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10/3/03
Date

2003 HOUSE AGRICULTURE

HB 1406

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2003 HOUSE AGRICULTURE

HB 1406

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1406

House Agriculture Committee

Conference Committee

Hearing Date January 30, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.1
			to side B
Committee Clerk Signature <i>Edward D. [Signature]</i>			

Minutes:

REP. EUGENE NICHOLAS, CHAIRMAN Called the hearing to order.

REP. KENTON ONSTAD, DIST. 4 Introduced the bill. Testified in support of the bill. See attached written testimony.

REP. KREIDT Asked who sits on the present board, and how is that handled at this time?

REP. ONSTAD I am not sure of the exact makeup, but the Ag Commissioner sits on that and I believe a representative from the Governor's office, there is one representative from the chemical industry, there are a couple of individuals that represent the Wheat Commission.

ROGER JOHNSON, NORTH DAKOTA DEPARTMENT OF AGRICULTURE,

Testified in support of the bill. See attached written testimony. Also submitted information relating to minor use projects by biennium, and information relating to examples of pesticides that are substantially more expensive in North Dakota than in Canada based on 2001 retail prices.

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REP. NICHOLAS Referred to pages 13, 14 and 15, stating we start with 1999, 2000, 2001, he stated he noticed in 1999 the difference in cost to North Dakota producers was \$42,271,000 more in cost, in table 14, in 2000, the cost is \$32,628,000 more, which was a drop of about \$9,000,000, then we take 2001, and we drop from \$32,000,000 to \$23,000,000, we have moved \$20,000,000 in the right direction, can you give us any idea what you think 2002 will be?

ROGER JOHNSON I can't, although the grain growers, as part of one of the projects we funded this past year, did a recent study, and they may have some figures, and they may want to talk about that with you. Your observation is very astute. My gut feeling, my guess, is there are only two ways to solve this problem, one is the industry fixes it themselves, the other is you change off. I think the industry is getting a little tired of the beating they have taken on this issue. They are bound to rein in some of those price differences, that is just my personal opinion.

REP. NICHOLAS I think, if you recall in 1999, when we first started mucking around in this, and obviously, that's what you think we have been doing, obviously, it has moved \$20,000,000 in the right direction, so we have done some good along the line here, would you agree with that assessment?

ROGER JOHNSON I won't disagree.

REP. NICHOLAS Somebody out there is listening, and I know the Harmonization Board and Committee has been to Washington, we went in in the 1999 interium with a good cross-section of legislators, we had Jim with us at that time, we went in and did what we were supposed to do. Our congressional people supported us and introduced legislation, I think we have the industry's attention. Would you agree that some good has been done?

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ROGER JOHNSON I would agree that some progress has been made. I would also argue, however, that the way you seal this progress, is to pass the law.

REP. NICHOLAS We know Rome wasn't built in a day.

REP. ONSTAD When you compare the situations now, is there anything that your office cannot do that this particular board is able to do, or vice versa. Currently, in the law, you are one of the representatives on this board?

ROGER JOHNSON As I read the law and the responsibilities of the board, I don't think there is a single responsibility that I don't already have authority to deal with, or have authority in conjunction with NDSU and the Pesticide Control Board to deal with. Pesticide laws are administered through the Pesticide Control Board, which is sort of between our office and NDSU.

REP. POLLERT Would the Pesticide Control Board be going in to Washington, D.C. and try to lobby for price discrepancies, did they do that in 1997, when the bill was created?

ROGER JOHNSON No, I don't believe the Pesticide Control Board would do that. I would say that as a member of the Pesticide Control Board, I would do that. I would argue that the only way to change this law on the federal level, is for people in the Governor's office and myself, to sit down and talk about a strategy outside of an open meeting, and talk about a strategy for changing the federal law. That is the way you do that, then you make those contacts. I know the Governor's office has worked hard to try to line up support from other governor's. For a number of years, they have had on-going resolutions of support from all of the Ag Commissioners, supporting changing this law. We need to understand, that changing this law, will happen over

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the objection of the chemical industry. When we accept that fact, many of you legislators have those same contacts with other legislators in other states.

REP. BELTER Approximately, how long have these differential prices existed between Canada and the United States?

ROGER JOHNSON I don't know that I can give you a good answer for that. I know that when I first ran for Commissioner of Agriculture, some six years ago, and any time you got along the northern border you heard about from farmers. I have no doubt that it was in existence for a long time, but nobody has really done a comprehensive study as to what those differences were, until we did these three tables which I talked about. That is only for North Dakota, we have not done that nationwide. There was a USDA study in conjunction with USDR and a couple of universities, even that, was in the same time period.

REP. BELTER Commented that he came to the legislature in 1985 and these price differentials have always been a point of contention, and until we developed this harmonization committee, nothing ever seemed to happen, and once it was brought before the legislature, all of a sudden, we have chemical companies from all over the United States coming to find out what is happening in North Dakota, and since we made that move, it appears to me that we have made some progress in bringing the issue to the forefront. Prior to that, it was kind of a dead issue, so I guess I question your comment here that the record shows that the board has done little to enable, I don't think that has been the case, because we do see things happening, that weren't happening for many years.

ROGER JOHNSON Let me make it clear, that what I am talking about is just the Harmonization Board that we are dealing with. It has only been in existence for less than two

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years. There were other efforts, there was a Harmonization Committee, that the chairman referred to earlier, that did some studying of the issue. I think I testified at just about everyone of those meetings and presented information. Our office has been raising this issue, pretty much from the very beginning, since I was first elected, and brought it to other Ag Commissioners, before the committee was even established by the legislature. I am not saying the legislature has never done anything, what I am saying is the issue before us today, is not whether we ought to support harmonization, the issue before us, we need a state agency to do it.

REP. BELTER I think the record will show that we do have an agency.

REP. MUELLER On page 7, what have we spent on pesticide harmonization efforts?

ROGER JOHNSON On page 7, the detail I provide, is all summarized on page 6. What the board spent is in table 2 on page 6. You have three different kind of funding pots. One of them is empty, it is the spending authority only. The other two were the minor use fund and the EARP fund. The use fund is sort of a sub fund of the EARP fund. The last legislature gave appropriations from the minor use fund to oversee minor use fund activities of a half a million dollars and from the EARP fund a quarter million dollars. What was spent by the board was one hundred thirty three thousand of minor use fund projects. Those projects are detailed on page 12, under the 2001-2003 minor use fund, if you add up those numbers you should come to that hundred and thirty three thousand dollars. The EARP fund, there was just twenty four thousand dollars that was spent, and those dollars were spent in the fashion described on page 7. None of those dollars that were spent, have been reimbursed. The top part of page 7, gives you the breakdown of where that twenty four thousand dollars was actually spent.

