

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER
-------------

DESCRIPTION

1428

2007 HOUSE AGRICULTURE

HB 1428

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1428

House Agriculture Committee

Check here for Conference Committee

Hearing Date: 02-08-07

Recorder Job Number: 3172

Committee Clerk Signature



Minutes:

**CHAIRMAN JOHNSON: WE WILL OPEN THE COMMITTEE HEARING ON HB 1428.**

**THE CLERK WILL READ THE TITLE ON 1428.**

**CLERK: HB 1428 IS A BILL RELATING TO EXPENDITURES BY THE N.D. BEEF COMMISSION.**

**REPRESENTATIVE FROELICH: I AM FROM DIST 31. WE TALKED EARLIER ABOUT BEEF CHECK OFF. THIS BILL CAME ABOUT BECAUSE A RIGHT NOW WE ALL KNOW THAT YOU HAVE TO COLLECT A DOLLAR PER HEAD. THAT IS MANDATORY BY FEDERAL LAW. FEDERAL LAW SAYS FIFTY CENTS HAS TO GO IN. THE FEDERAL GOVERNMENT SAYS WE CAN KEEP THE OTHER FIFTY CENTS AND WE CAN DO WHAT EVER WE WANT TO DO WITH.**

**THAT IS WHAT THIS BILL IS ALL ABOUT.**

**THIS BILL IS NOT SAYING THAT THE CURRENT BOARD IS NOT DOING A BAD JOB. WHEN WAS THE LAST TIME YOU SAW A BILL BOARD ADVERTISING BEEF? THE QUESTION, WHY DO WE HAVE TO PROMOTE N.D.? WE HAVE LOT OF PRODUCERS OUT THERE TODAY THAT ARE STARTING UP THERE OWN BUSINES; SLAUGHTER THERE OWN CATTLE. MOM AND POP BUSINESS! YOU CAN'T ADVERTISE N.D.**

BEEF. I STILL THINK THAT WE SHOULD PROMOTE N.D. BEEF. I LIKE TO SPEND MY MONEY AT HOME. THAT IS WHAT THIS BILL IS ABOUT.

CHAIRMAN JOHNSON: DEAN MEYER.

DEAN MEYER: I AM REPRESENTING THE INDEPENDENT BEEF ASSOCIATION OF N.D. UNLIKE THE LAST TWO BILLS THAT WERE SPONSORED BY ARLO SCHMIDT. WE THINK THE MONEY SHOULD BE SPENT HERE. THE BEEF COMMISSION DOES A GREAT JOB. WE ALSO DO RESEARCH.

REPRESENTATIVE UGLEM: DOES THE MONEY THAT GOES TO NATIONAL COME BACK TO N.D.?

DEAN: SOMEONE ON THE BEEF COMMISSION CAN ANSWER THAT BETTER THEN I CAN.

CHAIRMAN JOHNSON: REPRESENTATIVE BELTER

REPRESENTATIVE BELTER: I STILL DO NOT UNDERSTAND WHY YOU WOULD WANT TO MANDATE THAT FIFTY PERCENT OF THE DOLLARS HAVE TO BE SPEND HERE IN N.D. LOOK AT OUR POPULATION, SIX HUNDRED AND FOURTY THOUSAND. YOU LOOK AT THE UNITED STATES POPULATION AND IF WE WANT TO SUPPORT AND SELL OUR PRODUCTS. WE WOULD WANT TO ADVERTISE WHERE THE PEOPLE LIVE. I THINK THE MONEY IS BETTER SPENDING ON RESEARCH ON OUR EXPERMENT STATIONS.

CHAIRMAN JOHNSON: REPRESENTATIVE KINGSBURY.

REPRESENTATIVE KINGSBURY: SO THERE IS NO RESEARCH BEING DONE IN N.D.?

THERE IS ABOUT SIXTEEN CENTS GOING TO NATIONAL. WE THINK N.D.

COULD SPEND IT WISELY HERE.

CHAIRMAN JOHNSON; OTHERS?

DEAN SCHMIDT: I AM WITH THE STATE CORN COMMISSION. I AM A PRODUCER.

I AM LIVESTOCK CHAIRMAN FOR THE COMMITTEE. I DO THINK WE NEED THE

CHECK OFF. WE NEED TO KEEP THESE DOLLARS TO BUILD INFRASTRUCTURE.

WE WILL BE IMPORTING CORN. WE NEED TO KEEP THOSE DOLLARS.

ALLEN LUND: I STAND IN FAVOR OF HB 1428. [[PLEASE READ ALLENS  
PRINTED TESTIMON WHICH IS ATTACHED.

CHAIRMAN JOHNSON: OTHERS ON 1428. SUPPORT ANY OPPOSITION?

