is a decision that should not be made by an agency, by the federal government, and not by Monsanto. This should be the people's decision.

The legislature is the vox populi. Elected officials have been empowered to make public policy decisions for the citizens of North Dakota. Therefore, control of this very important issue lies with the representatives of the people, the legislature. To say otherwise is a dereliction of legislative responsibility. Thank you.

Yalosta Rickford
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September 17, 2002

Editor

Williston Daily Herald

PO Box 1447

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HB 1026

To the Editor,

Letters regarding genetically modified (gm) wheat have recently dominated the editorial pages. As the largest farm organization in the state, North Dakota Farmers Union's position on the release of the technology needs to be made clear.

North Dakota Farmers Union policy does not oppose biotechnology or genetically modified wheat, but asks that each application of biotechnology be evaluated individually. Public policy should be flexible when dealing with new technologies and should provide for cautious and careful consideration of any impact the technology may have on North Dakota's agricultural industry.

Our policy clearly supports a state and national moratorium on all classes of genetically modified wheat until critical issues such as segregation, liability and market access are resolved.

We would emphasize our policy calls for a *moratorium*, not a prohibition of gm wheat. By definition a moratorium is a temporary hold, a postponement, or delay. What distinguishes a moratorium from a prohibition is that a moratorium suggests a temporary suspension of the release. This delay is intended to provide North Dakota producers and policymakers adequate time to consider the consequences of the release and build an infrastructure to support it.

The key reason a moratorium is necessary is to allow us to evaluate the impact of gm wheat on North Dakota producers and their markets prior to its release. Without such a safeguard, we could find our-

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selves in the unfortunate position of trying to contain any damage that may be caused as a result of the release. This is a market issue, not a biotech issue. We don't know what the potential harm to our markets will be if gm wheat is released before segregation and market issues are addressed.

Some have argued this should be a federal, not state issue. However, the stakes are high for North Dakota agriculture. We all know how important agriculture is to North Dakota's economy, representing nearly 40 percent of our economic base and one quarter of our population's employment. We are all aware that we export roughly half of what we produce in North Dakota, that we are consistently at or near the top in US wheat production and we are first in the production of hard red spring wheat and durum.

The economic impact to North Dakota would be staggering if gm wheat were released before market acceptance and before we are prepared to keep it totally segregated, ensuring zero contamination of conventional wheat.

If the federal government eventually decides to take a position on gm wheat, so be it. In the meantime, it is entirely appropriate, reasonable and necessary that the state of North Dakota act on behalf of its largest industry.

North Dakota should implement meaningful policies to prepare for possible market impacts of gm wheat. The proper order of events should be to first perfect crop and marketing segregation issues, evaluate market acceptance of gm wheat, and establish standards for liability concerns. When those steps are complete, we should consider opening our state to the commercial release of genetically modified wheat.

At that time, producers would be free to decide if growing gm wheat is worth the risks involved. If segregation channels are available and markets for gm wheats are established, then producers can make an informed decision about whether to grow gm wheat.

Opponents of a moratorium have repeatedly tried to connect research to the moratorium debate. However, there is no attempt, legislatively or otherwise, to halt research on genetically modified wheat. Those who argue that we must not impose a moratorium because we must continue research are either woefully uninformed or purposely misleading. Either way, it is untrue. A moratorium does not cut us off from research, from progress, or from opportunity.

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Concerns that temporarily suspending the commercial release of gm wheat would be viewed as "backward" or opposed to technology are equally unfounded. A moratorium is simply recognition that we care deeply about agriculture and the people who rely on farming for their livelihoods. A moratorium is proactive instead of reactive. It sends the message to farmers and ranchers that the state of North Dakota will act to secure a prosperous future for production agriculture.

The converse is also true. If we fail to take a proactive approach, it could send the message that we are unwilling to take a stand for production agriculture and that we believe that our farmers should be left to the caprice of agribusiness and transnational corporations.

If the moratorium legislation that was considered in 2001 does not adequately address current concerns and changes need to be made, then we should do that. If we need to revisit the timeline, the certification board or how the moratorium is lifted, then we should do that, too. What is important is to work together to craft public policy that works for North Dakotans.

It is important to note that the Farmers Union position on the commercial release of genetically modified wheat is not unique. In fact, most farm organization in the state have positions in support of a moratorium, many of our co-op elevators and grain dealers are concerned about losing markets and liability, and to my knowledge only a handful of chemical and seed companies actively oppose the moratorium.

North Dakota Farmers Union supports farmers retaining control of agriculture, and ultimately, their own destiny. We believe that everything works better, from agriculture to government, when decisions are made and the power is held by the people. It is a very simple but important concept. It is democracy.

That is why we believe it is both appropriate and necessary for this issue to fall within legislative consideration. The legislature is an extension of the people of North Dakota and the public policy decisions made by this body are intended to reflect the voice of the people. This is a decision that should be left to North Dakotans, not an agency, not the federal government, and not Monsanto.

Robert Carlson, President

North Dakota Farmers Union

(Robert Carlson is president of North Dakota Farmers Union, the state's largest general farm organization).

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NORTH DAKOTA



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HB 1026

Chairman Nicholas
Member of the House Ag Committee

I am Terry Wanzek, farmer from Jamestown and a member of the North Dakota Grain Growers Association board.

The North Dakota Grain Growers Association supports the research, development and the advancement of biotechnology for the opportunity it provides consumers, processors and production agriculture, and encourages the education, promotion, and registration and consumer acceptance of genetically enhanced wheat worldwide. The NDGGA is opposed to any moratorium on the research and development of biotech crops. So, how does that fit with the proposal of a state transonic wheat board?

Already in the wheat industry, nationwide, there are ongoing efforts to address the concerns related to the release of biotech wheat. We believe it is imperative that North Dakota producers continue to stay involved with these national efforts. This is not an isolated issue solely unique to North Dakota, but rather a global issue that absolutely requires a cooperative, coordinated national effort to be able to completely deal with the concerns.

Currently, there is a joint biotechnology committee comprised of the National Association of Wheat Growers, the U.S. Wheat Associates, and the Wheat Export Trade Education Committee that has set goals that need to be met prior to the release of biotech wheat. There is also a wheat industry advisory committee advising and counseling Monsanto on biotech wheat issues. The committee is comprised of growers, seed trade representatives, county elevators, transportation providers, millers, bakers and exporters. North Dakota has three (3) individuals on this committee. Monsanto is working with the wheat industry to build market acceptance and regulatory approval. There has been a joint brochure published in cooperation with Monsanto by NDSU, SDSU, and the U of M. This brochure lists the agreed upon milestones that need to be met before the release of biotech wheat. Also, NDSU has established the coexistence committee comprised of

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conventional producers, organic producers, industry and university people. Much is being done, and therefore we question the necessity of a transgenic wheat committee. Also it is our belief that those who stand the most to gain or lose, namely the wheat industry, wheat farmers, seedsman, marketers, grain merchants, etc, should be the ones directly involved in the decisions made about biotech wheat.

The North Dakota Grain Growers Association will be opposing any efforts to give authority to the board to be able to implement a moratorium or limit the development of biotechnology. We believe any state effort should be proactive and positive and help North Dakota prepare for the eventually release of biotech wheat. NDSU could be the leader in this endeavor. We believe a moratorium only provides a political solution not a real solution. It causes people to choose up sides, does not address concerns and only divides and polarize the sides that should be working together to put North Dakota in position to deal with the eventual release of biotech wheat. A moratorium projects a negative image of the technology and indirectly results in a reluctance to do research in the state. A moratorium would be ineffective if implemented in only one state. From a common sense point we feel it is impossible to enforce if other surrounding states do not follow suit. Look to Brazil! We will still have to deal with the issues and problems if another state releases it. If we all sincerely believe a moratorium is the answer, we should be lobbying vigorously, our congressional delegation, to implement a moratorium on a national scale for it to be truly effective and legal. From an economic development standpoint, a moratorium makes North Dakota appear to be anti-new technology, not forward thinking. No other state to our knowledge is considering a moratorium on biotechnology. A recent panel of young North Dakotans, discussing outmigration, said leaders should do all they can to improve on North Dakota's backward image. Being the only state banning future potential technologies before they are approved does not project a forward thinking image. Ag Bio Science jobs are high paying jobs.

In summary, we believe biotechnology is not going away, that it is going to be very prevalent into the future, and most certainly in agriculture. Biotechnology holds out too much promise to be ignored or abandoned. Biotechnology potential is widely recognized and accepted. The National Center for Food and Agricultural Policy, a nonprofit research organization in Washington D.C. has stated there would be great benefits with biotechnology for states. North Dakota could realize \$185 million gain per

year according to this study. The United Nations Food & Agricultural Organization, at the World Food Summit in June 2002 in Rome, Italy, endorsed biotechnology and high yield farming and rejected the plea's of Greenpeace to have all nations adopt organic farming. North Dakota can choose to prepare itself for this future or we can bury our heads in the sand. No one has ever said that we should not be cautious or the concerns are not real, we have disagreed on the solutions. We need to work together; we need to prepare North Dakota for the future. There is too much at stake not to cooperate.

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**North Dakota Grain Grower Testimony
House Agriculture Committee
January 16, 2003**

Chairman Nicholas and members of the committee, my name is Bruce Freitag, I farm near Scranton, and am currently serving as President of the North Dakota Grain Growers.

The Grain Growers has taken the following position supporting biotechnology: NDGGA supports research, development, and the advancement of biotechnology for the opportunity it provides consumers, processors, and production agriculture, and we encourage the education, promotion, registration, and customer acceptance of genetically enhanced wheat worldwide. We support an increase in the investment in, and research of biotechnology enhanced wheat products at NDSU. We also oppose a moratorium on biotech wheat.

Wheat, as a crop has not made the agronomic advances that other crops have enjoyed. In fact when comparing gross returns in North Dakota from the three major crops over a forty year period, gross returns from wheat have increased 150%, gross returns from soybeans have increased 300%, and gross returns from corn have increased 450%. These advances have come for a variety of reasons, but are an indication of the reduced competitiveness of wheat, and the need for new varieties which are disease tolerant, herbicide tolerant, drought tolerant, or simply higher yielding. Biotechnology is the future of plant breeding and offers wheat producers hope that this disparity of competitiveness can be addressed.

The commercialization of biotech wheat will require time and effort to solve the market acceptance issues involved. In fact, the wheat industry has a joint committee on biotechnology that has been studying these issues for several years. The North Dakota Grain Growers and the North Dakota Wheat Commission are organizations made up entirely of

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Bruce Freitag
Operator's Signature

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wheat producers, who are well suited to oversee the issues addressed in this legislation. At the very least, if another board is necessary to address these issues, wheat producers, who have the most to gain or lose, should have better representation on the board.

The Grain Growers would definitely oppose establishment of a transgenic wheat board if its purpose is to find ways to limit or restrict new technology to wheat producers. Also, if this bill is amended to become a moratorium bill without the word moratorium in it, we believe that effort would be misguided and will only result in North Dakota being isolated and North Dakota wheat producers being put at a disadvantage.

There is a real need to begin solving the problems of commercialization. We believe the introduction of biotech wheat is inevitable. Whether that happens in 3 years, 5 years, or ten years, producers of North Dakota would be well served if we are ready for the introduction, and if testing, tolerances, and segregation issues are addressed in advance of that introduction. These issues should be addressed in a scientific manner and it would be our suggestion that NDSU be given the opportunity to develop answers to the many questions biotechnology has raised. NDSU is the institution we depend on for research, variety development, and the basic science that we as wheat producers depend on. It only makes sense that North Dakota use that expertise on this issue.

Wheat is North Dakota's largest crop and it is vitally important that wheat growers have all the tools needed to be successful in the future.

Thank you. I will be happy to answer any questions.

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Fact Sheet on Transgenic Contamination and Seeds

Compiled by the Northern Plains Sustainable Agriculture Society (NPSAS). If you need more information call 701-883-4304.

Q. What is Transgenic Contamination?

A. Transgenic contamination occurs when a plant that contains transgenic / genetically modified organisms (such as the gene inserted into plants to make them resistant to the herbicide Roundup) cross-pollinates with a plant that has not been genetically modified. Some seeds of the non-transgenic plant will then be made up of genetically modified organisms. Transgenic contamination can also occur through the commingling of transgenic and nontransgenic varieties in the handling system.

Q. Why is a zero tolerance of seed contamination by transgenics important?

A. Foundation Seedstocks are the genetic basis of new varieties. A substantial number of importers of U.S. agricultural products as well as Identity Preserved (IP) markets do not want transgenic products. Organic production is dependent upon genetically pure seedstocks since most organic standards do not have a tolerance level for transgenic contamination. The safety of transgenic varieties has not been proven.

Q. Why focus only on the seed issue and not on contamination in crop production?

A. Transgenic contamination during crop production is also a huge issue for agriculture. However, if we lose the genetic purity of our seed sources, we will have contamination regardless of what we do in the crop production phase. It all begins and depends on the seed. Seed is such a critical issue, it warrants our immediate focus.

Q. What are Foundation Seedstocks?

A. Foundation Seedstocks are the seeds for varieties that are grown directly from breeder's seed or foundation seed. It is produced under the control of the originator or sponsoring institution or licensee. It is seed in purest form.

Q. Where are Foundation Seedstocks kept? Who is responsible for maintaining their purity?

A. Nearly every state maintains a Foundation Seedstocks program or is affiliated with an agency that performs these functions. Many Foundation Seedstocks programs are within the land grant university structure. The purpose of these programs is to increase, maintain and distribute genetically pure seed of new and established crop cultivars.

Q. Why all the concern?

A. In March 2001 NPSAS discovered that a

Round-up Ready wheat research trial plot was located next to the Foundation Seedstocks plot for Coteau wheat at one of NDSU's Research Extension Centers during the 2000 growing season. (The plots were separated by a buffer strip.) In April 2001 NPSAS received an email stating that "NDSU's position regarding [wheat] varieties grown at NDSU Research Extension Centers is such that there can be no guarantee that GMO DNA has not been introduced."

Q. What distances are required to keep outcrossing by pollination from occurring?

A. In February 2001 when asked if there has been research on the distances required to prevent gene flow through cross pollination in wheat, NPSAS was told that that research has not been done. (Personal Communication, 2/26/01) The research and understanding of crop pollination and the exact distances needed to prevent pollen flow in various crops is incomplete and therefore inadequate to provide any assurances.

Q. Is the same equipment used for Foundation Seedstocks and transgenic research?

A. In some cases, yes, and in some cases, no.

Q. Can harvesting, handling and cleaning equipment be cleaned 100% so zero contamination between varieties is possible?

A. According to agricultural engineers, it is impossible to remove every seed from combines, trucks and cleaning/conditioning equipment even when the equipment is completely dismantled, vacuumed and cleaned.

Q. Who should pay for the additional equipment and facilities required to achieve a zero tolerance level of transgenic contamination?

A. The corporations developing and profiting from these transgenic crops should include the cost of segregation in their development of new transgenic varieties. When corporations use the public's land grant infrastructure, if our land grant institutions require additional equipment in order to carry out this research in a responsible manner, the corporate sponsors should be required to provide this equipment. Since they do not consistently provide separate equipment and varieties are not always adequately separated, we are demanding that the only method of insuring zero tolerance of contamination be used--- don't grow, process or handle these varieties in the same facilities as our Foundation Seedstocks.

1-16-03

My name is Roy Swanson. I'm from Wheatland, North Dakota, just outside of Fargo. I'm here today to tell you how GM Wheat is going to squeeze out the family business I've been building up for the last 30 years.

I started out farming at 16 years old. Later, we added a welding shop to our operation. About 5 years ago, my son saw a need for a local, state-of-the-art seed operation... a way farmers could clean up their own seed and save themselves money. The cost of growing their own seed and then cleaning it in a seed plant like ours is a lot less than the cost of buying seed through a seed salesman. Also, we are cleaning seed year round. An elevator may only be open a week or two in the spring, right at the time when farmers need to be getting their equipment ready.

Within the last two years, I have seen nearly a 30 percent drop in my business due to round-up beans. These beans are patent-protected. Farmers can buy the seed from the seed salesman, grow it, harvest it and then sell all of it. They cannot grow and clean their own seed for next year's planting. They have to go back to the seed salesman again. That costs farmers even more money. GM Wheat works the same way as the round-up ready bean. I can expect an additional 20 to 30 percent drop in our business. If this goes through, that's over 50 percent loss in our business from two years ago.

