

2019 SENATE AGRICULTURE

SCR 4008

2019 SENATE STANDING COMMITTEE MINUTES

Agriculture Committee
Roosevelt Park Room, State Capitol

SCR 4008
1/31/2019
Job #31882

- Subcommittee
 Conference Committee

Committee Clerk Signature: Amy Crane

Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging the United States Department of Agriculture to use official government estimates when reporting world grain supplies.

Minutes:

Att. #1-2

Chairman Luick: Opened hearing on SCR 4008.

Senator Dwyer, District 47: Testified in support of the resolution. North Dakota is usually the number one wheat producing state in the nation. Our country is the major corn producing country in the world, also soybeans. But I'm mostly talking about wheat in this resolution. See attachment #1 for testimony in support of SCR 4008. Briefly explained the process of international grain pricing. Explained the NASS board and what it means to wheat prices and trade markets. The resolution says that if you look at the countries, they all have some sort of official board, but the USDA doesn't use them. So if you follow it, they usually are higher than these other official reporting entities of these other countries. And the question is why don't they use them? Commissioner Goehring is on board, because we're using what these other reporting boards are saying and they probably know better about what is happening in their individual countries than we do, so we should use that. The individual farm, if the fundamental part of the market factor is able to be freed up just a little bit by our country reporting what other countries are officially reporting, I think there would be some opportunities for our farmers to just have a little tiny bit more profit. Commissioner Goehring said he'd be happy to come down and talk to you.

(14:22)John Weinand, Farmer from Hazen, Past President of the North Dakota Grain Growers Association: See attachment #2 for testimony in support of SCR 4008.

Lance Gaebe, North Dakota Corn Growers: testified in support of the bill. Maybe a consistent source in this field would be good instead of statistics that change from report to report. In reference to a government source, can sometimes be manipulated, even the examples like China may have a different motivation of how they want to report bushels or carryover stocks. It may actually be intended to move the prices so in reference to the government source, it kind of depends on who's government source you want to trust on that. But maybe a consistent or stable source is a better way to phrase that.

Chairman Luick: Is there anything you would like to change or add to the language?

Lance: After the whereas part, where it just says to use official government estimates, when I first read it I thought it was official US government estimates but we talk about other countries so, if you read it like this it could be official Chinese government estimates so that's why I reference the word stable or consistent or regular. So I don't have a good suggestion other than which government is the question I'm raising.

Chairman Luick: Closes hearing on SCR 4008.

Senator Hogan: We could easily just add use consistent official government estimates.

Senator Luick: I think the question was which country's official estimates we're using; do we want to change that or alter that to say United States' or does it matter?

Senator Hogan: We list them in the whereas's is that enough or not? On line 7. It's just a resolution I think we could let it go.

Senator Larsen: Moved a Do Pass on SCR 4008.

Vice Chair Myrdal: Seconded.

A Roll Call was held: 6 yeas, 0 nay, 0 absent.

Motion carries.

Senator Larsen will carry the bill.

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SCR 4008**

Senate Agriculture Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Larsen Seconded By Myrdal

Senators	Yes	No	Senators	Yes	No
Senator Luick-Chairman	X		Senator Hogan	X	
Senator Myrdal- Vice Chair	X				
Senator Klein	X				
Senator Larsen	X				
Senator Osland	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Larsen

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

REPORT OF STANDING COMMITTEE

SCR 4008: Agriculture Committee (Sen. Luick, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4008 was placed on the
Eleventh order on the calendar.

2019 HOUSE AGRICULTURE

SCR 4008

2019 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Peace Garden Room, State Capitol

SCR 4008
3/22/2019
Job #34182

- Subcommittee
 Conference Committee

Committee Clerk: ReMae Kuehn

Explanation or reason for introduction of bill/resolution:

A resolution urging the U. S. Department of Agriculture to use official government estimates when reporting world grain supplies

Minutes:

Attachment #1

Senator Mike Dwyer, Co-Sponsor: (Attachment #1) This resolution talks about how USDA reports estimates of wheat. It is a complaint to USDA on how they estimate. Even a difference of 15 cents per bushels adds up to a sizable amount.

Markets are affected by how much is in the world and the traders. If USDA says the number of acres and amount of production is high, then the price goes down.

The National Agriculture Statistics Service (NASS) looks at fields and yields. Our Commissioner of Agriculture is on the NASS Committee.

World Agriculture Supply and Demand Estimates (WASDE) gets their information from USDA and from the other countries of what they will have in production. There are six major countries that produce wheat. They are the United States, Black Sea including Russian and the Ukraine, Australia, Canada, European Union, and Argentina. NASS determines the estimated acres and yield in our country. On the resolution, lines 7-10, every country has the same thing like what we call NASS. WASDE doesn't use the official entities from these other countries. They come up with their own. NASS would have the best information in our country to estimate the amount of wheat that will be produced.

China doesn't export corn or wheat. WASDE included 160 million metric tons from China in their global report. This doubled the global corn estimate of what was available. That brought down the price of corn. We don't want them to use China in their global estimates of supply. We want more stability in marketing.

