

# MICROFILM DIVIDER

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DESCRIPTION

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10/22/03  
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2327

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Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2327

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 02-10-03

Tape Number	Side A	Side B	Meter #
Committee Clerk Signature <i>Lisa Van Berkum</i>			

Minutes: Vice-Chairman Klein opened the hearing on SB 2327. Senator Mutch was absent.

SB 2327 relates to authorizing the state mill and elevator association to acquire ownership of equity in private business entities.

**Testimony in support of SB 2327**

Vance Taylor, President and General Manager of the North Dakota Mill and Elevator Association, spoke in support of the bill. See attached testimony.

Senator Klein: What we are attempting to do then is to allow the state mills to invest in a different business entity which is not allowed right now.

Vance: At present the industrial commission does not have the authority to give us the approval.

Senator Klein: If the industrial commission granted approval you would be investing \$14,100 over three years to participate in this seed company?

Vance: Yes, that's correct.

Senator Klein: And this money would come out of the mill's profits?

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*10/22/03*  
Date

Page 2  
Senate Industry, Business and Labor Committee  
Bill/Resolution Number 2327  
Hearing Date 02-10-03

**Vance:** The money would come out of the mill's fund, that's correct.

**Alan Bergman, Dakota Pride Cooperative,** spoke in support of the bill. He stated that the passage of this bill would benefit mill and growers and meet consumers needs. New seeds and new characteristics would be good for the growers as well.

**Senator Espergard:** You are presently doing business with the mill at this time?

**Alan:** Yes.

**Senator Espergard:** This investment that this bill would allow, what further benefit would this give the mill that they wouldn't have without the investment?

**Alan:** Well, Meridian Seeds is doing genetic traits testing that meet the characteristics of the customers needs, and that will benefit us. We grow for the mill for a small premium.

**Senator Krebbach:** Is there anything that precludes Dakota Pride Cooperative from directly reaching an agreement with Meridian seeds?

**Alan:** We do currently have an agreement with Meridian seeds. It says that if Meridian seeds finds and develops new grains, that they will allow us first cut at those seeds to grow them in an Identity Preserved Scenario for the state mill.

**Richard Schlosser, ND Farmers Union,** wanted to go on record in support of SB 2327. He stated that agriculture is the corner stone and number one contributor to the ND economy.

**Carleen Fine, Industrial Commission,** also spoke in support of the bill.

**Testimony in opposition of SB 2327.**

**Eric Aasmundstad, President of the ND Farm Bureau,** spoke in opposition to the bill. See written testimony. (tape 1, side A, meter no. 3430)

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 2327

Hearing Date 02-10-03

**Senator Heitkamp:** How do you make the jump from their ability to invest in this and corporate farming?

**Eric:** The bill states that they include becoming a share holder or private business owner, it doesn't preclude any business entity.

**Senator Klein:** So what you are saying is that the mill could some day own farm land?

**Eric:** If they wanted to invest in a farm, I don't see anything here that precludes them from doing that.

**Senator Krauter** was supposed to introduce the bill, but still wanted to state his support for the bill.

**Hearing was closed. No action taken.**

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02/22/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2327

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 02-11-03

Tape Number	Side A	Side B	Meter #
2	aaa		100
Committee Clerk Signature <i>Lisa Van Berkom</i>			

Minutes: Chairman Mutch opened the discussion on SB 2327. All Senators were present.

SB 2327 relates to authorizing the state mill and elevator association to acquire ownership of equity in private business entities.

There was brief discussion from the committee.

Senator Heitkamp moved a DO PASS. Senator Espgaard seconded.

Roll Call Vote: 3 Yes. 4 No. 0 Absent.

Motion Failed.

Senator Klein moved a DO NOT PASS. Senator Krebsbach seconded.

Roll Call Vote: 4 Yes. 3 No. 0 Absent.

Carrier: Senator Klein

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*10/22/03*  
Date

Date: 2-11-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2327 Committee

Senate \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Heitkamp Seconded By Espegard

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman		X			
Sen. Karen Krebsbach		X			
Sen. Dave Nething		X			
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espegard	X				
Sen. Duane Mutch, Chairman	X	X			

Total (Yes) 3 No 4

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

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Deanna Waller Operator's Signature 10/22/03 Date

02-11-03

Date: #

Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2327

Senate \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass!