In our business, I talk with a lot of farmers about this GM wheat. They are all scared of ruining their foreign markets and crop rotation. The GM wheat will contaminate the regular wheat. This contamination affects the organic farmer and the rest of the farmers who are developing their own market across the sea.

If you want to save small business in North Dakota, we have to start here. GM wheat only benefits the large companies. We have to protect ourselves from the large companies that are trying to monopolize the seed industry.

Thank you for your time.

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Yolanda Rickford
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HB 1026

Agriculture hearing 1-16-03

We have grown Certified seed for over 40 years. Since the late 1970's we have grown every acre to certified seed based on rotational requirement rules for purity set by North Dakota State Seed standards. This just helps in the purity process on our seed farm, as purity is the ultimate factor and our record shows we achieve this on a consistent basis.

We pride our work with NDSU Foundation Seed Stocks, NDSU Extension and N.D. Crop Improvement. Our "niche markets" come from the pure seed that they produce and our pains taking effort to keep the following generations pure we produce and sell to commercial producers that market at the local elevator level. We not only sell North Dakota State Certified Seed to North Dakota farmers, but have sold North Dakota State Certified Seed first hand off our farm to Montana, Minnesota and to Canadian farmers. Bare in mind that we are not only meeting North Dakota State Seed standards, we need to meet interstate standards. Then we need to meet Canadian Import standards, along with their standards for the class of seed we are exporting to Canada, in most cases their purity requirements are greater. We also must have a USDA phytosanitary permits to cross into Canada. We also market our seed to several State Certified Seed Plants in N.D., so our on farm grown NDSU origin seed production goes way farther into other states than we might be able to imagine. Just this past October I was asked to supply a supplier with certified barley to be moved to Arizona and California for planting there.

To be brief on a few of the things we do to ensure our purity;

On new machinery we take an enormous amount of time to pre-check, and seal, plug, and fill seams, cracks and groves with caulking and/or canned foam fillers. If we can't do this we cut holes for access and install removable covers so we can access and clean different crops out to aid us in the preservation of purity. We also do this on used equipment and most of the time this is harder as we need to thoroughly clean out past mixes of different crops someone else never cared about mixing. Now is the average farmer going to do this? We have all augers reversible, cut access holes and make removable covers for access and caulked seams on them. Brooms; we have corner brooms, push brooms, little wisk brooms in each tractor, combine, pickup, and truck. Extend a broom for bin walls of bins. Air Compressors two 60 gallon one on wheels to make it mobile, one smaller one in service pickup I built, all trucks have air and we have access to use it. Truck boxes seams are caulked, doors sealed on boxes, tarps are removable and removed between every crop to clean.

Vacuums; large to small, all high output and range from 55 gal. Down to 1 gal. We have at least five vacuums, they are use the most as it doesn't let material be spread, and is in a direct container. What isn't vacuumed is either blown, swept or in combination there of. We do this from preparing for Foundation seed to arrive, through switching seed at the air drill, cleaning bins in preparation for harvest, sprayers spraying fungicide, to swather and combines at harvest. Remember we do this each and every time we change from one crop to the next and we feel more importantly between one variety of wheat to the next. This has proven our purity and we don't compromise.

I am only highlighting some of what we do, as there is so much more. People around us say; "You don't even realize all of the things you do. Because you do it on such a routine basis that you aren't aware of what normal farms operate like".

When I look at a seed lot I look for the Purity of that specific lot first, even a NDSU Foundation seed lot. I do not want any other crops in that lot as purity is the bottom line and this is the main reason why. If the germination is not high, this is not a big issue to me and most farmers will argue this. Now you may ask why I don't agree germination is not the most important issue. Because, if the lot is pure I can seed at whatever rate I need to compensate for germination, because I will not be adding any impurity to my planting. Now what if we had to do this with a seed lot that had what GMO Industry is trying to call quote "tolerance". We would, if this lot is low germ, increased our seeding rate and that alone would then be raising tolerance level to a new level. And this is what GMO Industry wants is to make tolerances and to keep raising tolerances and infecting our seed system as that will wipe out our Non GMO system.

We are now faced with all the excitement of testing these GMO replications on the very sites that have made me and many more established Certified Seed growers our North Dakota "Value Added" revenue. This will only take a short time to affect NDSU's prided Seed Stocks with GMO traits. This is where GMO testing by independent labs is needed today to prove our Foundation Stocks are still Non GMO. NDSU needs this to protect its reputation in the seed industry as a pure seed source. There are too many places of possible contamination as just a few that I mentioned show. We don't hire any part time people that we let do any cleaning of equipment on our farm. Now NDSU does need a lot of extra help from time to time, part time, to students and this is something that needs controls like we have never seen. The urgent needs are real for total separation in every section from petrie dish, green house, field, cross pollination, cleaner, North Dakota State Seed Department inspections, to Foundation Bag. The soybean issue this fall at NDSU Foundation Seed Stocks already shows we are too lax in prevention. The only safeguard is not to test GMO's varieties on Foundation Seed Production sites.

It truly amazes me how we have raised crops for thousands of years naturally, with natural breeding and natural mutation that science has proven and now its not good enough. The consumer and the food industry say they don't want GMO food, but Corporate America says we need it. I haven't had a seed purchaser call yet wanting any, but I have been asked how we are going to keep from being contaminated through our seed supply system.

Take the chemical Glean by Dupont, several years ago it was what every farmer wanted to use. It was like a miracle chemical and was tested by more farmers in real fields than in test plots. Didn't we in the end, not do the testing for science and where is the chemical, not in our state with a label today. Are we not still fighting the resistant kochia?

Science has so many unanswered questions about GMO's and not enough independent testing is being done. I myself have questions like; What about the microbial structure of the soil, do GMO's effect this when it breaks down, as microbial activity does do the decomposition? What effects does GMO traits have on baking quality? Does the fusarium levels increase in RR wheat like the report on RR soybean shows out of the study by University of Missouri in their four-year study? These are just a few.

Science shows; for every advance in science there is always a backlash and sometimes the backlash is greater than the advancements reward is worth and so that science is scrapped. Has science proven this technology or do we trust GMO industry enough to eat it world wide, as we ask for the sound science to be proven.

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Yalosta Rickford
Operator's Signature

10/2/03
Date

Our farm is always on the fore front of agriculture in the seed industry. We're always on as fast a horse as anyone, and faster than most. This is one race in the world that placing to show is not that far from the 1st especially as fast as we can go to this science of GMO. But going this road back can never be totally achieved, as once this trait is out we can never be 100% free of GMO's again. Doesn't that alone show the backlash of this science? Damn scary isn't it?

respectfully,

Del Gates - Owner Gates Farm
state Certified, State Seed Grower
205 LAUNDAL ST
MORRIS, MO 65761
701-756-6205

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Del Gates
Operator's Signature

10/2/03
Date

HB 1026

David Hafner

Beulah, ND 58523

- A. What ever happened to the notion that the customer is always right?
1. European Union among others has said they will not buy genetically modified products.
 - A. The European Union elected to pay a \$100 million dollar penalty after the WTO ruled against a US back appeal to force the EU to buy hormone enriched beef.
- B. US farmers will loose markets with the introduction of genetically modified wheat.
- C. Farmer liability will make it difficult if not impossible to be a GMO free farmer.
- D. Monsanto will be guaranteed a monopoly in the chemical market.
1. The canola example in Canada underscores the need of more chemicals to combat volunteer plants who don't respond to current chemicals.
- E. Monsanto will end up controlling the seed base which will drive up the costs of seed as a result of patent protections.

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Yalosta Rickford
Operator's Signature

10/2/03
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UP

Chairman & fellow ag. committee
DAVID HATTNER
HB 1026
When I look at the H.M.O., D.N.A. it looks
very good up front.

When I study what it writes it really gets
very mixed in my points of view.

They are the producer which wants to grow
the H.M.O., pat DNA crops, and those who
don't, they may both be correct, they may not.

I have not been able to find where studies
prove that all the problems are taken care off.

our customers and good buy friends don't
want H.M.O. food, information which I
have study.

our pat. breeds as I see this will end up
with a monopoly, yes there might be ten or a
hundred pat. breeders, but as I see it they will not
give up their D.N.A. so no other company will be
able to produce a chemical to control weeds or a
quinn crop of H.M.O. DNA but it developers which
will be able to put a very very fair price on their
product.

I see this were they will be the only real player
of buying the grown product back for resale,
Star lent corn as a example.

Cross pollination will always be a problem! there
will be law suits for ever and the who has the big
pocket book will win

H.M.O. DNA pat. cross will become a weed, how
will this problem be handled, who will develop this chem
what will it cost, you know the producer will have to pay

HB 1026

KEN GRAYTON
TESTIMONY

NDSU Policy on Biotech Research Executive Summary

The purpose of the North Dakota Agricultural Experiment Station (NDAES) is to develop and disseminate technology important to the production and utilization of food, feed, and fuel from crop and livestock enterprises. The pursuit of new technologies, including biotechnology, for enhancing farming, food quality and the environment is consistent with this purpose and will enable North Dakota to participate in the benefits of current and future technological innovations.

New and improved seed varieties are also developed by the NDAES. These crop breeding programs often utilize technologies such as hybridization, mutagenesis, plant tissue and cell culture and biotechnology in order to develop varieties with the greatest net gains. The NDSU Seedstocks Project has direct responsibility for foundation seed propagation and the increase of these new varieties.

While the NDAES pursues research and crop breeding utilizing new technologies, including biotechnology, it recognizes that producers and consumers continue to want choices of what food products to purchase and what agricultural production and marketing systems to use. The NDAES recognizes that some production and marketing systems have not embraced biotechnology. Therefore, research and new variety development that benefit both biotech and non-biotech crop production and marketing systems will be pursued.

The NDAES's Statement and Policies on Research and Development of Transgenic Organisms for North Dakota describe how biotech research will be conducted and provide insight to the decision-making process related to biotech research decisions. This policy is intended to guide NDSU scientists as they pursue biotech research and provide the public with information on how this work is conducted.

Under the key points of this policy, the NDAES will;

- ▶ Continue to pursue new technologies for enhancing farming, food quality and the environment.
- ▶ Promote the co-existence of various production and marketing systems.
- ▶ Continue to develop genetically improved and environmentally adapted crops.
- ▶ Manage the development and propagation of new varieties to insure the availability of pure seed to the fullest extent possible.
- ▶ Follow research protocols that exceed APHIS standards when field testing regulated biotech crop material.



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- ▶ Follow the National Institute of Health guidelines for containment facilities for the biotech materials.
- ▶ Have the NDSU Institutional Biosafety Committee give additional oversight to the approval process for testing regulated biotech material.
- ▶ Continue to utilize public variety release meetings for reviewing plant material considered for commercial release.
- ▶ Require regulated biotech research projects be pre-approved by the AES director and all non-regulated biotech research communicated to the director prior to planting.
- ▶ Require that policy regarding biotech research at all NDAE locations be established by the AES director.

NDSU policies on biotech research do not supercede established rules. However, they may be more restrictive or precautionary. NDSU policy and procedures provide protections consistent with its land-grant mission and to protect public interest.

Duane Hauck
September 25, 2002

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10/2/03
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Todd Leake, for Dakota Resource Council

Testimony before the House Agriculture Committee

Jan. 16 2003

HB 1026

Chairman Nicholas and House Agriculture Committee members,

I want to thank you for the opportunity to speak today in opposition to House Bill 1026.

Genetically modified (GM) crops have become commonplace in North America since the mid 1990's. GM soybeans, canola and corn are widespread. Biotechnology companies, along with universities have been developing GM cereal grains for introduction, specifically, Roundup Ready HRS wheat varieties. Monsanto Corporation is developing GM versions of commonly planted HRS wheat varieties. Monsanto has been testing Roundup Ready wheat in North Dakota. December 19, 2002, less than a month ago, Monsanto applied to USDA APHIS, for a petition to deregulate Roundup Ready hard red spring wheat. This deregulation process will take approximately 12-16 months. If approved, which is likely, this will result in Roundup Ready, GM wheat being available for commercial production, at the discretion of Monsanto Corporation and their partners, as early as 2004.

During the Interim Ag Committee process we heard expert testimony from the University of Manitoba on the mechanisms of cross pollination, the increase of Roundup Ready wheat through volunteer grain and the use of the selective agent, glyphosate, all increasing the spread of these genes through plant populations. We also heard expert testimony on the difficulties of segregating GM wheat from the farm to the mill. We believe there is no reasonable question that GM Wheat will spread through the wheat crop just as it has through soybeans, canola and corn.

Many major export markets for North Dakota Hard Red Spring Wheat are currently restricting the importation of GM commodities. This will include Roundup Ready or any other GM wheat. Japan, the European Union, and several Middle East and Asian countries, including Algeria, Egypt, Korea, Taiwan and India, restrict or ban the importation of genetically engineered crops and products. In the case of the European Union, the "Novel Foods Directive", the Deliberate Release Directive, and their pending

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replacement regulations dictate the strict if not onerous manner in which genetically engineered crops and products may be imported and used within EU member countries. Japan imposes regulation and restrictive protocols on importation of genetically engineered commodities. These markets alone account for the historic majority of U.S. Hard Red Spring Wheat exports. Our growing Far East and Middle East market countries have determined or are in the process of determining their import restrictions.

It has been suggested that these laws and restrictions are "non tariff trade barriers", and perhaps they are. The US trade representatives office has hinted at action against the European Union, but whether or not that trade action suit will occur, or the US will prevail before a WTO Tribunal in Geneva is uncertain. Whether the EU would abide by such a decision is further postulation. Like the EU prohibition on US beef with Bovine Growth Hormone, US GM wheat could suffer the same protracted trade battle, all the while losing our market share and commercial potential for quality HRS wheat. US agriculture has not historically fared well in such trade disputes, especially with the EU. With the impending release of GM wheat and it's potential to become pervasive in the North American export wheat supply, and the regulatory and market barriers in major market countries in place showing no significant sign of being relaxed, U.S. wheat exports could realize a disadvantage when competing with other wheat exporting countries.

We may be suffering a trade disadvantage simply from the anticipation of GM wheat production in the US, as market countries and companies explore alternative suppliers.

Recently much has been said about the "New Wheats", wheat varieties that promise to yield pharmaceuticals and industrial chemicals. Much of the gain from GM wheat is based on the introduction of this second generation. The National Food Processors Association has issued a position statement against these second generation GM's, "In view of the food industry's commitment to the safety and quality of the food supply, NFPA finds there is an unacceptable risk to the integrity of the food supply associated with use of food and feed crops as 'factories' for the production of pharmaceuticals or industrial chemicals."

As wheat producers, we do not have confidence in the future market acceptance of roundup ready or the "new wheats". We need to make positive statements to our customers both domestic and overseas that we will continue to supply them with the conventional, non-GM wheat they demand.

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Operator's Signature

Yolanda Rickford

Date

10/2/03

HB 1026

January 16, 2003

Testimony before the House Agriculture Committee

Chairman Nicholas and members of the House Ag Committee,

Thank you for this opportunity to speak to you.

My husband, Tom, and I have been quite outspoken in our opposition to the introduction of GM wheat in North Dakota. I'm sure most of you know this. Two years ago, as we were fighting for a moratorium on GM wheat we found that our conventional, food grade soybeans, for which we had been offered a good contract, were found to be contaminated by modified genes. We lost that contract and Dakota Resource Council did a press release on this story. We thought (and still do think) that it points exactly to the problem we fear if GM wheat is introduced. That story has been picked up and published around the world. Indeed, we still have reporters from around the world calling us about that contamination problem.

Because of that story and our outspokenness about GM crops and their problems, we have been invited on two different farmer tours to speak to farmers and officials about our views. The three-week tour last January was funded by ANPED (The Northern Alliance For Sustainability based in Poland), Friends of the Earth of Europe, and the Berne Declaration in Switzerland¹. During that tour we visited four Eastern European countries, Slovenia, Croatia, Bulgaria, and Poland, and three European Union countries, Belgium, France, and Switzerland. We toured with Percy Schneider and his wife, Louise, whom we got to know and love. In each country we were hosted by local NGO groups who set up exhaustive schedules with groups of farmers, farmer union leaders, legislators, press, and government officials. In Brussels we were hosted by the Green Party, to speak at a forum before members of the European Parliament. Our message was very simple, "Not all farmers in America grow genetically modified crops. We feel that their presence is a threat to our way of life, to our independence and to our rights as farmers. And we are even ashamed of the behavior of our government and the American corporations who are forcing these products into countries that do not want them."

