

May 2010

AGRICULTURE COMMODITY GROUPS

This memorandum provides information on agriculture commodity groups. The chart below summarizes information on the statutory reference, number of board members, current assessment, reserve balances, the estimated number of months of operating costs in reserve, projected 2009-11 biennium expenditures, and estimated expenditure percentage by category.

Commodity Group	North Dakota Century Code Statutory Reference	Number of Board Members	Current Fee/ Assessment	Estimated June 30, 2008, Reserve Balance	Estimated Number of Months of Operating Costs in Reserve	Projected 2009-11 Biennium Expenditures	Percentage of 2009-11 Biennium Estimated Expenditures to Be Spent				
							Research and Promotion	Research	Promotion	Administration	Other
Barley Council	4.1-02	5	20 mills per bushel	\$1,091,426	20	\$1,842,900	70.2%			26.9%	2.9%
Beef Commission	4.1-03	9	The greater of 50 cents for each animal sold or the amount set forth in federal law	\$474,522	8 ¹	\$1,267,400	60.9%			36.7%	2.4%
Corn Utilization Council	4.1-04	7	One-quarter of 1 percent of the value of a bushel	\$1,642,768	24	\$1,529,521 ²		41.7%	20.1%	38.2%	
Dairy Promotion Commission	4.1-05	5	10 cents per hundredweight	\$160,232	4	\$747,095				0.8%	99.2%
Dry Bean Council	4.1-06	6	10 cents per hundredweight	\$969,511	12	\$1,956,000		70.6%	12.8%	16.6%	
Dry Pea and Lentil Council	4.1-07	5	1 percent of the net value of dry peas and lentils	\$886,918	15	\$1,646,497		36.7%	47.2%	4.9%	11.2%
Honey Promotion	4.1-08	1 ³	5 cents on each colony annually. The minimum annual assessment is \$1	\$8,647	6 ¹	\$33,800		17.8%	70.7%	9.5%	2.0%
Milk Marketing Board	4-18.1-04	5	10 cents per hundredweight	\$263,132	14	\$492,313				100.0%	
Oilseed Council	4.1-09	14	4 cents per hundredweight	\$1,583,074	25	\$2,416,224				5.7%	94.3%
Potato Council	4.1-10	5	3 cents per hundredweight	\$205,086	6	\$894,705 ²				1.5%	98.5%
Soybean Council	4.1-11	8	One-half of 1 percent of the value of the sale	\$2,356,479	15 ¹	\$3,700,109		32.8%	39.5%	10.6%	17.1%
Turkey Promotion	4.1-12	1 ⁴	Based on average live weight of turkeys in a flock - 1 cent per turkey if less than 18 pounds, 1.5 cents per turkey from 18 to 28 pounds, or 1.75 cents per turkey if more than 28 pounds	\$34,039	16 ¹	\$42,000			61.7%	38.3%	
State Wheat Commission	4.1-13	7	15 mills per bushel	\$2,556,578	10	\$7,445,786		22.1%	37.3%	6.4%	34.1%

¹Calculated using 2008 average expenditures compared to June 30, 2008, reserve balance.

²Fiscal years 2007 and 2008.

³The Agriculture Commissioner is designated the commissioner of Honey Promotion; expenditures require consultation with a 10-member committee appointed by the North Dakota Beekeepers Association.

⁴The Agriculture Commissioner administers the Turkey Promotion fund in consultation with the North Dakota Turkey Federation.

The chart below provides detail regarding the assessment by agency, including related statutory provisions.

