

SENATE CONCURRENT RESOLUTION NO. 4050

Introduced by

Senator Wanzek

Representatives Lemieux, Nelson, Nicholas

(Approved by the Delayed Bills Committee)

1 A concurrent resolution urging Congress to direct the Secretary of Agriculture and the federal
2 Risk Management Agency to establish a pricing policy so crop revenue coverage for durum can
3 be continued.

4 **WHEREAS**, crop revenue coverage historically has provided coverage for both low
5 prices and low yields; and

6 **WHEREAS**, crop revenue coverage had initially included an adjustment to reflect the
7 higher price that durum usually commands over spring wheat; and

8 **WHEREAS**, North Dakota farmers typically produce more than two-thirds of the nation's
9 durum; and

10 **WHEREAS**, in 1999 North Dakota farmers successfully sued the federal government
11 when crop insurance terms were altered after the farmers had purchased policies; and

12 **WHEREAS**, the lawsuit settlement amounted to over \$40 million, or approximately
13 \$5,000 for each of 8,000 farmers; and

14 **WHEREAS**, a key component of providing crop revenue coverage is the establishment
15 of a base price, or the lowest price that a farmer would be guaranteed for a crop; and

16 **WHEREAS**, disagreement exists regarding the time period used to set the base price;

17 **WHEREAS**, the federal Risk Management Agency on March 5, 2001, notified insurance
18 companies that it would not offer crop revenue coverage for durum this year; and

19 **WHEREAS**, the federal Risk Management Agency stated that it had to withdraw the
20 policies because durum trades on the futures market were too few to allow the agency to set a
21 base price for durum; and

22 **WHEREAS**, the notification by the federal Risk Management Agency effectively left
23 farmers under two weeks to change their insurance plans before the March 15, 2001, deadline;
24 and

1 **WHEREAS**, a federal judge on March 15, 2001, refused to direct the federal Risk
2 Management Agency to extend the insurance deadline for at least ten days; and

3 **WHEREAS**, North Dakota's durum crops have suffered in recent years from disease
4 brought on by wet weather; and

5 **WHEREAS**, the lack of an adequate crop revenue coverage policy would be a severe
6 blow to the North Dakota durum industry;

7 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
8 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

9 That the Fifty-seventh Legislative Assembly urges the Congress to direct the Secretary
10 of Agriculture and the federal Risk Management Agency to establish a pricing policy so crop
11 revenue coverage for durum can be continued; and

12 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
13 resolution to the Secretary of Agriculture, the administrator of the federal Risk Management
14 Agency, the chairmen of the Senate and House Agriculture Committees, and to each member
15 of the North Dakota Congressional Delegation.