

Testimony of Jeff Zueger
Director, North Dakota Ethanol Producers Association
In Support of HB 1371
January 27, 2023

Chairman Thomas and members of the House Agriculture Committee,

Thank you for the opportunity to testify before you today, I am Jeff Zueger. I am the CEO of Midwest Ag Energy which owns two plants in North Dakota, Blue Flint in Underwood and Dakota Spirit in Spiritwood. I am also a director on the North Dakota Ethanol Producers Association (NDEPA) board, which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today on behalf of NDEPA to voice support for HB 1371, which exempts several agricultural operations from North Dakota's corporate farming law with the intent of expanding livestock development within the state.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry is strong and diverse. The industry converts 40-60 percent of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grain) and 20 million gallons of corn oil used in renewable diesel. According to a recent study conducted by North Dakota State University, the ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs.

NDEPA identified livestock expansion in North Dakota as a top priority during its strategic planning in the spring of 2022. The state's ethanol industry produces 1.5 million tons of dried distillers grains (DDGs), a high-quality, protein-rich feed that is consumed by various livestock. Our plants currently export 90% of the distillers grain produced out of the state. As our industry makes investments to lower the carbon intensity of our renewable fuels the energy used to dry this feed has a negative impact to our primary product. Enhanced livestock development is essential to keeping more of the product in the state, and this bill provides a more favorable climate for investing in livestock development projects. We know there is no golden ticket to livestock expansion, so we are open to discussions with our agriculture industry partners regarding additional strategies to grow the state's livestock industry.

Thank you for your time, and I respectfully urge a 'Do Pass' recommendation on HB 1371. I stand for any questions.