Commodity Group	North Dakota Century Code Statutory Authority to Charge Fees	Statutory Provisions - Current Fee/Assessment
Barley Council	4.1-02-12	An assessment at the rate of 20 mills per bushel (35.24 liters) is imposed upon all barley grown in this state, delivered to this state, or sold to a first purchaser in this state. The assessment does not apply to barley grown by a producer and used by the producer as livestock feed.
Beef Commission	4.1-03-11	<p>Assessment:</p> <ol style="list-style-type: none"> 1. Any person who sells cattle in this state or from this state must pay an assessment equal to the greater of: <ol style="list-style-type: none"> a. 50 cents for each animal sold; or b. The amount set forth in federal law. 2. The assessment provided for in No. 1 does not apply to cattle owned by a person who certifies to the commission, on forms provided by the commission, that: <ol style="list-style-type: none"> a. The person's only share in the proceeds of a sale is a sales commission, handling fee, or other service fee; or b. (1) The person acquired ownership of the cattle to facilitate the transfer of ownership to a third party; (2) The person resold the cattle within 10 days from the date on which the person acquired ownership; and (3) Any assessment that was levied upon the prior owner has been collected and remitted or will be remitted in a timely fashion.
Corn Utilization Council	4.1-04-10	Until the commissioner certifies that a national corn checkoff is in effect, an assessment at the rate of one-quarter of 1 percent of the value of a bushel must be imposed upon all corn purchased by the first designated handler in this state.
Dairy Promotion Commission	4.1-05-08	<p>Assessment and collection:</p> <ol style="list-style-type: none"> 1. Each producer must pay an assessment of 10 cents per hundredweight (45.36 kilograms) on all milk sold by the producer and on any milk used by the producer to manufacture other products. 2. All assessments imposed by this section: <ol style="list-style-type: none"> a. Must be collected by the first dealer or processor by deducting the amount of the assessment from the producer's gross receipts; or b. Are payable by the producer upon sale of the milk products by the producer directly to the consumer.
Dry Bean Council	4.1-06-12	<p>Assessment:</p> <ol style="list-style-type: none"> 1. An assessment at the rate of 10 cents per hundredweight (45.36 kilograms) must be imposed upon all dry beans grown in this state, delivered into this state, or sold to a designated handler. 2. The assessment imposed by this section does not apply to dry bean seeds nor to dry beans used for purposes other than human consumption.
Dry Pea and Lentil Council	4.1-07-12	An assessment at the rate of 1 percent of the net value of dry peas and lentils is levied upon all dry peas and lentils grown in the state or sold to a first purchaser.
Honey Assessments	4.1-08-02	An annual assessment in the amount of 5 cents is imposed on each colony of honeybees licensed by the beekeeper. The minimum annual assessment is \$1.
Milk Marketing Board	4-18.1-12	An assessment is imposed on all licensed processors of not more than 14 cents per hundredweight (45.36 kilograms) on milk or milk equivalents used for the manufacture of milk products and frozen dairy products processed by such processors. However, this assessment is not applicable to milk products or frozen dairy products sold in other states.
Oilseed Council	4.1-09-16	<p>Assessment:</p> <ol style="list-style-type: none"> 1. An assessment at the rate of 4 cents per hundredweight (45.36 kilograms) is imposed upon all sunflowers and canola grown in this state or sold to a first purchaser. 2. An assessment at the rate of 3 cents per bushel (35.24 liters) is imposed upon all flax grown in this state or sold to a first purchaser. 3. An assessment at the rate of 3 cents per hundredweight (45.36 kilograms) is imposed upon all other oilseeds grown in this state or sold to a first purchaser.

Commodity Group	North Dakota Century Code Statutory Authority to Charge Fees	Statutory Provisions - Current Fee/Assessment
Potato Council	4.1-10-10	Assessment: 1. Except as otherwise provided, an assessment at the rate of 3 cents per hundredweight (45.36 kilograms) is imposed upon all potatoes grown in this state or sold to a designated handler. 2. The council may increase the assessment by no more than one-half cent per hundredweight (45.36 kilograms) annually until a maximum assessment of 4 cents per hundredweight (45.36 kilograms) is reached. 3. This assessment is not imposed on any potatoes retained by producers for seed or for consumption by the producer, the producer's family, and nonpaying guests.
Soybean Council	4.1-11-11	An assessment equaling one-half of 1 percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.
Turkey Promotion	4.1-12-02	1. The assessment is determined by: a. Calculating the flock average live weight at the time of delivery to a processor; and b. Calculating the actual number of turkeys in that flock after processing. 2. a. If the actual number of turkeys in a flock after processing had an average live weight of less than 18 pounds, the assessment is equal to 1 cent per turkey. b. If the actual number of turkeys in a flock after processing had an average live weight of at least 18 pounds but less than 28 pounds, the assessment is equal to 1.5 cents per turkey. c. If the actual number of turkeys in a flock after processing had an average live weight of at least 28 pounds, the assessment is equal to 1.75 cents per turkey.
State Wheat Commission	4.1-13-15	An assessment at the rate of 15 mills per bushel (35.24 liters) by weight is imposed upon: 1. All wheat grown in this state, at the time of its sale; 2. All wheat delivered into this state, at the time of its sale; and 3. All wheat sold through commercial channels to a first purchaser in this state.