Except for one incident at a press conference in Bulgaria, where an industry representative interrupted Percy Schmeiser's presentation with shouting, we were welcomed warmly everywhere we went. Amazing things happened in every country. Farmers sought us out after meetings and wanted to buy us beers so we could sit and talk. They gave us gifts and wine from their vineyards. We were invited to visit farms and fed sumptuous meals. Often, after our speeches there was an open microphone period. Always farmers expressed their surprise at hearing us, could hardly believe that we were indeed from America. They have only heard in the press that ALL American farms are embracing this technology. They fear for their small farms, many of which are organic.

After our speeches in the Slovenian legislative assembly, the first man who got up said, "Finally, something good to come out of America." He was followed by speaker after speaker, scientists, legislators, and farmers alike, vowing to fight the introduction of such crops into their country. Just the day before, USDA representatives had been in that very building threatening that small country with WTO action if they put into place the moratorium on GM crops that they want

¹ Pictures and news stories about the tour can be found on the ANPED website: www.anped.org

In Brussels we met with several governmental ministers, including the minister of the environment. When Tom told him that we were not opposed to research, but we thought it should be done in greenhouses he answered, "Yes, and on the moon."

In Poland, a medical doctor, and allergenist, heard us speak and joined the rest of our tour in that country to back us up with his medical opinion.

In Slovenia and Croatia the farmers are subsidized on a sliding scale depending on how close to fully organic they farm, with the organic farmers receiving the greatest assistance. These countries value their small farms, their organic industry, their pure food, and their independence. Croatia has a campaign ready to go to advertise their beautiful country as a GMO-Free tourist destination². The US has threatened WTO action against Croatia if they go ahead with their GMO ban. Croatia cannot afford to fight the USA at the WTO. The farmers we met have just fought a terrible war with guns affixed to their farm trucks, seen their neighbors killed and buried in mass graves, and live now in communities where the buildings are still riddled with bullet holes. They should not be bullied and threatened by the USA, but helped by our country, which claims to value freedom.

We have been criticized here at home, even in public forums, for speaking out on this issue. Indeed, this is not a safe time to criticize our government. I am bringing these stories to you because we have been in these countries, some of who are in the EU, others who want to be. We have talked to the government officials and the farmers. What I am saying, is that if you think these countries will lift their moratoria or labeling rules on GMOs any time soon, you should go and talk to them yourselves. That will not be happening. These people are resolute and organized in their opposition.

If GM wheat is introduced, North Dakota will most certainly lose any European markets, including finished products made in the US with GM wheat.

This insistence on GM free imports by the European Union is well recognized. Brazil now has the European markets for soybeans and soybean meal. The Illinois Farm Bureau has just passed a resolution acknowledging that US corn gluten feed exports are at risk if farmers increase their planting of EU-unapproved GMO corn varieties in 2003. They are encouraging farmers not to plant these new varieties. Corn gluten feed is a by-product of corn ethanol production. A drop in the export market of corn gluten is not only a risk for corn farmers, but also for the growing ethanol industry in the US and even in North Dakota.

Again, to stop the moratorium and labeling rules in Europe, the US is looking at WTO action. But let's look at history. The US successfully challenged the European Union in the WTO for their ban of hormone-fed beef. Even though we won that dispute, hormone-fed beef is still not being sold in the EU. They just paid the fine and continued importing from Argentina, Australia, and the other beef exporting countries that supply what the European costumers want. As Larry Mitchell, CEO of the American Corn Growers says, "What's the point in winning a WTO case and losing our largest market?"³

In North Dakota we should heed that advise. Many of our farmers are only one crop away from failure. They cannot risk lower prices, and they cannot wait through WTO action to gain access to markets that most likely will not open to us in the end anyway.

² Pictures available on the ANPED website: www.anped.org

³ Corn Growers Warn that Intransigent U.S. Attitude Toward EU on GMO Import Policy Could Backfire Against U.S. Corn Gluten Feed; Dec. 4, 2002 press release; American Corn Growers; <http://www.acga.org>

Yalosta Rickford
Operator's Signature

10/2/03
Date

And that's just the European markets. What about our domestic markets, the markets Bill Wilson, the economist from NDSU who testified at your interim committee hearings, and others are telling us that we will have for our GM wheat. Included in the packet I have just handed to you, you will find the Statement on Biotechnology from the American Bakers Association. It is clear, interesting reading, ending on page 6 with a call for absolute ability to segregate GM varieties, labeling of such products, and a requirement that the testing and segregation costs be born by the technology developer. I have also included two letters, one from a local Bismarck bakery, Bread Poets, and a Jamestown bakery, which ships frozen bagels around the entire country. Dick Earle, the president of Dakota Brands International states that they buy all their flour from North Dakota State Mill and would have to source it elsewhere if GM wheat was grown in the state.

So now it is not just our export market that farmers in North Dakota must worry about, but our domestic market as well.

I do think the experiences Tom and I had in Europe gave us some insight as to the resolve of the consumers of those countries to keep GMOs out of their diets. Please keep that resolve in your minds as you debate the bills brought before you concerning GM wheat

Setting up a board of experts and farmers to look at the questions involved with GM wheat is a good first step. But that board must have some authority or it is a useless exercise and a waste of time and money. This legislature has already commissioned studies twice. Without authority and a means in place to determine if and when GM wheat should be introduced, I cannot stand in favor of HB 1026.

Thank you.

Gail Wiley
5111 77th Ave. SE
Montpelier, ND 58472

(701) 489-3498

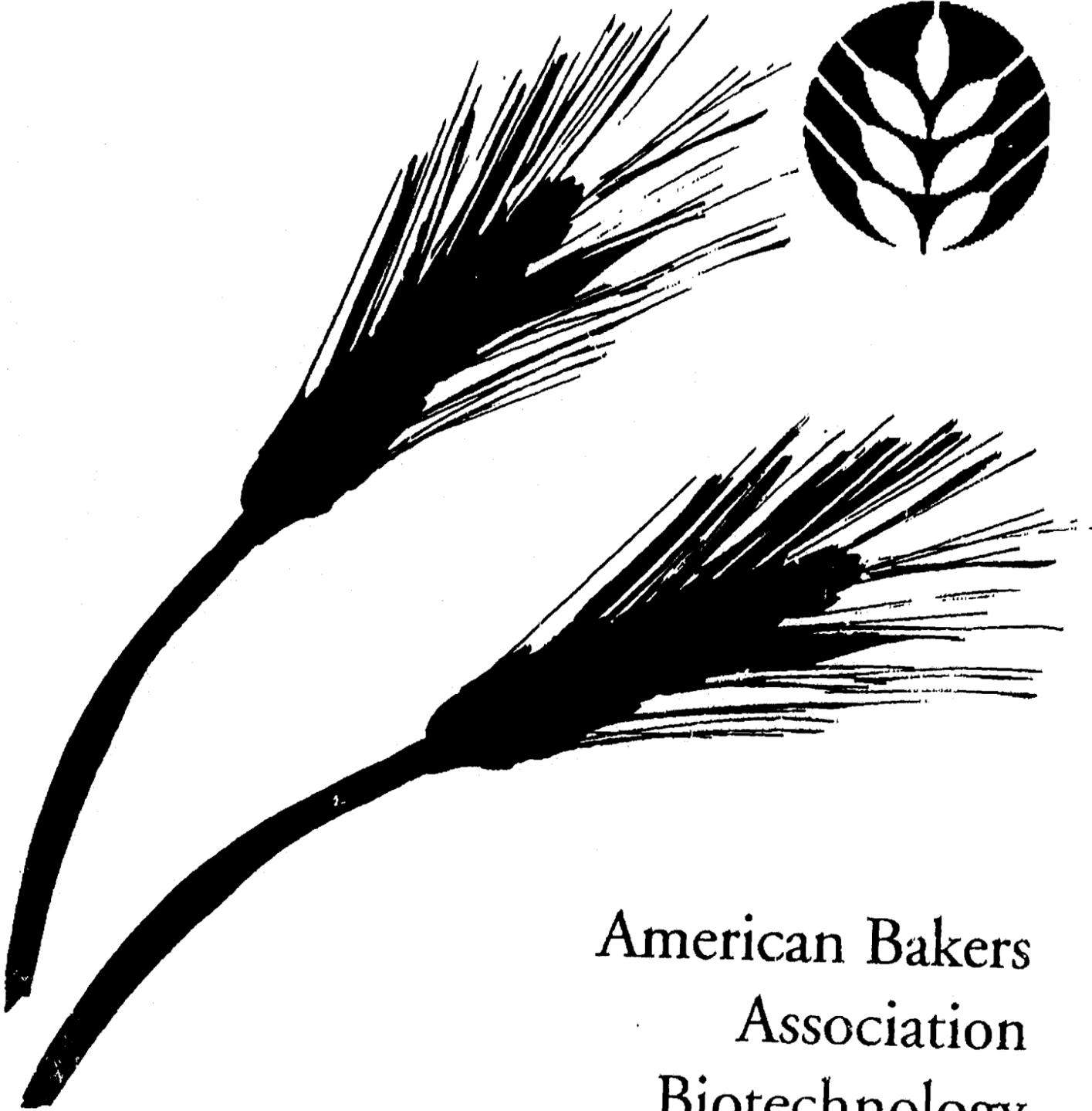
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HB 1026

PAUL WILCOY



American Bakers
Association
Biotechnology
Position Statement

September 2001

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10/2/03
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American Bakers Association

Serving the Baking Industry Since 1897

September 2001

Dear ABA Member:

As you are aware, biotechnology is a complex and diverse issue. The American Bakers Association (ABA), through the outstanding work of its Biotechnology Subcommittee and Food Technical Regulatory Affairs Committee (FTRAC), have constructed a biotechnology policy position paper that has been well thought out, carefully researched and has been approved by the ABA Board of Directors. This document places the baking industry in the most favorable and positive position possible as the future of biotechnology unfolds. ABA believes that this policy position is in the best interest of our consumers and of our industry. ABA is confident that you will find this policy position to be one that you and your company can embrace and adopt as your own.

Once again on behalf of the ABA membership, I personally congratulate the work of the ABA FTRAC and its Biotechnology Subcommittee for their tremendous efforts in developing our industry's position statement. I also want to recognize the terrific leadership of FTRAC Chairman Rella Dwyer, The Long Company and Biotech Subcommittee Chairman André Biane, Sara Lee Bakery Group.

Sincerely,

Paul C. Abenante
ABA President & CEO

1350 I Street, NW • Suite 1290 • Washington, DC • 20005-3305 USA • 202-789-0300 • FAX 202-898-1164 • www.americanbakers.org

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ABA Biotechnology Position Statement

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Salvatore Rickford
Operator's Signature

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ABA Biotechnology Position Statement
September 2001

ABA's Role in Food Biotechnology

Background

The basic premise of the American food market is the law of supply and demand. Any company is free to develop and sell a new product in the market to determine whether there is demand for it. Consumers who don't like the new product are free not to buy it. That is the essence of the free market system.

Within the structure of a free market, the food industry is highly regulated to ensure that it delivers a safe and wholesome food supply, and consumers are protected.

For centuries, farmers have been trying to improve the quality and quantity of their crops. Plant breeding techniques have brought spectacular improvements, and wheat itself is a man-made product from the painstaking cross-breeding of varieties of grasses.

Until a decade ago, cross breeding was restricted to co-mingling of the genes of the same species. The public accepted, and even welcomed, such activities, recognizing the clear benefits of an abundance of good-tasting and reasonably-priced food.

Initially, when bio-geneticists were able to leap species barriers and physically insert genes from one species into another, the first benefits came in the pharmaceutical industry that produced a wide array of new life-saving medicines.

When the new technology was applied to grains, food regulators tended to maintain their essentially market-driven philosophy. Their focus remained, according to their mandate, on the resulting products, rather than on the new genetic process itself. They did, however, become more wary, and they did start to look more carefully at the breeding process to be absolutely sure that the new products would offer no harm to the public.

In Europe, mad cow disease and foot and mouth disease have caused some consumers to lose faith in the supervision of their food supply, but the American public has had no reason to doubt their regulators. The American food supply is among the most wholesome and safe in the world because U.S. regulators have sufficient power to recall unsafe products from the market. The system works well. The regulatory framework is essentially composed of three federal agencies who share monitoring responsibility:

United States Department of Agriculture

The Animal and Plant Health Inspection Agency (APHIS) of the USDA is, among other things, charged with regulating bio-engineered plant products. Its overall responsibility is to ensure that proposed new varieties pose no risk to the environment. It regulates inter-state movement, importation and field testing of, among other plants, those "produced through genetic engineering." As part of its requirements, it requires information about the plant, all new genes, their origin, the purpose of the test and precautions to be taken to prevent the escape of pollen, plants or plant parts from the field site. The USDA has the authority to prevent the introduction and dissemination of plant pests under the Federal Plant Pest Act and Plant Quarantine Act.

**ABA Biotechnology Position Statement
September 2001**

Food and Drug Administration

The FDA is responsible for ensuring, among other matters, that the food supply is safe for human consumption. If a product undergoes certain transformation that renders it no longer substantially equivalent to the original, the FDA requires that the product be labeled. FDA can take regulatory action against foods that are adulterated or improperly labeled.¹

Environmental Protection Agency

The EPA approves bio-engineered pesticides and bio-engineered plants with pesticide characteristics prior to activities related to commercialization in order to protect humans and the environment. EPA also establishes tolerances for pesticide residues on crops.¹

While the majority of American consumers continue to trust the judgment of their regulatory authorities, an activist minority is concerned and agitated about the new technology. Their concern is not so much about the safety of the products of biotechnology — though some are worried about that too — as about the process itself.

At root, their concern is about the unknown consequences of tinkering with the gene patterns that have been created by nature. They worry that the new products may be bad for their long-term health, and they want the personal option of deciding whether to eat them or not. They worry that if the genetic experiment turns out badly, there will be no way back to the pristine state of nature. Such concerns may seem irrational, but a significant number of the baking industry's retail and food service customers and consumers hold them.

The issue facing the baking industry today is whether or not to use biotech wheat and other baking ingredients in the future to produce what most Americans consider to be the staff of life, their daily bread.

Until recently, bakers could reasonably have assumed that they would have the option, when the time comes, of buying biotech wheat or non-biotech wheat, according to their perception of customers' wishes and the dictates of the market. Recent events have indicated that assumption may not be correct, though rapid action by the industry might succeed in preserving a choice.

The Starlink incident has demonstrated only too clearly what could happen to bio-tech wheat if it is introduced into the current grain handling system. Currently, grain is moved as a commodity in the United States. It is physically impossible to segregate streams of grain without some co-mingling taking place. Minor amounts of co-mingling would normally be of little concern, but if tolerance for a biotech wheat is set at zero or close to zero, bakers may not have the option of buying non-biotech wheat, at least not at a level that is acceptable to its customers who want non-biotech products.

ABA also supports organic wheat production as a choice for its consumers, but the organic wheat industry is subject to the risk of co-mingling. Mills only certify that organic flour contains less than 5% non-organic wheat — not zero — and in any case, organic products are based on an honor and documentation system, not of scientific testing.

**ABA Biotechnology Position Statement
September 2001**

This dilemma of how to handle biotech wheat is an American baking industry issue. In other countries, regulatory authorities have more power, and more inclination, to interfere with the workings of the free market. The Canadian Grain Commission and the Australian Wheat Board can refuse to authorize or buy and handle a particular grain. The Japanese Food Agency can refuse to import bio-engineered wheat. The European Union can roll out a host of regulatory inhibitors ranging from the precautionary principle, to compulsory labeling, to quotas, to impede the marketing of any product.

Such strong regulatory authority is not available within the American free market system; therefore, the American baking industry will have to face this issue on its own.

The following is the industry's proposed plan of action to influence or direct the future development and release of biotech crops and ingredients.

"These agency descriptions are from: Richard L. Barnes. "Why the American Soybean Association supports transgenic soybeans" Pest Management Science 1526-498X/2000, P. 581

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ABA Biotechnology Position Statement
September 2001

ABA's Biotechnology Mission Statement

Premise

Foods derived from biotechnology are of major interest to the wholesale baking industry. Biotechnology is becoming an important part of the overall effort to produce an abundant supply of better tasting and more nutritious foods. At the same time the wholesale baking industry is driven by the demands of each baker's consumer and customer base. The market place requires wholesale bakers to provide choices for their individual constituencies. Therefore, the ABA believes it is important that analytical methods are developed and validated for new ingredients derived from biotechnology. Testing permits individuals throughout the food chain to have continued confidence in the identity and safety of food products. ABA believes that the release of any biotech wheat variety should be done in a way that does not allow co-mingling with the entire wheat marketing channel system and that the public choice to consume non-biotech wheat is preserved. The ABA solidly supports the FDA's current biotechnology policy and believes it is well grounded in sound science with a proven record of success in its application for over eight years.

