

HOUSE CONCURRENT RESOLUTION NO. 3021

Introduced by

Representatives Mueller, D. Johnson, Nicholas

Senators Fischer, Flakoll, Nichols

1 A concurrent resolution urging the United States Department of Agriculture not to preempt
2 states' rights to regulate grain merchandising activities at grain warehouses that are licensed
3 under the United States Warehouse Act, and further urging Congress to take corrective action if
4 the United States Department of Agriculture is unwilling or unable to take corrective action.

5 **WHEREAS**, the United States Department of Agriculture has adopted a rule to preempt
6 states' rights to regulate grain merchandising activities at grain warehouses that are licensed
7 under the United States Warehouse Act; and

8 **WHEREAS**, this rule was adopted without proper public notice and opportunity to
9 comment; and

10 **WHEREAS**, the United States Department of Agriculture does not have a regulatory
11 plan in place to adequately protect farmers who sell grain on a cash sale basis to federally
12 licensed grain warehouses; and

13 **WHEREAS**, the United States Department of Agriculture does not have a mechanism in
14 place to adequately inform farmers of what protections are and are not available to patrons of
15 federally licensed grain warehouses; and

16 **WHEREAS**, the United States Department of Agriculture is not equipped to promptly
17 respond to patron complaints concerning the day-to-day business operations of grain elevators
18 all across the country; and

19 **WHEREAS**, the actions of the United States Department of Agriculture may ultimately
20 diminish competition in local grain markets to the disadvantage of farmers; and

21 **WHEREAS**, the existing system of federally regulated warehousing activities and state
22 regulated grain merchandising activities has served farmers well for decades; and

23 **WHEREAS**, the proposed system of exclusive federal regulation and oversight in
24 subsequent insolvency proceedings will leave farmers with fewer protections and trust fund
25 resources than they currently have;

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

3 That the Fifty-eighth Legislative Assembly urges the United States Department of
4 Agriculture to rescind its pending rule to preempt states' rights to regulate merchandising
5 activities at federally licensed grain warehouses and, absent prompt corrective action, that the
6 Congress of the United States act to restore states' rights to regulate grain merchandising
7 activities at federally licensed grain warehouses; and

8 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
9 resolution to the Secretary of the United States Department of Agriculture and to each member
10 of the North Dakota Congressional Delegation.