Motion Made By Klein Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman	X				
Sen. Karen Krebsbach	X				
Sen. Dave Nething	X				
Sen. Joel Heitkamp		X			
Sen. Mike Every		X			
Sen. Duane Espgaard		X			
Sen. Duane Mutch, Chairman	X				

Total (Yes) 4 No 3

Absent 0

Floor Assignment Klein

If the vote is on an amendment, briefly indicate intent:

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Date

**REPORT OF STANDING COMMITTEE (410)**  
February 12, 2003 1:20 p.m.

Module No: SF-27-2409  
Carrier: Klein  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
SB 2327: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends  
**DO NOT PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).** SB 2327 was  
placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SF-27-2409

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10/22/03

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2003 TESTIMONY

SS 2327

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Bismarck, ND 58502  
701-224-0330 • 1-800-932-8869  
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*copy*

## North Dakota Farm Bureau

www.ndfb.org

**Testimony of North Dakota Farm Bureau  
Senate Bill 2327  
Presented by Eric Aasmundstad, President**

Good morning Chairman Mutch and members of the Industry Business and Labor Committee; my name is Eric Aasmundstad, I am the president of North Dakota Farm Bureau and am here representing North Dakota Farm Bureau's opposition to Senate Bill 2327.

This bill would allow the state of North Dakota, through the State Mill and Elevator to acquire an equity position in private business including farming if they find the investment would benefit the association's manufacturing or marketing business. After reading the current statute we believe the State Mill and Elevator possesses the ability to participate in business enterprises working through the Industrial Commission.

We find it quite ironic that many of the same people and organizations that have testified in favor of this bill are opposed to changes in the corporate farming statutes. Through support of the State taking an equity position in private enterprise the corporate farming laws would be compromised. We feel this bill would better serve North Dakota if in fact any individual, corporation, or limited liability company were allowed the same opportunity as this bill would allow the State.

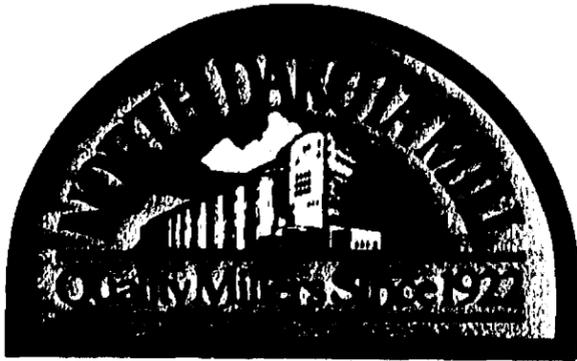
North Dakota Farm Bureau believes the free enterprise system must be allowed to function with out competition from government entities. Passage of this bill will again put business in North Dakota's agricultural sector at a competitive disadvantage to the government. For this reason North Dakota Farm Bureau is opposing Senate Bill 2327.

*One future. One voice.*

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*Eric Aasmundstad*  
Operator's Signature

*10/22/03*  
Date



Legislative Committee Hearing  
February 10, 2003  
Senate Bill No. 2327  
North Dakota Mill & Elevator Association

Chairman Mutch and Senators:

My name is Vance Taylor and I am President and General Manager of the North Dakota Mill and Elevator Association. I am appearing today in support of Senate Bill No. 2327.

Senate Bill No. 2327 would give the State Mill the flexibility to make investments in private business entities if the investment will benefit the Mill's manufacturing and marketing business.

As an example, the State Mill has been working on a project with Dakota Pride Cooperative to form a joint venture with Canterra Seeds, LLC, Winnipeg. The new company is called Meridian Seeds LLC. This farmer-owned company's mission is to be a leader in acquiring, producing, marketing and selling seed and related technology to customers. Meridian Seeds will also be a leader in identifying varieties that meet "end user" needs and supplying these needs using identity preserved techniques.

It is important for the State Mill to stay closely involved with Meridian Seeds, LLC for a couple of reasons. This company will provide a new avenue for its member farmers to add value to their crops and, hopefully, expand their marketing opportunities. This company will also assist the State Mill by providing the Mill with a source of identity-preserved spring wheat and durum products. I believe the Mill's involvement with Meridian Seeds could enhance its chances for success.

Purchasing a membership in Meridian Seeds will insure that the State Mill will have continued contact and influence in this new company, which fits well with our mission to promote agriculture, commerce and industry. The cost of the investment in Meridian Seeds, LLC is \$14,100.00, payable over three years.

These would be the types of opportunities the Mill would consider in the future if Senate Bill 2327 became law—opportunities that fulfill our mission and that are beneficial to the State Mill. Thank you for allowing me to speak in support of Senate Bill No. 2327. I will be happy to answer any questions you may have at this time.

P.O. Box 13078 / Grand Forks, ND 58208-3078  
Telephone: (701) 795-7000 / Fax: (701) 795-7272

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Vance Taylor  
Operator's Signature

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Date