

1999 SENATE AGRICULTURE

SB 2356

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2356

Senate Agriculture Committee

Conference Committee

Hearing Date 1/29/99

Tape Number	Side A	Side B	Meter #
2	X		2182-5292
2/4	3	X	480-1270
2/11	2		3,400-4386
2/12	1	X	1840-3650
Committee Clerk Signature <i>Tricia Johnson</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on SB 2356.

Senator Bowman introduced the bill. There is no special interest behind this bill. How does the price of our commodities take place and what actually does the federal government have to do with the outcome of that. We need to become better informed as producers. He said he felt this will make us a better state. There are a lot of people who have a vested interest in this.

Senator Mathern: Did you have any states in mind for the multistate?

Senator Bowman: Minnesota, South Dakota, Montana, and North Dakota.

Senator Kinnoin: If we pass this will it take effect or will the other states have to pass bills similar to this too?

Senator Bowman: I think if we pass this it would send the message to the other states.

Senator Wanzek: Federal policy sometimes gets in the way, how do we go about that?

Senator Bowman: We would have to change our policies.

Steve Strege from the ND Grain Dealers spoke neutrally for SB 2356. Testimony enclosed.

Senator Wanzek: Do you see this as an effort that includes you?

Steve Strege: Yes.

Senator Wanzek closed the hearing.

FEBRUARY 4, 1999

Discussion was held.

FEBRUARY 11, 1999

Discussion was held.

FEBRUARY 12, 1999

Senator Klein handed out amendments.

Discussion was held.

Senator Klein made the motion for a Do Pass Amendment.

Senator Kinnoin seconded.

Discussion held.

Senator Klein made the motion for a Do Pass Amendment.

Senator Kinnoin seconded.

Senator Klein made the motion for a Do Pass as Amended.

Senator Urlacher seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Klein

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: SB 2356

Requested by Legislative Council _____ Date of Request: 2-17-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: The engrossed bill provides for a Legislative Council study of the feasibility and desirability of forming a multistate agricultural marketing commission.

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures: \$24,367 \$0

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: If the study is undertaken within the budgeted number of interim committees, the appropriation will not need to be increased.
- c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed Chester E. Nelson, Jr.

Typed Name Chester E. Nelson, Jr.

Department Legislative Council

Date Prepared: 2-18-99

Phone Number 328-2916

FISCAL NOTE

(Return original and 10 copies)

Resolution No.: SB 2356 Amendment to: _____

Requested by Legislative Council Date of Request: 1-20-99

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative:

SB 2356 creates a multistate agricultural marketing commission. Funding for the proposed commission is appropriated out of the general fund in the sum of \$1,000,000.

- State fiscal effect in dollar amounts:

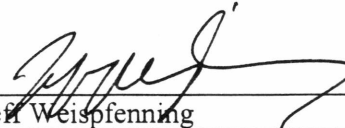
	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	0	0	0	0	0	0
Expenditures	0	0	\$1,000,000	0	0	0

- What, if any, is the effect of this measure on the budget for your agency or department:

- For rest of 1997-99 biennium: \$ 0
(Indicate the portion of this amount included in the 1999-2001 executive budget:) \$ 0
- For the 1999-2001 biennium: \$1,000,000
(Indicate the portion of this amount included in the 1999-2001 executive budget:) \$ 0
- For the 2001-03 biennium: \$ 0

- County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

Signed: 
 Typed Name: Jeff Weispfenning
 Department: Department of Agriculture
 Phone Number: 328-4758
 Date Prepared: 1-20-99

PROPOSED AMENDMENTS TO SENATE BILL NO. 2356

Page 1, line 1, remove "to provide"

Page 1, line 2, remove "an appropriation;"

Page 2, remove lines 18 through 21

Renumber accordingly

Date: 2/12
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2356

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendment 90642.0101

Motion Made By Klein Seconded By Kinnoin

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

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

Date: 2/2/12
Roll Call Vote #: X2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2356

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendment

Motion Made By Klein Seconded By Kinnoin

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

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

Date: 2/12
Roll Call Vote #: 3

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2356

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Klein Seconded By Urlacher

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Klein

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

REPORT OF STANDING COMMITTEE

SB 2356: Agriculture Committee (Sen. Wanzek, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2356 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a Legislative Council study of the feasibility and desirability of forming a multistate agricultural marketing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. MULTISTATE AGRICULTURE MARKETING COMMISSION - LEGISLATIVE COUNCIL STUDY. During the 1999-2000 interim, the Legislative Council shall consider studying the feasibility and desirability of forming a multistate agricultural marketing commission for the purpose of marketing agricultural products on behalf of agricultural producers. If conducted, the study must examine which entities set and control the prices of specific agricultural products, which federal trade policies assist or hinder the marketing of agricultural commodities, which federal and state laws assist or hinder the marketing of agricultural commodities, and which federal and state laws assist or hinder the use of agricultural contracts. If conducted, the study must also examine how this state can work with federal agencies and federal representatives to ensure the best possible climate for the marketing of agricultural products on behalf of North Dakota producers. The Legislative Council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the Fifty-seventh Legislative Assembly."