(12:20)

Representative Tveit: Are these charts available to a farmer so you can make decisions without us passing another rule?

Senator Mike Dwyer: This is not another rule. We just want USDA to use the official estimators from the other countries so that it is consistent.

Representative Headland: Why do they do that?

Senator Mike Dwyer: They want to keep the prices low because that helps the price of food. It is also impacted because for crop insurance if the prices are low, the federal government saves money.

Representative Satrom: Is there a question of reliability of other reporting groups?

Senator Mike Dwyer: We have to use the countries' estimates because there is no other information. NASS is the one with boots on the ground. Canada has the same. How would the U.S. know more than the other country?

Representative Richter: How does our government decide what the numbers are if we don't use information from other countries?

Senator Mike Dwyer: Why don't they use what Canada uses? I don't know.

Representative Tveit: Is NASS a federal program? Who controls it?

Senator Mike Dwyer: NASS is a part of the United States Department of Agriculture. WASDE and NASS are both divisions of USDA.

Opposition: None

Representative Headland: Moved Do Pass

Representative Schreiber-Beck: Seconded the motion

A Roll Call vote was taken: Yes 12, No 0, Absent 2.

Do Pass carries and will be on the consent calendar.

Representative Schreiber Beck will carry the bill.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 4008**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation

- Adopt Amendment
- Do Pass Do Not Pass Without Committee Recommendation
- As Amended Rerefer to Appropriations
- Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep. Headland Seconded By Rep. Schreiber Beck

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	X		Rep. Ruth Buffalo	X	
Vice Chairman Wayne Trottier	AB		Rep. Gretchen Dobervich	X	
Rep. Jake Blum	X				
Rep. Jay Fisher	X				
Rep. Craig Headland	X				
Rep. Dwight Kiefert	X				
Rep. Aaron McWilliams	AB				
Rep. David Richter	X				
Rep. Bernie Satrom	X				
Rep. Cynthia Schreiber Beck	X				
Rep. Kathy Skroch	X				
Rep. Bill Tveit	X				

Total **Yes** 12 **No** 0

Absent 2

Floor Assignment Representative Schreiber Beck

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

REPORT OF STANDING COMMITTEE

SCR 4008: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SCR 4008 was placed on the Tenth order on the calendar.

2019 TESTIMONY

SCR 4008

TESTIMONY OF MIKE DWYER: STATE SENATOR, DISTRICT 47
SCR 4008

SCR 4008
1-31-19 #1 Pg 1

I. INTRODUCTION

II. NORTH DAKOTA-KANSAS

III. INDIVIDUAL FARM

- A. 3000-40/60-120,000 X .15=\$18,000
- B. 6000-40/60
- C. 9,000-40/60-540,000 X .15=\$81,000

IV. MARKETING PLAN

- A. Mine
- B. Increments
- C. Timing

V. MARKETS

- A. Fundamentals
- B. Funds-Traders

VI. REPORTS

- A. NASS-National Agricultural Statistics Service
- B. WASDE-World Agriculture Supply and Demand Estimates
- C. Yields/Acreage/Supply/Demand

VII. MAJOR EXPORTING COUNTRIES

- A. USA
- B. Black Sea-Russia/Ukraine
- C. Australia
- D. Canada
- E. European Union
- F. Argentina

VIII. CHINA

IX. CROP INSURANCE

X. MANIPULATION OF PRICE

SCR4008
1-31-19 #2 PJ



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**North Dakota Grain Growers Association
Testimony on SCR 4008
Senate Agriculture Committee
January 31, 2019**

Chairman Luick, members of the Senate Agriculture Committee, for the record my name is John Weinand; I am a diversified family farmer from Hazen and I am also Past President of the North Dakota Grain Growers Association (NDGGA). Through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council NDGGA engages in domestic policy issues on the state and federal levels on behalf of North Dakota wheat and barley farmers. I come before you today both as a farmer and Past President of NDGGA in support of SCR 4008.

Accuracy and transparency in USDA market reporting is essential to the economic welfare of U.S. and North Dakota farming operations. For far too long, real or imagined, USDA reports seem less than transparent in their crop data acquisition and thus their crop data reports. This results, in the opinion of many, that these market reports depress prices to the obvious detriment to farmers.

SCR 4008 sends a message to the United States Department of Agriculture (USDA) and the North Dakota Congressional delegation to use official grain reports worldwide in their calculations of worldwide grain stocks. This is a common sense approach to USDA reporting; using these official reports should provide more accuracy and transparency in the process.

Therefore, the North Dakota Grain Growers Association and I urge the Senate Agriculture Committee to give SCR 4008 a Do Pass recommendation and would hope the Senate would concur.

NDGGA provides a voice for wheat and barley producers on domestic policy issues – such as crop insurance, disaster assistance and the Farm Bill – while serving as a source for agronomic and crop marketing education for its members.

