

**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.