JASON SCHMIDT: CHAIRMAN OF THE BEEF COMMISSION. I LIKE TO SEE  
MONEY SPENT LOCALLY.

CHAIRMAN JOHNSON: OTHERS?

MARGE PERKINS: CATTLE WOMEN. WE CATTLE WOMEN LIKE SHOPPING AT  
HOME. THIS BILL WOULD HAMPER OUR SPENDING AT HOME. SPENDING IN STATE.

[[PLEASE SEE MARGES PRINTED TESTIMONY]]

WADE MOSER: THE FEDERAL GOVERNMENT MANDATES HOW CHECK OFF  
MONEY IS SPENT. WE HAD TO REWRITE THE N.D. LAWS TO CONFORM WITH  
NATIONAL LAWS.

CHAIRMAN JOHNSON: OPPOSITION TO BILL. NEUTRAL"

CHAIRMAN JOHNSON: WE WILL CLOSE ON HB 1428.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1428**

House Agriculture Committee

Check here for Conference Committee

Hearing Date: 2-8-07

Recorder Job Number: 3185

Committee Clerk Signature

*Mulip for Edward D. Ellefson*

Minutes:

Chairman Johnson: Opened HB 1428.

Rep. Belter made a motion as a do not pass on HB 1428.

Rep. Heller seconded the motion.

Chairman Johnson asked for discussion.

Rep. Boe: I think that it is kind of one of the great shake downs, but it is a fact of life. It is a challenge and I am going to support the Do not pass.

Chairman Johnson: asked for the roll on a do not pass on 1428.

Roll was 12 yes, 1 no a do not pass.

Carrier is Rep Belter for HB 1428.

Chairman Johnson closed the hearing.

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/16/2007

Bill/Resolution No.: HB 1428

**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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would limit the way that the ND Beef Commission can spend beef checkoff dollars. Instead of leaving all budgeting decisions in the hands of the Beef Commission, this amendment would limit expenditures to programs and projects conducted only within ND.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

While there will be no change in the total dollars collected or total dollars available to be spent, this amendment would limit the scope of programs available to the Beef Commission for funding, and as a result, the potential positive return on investment to beef producers funding the program. This would be because funds could only be spent in the state and could not be invested in other current successful state/national partnerships. At the present time, under a federal law the ND Beef Commission must give \$.50 of every dollar to the Beef Promotion & Research Board for national beef promotion programs. Of the remaining \$.50, the ND Beef Commission has historically invested between \$.16 and \$.25 in additional national beef promotion, research and education programs coordinated by the Federation of State Beef Councils of the National Cattlemen's Beef Association and the US Meat Export Federation (USMEF) for international beef market development. This investment in the Federation and USMEF is critical because it not only helps to fund additional programming but it also gives the ND Beef Commission a voice in the development of all national & international programs which affect ND producers. These programs, funded in part by ND producers, take the beef message to large numbers of consumers across the US and foreign countries. These programs go to where the people are who need to eat more beef, not necessarily where the cattle are.

**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.*

no effect

**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.*

see explanation in 2B.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and*

*appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	Nancy Jo Bateman	<b>Agency:</b>	ND Beef Commission
<b>Phone Number:</b>	328-5120	<b>Date Prepared:</b>	01/29/2007

Date: 2-8-07  
 Roll Call Vote #: 0

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1428

House \_\_\_\_\_ AGRICULTURE \_\_\_\_\_ Committee

Check here for Conference Committee

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

Action Taken Do Not Pass

Motion Made By Rep Belter Seconded By Rep Heller

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chairman	L		Tracy Boe	L	
Joyce Kingsbury Vice Chairman	L		Rodney J Froelich		L
Wesley Belter	L		Phillip Mueller	✓	
Mike Brandenburg	L		Kenton Onstad	L	
<del>Mike Brandenburg</del>			Ben Vig	✓	
Craig Headland	L				
Brenda Heller	L				
John D Wall	L				
Gerry Uglem	L				

Total (Yes) 12 No 1

Absent 0

Floor Assignment Rep Belter

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

REPORT OF STANDING COMMITTEE (410)  
February 8, 2007 3:38 p.m.

Module No: HR-27-2598  
Carrier: Belter  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1428: Agriculture Committee (Rep. D. Johnson, Chairman) recommends DO NOT PASS (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1428 was placed on the Eleventh order on the calendar.**

2007 TESTIMONY

HB 1428

# **LMA Statement on the results of the Beef Checkoff survey**

**By LMA President Jim Santomaso**

Livestock Marketing Association welcomes the release of the Beef Checkoff Survey. We view the survey as an excellent starting point for a national discussion of ways to improve the beef checkoff.