ABA's Food Biotechnology Mission

- Support the scientific approach to food safety and regulations through the USDA, FDA and EPA to assure that consumer choice is maintained.
- Facilitate the education process with all ABA stakeholders, including all sectors of the grain and processed cereal food industries.
- Understand consumer's perception and knowledge of biotechnology.
- Provide consumers with reliable fact based sources of knowledge about agriculture and food biotechnology.
- Influence technology developers as they apply biotechnology to wheat and other baking ingredients.

ABA Biotechnology Position Statement
September 2001

ABA's Biotechnology Position Statement

Technology

As a general policy, ABA endorses new technologies that enhance society. ABA realizes that biotechnology as a science offers great potential in improving crops for more environmentally friendly production, more efficient processing, greater food availability, and enhanced nutrition and health benefits. ABA also realizes that, as with the introduction of all revolutionary technologies, clear strategies need to be implemented to allow the affected industries and societies to adapt to the changes associated with these science based technologies. Developing and producing future biotech crops and ingredients will require a clearer strategy than has been followed to date to avoid further market disruptions, such as were created by the uncoordinated release of Starlink corn.

ABA believes that beginning now any new biotech wheat crop and ingredients must be developed and/or released using the following technology and marketing strategies:

The future development of biotech ingredients should be based around consumer beneficial traits of importance to the baking industry including: reducing or eliminating wheat allergenicity; adding vitamins, amino acids, fortifiers, nutritional components, reduction of calories and extending shelf-life. However, ABA feels that crop production and process improvement traits should continue to be developed and released under the following guidelines:

- All biotech crops and ingredients must be accompanied by an efficient, inexpensive trait identification system with the accuracy of detection to meet USDA/FDA/EPA and foreign customers labeling or purity requirements. These trait identification systems should include both protein and DNA detection methods. The systems should be applicable to each sector of the grain trade with minimal disruption or added cost of detection. Currently the grain trade and the cereal food industry are bearing the cost of detection and segregating corn products with unapproved traits for human consumption. Also, the current trait identification systems are either too slow, too complicated, or too expensive for routine and regular use in the grain trade.
- All future biotech crop and ingredient applications to be released must be accomplished in cooperation with all sectors of the grain and cereal food processing industry. ABA believes that they must be included in the verification of the value-added traits. Claims on process improvements and the effects of biotech crops and ingredients on baked product texture, flavor and consumer acceptance must also be tested and evaluated in agreement with the ABA. Nutritional and health beneficial traits should be proven with third party clinical data. ABA does not want a proliferation of biotech crops and ingredients introduced into the market with competing or marginal traits that will require special monitoring, segregation and/or labeling systems.

ABA Biotechnology Position Statement
September 2001

Marketing and Trade

ABA is seriously committed to the principle that our customers' needs and preferences are the highest priority. We strongly support the ability of our customers to make purchases on the basis of specific traits and to accept or reject biotech products. ABA will work with all sectors of the grain and cereal foods processing industry to develop and assure that a viable segregation and testing program is instituted prior to commercialization of biotech products. We strongly advise technology providers to obtain international regulatory approval and to ensure customer acceptance prior to commercialization. Future biotech wheat varieties should only be released if they can be segregated in the normal market channels. Using the current GIPSA/FGIS wheat classification and marketing systems will not prevent cross contamination of biotech wheat. These wheat varieties should also have process traits typical for that class of wheat. ABA strongly believes that the cost of any release of a biotech crop or ingredient, requiring testing and segregation in the general commodity trade, should be the financial responsibility of the technology developer.

ABA believes that there should be no approval of new biotech varieties, unless it is approved for human consumption to avoid creating a situation similar to that of Starlink corn. ABA strongly encourages USDA, FDA and EPA to closely coordinate their efforts to assure that cross-contamination of the type that has recently happened will not occur again and that all future releases be marketed in a way to preserve the choice for the public to consumer non-biotech wheat.

ABA has always supported a profitable wheat production, processing, and export market. ABA is concerned that future releases of biotech crops and ingredients used in baking, and specifically the release of biotech wheat in the next several years, are done in concert with the entire grain industry following the above strategies. Not following the above strategies will severely impact the domestic and export markets for raw wheat and processed wheat products.

Therefore, ABA will only endorse the initiation or release of any biotech wheat variety that follow these strategies.

FAX
DAKOTA BRANDS INTERNATIONAL
Jamestown, ND 58401

DATE: January 15, 2003

TO: North Dakota House Committee on Agriculture
c/o Office of Dakota Research Council

FAX NUMBER: 701-224-0198

COMPANY:

FROM: DICK EARLE FAX# 701-251-1047 PHONE#: 800-844-5073

SENDING 1 PAGES INCLUDING THIS PAGE

RE: Genetically Modified Wheat

Confirming my conversation earlier this week, we have a number of customers that have asked us to supply a certification that we do not use genetically modified products in the bagels that we supply. It is my understanding that this resistance to the use of genetically modified grains is more widespread overseas. Therefore, I am opposed to the use of genetically modified wheat until the acceptance of the product is worldwide. We buy all of our flour from North Dakota State Mill and would have to source it elsewhere if genetically modified wheat was grown in the state.



Dick Earle
President

PLEASE ADVISE SENDER IF ALL PAGES ARE NOT RECEIVED

THANK YOU



"Whose Bread is an Art Form"

106 East Thayer Ave. Bismarck, ND 58501

January 14, 2003

Dear House Agriculture Committee Members,

I own a small business that is dependent upon Agriculture to produce the high quality wheat and grains that we need to make our products. The issue of Genetically Modified Wheat concerns me on a number of different levels. As a small business owner I recognize the need for farmers to protect the quality of their product in order to market it effectively. I understand cross contamination to be a big issue concerning customers. These customers don't have names like Joe or Mike, they have names like Japan and carry a huge wallet. As a North Dakotan I recognize the huge contribution Agriculture makes to our economy. As a parent I recognize the need for wholesome, healthy foods for our children.

Will cross contamination be an issue? How will this effect the Ag Industry and our economy? Will we again, in the name of free enterprise, allow our foods to be tainted by science?

I urge you to proceed cautiously and look at both sides of the issue concerning Genetically Modified Wheat. I trust that you will do what is in the best interest of our State, our Farmers and your Constituents. Thank you for your time and attention to this matter.

Sincerely,

Jon D. Lee
Owner - Bread Poets Baking Company, LLC

BETWEEN THE WINDROWS

U.S. WHEAT Around the World



Barenthsen interns at NDWC



The North Dakota Wheat Commission has received a helping hand this summer from Jessica Barenthsen, Powers Lake, N.D. She has been assisting with

news releases, the web site, the newsletter, and other public information and marketing projects.

She will return to North Dakota State University, Fargo, at the end of the month as a senior completing a degree in agricultural economics with an emphasis in communications.

Advice from UK buyer on genetically modified wheat: 'Not never, not now'

At the summer meeting of U.S. Wheat Associates, the board of directors heard from some of the most important millers in Europe and America on the subject of genetically modified wheat.

From the largest miller in Italy, who uses 400 million bushels of wheat annually: "The European milling industry will simply not buy one more kilo of any U.S. wheat at all" if Roundup Ready wheat is commercialized. Antonio Costata, CEO of Grandi Molini, cited "ample and cheap alternative supplies" and "a general, strongly convinced public opinion" against genetic modification.

From the wheat buyer at Rank Hovis, which controls 30 percent of the milling and the baking industries in the United Kingdom: "I am going to ask you not to grow genetically modified wheat until we are able to sell in our market the bread made from the flour made from that wheat. I cannot tell you how to run your business - but if you do grow genetically modified - or enhanced - wheat, we will not be able to buy any of your wheat - neither the GM nor the conventional. The latter because we will not be able to guarantee the integrity of even the conventional to zero content of GM."

"This has nothing to do with principle, or trade barriers," explained Peter Jones from Rank Hovis. "We just cannot sell it."

Ron Olson, vice president from General Mills, agreed with his European colleagues on the importance of building and maintaining brand integrity, pointing out that about half of domestic wheat use goes into branded products, which carry higher risks if consumer confidence is lost. Corporations must protect brand integrity for their stockholders and "we will not do anything to erode consumer confidence," Olson said.

"In every study [of U.S. consumers]... there's still 7 to 10 percent of the people who say 'I will not buy a product if it contains a genetically modified ingredient,'" Olson said. "When you come to a company like ours, which is a wheat-based organization, and we run the risk that we will lose 7 to 10 percent of our business if we change a product and it becomes an issue... I don't think that's a risk our corporation would take."

Olson further explained the problems that will be experienced up the food chain, beyond the grower, noting a traditional economic concept: "When you inject a supply driven concept into a demand driven market, it's a recipe for failure."

Each of the customers made it clear there is a likely future for biotechnology in wheat, when traits are developed that provide consumer benefits and when consumers are convinced of the safety of the food. But they made it equally clear that they did not believe that the time for GM wheat had arrived.

"I do believe that GM is the future of agriculture," Costata said, "but, so far, our 380 million customers are opposed to it." Jones, repeating his plea to the growers not to grow GM wheat, ended with the statement "This is not 'never.' It's just 'not now.'" And Olson reminded the board that "General Mills strongly believes in the potential technology." But, he said, "it's an evolution, not a revolution... At some point in time the benefits will help offset the [consumer] perception side." In the meantime, Olson asked that "we proceed with a lot of caution, education and transparency, in a more open format where all parties in the chain cooperate as we move forward."

The European Union last year was the fourth largest customer of U.S. wheat, importing almost 80 million bushels (mostly spring wheat and durum). General Mills is one of largest domestic wheat buyers, purchasing one out of every 9 bushels of U.S. wheat sold domestically.

USW officers assume duties

At the conclusion of the recent summer board meeting of U.S. Wheat Associates, Oklahoma producer Henry Jo Von Tungen turned the chairman's gavel over to Idaho wheat grower Jim McDonald. Alan Lee, wheat grower from North Dakota, assumed the vice chairmanship, and Keith Kisling, wheat grower from Oklahoma, became secretary-treasurer of the organization.



Jim McDonald

Jim McDonald, the new USW chairman, is a third generation farmer who understands the importance of export markets. "We all know how to grow wheat, but we need to work on marketing what we grow," he said, adding that serving on the board of U.S. Wheat Associates provides him the opportunity to help market U.S. wheat. "This is the organization that is out there in 100 different countries developing and maintaining our wheat markets."

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Yolanda Rickford
Operator's Signature

10/2/03
Date



Potential Effects of Gene Flow and Selection on Genetically Modified Traits in Wheat

A.L. Brink-Selak, E.C. Van Acker, and L.F. Preese, Department of Plant Science, University of Maryland, Wye, MD, 21792

Introduction

- > Release of genetically modified (GM) wheat will require segregation of GM and non-GM wheat to satisfy international markets.
- > Gene escapes from GM wheat to non-GM wheat will affect volunteer wheat populations and the ability to produce non-GM wheat.

It is important to understand the fate of a GM trait within the agronomic production system, before release of a GM wheat.

Objective

- > To assess the effect of gene flow and selection pressures on frequency of GM traits in non-GM wheat and volunteers using basic population genetic principles.

Methods

- > Population genetic models were modified to represent the reproductive biology of wheat.
- > Out-crossing rates reported for Oula and Kalamazoo by Havel and Steink-Cadez (2001) were used (Fig. 1). Additional gene flow estimates measured that gene flow occurs within the first 1/3 of the field, but the frequency of the GM trait is reduced by 1/4, 50, and 100 times through harvest of a larger field area (Fig. 2).

- > A selection pressure of 80% was used to represent a typical herbicide efficacy rate.
- > Time represents the number of generations in which the selection pressure is applied.
- > Estimates of contamination rates caused by GM wheat volunteers are based on a seedling rate of non-GM wheat of 200 seedlings⁻¹.

Results and Discussion

Gene Flow in Wheat

- > Gene flow can occur either through pollen or seed movement.
- > Most out-crossing events occur within 3 m of the pollen source, but out-crossing has been documented within 27m of source (Fig. 1).

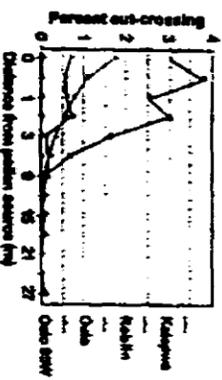


Figure 1. Mean out-crossing rates of Kalamazoo, Kalamazoo, and Oula, and Kalamazoo self-crossing rate reported by Oula (Oula 2001) in a non-GM wheat population. Data were generated by Havel and Steink-Cadez (2001).

Fate of a One-Time Gene Escape Event

- > In absence of differential selection, GM traits will persist in non-GM populations at a frequency determined by the initial gene flow rate.
- > Small population size can lead to random increases or losses in frequency of GM trait.

Fate of Recurrent Gene Escape Events

- > Recurrent gene flow from a GM to a non-GM population will gradually increase the frequency of the GM trait in the non-GM population (Table 1).

Year	Out-crossing rate		
	10%	50%	100%
1	1.00	0.1	0.01
2	1.00	0.100	0.010
3	1.00	0.100	0.010
4	1.00	0.100	0.010
5	1.00	0.100	0.010
6	1.00	0.100	0.010
7	1.00	0.100	0.010
8	1.00	0.100	0.010
9	1.00	0.100	0.010
10	1.00	0.100	0.010

- > GM traits that have a selective advantage in the crop production system will increase in frequency.
- > The fastest rate of increase occurs when a highly effective selective agent that favors the GM trait is applied frequently (e.g. herbicide).

Fate of a GM Trait with a Selective Advantage

- > GM traits that have a selective advantage in the crop production system will increase in frequency.

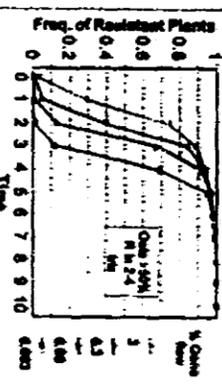


Figure 2. Effect of herbicide application frequency on frequency of herbicide resistant GM wheat volunteers using initial gene flow estimates for Oula and Kalamazoo followed by 10, 50 or 100 herbicide applications through harvest.

- > For herbicide tolerance (HT) traits, even small amounts of gene flow can lead to high levels of HT volunteers when the herbicide is applied (Figs. 2).

Impact on Herbicide Non-GM Standards

- > Density of pre-harvest wheat volunteers in the field range from 1-171/m², and are typically 20-40/m² (Munipal, 2001).

- > Herbicide tolerant GM wheat volunteers may be present in fields due to gene flow followed by selection through herbicide application.

- > Relatively low numbers of GM volunteer wheat can lead to problems in meeting minimum standards for GM trait in non-GM wheat (Fig. 3). When the GM trait is at a frequency of 80%, as low as 5 volunteers per m² could lead to a GM contamination rate of 1%.

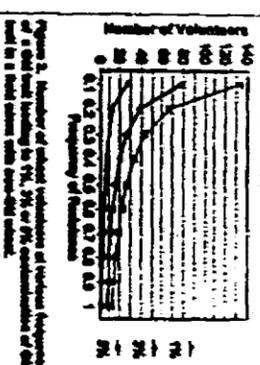


Figure 3. Number of volunteer wheat plants per m² required to reach a 1% GM contamination rate in a field when the GM trait is at a frequency of 1%, 5%, 10%, 20%, 50% or 80%.

Conclusions

- > Once GM wheat is released it will not be possible to guarantee production of 0% GM wheat.
- > GM traits that do not confer a selective advantage in a production system will increase slowly in non-GM wheat through gene flow.
- > Application of highly effective selection pressures (e.g. herbicide) that favor a GM trait (e.g. herbicide tolerance) will lead to a rapid increase in frequency of the GM trait, even with very low gene flow rates.
- > GM traits that confer tolerance to herbicides that are highly effective and applied frequently in the production system represent a "worst-case scenario" for maintenance of non-GM standards.

References

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Date: *10/2/03*

SERVING FARM AND R



Farm and Food File

ALAN GUEBERT

How much will Europe's GMO war cost you?

The first of two loud "clunks" most American farmers heard near the end of November was the U.S. biotech-boosting machinery slipping a gear. The second was the European Union running over any Yankee hope of avoiding tough European GMO food labeling laws.

