

HB 1487

Chairman Johnson and members of the House Agriculture Committee,

I am Kenny Graner. I own and operate a ranch South of Mandan, ND.

I am testifying in support of HB 1487.

The North Dakota State Checkoff was passed in 2015 under the premise of supporting North Dakota ranchers and promoting North Dakota Beef.

Since the time of its inception over the past 5+ years, the North Dakota Beef Commission (NDBC) has sent \$2,300,000.00 (**\$2.3 MILLION DOLLARS**) to the National Cattlemen's Beef Association (NCBA). NCBA receives over \$10,000,000.00 (**\$10 MILLION DOLLARS**) from 43 State Beef Councils per year. Ranchers are upset with the fact there is no clear oversight of these funds. I have personally asked Nancy Jo Bateman of the North Dakota Beef Commission for transparent records as to where these funds have been spent. Ms. Bateman said, "it is too difficult to obtain information back from NCBA because all the qualified state beef councils funds are lumped together." I find it hard to believe there is no documentation because the federal side of our Beef Checkoff is transparent and all funds are traceable, documented and accounted for.

Below is what I could find:

2015: **ND Legislature taxed the ranchers an additional \$1.00 per head of cattle sold.** During the hearings, those in support of the new "voluntary" checkoff testified that the money would stay in the state of North Dakota. That same year, the NDBC submitted \$142,906 to NCBA. Also in that same year, NCBA and the meat packing industry killed Country of Origin Labeling (COOL). This means any imported beef can be labeled as a "Product of the US."

2016: NDBC submitted \$217,445 to NCBA.

2017: NDBC submitted \$385,266. In the Spring of 2017, I testified in front of the International Trade Commission in Washington, DC, that our cattle industry is "time sensitive" and our industry needs safeguards put into place because our product is perishable and cyclical.....meaning, "market ready cattle" need to be sold in a short time frame. Imports come in during our cattle harvest times and take up space at the packing plants and feedlots which in turn, drives down our domestic (U.S.) price. **NCBA opposed any safeguards in USMCA (US, Mexico, Canada) trade deal.** I also testified that we could have reinstated a new truth in labeling rule. **NCBA also opposed truth in labeling.**

2018: NDBC submitted \$334,315 to NCBA.

2019: NDBC submitted \$501,703 to NCBA.

2020: **NDBC DELIVERED \$738,648.00 TO NCBA!!!!** This is a **staggering** amount of money from North Dakota cattle producers being sent to an organization that does not represent the values of North Dakota Ranchers!!!!

In 2020, Mandatory Price Reporting was up for reauthorization (occurs every 5 years). This was a perfect opportunity to establish an increased 50% mandate on negotiated cash sales. **Guess who came out in opposition? NCBA!!!** Increasing the negotiated cash sales would have had a positive effect on the fat cattle market for US cattle producers.

NDBC has testified that they have 70% support of the North Dakota Beef Checkoff. If that is truly the case, then those 70% will continue to pay into the Checkoff. It will be very simple to check a box at the point of sale when the producers sell the cattle. Initially, the new voluntary state beef checkoff was sold to us as a "Voluntary Checkoff." **There is NOTHING "voluntary" when it is automatically deducted from your check!**

The paperwork to obtain a refund has been difficult and cumbersome. The NDBC will save money by allowing the producer to make the choice of contributing to the ND Beef Checkoff at the point of sale. This will reduce paperwork and expense for NDBC by eliminating the refund process.

All other North Dakota commodity checkoffs invest in production research within the state of North Dakota. **The North Dakota State Beef Checkoff does NOT.** It ends up in the hands of NCBA which doesn't support North Dakota cattle producers nor U.S. cattle producers.

I would also like to question whether it is *legal* for any North Dakota Beef Checkoff staff member to submit ANY testimony, including neutral, under the 1985 Beef Act and Order. Please see Section 5 Subsection 10 of the 1985 Beef Act and Order:

1985 Beef Act and Order

REQUIREMENTS IN ORDERS

Sec. 5. An order issued under section 4(b) shall contain in the following terms and conditions:

(10) The order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing governmental action or policy, with the exception of recommending amendments to the order.

In summary, our State Checkoff is supporting NCBA which doesn't support North Dakota cattle producers nor U.S. cattle producers!!!

(I would also like to suggest that the North Dakota Beef Commission Board be an elected position rather than appointed members as that would allow ALL producers a chance to be part of their checkoff.)

Please support HB 1487!

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