The survey was the largest one of its kind in the two decades since the checkoff began. There is a wealth of interesting information about how producers view the checkoff, and we urge everyone to read the results.

However, because the industry has been told the purpose of the survey is to lead a discussion of possible changes in the checkoff, we feel it's important to look most closely at three areas where producers, often overwhelmingly, are suggesting those changes.

Those three areas are opening up the checkoff contracting process; producer views on a periodic referendum, and the use of checkoff dollars to promote U.S. beef.

First, the checkoff contracting process. Sixty-six percent of those surveyed would approve, or strongly approve, allowing the Beef Board to contract, directly, "with any entity, including businesses, university researchers, advertising and marketing agencies, and other consultants." Less than 25 percent would disapprove of this move.

Secondly, asked about a checkoff referendum, an overwhelming 82 percent strongly approve, or somewhat approve, a periodic vote on whether to continue the checkoff.

Third, asked about using checkoff dollars, if possible, to promote U.S. beef, over 75 percent said they strongly approved using all or at least some portion of checkoff dollars to promote ONLY U.S. born and raised beef. Even if that meant canceling the checkoff assessment on imported beef and beef products, 75 percent still strongly or somewhat agree that a portion of checkoff dollars should be used to promote only U.S. beef.

One other survey result should be mentioned: Almost 79 percent of those surveyed do not want the checkoff raised beyond the current \$1 per head.

LMA's Board of Directors will review the results of the survey during their meetings Feb. 3 in Nashville. They will determine what further action, if any, LMA will take on these issues.

(The survey results can be found at [www.ams.usda.gov/lsg/mpb/rp-beef.htm](http://www.ams.usda.gov/lsg/mpb/rp-beef.htm).) / LMA 1/26

H.B. 1428  
2007

February 8,

Mr. Chairman, members of the committee,

My name is Allen Lund. I'm a cow/calf producer from Selfridge, N.D. I stand in favor of H.B. 1428. This bill would require the North Dakota Beef Commission to retain the entire one-half of the beef checkoff dollars collected in the state.

At present the North Dakota Beef Commission sends sixteen cents of every dollar collected to the Federation of State Beef Councils which comes to approximately \$162,000.00. North Dakota currently holds two seats on the Federation. The number of seats that each state holds depends on the amount of money sent in. Cow/calf states like North Dakota can not compete with cattle feeding states like Texas, Kansas, Nebraska and Iowa for seats on the Federation board. It is like taxation without representation.

I'm sure that you will be hearing arguments that due to the fact that we are a surplus beef producing state, that we don't need all of this money in the state. I disagree.

These checkoff dollars are earmarked for research, education and promotion of beef.

Let's start with research: We have numerous colleges in our state. Lets fund beef research within these colleges.

How about education? Let's educate our K through 12 schools on the health and safety of beef. After all, they are going to be our future consumers.

Then promotion: I've been in restaurants where they have placards on the tables promoting bison meat. Let's get placards in these restaurants promoting beef. We have hundreds of miles of interstate highways in our state being traveled by motorists from every state in the union. Let's put up billboards promoting beef.

The list could go on and on.

I would ask for your support in passing H.B. 1428.

Thank you,

Allen Lund  
1967 hwy 24  
Selfridge, N.D. 58568  
(701)422-3747

HB 1428-limiting expenditures of the ND Beef Commission

1. The ND CattleWomen are opposed to this bill for several reasons but I would just like to highlight a couple specific CattleWomen projects that the Beef Commission funds that this bill and its limitations would impact for the ND CattleWomen.

2. The ND CattleWomen receive project funding from the ND Beef Commission each year for various beef promotion and education programs. Two of our most important projects have connections to national programs. The first of these is a youth education program called the Beef Ambassador program. We encourage 4-H, FFA and other young people from ages 17-22 to participate in this contest by preparing and presenting a speech on some aspect of the beef industry they are interested in. These young people are some of the best and brightest spokespersons that the beef industry has to offer. The state winner has an opportunity to compete in the National Beef Ambassador contest each year, but if this bill were to pass, we could no longer be involved and pay expenses for this person to represent North Dakota and compete at the national level.

The second program that we work on is the National Beef Cook-Off, one of the largest and most prestigious cook-offs in the country and one that the ND CattleWomen are very proud of. Again, if this bill were to pass, the ND CattleWomen would not be able to assist both financially and by sending CattleWomen to help put this tremendous program together.

3. The state and national partnerships that checkoff dollars are invested in both through the CattleWomen and all of the other Beef Commission programs are very important to beef producers in the state and we would hate to see this state/national effort be done away with. Please vote no on this bill.

HB 1428

Marge Perkins

Dist. 5 and NDCW

Menoken, ND