Both actions suggest the biotech battle between Europe and America, blazing since 1998, is near its zenith with the EU firmly holding its ground and the U.S. running low on ammo.

In the past, America has won most fights — but lost most wars — with food-phobic Europe. Four years ago the U.S. won a World Trade Organization challenge that forced the EU to accept hormone-fed American beef. After the decision, however, the EU paid a \$100 million fine and kept its ban. Today, the ban remains and the EU continues to pay.

Why? Because when you have a farm program that will cost \$42 billion per year through 2006, an annual \$100 million

(See ATTENTION, Page 2F)

Attention: Bans and labeling may get noticed

(Continued from Page 1)

WTO fine is very cheap insurance to protect your domestic beef industry from price-cracking imports and even higher internal farm subsidies.

Despite that unmistakable precedent, many American farm groups now clamor for a WTO challenge to European biotech rules.

In Nov. 8 letter to Special Trade Representative Robert Zoellick, 26 farm organizations urged the U.S. to file a WTO complaint against the "EU's ongoing and illegal (GMO) moratorium" and proposed EU food labeling rules that are "scientifically unjustified, infeasible and costly . . . on exports of biotech products to the EU."

By mid-November, however, the groups' solid pro-GMO front began to crack. A series of biotech boo-boos — the burning of 155 acres of standing corn in Iowa and the isolation of 500,000 bu. of Nebraska soybeans because of suspected GMO contamination — not only grabbed headlines in Europe, it grabbed American farmers' attention.

On Nov. 25, the board of directors of Illinois Farm Bureau acted. Eyeing the 2003 introduction of Pioneer Hi-Bred International's Roundup Ready corn, a variety unapproved for export to Europe, the Illinois boys urged the state's 75,000 farmers not to plant any unapproved-for-export biotech corn. The bold — and correct — move stands on two strong legs. First, GMO use by American corn growers has clipped annual corn exports to Europe from \$191 million in 1997 to \$1.3 million in 2001. The math clearly shows more American corn GMOs equals less American corn exports to the EU.

Second, America's, and Illinois', biggest

corn export to the EU is corn gluten, a byproduct of ethanol-making. In 1997, the U.S. exported \$573 million of corn gluten to the EU. In 2001, those exports, used mostly for livestock feed, were \$365 million. The 35 percent drop largely can be attributed to American use of GMO corn seed: Europeans don't even want to eat the meat of animals suspected to have eaten imported GMO gluten.

Moreover, if continued expansion of biotech corn acreage here continues to threaten corn gluten imports there, "The resulting drop in U.S. corn prices will cost (American) corn producers approximately \$1 billion," reckons Ron Warfield, Illinois Farm Bureau President.

Again, the math is clear and unmistakable. What's new, however, is that the leaders of the nation's second largest corn producing state have finally admitted that customers are right even when they may be wrong.

And the EU — rightly or wrongly — continues its march against GMOs. On Nov. 28, its Agriculture Council agreed that all food and animal feeds containing more than 0.9 percent GMO material must be labeled "irrespective of whether there is DNA or protein of GM origin in the final product."

The EU is not alone. Canada, Japan and other key U.S. food and feed importing nations will consider strict biotech labeling laws in 2003. Stopping that global trend is the central reason American farm groups now admonish the U.S. to challenge EU labeling as a non-tariff trade barrier in the WTO.

But as the hormone beef decision shows, WTO victories can be hollow. The EU will label. Others will follow.

And, hundreds of millions of dollars sooner or a \$1 billion later, American farmers may finally get that message.

2F Farm Forum Friday, December 13, 2002

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SERVING FARM AND RANCH FAM



Farm and Food File

ALAN GUEBERT

From Europe: The EU will label food for GMOs

EDITOR'S NOTE: This is the second of two columns examining challenges facing European agriculture.

In a week of fast-paced travel and extensive interviews with nearly 80 European Union officials, farm leaders, environmentalists and farmers in Brussels, Brittany and Berlin, the message to American farmers was as clear and cold as a tall German beer: The EU will proceed with its hard push to label food containing miniscule amounts of genetically modified organisms.

In fact, the only off-key note hit in that nearly universal chorus came from American government officials and biotech company representatives. Both continue to preach GMO use for Europe, seemingly tone deaf to the fast-coming EU labeling reality.

Worse yet, Yankee stubbornness to sing along is hardening European resolve. Unwelcome American hints to take the labeling fight to the World Trade Organ-

See BEEF, Page 2F)

Beef: Americans won nothing in EU

(Continued from Page 1)

ization as a non-tariff trade barrier gets a swift, bellicose response from European officials: Go ahead, make our day.

There is precedence for that attitude. When the EU reaffirmed its import ban on American hormone-fed beef, the U.S. used the anti-trade argument in the WTO to win market access. But American cattlemen won nothing; Europe continues to shun U.S. hormone-fed beef today.

The same you-win, you-lose fate awaits any WTO GMO case successfully pushed by the U.S., forecast many Europeans. The prediction leans heavily on how the warring parties couch the almost unavoidable fight. Complicated local politics also fuel the debate.

To EU officials and farm groups, GMO labeling is a simple issue of consumer choice. Recent food scares — foot-and-mouth, mad cow and dioxin-tainted livestock feed — have moved four out five (some polls claim nine out of 10) European consumers to demand extensive food labeling and traceability.

Legislation now moving through European Parliament contains a 0.5 percent GMO presence to trigger both. Others advocate a 1 percent threshold for labeling. If either standard is adopted, any food with direct or indirect links to GMO material at or above the thresholds — GMO soy oil or milk, cheese, meat and eggs from animals fed GMO-containing feed — likely will be labeled.

The American and biotech industry's response to the EU is threefold — GMO labeling and traceability laws violate WTO rules, GMOs are safe, and the proposed laws are impractical.

The first will likely result in a WTO case while the second is regularly disregarded

because of the European "choice" defense. In essence, say choice advocates, we'll label GMO food and let consumers decide the safety question for themselves.

The third reason, the practicability of labeling and traceability, is on solid ground, however. No one interviewed knew what labeling would cost or how to write — then enforce — GMO labeling and traceability rules. Given that great unknown and the new bureaucracy it will require, one very plausible outcome of labeling could be that it will flop under its own cost and weight shortly after launch.

But all pro-GMO arguments fall short of stopping the labeling train today, especially in Germany where a newly installed ruling coalition between Social Democrats and Greens keeps the issue on the fast track.

October national elections delivered the Greens 2 percent more votes than in 1998 when they moved from the fringe into the mainstream. But that tiny gain — Greens now control about 8 percent of the German parliament — was the critical difference that made all the difference for Social Democrat Chancellor Gerhard Schroeder to remain in office for four more years.

Schroeder partly repaid the Greens for saving his job by keeping the incumbent food and ag minister, the very Green Renate Kunast, in place. Kunast is Europe's most outspoken public promoter of food labeling, traceability and consumer protection, policies central to Green success.

Two other EU powers part company over labeling. France, not as wild-eyed for labeling as Germany, modestly accepts it; England openly opposes it. But England, one of 15 nations in the EU, cannot stop labeling by itself.

Indeed, England already has learned what America and American farmers have yet to learn: GMO food labeling and traceability will become law in the European Union.

2F Farm Forum Friday, November 8, 2002

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Johnston Rickard
DATE 10/2/02

StarLink Forum

Buyers of North Dakota wheat don't want GMOs

I have been reading with interest articles about biotech wheat and the tug-of-war between certain legislators in North Dakota who want a ban on its seeding, while the large, deep-pocketed, multi-national seed company seems to want to force it down the throats of producers.

There is very strong opposition to genetically modified wheat both in Europe and Japan. It's not a question about the science or safety, for those answers are not yet known. It is the perception by the consumer of cookies, cakes, donuts, pizza and home baking flour that matters. If they don't want it, manufacturers of products with flour in them will not want flour made from GMO wheat, and if these manufacturers won't use it, then the flour miller will not buy it. Despite promises from the seed company that provides it, a basic rule of grain trading is

when you produce a grain of limited economic value, it will have a limited economic value.

I am a buyer of soft red wheat, hard red winter wheat and northern spring wheat for a flour mill in North Carolina. Our spring wheat naturally comes from North Dakota, South Dakota and Minnesota. Our customers don't want biotech wheat. We won't purchase biotech wheat. To those who think it can be kept segregated, think StarLink.

Don Baldwin
Newton, N.C.

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Operator's Signature

10/2/03
Date

Dakota Resource Council

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HB 1026

In reaction to this international trade situation, biotechnology position statements highlighting two principles have been put forth by National Association of Wheat Growers, U.S. Wheat Associates, the Wheat Export and Trade Education Committee, along with the North Dakota Grain Growers Association, Minnesota Wheat Growers Association, and South Dakota Wheat Inc. The first principle is that customers should be able to purchase wheat based on their preferences for specific traits. By this we must assume the right to purchase non- GM wheat. What assurances can we give our export customers that we can provide them with GM free wheat when they request it?

The second principle is that viable identity preservation and testing technology is instituted prior to commercialization of genetically engineered wheat. Lack of segregation will cause contamination of seed stocks and production wheat. Right now we do not have the elevators, seed plants, and farm and transportation infrastructure to segregate GM wheat from conventional wheat.

How do wheat growers and the wheat industry act upon these principles to guarantee our customers that we can remain a reliable supplier of the kind of wheat they demand?

HB 1026 does nothing to give that assurance to our foreign or domestic customers. It merely studies the problems that GM wheat may cause for the third successive session, past the point where GM wheat is commercialized. HB 1026 would only be acceptable if the commission created has the regulatory power to prohibit the sale of GM wheat in North Dakota, and gives ND farmers and the ND wheat industry a fair say on whether it should be introduced. These are serious matters being imposed upon us from outside. The ND legislature should stand up to protect ND farmers and the greater ND wheat industry.

ANITA THOMAS
TESTIMONY

HOUSE BILL NO. 1026
Introduction

HB 1026 directs the Governor to appoint a 12 member transgenic wheat board. The members would include the governor or his designee, three wheat producers, one individual representing the grain elevator industry, one individual representing the grain transportation industry, three academics such as agricultural researchers, agricultural economists, or agricultural lawyers, the agriculture commissioner, the state seed commissioner, and the administrator of the ND wheat commission.

The board is to meet at least quarterly and provisions are included to allow for special meetings. The staffing and office needs of the board are to be provided by the governor. Board members, other than those already paid by the state or a political subdivision of the state, are to be paid the standard \$80 per day plus expenses.

The purpose of this bill is to have an entity that can monitor scientific, legislative, and regulatory efforts regarding transgenic wheat. That monitoring would be of efforts taking place at state, federal, and international levels.

This same entity - this board - would also be charged with monitoring national and international wheat markets specifically with respect to acceptance or rejection of transgenic wheat.

Finally, the board is charged with examining a variety of issues that exist as a result of transgenic wheat and finding some consensus or common direction with respect to how those issues should be addressed and by whom. The list of issues is found on the lower half of page 2 of the bill and covers everything from registration and identification to segregation and liability.

The board is specifically charged with preparing and introducing any state legislation it deems necessary; with recommending federal legislation to our congressional delegation; with recommending regulatory changes at the state and federal levels; and with serving as a clearinghouse for economic impact data and market information.

The bill carries an expiration date of June 30, 2005. The interim committee believed that this would give the legislative assembly the 2005 session to determine whether this board needs to continue and if so, to make appropriate changes in its role and mission.

The interim committee recommended this bill by a vote of 12-2.

HB 1026

Round-up Ready Wheat Position Paper

Manitoba-North Dakota
Zero Tillage
Farmer's Association
Box 40
Isabella MB. R0M0Y0

Mandak99@mb.sympatico.ca <mailto:Mandak99@mb.sympatico.ca>

At the 2002 Manitoba-North Dakota Zero Tillage Farmer's Association (Mandak) Annual Meeting, the Mandak membership passed a resolution opposing the registration and introduction of Roundup-Ready Wheat until the marketing challenge and the agronomic and economic challenges of controlling volunteer Roundup-Ready crops have been solved.

Rationale

For the past twenty-five years, the Manitoba-North Dakota Zero Tillage Farmer's Association has been a leader in the promotion of reduced tillage systems in crop production. The past fifteen years have witnessed the adoption rates of reduced tillage systems increase exponentially, due in large part to the lowering of Roundup (Glyphosate) prices.

Reduced Tillage Systems replace the use of tillage equipment with a pre-seed or pre-emergent application of Roundup (Glyphosate) in controlling weeds. Roundup (Glyphosate) has been widely adopted since its registration in the early 1990s for pre-harvest control of perennial weeds, in both reduced tillage and traditional tillage systems.

The introduction of Roundup-Ready Canola has created new management challenges in the control of volunteer Roundup-Ready weeds. The potential introduction of another Roundup-Ready crop like wheat creates a possible environment whereby the control of volunteer weeds that are resistant to Roundup (Glyphosate) is either too complex, or too expensive. This situation may force producers to move back to traditional tillage, in pursuit of economical control methods for these volunteer weeds.

Concerns to be addressed

Mandak members' concerns over the introduction of Roundup-Ready Wheat centre around two key issues. The first concern is that of marketing a GM wheat, given that cross-contamination with traditional wheat is likely to occur. Given the current environment in our traditional wheat markets worldwide, and the general resistance to GM crops, questions arise to the future of wheat production in Canada.

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The second concern revolves around the agronomic and economic challenges of controlling volunteer Roundup-Ready weeds. At the present time there are no economical means of adding additional herbicide (for volunteer RR wheat) to the Roundup (Glyphosate) pre-seed application that is used in the reduced tillage cropping system.

The Manitoba-North Dakota Zero Tillage Farmer's Association questions both the short and long term economic impact to Canadian and American farmers if Roundup-Ready Wheat is introduced, before the above-mentioned concerns are fully addressed.

Jerry Blatter
Past President
Manitoba - North Dakota
Zero Tillage Farmers
Association

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10/2/03
Date

DATE: Thursday, 16 January 2003

TO: Rep. Eugene Nicholas, chairman, and other members
N.D. House of Representatives Agriculture Committee

FROM: Dean Hulse*
1437 East Gateway Circle
Fargo
701-232-7997

*a member of both the Dakota Resource Council and the Northern Plains Sustainable Agriculture Society, but today representing myself as a resident, a landowner, and a consumer who prefers organic foods and who believes I have a right to such preferences

RE: Testimony in opposition to House Bill No. 1026.

As currently drafted, House Bill No. 1026 ~~lacks~~ empowerment, the same component missing from legislation passed in 1999 and again in 2001. House Bill No. 1026 needs to be amended so that the transgenic wheat board can do more than study — one more time — the issues surrounding transgenic wheat. House Bill No. 1026 needs to be amended so that the transgenic wheat board has the authority to keep transgenic wheat from being commercialized in North Dakota until such time as issues relating to segregation, market acceptance, and liability have been resolved.

My definition of when such a resolution will be achieved centers on three criteria: One, there must be a demonstrated capability for keeping transgenic wheat completely segregated — that is, 100 percent segregated — from non-transgenic wheat. Two, all existing and potential markets for North Dakota's non-transgenic hard red spring wheat and durum, as well as for by-products of these crops, must signal a willingness to accept transgenic wheat. And three, the transgenic technology contained in products such as Roundup Ready wheat must be proven beneficial to consumers as well as farmers.

Until such time as those criteria are met, the transgenic wheat board should have the legal muscle to stop the commercialization of transgenic wheat in North Dakota. Many opponents of this strict enforcement claim that North Dakota will become an island, and enforcement will be difficult if not impossible. That theoretical argument is weak when placed against the reality of phytosanitary protections already in place in states such as California, Hawaii, Arizona, and Texas — all of which are "islands" when it comes to having regulations requiring border confiscations of certain categories of fruit.

Another argument against empowering the transgenic wheat board with the authority to prohibit sales of transgenic wheat is that the market will decide whether to accept or reject products such as Roundup Ready wheat. However, since the advent of the now decades-old debate on restricting the size of federal and state governments, most have agreed on this point: One of government's key roles is to ensure public safety, a duty that often involves protecting public property. North Dakota's foundation seedstocks of hard red spring wheat and durum are public property, for which the so-called free market has little concern. As the economists say, such concerns are "irrational" because cultural values outrank mercantile interests. In cases where the market fails, government must step in. The commercialization of transgenic wheat represents one of those cases because a premature release could result in contamination of non-transgenic seedstocks. Timing the release of transgenic wheat is a states' rights issue, and legislators who favor pushing the burden of protecting their citizenry up to the federal level are simply shirking their responsibility as elected officials.