Renumber accordingly

1999 HOUSE AGRICULTURE

SB 2356

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2356

House Agriculture Committee

Conference Committee

Hearing Date 3-5-99

Tape Number	Side A	Side B	Meter #
One SB 2356	x		9.5 to 22.9
Committee Clerk Signature <i>Arlin Hanson</i>			

Minutes:

Summary of bill SB 2356: Provides for a study on the feasibility and desirability of forming a Multistate Agr Mkt commission.

Sen Bowman: Sponsor of the bill. presented a letter from the South Dakota Dept of Agriculture endorsing this concept. His exact words are "I readily endorse the concept of establishing a regional "task force" to evaluate/research marketing opportunities of "shared commodities".

This bill only has one sponsor because its something I came up when my car broke down and I was headed to Kansas sitting in a semi-truck for 12 solid hours and thinking about what is the problem we have with agriculture to day. We have been spending millions of dollars on research and development, we have been increasing our production and yet we have more people going broke today then ever in history of when I can remember. Something absolutely is not right somewhere. We need to look at the marketing system we have in place now and see if there is

something we are missing. We have always looked at the system we have as the status quo. This is the best got and we utilize it. After we go through the process of spending hundreds of thousands of dollars putting in our crop and combining it, we really only have one thing to look at in marketing is to go our local elevator and see what he'll give us for it. Have we ever really taken a look at the problem, who makes policy for us. We look to Washington to solve the problem and they use agriculture to often to solve world problems such as sanctions and embargoes. This effects world problems and then affects the farmers problems more. Best price for grain when I was farming was when we had a big sale to Russia. We need to do something because you can't pay for a \$200,000 combine on \$2.72 wheat. When I sold \$7 durum everything went all right. The mood in rural ND is really a bummer right now. At a meeting the other day I sat with a man from Cargill and he was excited about a new flour that makes good pizza and was going to be a good for his business. I asked him how much will the farmer get out of it? The grocer asked, why do you ask that? Asked quite a few farmers about more research. The question was asked, why do we want to raise more bushels when we lose money now on what we produce?

Rep Berg: Thinks this is a great idea but we are talking about 2 different things with this bill and a resolution. when you talk about agriculture contracts just what do you mean.?

Sen Bowman: We sell our grain to a local elevator, now what happens? Do they sell it to another outfit or do they contract it direct to another country? We need to take a look at this and see what we can do to make the process work better for us.

Rep Stefonowicz: It is your understanding that this bill as amended becomes a study resolution? Does this mandate that they conduct the study?

Sen Bowman: If you read the bill it says shall study the possibility of setting up a interstate multi marketing group. Why a multi state study? Because they have the same problems. And maybe if we do it together we will get more answers.

Sen Klien: Senate Agriculture committee felt this should be studied.

Chrm Nicholas: North Dakota should be working with these other states to implement a multi state marketing group because we all have similar problems. When Montana, So Dakota, Arizona, Minnesota can raise durum we just lose all our fire power if we don't get together with them.

Rep Renner: anyway we can include Canada?

Chm Nicholas: No reason why we can't include Canada.

Rep Brandenburg: Thinks Sen Bowman is on to something here. When it comes to our trade issues we need to involve these other states and Canada if we are to succeed. We have a better chance of other people listening to us if we work as a group.

Rep Nowatzki: This Senate bill has been changed to a study resolution and maybe we should clarify that point.

Rep Stefonowicz: When you say shall consider studying it still is in the area of study resolution rather than if you wanted to guarantee it would be studied you would be as a study resolution. Whats the committee wishes.

Rep Nowatzki: Moved amendment that we take out the word consider and change the word studying to study. Second by Rep Stefonowicz. With drawn.

Page 4
House Agriculture Committee
Bill/Resolution Number Sb 2356
Hearing Date 3-5-99

Rep Brandenburg: After listening to Sen Bowman I think he is on to something here and I think we should follow through on it.

Motion by Rep Brandenburg for a DO PASS second by Rep Renner.

