

Chairman Thomas and members of the committee,

Thank you for the opportunity to testify today. My name is Shelly Ziesch, I am a 4th generation farmer and rancher from Pettibone, ND. We run 600 cow/calf pairs and background our calves. We also raise corn, soybeans, wheat, oats and alfalfa. I stand opposed to HB 1371.

When my husband and I got married we had beef cattle and we also were dairy farmers. March 17, 1997, was the last day we milked cows. At the time, corn was \$5 per bushel and the price of milk was \$9 per hundredweight. We hung on as long as we could, but eventually, we just couldn't make it pencil out. We loaded the cows on a truck and shipped them away. It still bothers me to this day. It represents failure.

We have always felt that we got pushed out of dairy farming. Our inspector told us we weren't big enough. He was told to crack down on any dairy with fewer than 150 head, because his bosses didn't want that size of dairy anymore. We were written up for everything you can think of, including dust on light bulbs and mud on the driveway at the end of March. Our family's story is the same story for thousands of family dairies across the country. Every state is losing dairy farms, including states that don't have corporate farming laws.

When we got out of the dairy, we didn't declare bankruptcy. We worked hard to get out from underneath that debt through beef cattle. I am proud of how far we have come. Our family farm and ranch is proof that you can build a successful cattle business from the ground up, and you can do it under our current laws.

HB 1371 would allow corporations to come in and compete with my family's operation. That will only worsen the challenges we are already experiencing in the beef cattle markets. Currently, the Big 4 packers control 85% of the beef market. The lack of competition among the packers gives them a lot of control over price. In the last few years, we've seen three major black swan events where consumer beef prices skyrocketed, and cattle prices dropped.

The packers are also trying to reduce cash trades – the sales that happen on an open market at local sales barns. Cash trades serve as the basis for forward contract, formula and grid prices. As the cash market shrinks, our local sales barns are pushed out of business and cattle producers lose price transparency and price discovery.

HB 1371 would allow the packers to have even more influence over cattle production. This bill would allow the packers to vertically integrate in North Dakota. It doesn't even require them to partner with farms and ranches. That would kill our local sales barns and tip the scales even further against North Dakota ranchers. People tell me I shouldn't worry about packers owning feedlots in North Dakota. What in this bill prevents that?

I am frequently asked the question why isn't there more animal agriculture in ND? One big factor is our weather. I have ranching friends in many other states and they cannot believe what we have to go through to raise cattle in the northern climate. We are always either

preparing for winter or working through winter. I don't know where you were all at this past April, but my family and I were fighting to save calves during one of the worst April blizzards and weather events we have ever seen. If I wasn't working for myself I would have quit, actually I felt like quitting many, many times, but that would have been failing those cattle that depended on us for help to survive. Some we saved and some we failed, it was heartbreaking. The weather will always put us at a disadvantage to other states with better climates so I really wish you wouldn't keep comparing our livestock numbers to theirs.

Another thing that would help lead to success of ND ranchers is we need processing in North Dakota, plain and simple. When we background our calves, we add value to our operation. But we just can't capitalize on finishing more cattle when we don't have the capacity to process more of them. We do finish out some cattle that are processed locally, but would like to be able to do more. Transportation costs and access to processors are a large part of the problem. We could finish more cattle on our operation, and we could do it well, if we had stronger local markets.

HB 1371 doesn't solve any problems for my family's farm and ranch. It would make our current challenges worse. Please vote no. Thank you. I will stand for questions.