Finally, many argue that North Dakota producers will be missing out on the latest technology—and all the pest-control benefits its promoters promise—if the state prohibits the commercialization of transgenic wheat. But unheard by many, given the hurly-burly of this argument, is the consumers' voice. Europeans and Asians don't want transgenic foods, and if American consumers were given the choice—through labeling laws—it's likely they wouldn't either. If, in its current form, transgenic wheat is safe to eat and environmentally benign—or even an environmental boon, as some proponents claim—then supporters should welcome labeling here at home because it would aid consumer decision-making. But are supporters really that confident? The following paraphrased excerpt, reported by Reuters, begs an unsettling question:

The Center for Science in the Public Interest, a supporter of biotech crops, believes the gene-spliced foods currently being marketed appear to be safe, but the group also feels that the U.S. Food and Drug Administration may not be able to guarantee the safety of more complex biotech foods in the future because the FDA cannot obtain all the scientific data it needs from biotech companies.

(http://www.nlm.nih.gov/medlineplus/news/fullstory_11169.html)

Now for the unsettling question: Will farmers someday be held liable for transgenic crops that make people sick?

Dear Chairman Nicholas and House Ag Committee members.

would like to thank you for this opportunity to speak in opposition to HB 1026.

I would like to talk to you from under the three hats that I wear of which I call my profession as they pertain to issues of contamination and segregation in the GM wheat controversy.

In 1992, I started cleaning grain in a small country elevator in Temvik, ND. As I was cleaning, I noticed a small amount of barley in the clean wheat in a farmers' truck. The wheat was clean when it came off the cleaner. The barley came from the leg elevator. A small amount of barley, approximately 5 gallons, had stayed in the bottom of the leg, and as the leg was used to take the clean wheat to the truck, it became contaminated as it moved back to the truck. There is literally no efficient way to clean out the bottom of these leg elevators which are in use in almost every grain handling facility today. To solve that problem, I removed the cleaner from the elevator and mounted it on a trailer which I move around to farmers in my area. Even now, with cleanouts on my augers, thorough cleaning after job completion, and flushing the cleaner with grain at startup, I can see many areas where contamination could occur. Kernels of grain get stuck in cracks and crevices and on ledges inside the cleaner, in the bottom of augers; in screens; and in weighing equipment. Even with careful and meticulous cleaning, it would be impossible to guarantee that every kernel of grain is removed from my cleaning equipment. I have no idea how every single kernel of grain could be removed from the grain handling and cleaning equipment in grain handling facilities today. Therefore, guaranteeing segregation of GM wheat from non GM wheat is an impossibility if the grains are handled in the same facility.

As an independent trucker of small grains for the past 6 years, I have seen another aspect of the segregation problem. Along with the ledges, cracks and crevices in the truck where grain can get hung up on, the human factor comes into play. Under pressure to get a job done, humans become careless and small things get overlooked. The trucker may overlook the cleanout of the trailer before reloading it. The farmer may overlook the need to keep grain varieties separate in an attempt to make a full load. The grain elevator may overlook switching bins when grain is dumped, or needed repairs in switching equipment is postponed until a more convenient time. When the grain is cleaned in elevators, they don't stop to clean out the equipment after each load--the grain is all run together in the cleaners.

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So what I've seen as a trucker is that with the combination of human error and the handling equipment problems, there is no way to guarantee that GM wheat can be segregated without separate handling equipment and facilities and transportation equipment. Who is going to pay for the mammoth cost of this scenario????

As an organic farmer, I have invested time and money to do the planning, field work and paperwork necessary to attain these higher standards. I choose to be an organic farmer because I do not believe that all of the chemicals and fertilizers used in conventional farming are beneficial to human health and the health of our soils. FDA with it's approved tolerance levels for chemical residues on or in our foods, says it's alright but in my way of thinking, any residue is too great a risk. Others must agree with my thoughts as the organic industry has enjoyed tremendous growth in the past years and is projected to grow at a rate of 20% per year for the next 5 years. I see a greater display of organic products even in Bismarck's grocery stores with more and more people shopping in those aisles. I have to wonder what will become of this growing, consumer-driven businesses if continued contamination of our crops through the processes already mentioned should continue. Already the contaminations which have occurred in Canola, Soybeans, and Corn threaten the existence of pure, organic crops. The inclusion of another GM product, namely wheat, will further erode and destroy this growing business of which ND is a leader. Whereas, GM wheat has no established market and causes many great concerns to the growing organic industry, ND only stands to lose economically by allowing GM wheat into our state.

The way that HB 1026 currently stands, there is no protection from deregulation for the people of ND. I believe that without an amendment, either for a moratorium or for giving the committee established by the bill the authority to approve or disapprove GM wheat, North Dakotans will suffer economically. The past committees which were set up to study this issue had no authority to prevent the deregulation of GM wheat. That is why Monsanto has been free to proceed with deregulation and on December, 19, 2002 they petitioned USDA for deregulation. We have run out of time for another study. Monsanto will have GM wheat deregulated before the next legislative session. The time is now for a moratorium. If not a moratorium, then give the committee the authority to establish criteria for an approval process for GM wheat which deals with all of the concerns of North Dakotans

Robert Bornemann.

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10/2/03
Date

Roger Johnson
Agriculture Commissioner
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Bismarck, ND 58505-0020

Testimony of Roger Johnson
Agriculture Commissioner
House Bill 1026
January 16, 2003
10:15 a.m.

House Agriculture Committee
Peace Garden Room

Chairman Nicholas and members of the House Agriculture Committee. I am Jeff Olson, Program Manager at the Department of Agriculture. I am here to provide testimony for Commissioner Johnson on House Bill 1026, which would establish a transgenic wheat board to monitor scientific, legislative and regulatory issues regarding transgenic wheat as well as monitor market acceptance issues and make legislative and regulatory recommendations.

Commissioner Johnson supports this bill with two modifications. First, the bill should provide the wheat industry the authority to approve or disapprove the commercialization of transgenic wheat varieties and secondly the composition of the transgenic wheat board should be primarily composed of wheat industry representatives, particularly those responsible for marketing such as the ND Wheat Commission and the ND Grain Dealers Association.

I want to be clear that Commissioner Johnson supports biotechnology and believes it offers tremendous potential to improve wheat production through incorporation of improved quality traits as well as enhanced agronomic traits that could improve pest management (e.g. scab resistance) and improved adaptability to different growing conditions. Research in these areas should continue but should be conducted in a way to prevent escape of the genetic events prior to approval.

Nevertheless, legitimate concerns exist regarding the effect of the future commercialization of transgenic wheat on the marketability of our number one crop. Regulatory and market acceptance of transgenic wheat will most likely evolve over time but commercialization prior to sufficient acceptance could have serious consequences for our agricultural economy.

Concern about acceptance of transgenic crops is highlighted by recent rejections by certain African governments of transgenic corn varieties that are commonly marketed in

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the United States (see attached press article). These are nations ravaged by famine. Who would have thought that nations facing starvation would reject food for their people? Their stated concerns involve uncertainty about safety issues and potential loss of their own markets in Europe.

Another recent example is the aggressive actions taken by USDA to contain soybeans possibly contaminated with an unapproved transgenic corn variety which occurred in Iowa and Nebraska this past growing season (see attached press article). The corn variety involved contained a gene for a pharmaceutical product. While this example certainly involves concerns about potential health issues, there are also significant marketing considerations.

Monsanto, the most visible developer of transgenic wheat, has been a part of extensive discussions with wheat industry and university cooperators and has developed certain milestones that they have indicated must be achieved prior to their decision to move forward with commercialization of a transgenic wheat variety (see attachment). This is commendable and this dialogue should be encouraged.

Nevertheless, it is the wheat industry whose interests should dominate with respect to commercialization of new transgenic wheat events.. I believe it is appropriate for the wheat industry to be vested with the authority to make determinations regarding whether sufficient market acceptance has been achieved and whether adequate systems for production and segregation are developed to protect the interests of the industry. Ultimately the North Dakota Wheat Commission should be the principle player vested with the authority to determine whether a transgenic wheat variety would be allowed to be commercialized in North Dakota. The Wheat Commission, which is a state agency composed of producer elected representatives, has the responsibility under state law to foster and promote programs aimed at increasing the sale, utilization, and development of wheat, both at home and abroad. They are in the best position to gauge the potential risks and rewards of a decision to commercialize.

The potato and sugarbeet industries in the United States have both rejected transgenic varieties and effectively prevented their commercialization. The structure of their industries allowed this to occur without specific legal authority. The wheat industry, on the other hand, is a more diverse industry making it more difficult to achieve industry-wide determinations and consequently exposing the entire industry to greater risk.

In conclusion, I support HB 1026 with inclusion of provisions that would provide the wheat industry board authority to ultimately determine whether a particular transgenic wheat variety would be allowed to be commercially grown in North Dakota and secondly that the transgenic wheat board be primarily composed of wheat industry representatives, particularly those responsible for marketing.

I look forward to further discussions. Thank you for your consideration.

the transfer of any technology, including genetically modified organisms (GMOs) and chemicals, must be accompanied by full disclosure of what is contained in it, and what its long-term impact would be.

"Our products, ranging from cotton, beef, maize and many others, have managed to capture international markets at premium prices because of our record of non-GMO products," said Albert Jaure of the Zimbabwean Farmers Union. "If one product is allowed into the country then we would have opened our gates to any other GMO products and that would take away our competitive edge."

The American loss of the European market was primarily due to Washington's refusal to label GM agricultural products. Washington also initially refused to disclose whether its food aid to Southern Africa contained GMOs, which raised concern that it was hiding something sinister.

Freeze Alliance on Genetic Engineering, a South Africa-based non-profit organization, told the WSSD that South Africa could lose \$371 million, mainly in fruit and wine exports if it promoted GM foods. "Being a producer of GM foods has serious commercial ramifications as the US and Canada have learnt," their statement said. "The gates to Europe and Japan for North American GM commodities have all but closed."

But a news report circulated to African media organizations quoted Undersecretary Larson saying that the three-year European Union's ban on bio-engineered foods had raised "unwarranted" doubts in some countries, which are on the verge of starvation, about whether they should accept GM food aid.

Angered by the rejections of its donations, the US dispatched senior officials to explain the safety of its food to the Zambians and to the rest of Africa, saying that the food they were rejecting was consumed daily by 280 million Americans. They met little success.

Andrew Natsios, the US Agency for International Development (USAid) administrator, was clearly frustrated when he arrived in South Africa late August after a meeting with Mwanawasa. He told the media that in his 30 years of public service he had never witnessed such disinformation as there was in southern Africa regarding GM foods.

"People are scared in Zambia because of all these rumors going around," he told reporters at the WSSD. America's angry reaction is heightened by the fact that it is the only country donating large amounts of food to the region. "Seventy seven percent of all the food coming into the region is from the US. If they don't get food from us they're not going to get it," Natsios said. When he addressed the summit, Secretary of State Collin Powell berated African leaders for rejecting the corn.

Though Zambia has been most resolute in rejecting the US offer, it is not alone. At the WSSD, African delegates stood firm against GMOs, charging that by accepting these foods, African farmers would find themselves permanently dependant on American companies for seed crop every planting season.

About 350 farmers, mainly from eastern and southern Africa, held a meeting on the sidelines of the WSSD, blaming their governments for allowing western companies to sell GM products to the continent.

In parts of the continent, however, GM technology is being embraced — notably in South Africa, Nigeria, Kenya and Egypt.

America's experience with GMOs made the pleas of its officials less than convincing. According to the Freeze Alliance, before the introduction of GM maize, US farmers made a profit of \$1.4 billion from maize but last year the US lost \$12 billion. Exports of canola oil to the EU were worth \$18 million in 1996 but dropped to zero from 1997, when the product became genetically engineered. And US corn exports to the EU have fallen from millions of metric tons to almost zero since GM corn was introduced.

Sam Watasa, an official of the Uganda Consumer Protection Association, said the biggest danger in the seeds was their terminator gene, which reportedly prevents replanting them after harvest. "Farmers have to buy new seeds from the company supplying them every planting season," he said. "Our farmers are too poor to afford that, especially when they fail to find market for their produce."

In defense of its corn, USAid said it did not contain the terminator gene. It says while it is true that a soybean variety containing a

terminator gene had been developed, it existed only in the research lab and was never released commercially. According to the agency no terminator gene for maize or any other crop has been developed.

Mary Jeffers, a US embassy spokesperson in Kampala, said Ugandans opposed to GM crops were making groundless allegations, undermining the possibility of a serious discussion of the benefits and potential risks of biotechnology to farmers.

She said the USAid-supported program did not use bioengineered or GM plants or seeds. Jeffers added that the hybrid, high-yield seeds do not generally produce with the same vigor when re-planted, but said that yields would still be comparable to the farmer's traditional yields.

American officials say the maize varieties they hope to introduce in Uganda have been bred through traditional agricultural methods. They argue that for centuries, hybrid seed varieties have been developed to produce high-yielding harvests in comparison to their parent varieties, and they are used worldwide by commercial farmers to raise productivity.

"The advantage of the hybrids and their vigor is that the farmer can expect cash income from a larger harvest that will be more than enough to re-invest in new seeds each year," said Jeffers.

At a recent meeting, Eastern and Central African scientists said though donors have provided money to promote agricultural biotechnology in the region, they will not be rushed into introducing GMOs before all safety concerns have been addressed. This was aimed at guarding against possible harmful effects that may be associated with this technology.

Following intense meetings, Malawi, Lesotho and Swaziland have agreed to take GM food, though they want it milled before it is distributed. Even Zimbabwe, whose agriculture minister Joseph Made last June accused the US of being arrogant and trying to use Zimbabweans as guinea pigs, has accepted the GM corn, but conditionally.

The corn will be quarantined to allow Zimbabwean scientists to closely monitor its shipment, milling and distribution. Zambia remains opposed to the food.



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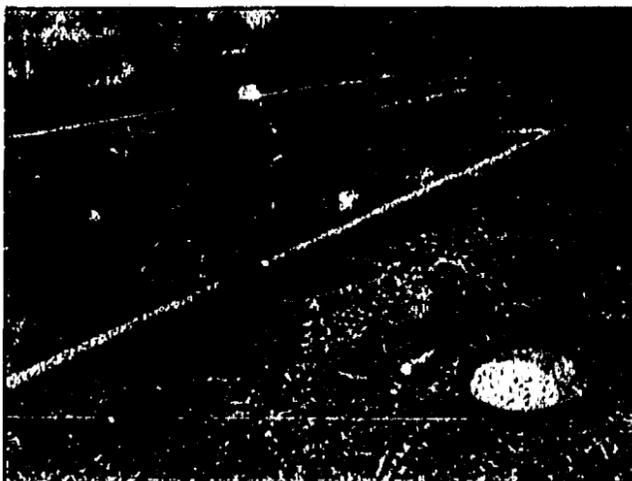
Dec. 02, 2002/Vol. 160 No. 23

AFRICA

To Eat or Not to Eat

As Zambia starves, the U.S. and the E.U. battle over genetically modified food aid in Africa

By SIMON ROBINSON



SALIM HENRY/AP

SLIM PICKINGS: Due to drought, some 2.9 millions Zambians face starvation, but the government rejects genetically modified corn

trucks, which are normally used to ferry grain to refugee camps or emergency feeding stations, will then carry the precious food out of the drought-stricken southern African country and away from 2.9 million people facing starvation.

This relief effort in reverse follows the Zambian government's decision in August to ban the distribution of all genetically modified food. It's also the latest chapter in an ugly and often absurd trade war between the European Union and the U.S. over genetically modified organisms (GMOS). Though genetically modified foods are consumed by millions of Americans without apparent ill effects, many Europeans are wary of them. Some imports are allowed into the Union, but a handful of member states placed a moratorium on approvals for new imports in 1998. The U.S., the world's biggest grower of GM crops, wants to be able to export its GM food. Green groups and some European officials charge America

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Sometime in the next few days the United Nations World Food Program will carry out one of its most unusual shipments ever. Under police guard to prevent looting by desperate locals, WFP workers in Zambia will load 18,000 tons of maize into waiting trucks. The

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with deliberately sending GM maize to Southern Africa to force a showdown, while American officials believe the E.U. exploited Zambian concerns to bolster its own anti-GM views. "I don't think there are any particular heroes or villains in this whole thing," says former Zambian Agriculture Minister Guy Scott. "It's just a balls-up."

