

SB 2345

North Dakota Stockmen's Association Testimony to the House Appropriations Committee Tuesday, Nov. 9, 2021

Good morning, Chairman Delzer and House Appropriations Committee members. My name is Julie Ellingson and I represent the North Dakota Stockmen's Association. Amongst its work, the association administers the state's brand inspection and recording programs, which protect livestock owners against loss and theft.

This has been a foundational objective of the NDSA since the organization was christened in 1929. In the 1940s, the North Dakota Legislature statutorily tapped the NDSA to head up the brand inspection program, and it has provided that service for livestock producers ever since.

The integrity of the program lies in the careful observations and documentation of the men and women we employ as brand inspectors. They are responsible for analyzing the cattle, horses and mules and generating the various documents that become the title to the animals. While this is precise and important work that protects the value of the livestock, it is done the old-fashioned way – on paper. On average, we inspect about 1.2 million head each year, so that means many, many pieces of paper. The information collected on those papers then must be converted into computerized records.

To become more efficient and minimize the chance for errors, we are proposing that we modernize the system by capturing the data electronically from the get-go and that, in a nutshell, is the project before you. It was also recommended as part of the executive proposal.

The goal is to improve efficiencies and accuracy of the information, while maintaining the tried-and-true structure of the existing program.

Our intention is to work with the same local software developer that wrote the brand recording program, so the systems dovetail together and work from a central database.

The estimated software and hardware costs associated with the project total up to **\$401,000**. That is comprised of up to **\$146,000** in hardware and mobile platform costs, **\$5,000** in mobile management solutions and up to **\$250,000** in mobile application development. We estimate that approximately an additional **\$100,000** will be needed for the training of the nearly 200 inspectors across the state.

The brand inspection program is self-sustaining, paid for by inspection fees of \$1.50 per head. The NDSA is also authorized to use estray funds unclaimed after 72 months to administer the brand programs. A grant from the State Fiscal Recovery Fund, established through the American Rescue Plan Act of 2021, would allow us to modernize the system and administer the program without having to raise fees in order to make that upgrade.

This project meets the guidelines the North Dakota Legislature spelled out for ARPA projects: 1) Besides its significance for livestock ownership verification, the brand inspection program is a critical component of animal traceability, which impacts our nation's food safety and security; 2) The COVID-19 pandemic has had a demonstrated and severe impact on the livestock industry; and 3) This project will be a one-time expenditure for the state.

Our organization and the software developer would be ready to begin this project immediately if it is selected. As you sort through the many proposals before you, we would

appreciate your favorable consideration of this one. Thank you for the opportunity to testify today.