Vote total	YES	15	NO	0	ABSENT	0
------------	-----	----	----	---	--------	---

Carrier Rep Brandenburg

Date: 3-11-99
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2356

House AGRICULTURE Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Brandenburg Second By Renner

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner	✓				
Rod Froelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

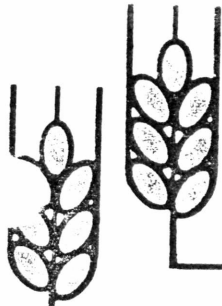
Total (Yes) 15 No 0

Absent _____

Floor Assignment Brandenburg

1999 TESTIMONY

SB 2356



NORTH DAKOTA GRAIN DEALERS ASSOCIATION

STEVEN D. STREGE, Executive Vice President
ANN KORZENDORFER, Assistant Secretary
Ph: 701-235-4184, Fax: 701-235-1026
606 Black Building, Fargo, ND 58102

LARRY PHILLIPS, Safety & Health Director
Ph: 701-251-9112, Fax: 701-251-1758
P.O. Box 5055, Jamestown, ND 58402-5055

GRAIN DEALERS TESTIMONY ON SB 2356

January 29, 1999 –Senate Ag Committee – Senator Terry Wanzek, Chmn.

Good morning Mr. Chairman and members of the committee. My name is Steve Strege. I am the Executive Vice President of the North Dakota Grain Dealers Association. NDGDA is an 87-year-old voluntary membership organization in which more than 90% of the state's grain elevators hold membership. We are here to offer some comments on SB 2356.

The U.S. grain marketing system, or certain aspects of it have been studied on numerous occasions by different agencies like the General Accounting Office, the Office of Technology Assessment, USDA and NDSU. The most recent that we know of is a book titled 'Structural Change and Performance of the U.S. Grain Marketing System' published by the Department of Agricultural, Environmental and Development Economics at Ohio State University. We question how much more there is to be learned. However, if this legislation is to be enacted, we suggest that a representative of the grain elevator industry be included on the commission. That will add some insight from what is usually the next step beyond the producer level. Local elevators in this state and others are most often simply conduits from the overall grain market to the producer, and have little or no influence over the factors mentioned in lines 8-16 on page 1 of SB 2356, such as controlling prices, determining federal trade policies or other federal laws and regulations.

That concludes our formal testimony at this time. I'd be happy to respond to any questions.





South Dakota Department of Agriculture

523 East Capitol Avenue, Pierre, SD 57501-3172
(605) 773-3375 (605) 773-5926 FAX

OFFICE OF THE SECRETARY

12-24-98

Senator Bill Bowman
Route 2 Box 227
Bowman ND 58623

Dear Senator Bowman:

I appreciated the opportunity to discuss with you your concept of regional cooperation in developing value-added marketing plans for "shared commodities" within the region. The ability of our producers to participate in the "value chain" depends on market access at the highest possible level. I readily endorse the concept of establishing a regional "taskforce" to evaluate/research marketing opportunities of "shared commodities".

South Dakota legislators who you may wish to contact regarding your concept are:

Senator Bob Benson
HCR 88 Box 109
Clearfield SD 57580

605-557-3450

Senator Robert Drake
PO Box 92
Bowdle SD 57428-0092

605-285-6682

Senator Paul Symens
RR 1 Box 89
Amherst SD 57421

605-448-2624

Representative Mike Jaspers
PO Box 54
Eden SD 57232

605-294-5222

Senator Arnold Brown
1718 Teton Pass
Brookings SD 57006-2136

605-692-1439

Senator Jim Dunn
619 Ridge Road
Lead SD 57754-1144

605-584-3292

Representative Roger Brooks
1800 Sylvan Circle
Brandon SD 57005

605-582-7170

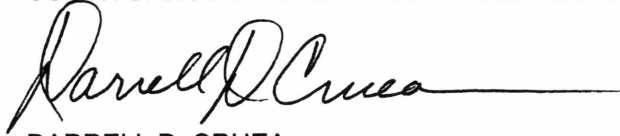
Representative Kenneth Wetz
PO Box 204
Newell SD 57760

605-456-2494

Thank you for your courtesy and consideration in sharing your concept of coordinated market development

Sincerely,

SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

A handwritten signature in black ink, reading "Darrell D. Cruea", followed by a horizontal line extending to the right.

DARRELL D. CRUEA
Secretary of Agriculture

cc:

Roger Johnson, ND Commissioner of Agriculture
Senator Brown
Senator Drake
Senator Dunn
Senator Symens
Representative Brooks
Representative Jaspers
Representative Wetz