

Chairman Thomas

My name is Steve Perdue and I own and operate a farm near Ray, ND. I come before you this morning to express my opposition to HB 1371. The conversation around this bill is that supporters are looking for a small exemption with a limited scope to the current law which was implemented over 90 years ago by a measure initiated by the citizens of North Dakota.

There is nothing about HB 1371 that is small or limited. It is a full-fledged exemption to livestock and dairy production that will throw the door wide open to ownership and investment that can come from anyone and from anywhere. I feel the exemptions created by HB 1371 are disingenuous and misleading to the citizens of our state. Supporters of HB 1371, tired of complying with a law that a large majority of ND citizens have supported, have decided we will call ourselves something different and we then will no longer have to comply with the law. If HB 1371 becomes law, what will hog farmers, dairy farmers, cattle ranchers be called, since they can no longer be considered farmers or ranchers. I think most will recognize this as an end run around current law.

I am also concerned that favorable treatment in other parts of the century code that benefit farmers and ranchers will no longer be available, not only by these operations this exemption is hoping to attract, but our friends and neighbors currently engaged in these types of agriculture. Do current agricultural zoning regulations, property tax treatment of farmland, sales tax exemptions on parts and used equipment, BND programs offered to farm and ranch operations, etc., still apply to operations no longer considered farmers or ranchers?

There has been a lot of focus on the fact that numbers of hogs, poultry, cattle fed, and the number of cows milked has fallen behind neighboring states. I feel this is due to something that all sectors of our state's economy are hindered by, and not a function of business structure. Labor is a main ingredient in large scale livestock feeding and dairy operations and we don't have it!

I did some unofficial research, and I found the average salary of a dairy farm manager is around \$52,000.00 about the same as a schoolteacher and an employee of a feedlot around \$27,000.00. A newcomer to the state is much more likely to go to the oilfields that surround where I live and earn a salary many times higher than these.

In closing, in my nearly 40 years of operating a farm that has been in my family for years I have witnessed several attempts to change the corporation farming law. Most have been rejected, there being a few tweaks along the way. However, I've seen very few meaningful attempts to incentivize livestock operations, beyond changing this law. Operations today can form family corporations and LLC's, non-family members can form several different types of partnerships, something elected officials untruthfully say isn't possible, and yet many have done this. Let's all sit down in North Dakota and come up with ways we can incentivize livestock, swine and dairy production and processing that will enable our state's citizens to benefit, not out of state corporations.