Faced with a massive food shortage, the Zambian government was at first happy to take GM food. "If Americans can eat GM, Zambians should be able to eat GM," Vice President Enoch Kavindele told parliament in June. But within two months Zambia banned the import of all GMOS. The GM maize sitting in warehouses was illegal and "poisonous," according to President Levy Mwanawasa. Zambia sent a group of scientists to the U.S., Europe and South Africa to investigate the risks of GM food, and last month they recommended retaining the ban. The offending grain will be taken to neighboring Malawi, while Zambia will receive non-GM aid. The U.S. was furious. Says one State Department official: "Beggars can't be choosers."

Why the sudden about-face? The Zambians say that public concerns about GMOS encouraged a government rethink. But a senior government official told Time that diplomats from at least two European countries leaned on the Zambians in private discussions. E.U. officials in Brussels and at the European Commission office in Lusaka, Zambia's capital, deny the charge, pointing out that the Union made clear that the distribution of GMOS would not prejudice future exports of Zambian food to the E.U. "We've always said, 'If your people are starving take the food,'" insists a senior European Commission official in Brussels. Whatever prompted the change — some Zambia watchers blame government infighting — "the Europeans have been quick to provide funds for alternative sources of maize," notes former minister Scott. "They're pretty entertained by the U.S. discomfort over this." Green groups and other nongovernmental organizations have also latched onto the Zambian decision. "The U.S. is exploiting the world's most effective marketing tool: starvation," says Ben Stewart, a London-based spokesman for Greenpeace, which accuses the Bush Administration of sending GM grain to Africa to increase acceptance of GMOS and U.S. exports. U.S. officials reject the accusation. "We clearly have a major humanitarian problem," says Roger Winter, assistant administrator at USAid, which distributes U.S. food aid. "We were not aware that this suddenly was going to emerge as such a heavy impediment to a timely response in the region." The publicity surrounding the Zambian decision may actually hurt the anti-GM cause. To avoid an American challenge at the WTO, the European Parliament voted last week to lift the E.U. moratorium. "The repercussions have not been good for anybody," says the Brussels official. Least of all for Zambia's hungry millions.

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1/12/2003

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Yalosta Rickford
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10/2/03
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NEWS RELEASE

United States Department of Agriculture • Office of Communications • 1400 Independence Avenue, SW
Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: oc.news@usda.gov • Web: <http://www.usda.gov>

Release No. 4098.02

Matt Lloyd (202) 720-4623
Jerry Redding (202) 720-6959

USDA ANNOUNCES ACTIONS REGARDING PLANT PROTECTION ACT VIOLATIONS INVOLVING PRODIGENE, INC.

WASHINGTON, Dec. 6, 2002--The U.S. Department of Agriculture, working in conjunction with the Food and Drug Administration, today announced actions being taken regarding violations of the Plant Protection Act (PPA) involving ProdiGene Inc., of College Station, Texas.

A consent decision and order regarding violations of the Plant Protection Act has been signed by ProdiGene and USDA. While ProdiGene neither admitted nor denied any violations of the PPA, the company will pay a civil penalty of \$250,000. In addition, the company will reimburse USDA for all costs to acquire approximately 500,000 bushels of soybeans in storage in Nebraska, destroy the beans and clean the facility and all equipment.

"This is an example of how biotechnology safeguarding regulations are working to ensure the integrity of the system," said Bill Hawks, USDA's under secretary for marketing and regulatory programs. "When inspectors identified noncompliant items in the ProdiGene experimental field trials, we moved quickly to ensure confinement and take appropriate actions."

ProdiGene also agreed to a \$1 million bond and higher compliance standards, including additional approvals before field testing and harvesting genetically modified material. The company will develop a written compliance program with USDA to ensure that its employees, agents, cooperators and managers are aware of, and comply with, the Plant Protection Act, federal regulations and permit conditions.

The soybeans never reached the human or animal food supply. USDA and FDA continue to work in close coordination to enforce current safeguards covering research in bioengineered foods, and the agencies will continue to take appropriate action to ensure human, animal and plant health.

Under the Plant Protection Act, USDA's Animal and Plant Health Inspection Service (APHIS) regulates the movement, importation and field release of genetically engineered plants. APHIS requires significant safeguards to prevent the unauthorized release of genetically engineered material. The Act provides criminal penalties as well as civil penalties. Companies or individuals that violates the Act face civil penalties of up to \$250,000 per violation, or \$500,000 per adjudication, and may have their permits revoked.

USDA has strengthened field-testing requirements for permits on genetically engineered traits that are not intended for commodity uses, such as pharmaceuticals, veterinary biologics and certain industrial products by adding new safeguards as a condition for all permits allowing the confined release

<http://www.usda.gov/news/releases/2002/12/0498.htm>

1/13/2003

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USDA ANNOUNCES ACTIONS REGARDING PLANT PROTECTION ACT VIOLATI.. Page 2 of 2

of such products into the environment. These specific safeguards include comprehensive confinement procedures, performance standards, and required monitoring/auditing practices for ensuring that out-crossing or commingling with other seeds and commodities are prevented.

As a part of the Department of Health and Human Services, FDA regulates foods and feed derived from new plant varieties under the authority of the Federal Food, Drug and Cosmetic Act. FDA policy is based on existing food law and requires that genetically engineered foods meet the same rigorous safety standards as is required of all other foods.

For more information on this issue, visit <http://www.aphis.usda.gov> or <http://www.fda.gov>.

#

<http://www.usda.gov/news/releases/2002/12/0498.htm>

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From NASDA News 12-13-02

USDA ANNOUNCES FINE AND ACTIONS REGARDING PPA VIOLATIONS INVOLVING
PRODIGENE, INC.

Last week, USDA, working in conjunction with the Food and Drug Administration (FDA), announced actions being taken regarding violations of the Plant Protection Act (PPA) involving ProdiGene Inc., of College Station, Texas. A consent decision and order regarding violations of the Plant Protection Act has been signed by ProdiGene and USDA. While ProdiGene neither admitted nor denied any violations of the PPA, the company will pay a civil penalty of \$250,000. In addition, the company will reimburse USDA for all costs to acquire approximately 500,000 bushels of soybeans in storage in Nebraska, destroy the beans and clean the facility and all equipment. According to reports, the penalty is the largest assessed under the PPA.

"This is an example of how biotechnology safeguarding regulations are working to ensure the integrity of the system," said Bill Hawks, USDA's under secretary for marketing and regulatory programs. "When inspectors identified noncompliant items in the ProdiGene experimental field trials, we moved quickly to ensure confinement and take appropriate actions."

ProdiGene also agreed to a \$1 million bond and higher compliance standards, including additional approvals before field testing and harvesting genetically modified material. The company will develop a written compliance program with USDA to ensure that its employees, agents, cooperators and managers are aware of, and comply with, the PPA, federal regulations, and permit conditions.

The soybeans never reached the human or animal food supply. USDA and FDA continue to work in close coordination to enforce current safeguards covering research in bioengineered foods, and the agencies will continue to take appropriate action to ensure human, animal and plant health.

Under the Plant Protection Act, APHIS regulates the movement, importation and field release of genetically engineered plants. Regulations require significant safeguards to prevent the unauthorized release of genetically engineered material. The act provides criminal and civil penalties. Companies or individuals that violates the act can face civil penalties of up to \$250,000 per violation, or \$500,000 per adjudication, and may have their permits revoked.

USDA has strengthened field-testing requirements for permits on genetically engineered traits that are not intended for commodity uses, such as pharmaceuticals, veterinary biologics, and certain industrial products by adding new safeguards as a condition for all permits allowing the confined release of such products into the environment. These specific safeguards include comprehensive confinement procedures, performance standards, and required monitoring/auditing practices for ensuring that out-crossing or commingling with other seeds and commodities are prevented. For more information on this issue, check out <http://www.aphis.usda.gov> or <http://www.fda.gov>. (Contact: Jennifer Yezak Molen)

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Bringing New Technologies to Wheat

Information on the Development of Roundup Ready® Wheat



Biotechnology is providing new, highly effective ways to treat human disease, to manufacture chemical products, to eliminate waste, and to ensure abundant, healthful and affordable food for our world's growing population.

Several public and private breeding programs have entered collaborative agreements with Monsanto to develop Roundup Ready wheat varieties. The purpose of this brochure is to provide answers to common questions regarding the technology and the approach to market.

When will Roundup Ready wheat varieties be available to farmers?

Roundup Ready wheat will be introduced when the following milestones have been achieved:



The food, feed and environmental safety of Roundup Ready wheat is demonstrated, resulting in regulatory approvals in the United States, Canada and Japan. The intent is to commercialize in the United States and Canada simultaneously. Regulatory approvals alone will not determine when Roundup Ready wheat will be commercialized. The following milestones also will be met.



Appropriate regulatory trade approvals, thresholds or marketing agreements are in place in major export markets. This allows wheat to be traded based on buyer preferences and specifications.



Appropriate grain handling protocols and standardized sampling and detection methods are developed and implemented. This approach will provide meaningful choice for customers who prefer conventional or biotech grain. Grain handling protocols will facilitate variety-



Comprehensive agronomic stewardship programs and best management practices are developed. This includes an effective solution for managing wheat volunteers that contain the Roundup Ready trait.



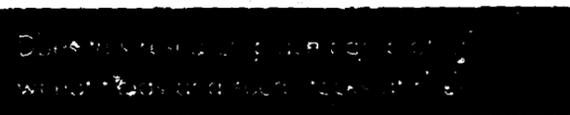
Varieties meet or exceed industry standards for grain end-use quality. Varieties will be screened for unique quality attributes prior to introduction.



Buyers are identified who will procure and use wheat ingredients with biotech traits. Consumer acceptance for the technology is demonstrated by buyer and processor acceptance.



In Spring 2002, there were approximately 35 acres of Roundup Ready wheat breeding and research trials planted in the United States - representing 0.00006 percent of the total U.S. wheat plantings.



No. We conduct all laboratory, greenhouse and field research with extreme care, adhering to or exceeding strict federal (FDA-APHIS) and state regulatory guidelines which are designed to prevent the un-

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John R. Rickard

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Helena Rickard

10/2/03
Date

Cooperative Programs in the Eastern Spring Wheat Region

North Dakota
State University
Ken Grafton
(701) 231-6693

South Dakota
State University
Kevin Kephardt
(605) 688-4149

University of Minnesota
Beverly Durgan
(612) 625-9292

Monsanto Company
Michael Doane
(314) 694-8351

Growers will be able to use a broad range of herbicides and cultural practices currently available to control volunteer wheat. Monsanto and land-grant universities are conducting research to find the most effective method for control of volunteer Roundup Ready wheat. Identifying an effective solution to manage Roundup Ready wheat volunteers and to minimize risk is a primary objective for Monsanto.

We acknowledge and respect the complexities of today's trade and export environment, which represents approximately 45 percent of the market for U.S. spring wheat growers. As expected, some export markets have expressed a preference for conventional sources of wheat.

Monsanto is consulting the wheat industry – including export customers – to develop a commercial approach for Roundup Ready wheat that facilitates choice for wheat buyers. Monsanto will play an appropriate role within the wheat industry to consistently and confidently meet those market preferences.

The wheat industry has an opportunity to inform customers about the safety and benefits of biotechnology prior to the time varieties will be ready for sale to growers.

The Roundup Ready system in other crops is a proven, highly effective weed control tool that saves growers time and money. Incorporating the technology into wheat could increase the competitiveness of wheat growers in the Northern Plains and provide a much-needed additional tool in weed-control options and improved profitability for growers. This collaboration provides opportunities for thorough and careful evaluations of the technology as it moves toward commercialization.

The concept behind Roundup Ready wheat is to meet growers' weed control needs by providing complete, dependable, cost-effective control. Applications of labeled Roundup® herbicides may be made up to the five-leaf stage at rates designed to provide control of nearly all broadleaf and grassy weeds.

Years of field-trial data suggests the Roundup Ready system can offer North American wheat growers a compelling set of technical benefits including:

- Broad-spectrum weed control
- Increased crop safety
- Increased yield
- Cleaner grain
- A different in-crop mode of action
- Simplified weed management
- Conservation-tillage enhancement
- A reduced-risk environmental profile.

LP



U.S. Durum Growers Association

PROMOTING THE PRODUCTION AND MARKETING OF DURUM AND SEMOLINA

4023 State Street • Bismarck, ND 58503 • (701) 222-2204 • (877) 463-8786 • www.durumgrowers.com

January 29, 2003

House Ag Committee
ND House of Representative
State Capitol
600 East Boulevard
Bismarck, ND 58505

Dear House Ag Cinte. Members:

I'm writing you concerning HB 1026 which is regarding the forming of a transgenic wheat board to oversee the release and commercialization of Genetically Modified Wheat. Recently our board of directors voted unanimously, along with our membership, to create a transgenic wheat board with the sole authority to release GMO wheat.

Over 85% of the durum in the United States is grown right here in North Dakota, along with the majority of the Hard Red Spring Wheat grown in the United States. At this time over half of our spring wheat and durum is exported. We have grave concerns that our customer will not accept these two commodities if they contain any trace of Genetic Modification. Therefore, we are in support of this transgenic wheat board if, and only if, it has the authority to release such commodities. It is very important that somebody in North Dakota is rested with the responsibility of the release of such a product. Our state has much to lose if this product is introduced without market acceptance.

Therefore, we feel that this board should be given the authority to release this product so that someone is responsible for our states #1 agricultural commodity and its future.

Sincerely,

Ed Loraas

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FIRST CUT

AGRICULTURAL NEWS AND VIEWS FROM AROUND THE REGION

The GM wheat deal

Monsanto, North Dakota State University, South Dakota University and the University of Minnesota have agreed to a set of rules governing the release of a genetically modified wheat.

The universities are working with Monsanto, which doesn't have a wheat breeding program, to incorporate its Round-up Ready technology into their new varieties.

The breeders agreed to hold off releasing a GM wheat until several benchmarks were met, including:

- The variety meets or exceeds the industry's end-use standards.
- Grain companies, millers and bakers agree to buy and use GM wheat, which will demonstrate consumer acceptance of biotech wheat.
- Canada and the United States introduce GM wheat at the same time.
- The United States, Canada and Japan grant environmental and food safety regulatory approval.
- The industry develops recommendations that farmers, grain elevators, shippers and others will follow to assure segregation of GM and conventional varieties.

The guidelines are not binding. NDSU can't veto a SDSU varietal release decision, or vice versa. Nor

will a university experiment station director overrule a decision by Monsanto's CEO to rollout a new variety with a private company.

There are some gray areas. What constitutes consumer acceptance of GM wheat is open to interpretation.



Michael Doanes

Development of two marketing streams — GM on one hand, non-GM on the other, just like soybeans — is most likely, says Michael Doanes, Monsanto's wheat industry spokesperson.

The argument over when to launch biotech wheat seems loudest in

North Dakota where farmers fear that an early release — before a Canadian introduction and before widespread public acceptance — will drive down prices. But, in the end, North Dakota, Minnesota and South Dakota may not be the biggest players in the decision.

"The 800-pound gorilla is the Canadian Wheat Board (CWB)," Doanes says. The CWB is the world's hard red spring wheat marketer, and it controls which varieties Canadian farmers grow. If it approves a GM variety for planting, the United States will probably follow quietly.

— By Lon Tonneson

WISH WE'D SAID IT

"What's wrong with society when a duck has more rights than a Norwegian?" — Larry Lee, chairman of the North Dakota Wheat Commission at the North Dakota Small Grains Conference. Lee says the quote originated with a relative of his, a retired farmer, who was expressing his displeasure with wetland drainage rules.

Choosy about soybean seed

Leo Grunewaldt, Orient, S.D., casts a critical eye on soybean varieties. He farms in north central South Dakota, on what he describes as the western edge of the soybean belt.

"It's a little different out here," he says.

One year, he tried a variety that topped yield trials throughout the eastern part of the state, but it didn't do well on his farm.

"I need a variety that can handle stress," he says. Heat and dry conditions are common in central South Dakota during the growing season.

Seeds have to stick in pods well as the plants dry down, too.

"There's a lot more than yields to consider."



Leo Grunewaldt

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10/2/03
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Gregg Hillier,
Senior Editor

THE SILENT MINORITY

Unable to get their message heard above the protests, the biotech industry faces GMO labeling and traceability measures for food in Europe.

