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**Testimony of
Mark Watne
North Dakota Farmers Union
Before the
House Agriculture Committee
February 5, 2021**

Mr. Chairman and members of the committee,

Thank you for the opportunity to testify on House Bill No. 1475. My name is Mark Watne, and I am the president of North Dakota Farmers Union (NDFU).

NDFU fully supports HB 1475. We believe this legislation will play a key role in improving farmers' and ranchers' incomes, creating new jobs and building a stronger state economy.

Since our founding, NDFU has been very concerned about consolidation in agriculture markets. At the beginning of the coronavirus pandemic, we witnessed firsthand the dangers of a highly centralized supply chain. As cattle prices dropped, beef prices skyrocketed and grocery store shelves went bare. These market dynamics created major challenges for producers and consumers.

One of the ways to free farmers from market concentration is to create stronger regional supply chains. In response to the cattle crisis last spring, our members urged us to explore ways to support local and regional slaughter plants. So far, we have learned a mid-sized plant is feasible in the state and would allow us to bring rendering back to North Dakota. Establishment of a rendering plant would, in turn, reduce costs for existing slaughter facilities in the state. Projects like this would also create upstream opportunities for ranchers, improve price discovery and limit major supply chain and pricing disruptions.

The Agriculture Innovation Fund could support continued progress in building out our state's slaughter capacity. It could also promote development of soybean crush facilities, new ethanol plants, feed mills, hemp processors and more. In each case, the projects would improve farmers' and ranchers' income and create new opportunities up and down the supply chain.

HB 1475 gives the Agricultural Products Utilization Commission (APUC) added funding and authority to support major value-added projects in our state. Through a combination of loans and grants APUC could provide financing packages that suit each business's unique needs.





This legislation sets four basic criteria to guide APUC in assisting projects based on their merits. To be eligible, projects must demonstrate financial feasibility, enhance profits for farmers and ranchers, create jobs and grow the state's economy. NDFU also supports amendments made to the legislation, including the 35% cap on grant funding to individual projects and the overall cap on the total fund. These changes will ensure APUC continues to serve as a responsible steward of state resources.

Finally, HB 1475 would add agriculture to the list of priorities in the Legacy Fund earnings discussion. The Legacy Fund was designed to benefit future generations of North Dakota. There has been a lot of focus on using Legacy Fund earnings to diversify our state's economy. NDFU believes the best way to encourage economic diversification is to build upon the strong base of our agriculture industry. HB 1475 would do just that, while promoting a better future for the next generation of family farmers and ranchers.

We urge a do pass on HB 1475. I will stand for any questions.