TESTIMONY OF MIKE DWYER: STATE SENATOR, DISTRICT 47
SCR 4008

#1
SCR 4008
3/22/19

I. INTRODUCTION

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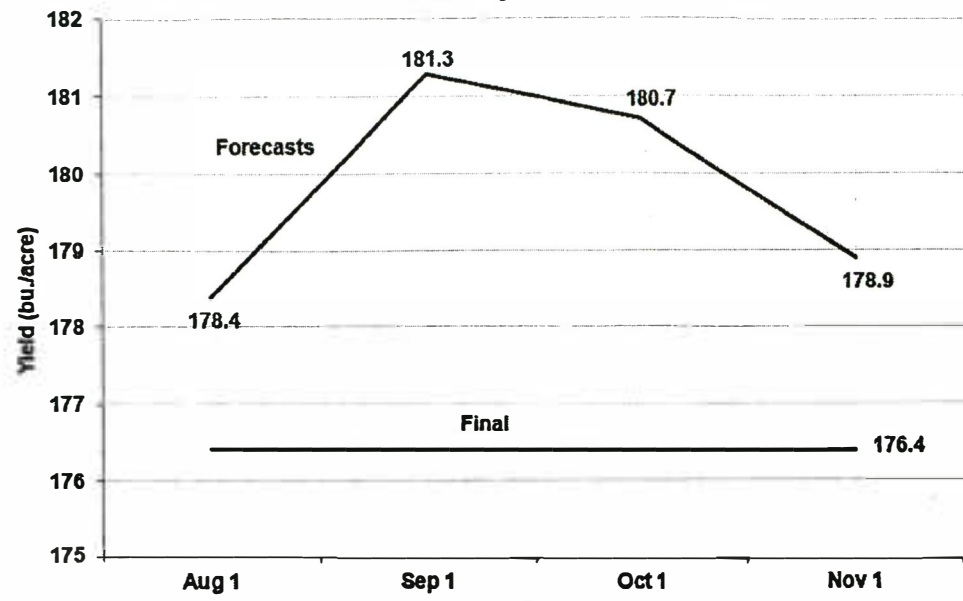
VIII. CHINA

IX. CROP INSURANCE

X. MANIPULATION OF PRICE

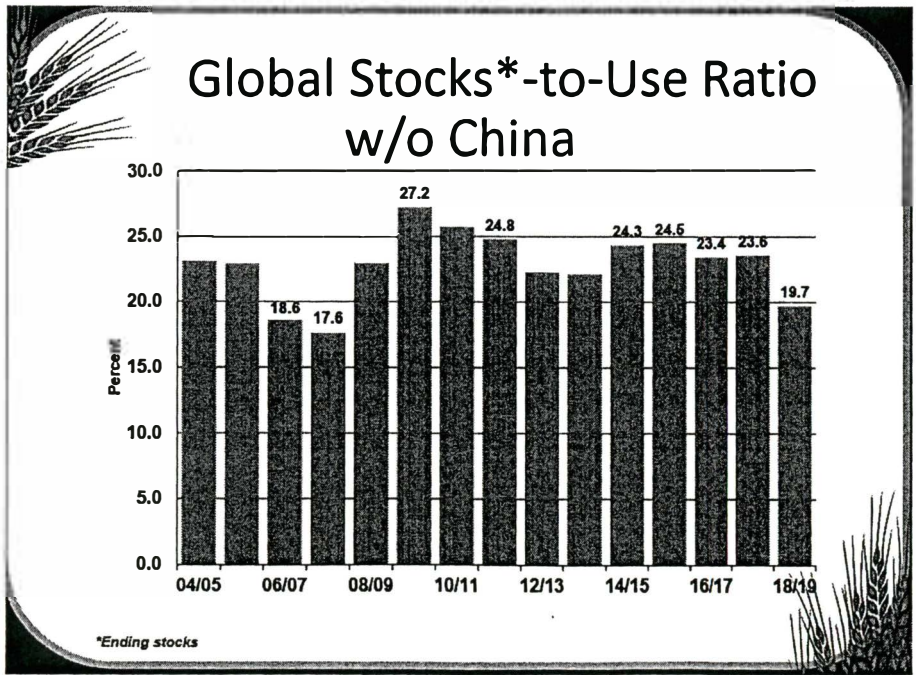
#1
 SCR 4008
 3/22/19

USDA Forecasts of U.S. Average Corn Yield from Aug 1 to Nov 1 and January Final, 2018



Notice how after the crop was basically made, USDA placed the massive record yield at 181.3 bpa in September. This killed the market in the fall. Since corn is the primary leader of the grain complex, all grains crashed. Now in reality, USDA posts a 176 yield which happened to be right where I thought the yield should be last summer. The weather had too many hiccups for a 181 yield, yet after that September report, markets crashed on the news.

I don't want to spend more time on technicals, but get you aware of what is happening. The thing to be aware of is something is capping these markets. What is it? Why can we not get traction? Is it just the value of the dollar like we talked a few weeks back? With Brexit going on, the dollar will continue to strengthen until some sort of solution is solid. Let's look at USDA's world wheat supply and demand chart minus China to gain more perspective:



It's the tightest since 2007, yet here we have KC wheat futures still starting with a \$4. Prices in 2010 were \$9. Prices in 2012 were \$9. Now we have 25% tighter stocks/usage and the price is \$4? Obviously something has changed. What is it?

2