On a crisp fall day in Brussels, I sat with a group of American journalists discussing genetic engineering issues with representatives from EuropaBio, the trade group of the European ag biotech industry. I asked this question: "Did you make mistakes pushing genetically modified organisms onto a skeptical Europe in the 1990s?"

Those assembled from Advanta, Bayer CropScience, DuPont-Pioneer and Monsanto nodded and said they had. They acknowledged underestimating consumer concerns and the ability of activists to energize the opposition.

"So if you could turn back time and start over, what would you do differently?" I asked.

The industry folks around the table looked at one another, waiting for someone to answer. No one did.

Finally, EuropaBio Director Simon Barber said, "I've thought about this question for a long time. . . ." But he never quite finished his statement.

That the biotech industry is still perplexed over how events on GMOs have unfolded in Europe over the past seven years explains in part why food with GM ingredients will soon be labeled and why traceability measures will be put in place. Other factors also contributed to European consumers' rejection of GMOs and the subsequent ban on the approval of new GM crops. Attitudes toward eating; public opinion polls; well-organized opponents; the protection of Europe's farmers; and U.S. and big-business bashing all

helped to fortify the protests against GMOs.

If the proposed regulations now before the European Parliament are approved, a 0.9% threshold will be established for labeling. Even products made with undetectable GM ingredients will have to be labeled. Once in place, European officials anticipate the moratorium will be lifted.

OPINIONS BALLY. Despite reports from European government scientists that stated GM food posed no human health risk, the public wasn't convinced. Consumer concerns also extended to the environment and the potential problems from the release of GM material.

Unfortunately, the industry's efforts to tout the safety and benefits of biotechnology just didn't resonate on the other side of the Atlantic.

Norval Francis with the U.S. Mission to the European Union blames misinformation from GMO opponents. "Activists successfully framed GMOs as a food-safety issue, which it isn't. Their goal isn't food safety. They want the technology abandoned altogether," he says.

GMO critics also argued for the consumer's right to choose. "We can't impose on society something it doesn't want," says Joseph Menard, regional president of FRSEA, a union that represents farmers in Rennes, France.

In the end, public opinion appears to have won. "The GMO debate shows how much power has shifted to the consumer," notes Ruth Rawling, vice president of public affairs for Cargill, based in

Brussels. "It shows you can't introduce something into the food chain without considering consumer reaction."

WHAT NOW? Still to be determined is the impact labeling and traceability measures will have on U.S. exports and the added costs for American farmers to comply. The moratorium has already cost American corn farmers \$300 million in annual exports. And farm organizations, grain handlers, feed manufacturers and food processors say it will be difficult to meet the threshold levels. They all agree it will increase costs, threatening the competitiveness of U.S. goods.

Meanwhile, pressure is mounting for the U.S. to bring a World Trade Organization case against the EU for its ban on GM crops. Moderate biotech supporters in Europe say that would be a mistake.

"If the U.S. files a WTO case, it's only going to get people's backs up," warns David Bowe, a member of the European Parliament from the UK.

U.S. officials also fear that European resistance will spread to other parts of the world. Last summer, drought-stricken Zambia refused U.S. food over worries that the GM corn would find its way into the country's grain supply, jeopardizing exports to the EU.

Events surrounding the biotech battle between the U.S. and EU will continue to unfold. And as they do, the biotech industry is left wondering if the GMO debate would have turned out differently if they had found a voice with the right answers. **PF**

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Crop Protection Product Harmonization and Registration Board

	2001-2003		2003-2005
	Biennium to Date	2001-2003 Estimated	
Operations			
Projects	\$ 9,479	\$ 12,500	\$ 15,000
Public Affairs and Education - Federal Legislation	\$ 13,305	\$ 20,000	\$ 30,000
Total	\$ 1,902	\$ 2,500	\$ 5,000
	<u>\$ 24,686</u>	<u>\$ 35,000</u>	<u>\$ 50,000</u>

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Stefania Rickford

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SPECIAL FUND STATEMENT

	376 EARP	260 Minor Use
Balance June 30, 2001	\$ 1,079,213	\$ 180,289
<i>Estimated Revenues, 01-03</i>		
Ag Med User Fees		
Ag Classrm Projects		
HB1349		
HB1249		
Ag Pace Funds		
Game and Fish Transfer		
Tonnage Fees		
Registrations	\$ 2,700,000	
EARP transfer		\$ 500,000
Interest		
Sales		
Grants		
Game and Fish Transfer		
TOTAL	\$ 2,700,000	\$ 680,289
<i>Estimated Expenditures, 01-03</i>		
Ag Mediation Services		
Ag Classrm Projects		
Wildlife Services		
Bd Animal Health Svcs.		
Anhydrous regulation		
Insurance Department		
Health Department	\$ 200,000	
Pesticide Programs	\$ 327,568	
Safesend	\$ 599,369	
Noxious Weeds	\$ 1,414,878	
Pesticide Pads		
Crop Harmonization Committee	\$ 35,000	
Minor Use Projects	\$ 500,000	\$ 340,000
Lease Payments		
TOTAL	\$ 3,076,815	\$ 340,000
Est. Balance, June 30, 2003	\$ 702,398	\$ 340,289

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Steph Rinkoff
Operator's Signature

10/2/03
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SPECIAL FUND STATEMENT

	376 EARP	260 Minor Use
Est. Balance June 30, 2003	\$ 702,398	\$ 340,289
<i>Estimated Revenues, 03-05</i>		
Ag Med User Fees		
Ag Classrm Projects		
Ag Pace Funds		
Game and Fish Transfer		
Tonnage Fees		
Registrations	\$ 2,250,000	
Interest		
Seed Arbitration Fees		
Sales		
Grants		
Game and Fish Transfer		
TOTAL	\$ 2,250,000	\$ -
<i>Estimated Expenditures, 03-05</i>		
Ag Mediation Services		
Ag Classrm Projects		
Wildlife Services		
Meat Inspection		
Bd Animal Health Svcs.		
Anhydrous regulation		
Health Department	\$ 200,000	
Pesticide Programs	\$ 387,732	
Safesend	\$ 617,198	
Noxious Weeds	\$ 1,494,285	
Ag Dept. raises	\$ 16,470	
Crop Harmonization Board	\$ 50,000	
Insurance Department		
Seed Arbitration		
NDSU	\$ 120,000	\$ 250,000
Minor Use Projects		
Lease Payments		
TOTAL	\$ 2,885,685	\$ 250,000
Est. Balance, June 30, 2005	\$ 66,713	\$ 90,289

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1 Senator Conrad. We will now go to our second panel,
2 led by Lieutenant Governor Dalrymple of North Dakota;
3 Agriculture Commissioner Roger Johnson; Mr. Barry Bushue,
4 the President of the Oregon Farm Bureau; Mr. David
5 Frederickson, representing the National Farmers Union; and
6 Mr. Jay Vroom, the President of CropLife America.

7 Thank you all for being here. Lieutenant Governor
8 Dalrymple, why do you not proceed with your testimony. It
9 would be the intention of the committee to hear from all of
10 the witnesses and then open it up to questions, unless we do
11 not follow that procedure.

12 [Laughter.]

13 Senator Conrad. Lieutenant Governor Dalrymple,
14 welcome.

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1 STATEMENT OF JACK DALRYMPLE, LIEUTENANT GOVERNOR,
2 STATE OF NORTH DAKOTA, BISMARCK, NORTH DAKOTA

3 Mr. Dalrymple. Chairman Conrad, thank you for the
4 opportunity to provide a statement in support of S. 532, the
5 Pesticide Harmonization Act. I must say, as one interested
6 in North Dakota agriculture, I am thoroughly enjoying this
7 hearing and the broad range of topics that you are touching
8 on here.

9 My name is Jack Dalrymple. I serve as Lieutenant
10 Governor of the great State of North Dakota and I am here
11 today in that capacity, as well as in my role as Chairman of
12 the State's Crop Protection Product Harmonization and
13 Registration Board. I also farm near Casselton, North
14 Dakota, where my family raises wheat, soybeans, and barley.

15 The North Dakota Crop Protection Product Harmonization
16 and Registration Board was created by the State legislature
17 specifically to address and resolve pesticide availability
18 and pricing fairness issues for the State's farmers. The
19 bipartisan board consists of elected State officials and
20 farmers who have a common mission of working with regulators
21 and pesticide manufacturers to make effective products
22 available at fair prices.

23 It seeks to promote the registration of new, safe crop
24 protection products for farmers to use on the more than 70
25 crops that are raised in North Dakota. The board is

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1 conducting an ongoing survey of farmers and pesticide
 2 retailers in an effort to establish possible additional
 3 applications for the products that are already available.
 4 Primarily, the board is focused on efforts to harmonize the
 5 availability and pricing of herbicides, fungicides, and
 6 insecticides to match those of our world competitors, most
 7 notably in Canada, our immediate neighbor to the north.

8 The facts of North Dakota's agricultural economy and
 9 the variety of crops produced in the State will probably be
 10 addressed directly by Commissioner Roger Johnson. In
 11 summary, low-price commodities, higher input costs, and
 12 adverse long-term weather conditions leading to increased
 13 disease, weed, and insect pressure have challenged North
 14 Dakota farmers. These factors contribute to a poor profit
 15 outlook for producers. Costs are at a level where farmers
 16 simply cannot make a profit.

17 Because of increased pest problems, coupled with high
 18 pesticide costs, the North Dakota Crop Protection Product
 19 Harmonization and Registration Board supports this and other
 20 legislation that can help make more crop protection products
 21 available to farmers at costs that are comparable to those
 22 paid by their world competitors. It is simply unfair that
 23 farmers, especially in a border State like North Dakota, are
 24 placed at a competitive disadvantage to other countries'
 25 farmers, both in terms of availability and price of

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1 pesticide products.

2 Pesticide companies are able to charge higher prices in
3 the United States because farmers are prohibited from
4 purchasing the same products in Canada and importing those
5 products to the United States. This bill seeks to provide
6 the equivalent of joint labeling to effectively accomplish
7 harmonization of pesticide products and their prices.

8 By the way, Mr. Chairman, Canada has adopted laws that
9 allow farmers to import their own pesticides. Why would the
10 USA not have a similar provision?

11 The Environmental Protection Agency here in the United
12 States and its counterpart in Canada, the Pesticide
13 Management Regulatory Agency, PMRA, have tried to address
14 the issue of product availability in their respective
15 countries. While the EPA and PMRA's progress regarding
16 harmonization of new product registrations encourages us,
17 the heart of the issue lies with existing product
18 availability and pricing. While the pesticide companies
19 often blame the regulatory agencies, it is often the
20 manufacturers themselves who make registration timing
21 decisions. The decision is impacted by expected return on
22 investment and anticipated competition.

23 This bill will effectively give the States the ability
24 to co-label those products for the company, under the strict
25 supervision of the EPA, if they are found to be essentially

1 the same product. This simple mechanism will bring those
2 products to market more quickly, to the benefit of the
3 farmers and the manufacturers.

4 North Dakota's legislature has worked to expedite the
5 chemical harmonization process, including providing the
6 Agriculture Commissioner with the authority to seek special
7 emergency exemptions on products registered in both
8 countries. The legislature has also shown how serious they
9 feel this problem is by creating this special harmonization
10 board and appropriating State funds for this purpose.

11 American and Canadian growers produce virtually
12 identical crops and are forced to compete with one another
13 in the global market. Therefore, it is imperative that
14 product availability and price stand on equal footing across
15 borders. After all, Canadian wheat is allowed to move
16 freely into the United States without any inspection to
17 determine if it has been produced with chemicals that are
18 banned in the USA.

19 S. 532 will be an important step in eliminating the
20 crop protection product trade disparities between our two
21 countries. Free trade policies must be applied
22 consistently. The legislation will prove to be a tremendous
23 asset in the effort to standardize the prices paid for
24 substantially identical pesticides on either side of our
25 shared border.

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1 On behalf of the State of North Dakota and its Crop
2 Protection Product Harmonization and Registration Board, I
3 respectfully request your positive consideration of S. 532.
4 It will provide the mechanism to level a competitive cost
5 disadvantage facing American farmers. Thank you much for
6 your attention.

7 Senator Conrad. Thank you, Lieutenant Governor
8 Dalrymple. Thank you very much for being here. Thank you
9 for that excellent testimony.

5 10 [The prepared statement of Mr. Dalrymple follows:]

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NORTH DAKOTA CROP PROTECTION PRODUCT HARMONIZATION AND REGISTRATION BOARD

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Phone: (701) 328-2231 Fax (701) 328-4567

Jack Dairynprie, Chairman
Lieutenant Governor
Bismarck

Roger Johnson
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Terry Wanzek
State Senator
Jamestown

Ron Nichols
State Senator
Palermo

Mike Brandenburg
State Representative
Edgeley

Greg Daws
Consumer
Michigan

Mark Dooley
Industry Representative
Durbia

Jeff Teubner
Consumer
Cando

Brett Oemichen
Dow Agro-Sciences
West Fargo

Jim Venette
NDSU Experiment Station
Fargo

Minor Use Fund Activity

The Crop Protection Product Harmonization and Registration Board was given the oversight of the Minor Use Fund during the 57th Legislative Assembly. This fund was previously under the jurisdiction of the Pesticide Control Board. The Minor Use Fund is used for research towards a registration of a pesticide for a minor crop or a minor use on a major crop. The fund began the present biennium with a carry-over of \$180,289. Of these funds, all but approximately \$10,000 had been obligated toward research projects. The 57th Legislative Assembly allocated \$500,000 to the fund for the 2001-2003 biennium. During the biennium, \$340,000 has been projected to be spent or obligated and a balance of \$90,289 is projected to be remaining after this biennium. Participants this biennium were the National Sunflower Association, North Dakota State University, and USDA Wildlife Services.

EARP Fund Activity

The Crop Protection Product Harmonization and Registration Board was allocated \$250,000 for the 2001-2003 biennium. These funds were to be used for activities of the Board with no more than fifteen percent being used for administrative costs. Activities funded from this program included two trips to Washington D.C. to work on federal legislation, S.532 "Harmonization Act" that was submitted by Senator Dorgan. The ND Grain Growers were approved two grants, one for the Environmental Tour in which EPA personnel are invited and educated on farming practices in North Dakota. A second grant is to be used for educating national commodity organizations on the benefits of pesticide harmonization and supporting the federal legislation. The ND Durum Growers also received two grants from the Board. One grant was to do a price comparison study between the cost of pesticide in Canada and the United States. The second grant was also for educating national commodity organizations on the benefits of pesticide harmonization.

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NORTH DAKOTA GRAIN DEALERS ASSOCIATION

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TESTIMONY ON HB 1026 - HOUSE AG COMMITTEE
REPRESENTATIVE GENE NICHOLAS, CHAIRMAN
THURSDAY, JANUARY 16 - 10:15 A.M.

*Jim Bob
LAD*

The North Dakota Grain Dealers Association is a 92-year-old voluntary membership trade association in which more than 90% of our state's grain elevators hold membership.

We question the value, composition and purpose of the Transgenic Wheat Board created by HB 1026.

In our opinion, if it is created, it needs more grain handlers and buyers on it. Maybe it doesn't need as many scientific and academic personnel. The debate over GM spring wheat is not a scientific or academic issue. We know that genes can be moved around. The concerns are primarily segregation, marketing and consumer acceptance. That is why more handling, processing and marketing people are needed on the Board. A representative of a milling company that buys considerable North Dakota spring wheat might be a good choice. Another person from the export side might be another.

This Board has no power except to collect information and make recommendations. Our fear is that we will have a trainwreck if GM wheat gets into the supply chain before the market is ready for it. In the 2001 session we supported amendments to HB 1338 to create a committee of growers, handlers and public officials that would authorize release of GM spring wheat seed when there was sufficient market acceptance. We believe that this concept still has merit. It would not require another legislative session to lift the restriction.

Our member elevator managers deal with the major milling companies buying spring wheat from North Dakota. We know of no milling companies that are seeking GM spring wheat. Even regulatory approval of GM wheat matters none if the buyers don't want it. This is a customer-driven market. Until the customer sees value he has much to lose and little if anything to gain with GM spring wheat.

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We are playing with fire that could severely damage our markets. The stakeholders besides the seed development companies need to take control of this situation. It is OUR markets that will be sacrificed, not theirs. It is OUR handling system that will be contaminated, not theirs. Just recently there was a problem with a shipload of corn to Japan that still had Starlink corn in it after a two year cleansing of the system. We do not need to repeat that debacle in spring wheat.

So let's get some more stakeholders on this Board and give it some real authority, if it is to be created at all.

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