

Testimony of North Dakota Grain Dealers Association on SB 2245
House Appropriations Committee-Rep Jeff Delzer, Chairman
Presented by Stu Letcher, Executive Vice President-March 16, 2021

Good morning Mr. Chairman and members of the House Appropriations Committee. My name is Stu Letcher. I am the Executive Vice President of the North Dakota Grain Dealers Association. Our position is neutral on SB 2245.

NDGDA is a 109-year-old organization whose purpose is to further the interests of the cooperative and independent concerns of North Dakota engaged in the handling, processing and distribution of grain and other like commodities.

NDGDA understands the positive impact an intermodal facility in Minot has on North Dakota agriculture and fully supports the development and expansion of that business. Our concern with this bill is that it proposes to use grant funds from the North Dakota treasury to accomplish that goal.

Businesses start with an idea and any business that wants to begin operations does so by selling that idea to investors. They use tools such as equity drives and debt financing to get the capital needed for start-up or expansion. Investors contribute with the knowledge that not all businesses succeed.

There have been many commercial agribusiness successes and failures in North Dakota. Those that failed did so for many reasons, but few were afforded the benefit of state grant money. If an intermodal facility in North Dakota is a profitable and sustainable business, we support it receiving assistance in realizing that goal, but it should not be in the form of a gift from the North Dakota taxpayer.

If we fund this facility with a grant, I can envision many more projects that will make the argument that they are also worthy of state grant dollars. Not to mention those businesses who have had to compete the old-fashioned way of borrowing money and servicing debt while trying to make a profit.

I want to state again that we wholeheartedly support the idea of an intermodal terminal in North Dakota and would welcome the opportunity to help find ways to make the facility a success, but that success shouldn't involve appropriating it a \$10 million dollar grant.

Thank you. I'll try to answer any questions.