



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Agriculture Committee
March 11, 2021**

Mr. Chairman and members of the committee,

Thank you for the opportunity to testify on Senate Bill No. 2230. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

NDFU supports SB 2230, which would increase funding authority for the Bank of North Dakota's Value-Added Guarantee Loan program. The Value-Added Guarantee Loan is a critical resource for promoting the development of a wide variety of value-added businesses in North Dakota. Those projects, in turn, improve farmers' and ranchers' income, create new jobs, and strengthen the state's economy.

Loan guarantees support better lending terms and lower financing costs, encouraging businesses to invest in our state. The Ethanol Recovery Program, which was offered in the midst of the coronavirus pandemic, provides a powerful illustration of the loan guarantee program's value. Increasing the funding authority for the Value-Added Guaranteed Loan will further the program's ability to serve value-added projects.

Beyond the support it's already provided the ethanol industry, the Value-Added Guarantee Loan program is poised to serve value-added projects of all types. The program can be a difference maker for expanding beef processing in the state. It could give North Dakota a competitive advantage as the hemp industry continues to grow across the country. The program can support soybean crush plants, feed mills, advanced biofuel facilities and much more. In each case, farmers and ranchers would benefit from new opportunities and higher margins. The program also delivers far-reaching benefits to our rural communities and overall economy.

Finally, NDFU encourages the committee to restore the initial \$50 million increase in authority provided in the initial bill draft. Currently, \$43 million is in reserve to guarantee loans made through the Ethanol Recovery Program. Increasing authority to \$50 million will ensure the program can fully support value-added projects in the state.

We urge a "Do Pass" on SB 2230. Thank you for your consideration.

