



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

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Agriculture Committee
January 28, 2021**

Mr. Chairman and members of the committee,

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

NDFU supports SB 2230, which would provide a \$50 million increase for the Bank of North Dakota's Value-Added Guarantee Loan program. We believe the Value-Added Guarantee Loan program is a critical resource for promoting the development and expansion of value-added agriculture businesses in North Dakota. Value-added projects are, in turn, critical to the long-term success of our state's family farmers and ranchers.

Loan guarantees support better lending terms and lower costs, encouraging businesses to invest in our state. In one important example, the Value-Added Guarantee Loan served as a critical resource for North Dakota's ethanol industry when the coronavirus pandemic hit last spring. As fuel demand dropped dramatically, ethanol plants in other states were forced to shutter and some may never reopen. Thanks to the loan guarantee, North Dakota was able to provide the Ethanol Recovery Program, allowing our ethanol producers to weather the pandemic's blows.

The Ethanol Recovery Program provides a powerful example of the value of the loan guarantee program. NDFU believes that we have only scratched the surface of the potential for the fund. Increasing the state's investment in the Value-Added Guarantee Loan could support the development of beef processing and rendering facilities, soybean crush plants, continued growth of our ethanol industry, and any variety of other processors. These projects will improve farmers' and ranchers' income, promote job growth and help diversify our state's economy.

We urge a do pass on SB 2230. Thank you for your consideration.

