

Mister Chairman and members of the committee, my name is JP Lueck and I farm with my dad and brother in Spiritwood ND. I'm here in opposition of HB 1371 in its proposed state.

I believe adding corporation as a business structure option is what may open the door to some unintended consequences for family farmers. Earlier this week I was visiting with a colleague about an upcoming conference in Omaha, Nebraska. One of the agenda items is to tour Lincoln Premium Poultry. I said I never heard of it. He replied it's a company that is owned by Costco and produces 1 in 4 chickens in the US.

Lincoln Premium Poultry's is owned by Costco and on their website and/or websites they reference, they will require 2 million birds weekly to supply the plant. That seems like it could be a good deal for farmers. However, LPP own the birds, the birds' genetics, the feed mill and they have control of the processing plant. They spec out the land, the barns, everything is per their standards. The farmer pays for the construction, about a \$1.5-2 million investment, and accepts a non-negotiable 15 year contract with LPP to raise the birds until it's time to process them. Is this farming? Is LPP just using the farmer for their land and labor?

An October article in Agweek, talked about an Oakes family farmer who opened a hog barn. He owns the barn, equipment, the land, and feeds the hogs. An integrator owns the hogs, provides the feed, and decides when to pick up the hogs. One thing to point out is that he didn't need the change in the law to enter into this business relationship. If this law changes, the integrator could now set up their own farm in North Dakota and could eliminate the need for the farmer all together.

It is these types of corporate farms that I'm concerned about. Do we as North Dakota family farmers want this model to be the future of animal agriculture in our state?

In 2020 when our country shut down for the pandemic, it really showed us how fragile our current food system is. It showed us how consolidation of our food processing can impact the entire country. During this time a Facebook page popped up called North Dakota Farm to Table. Real family farms and consumers joined the site and by-passed the corporate production agriculture model. Beef, hog, lambs, chickens, eggs, fruits, vegetables, jams, and the list goes on and on being sold directly to consumers! All of a sudden, the local meat locker had a demand they couldn't meet. Really amazing! This is where I think our elected officials could help North Dakotans. Help facilitate the development of more independent processing facilities so we can finish our animals in state. I believe more animals would be produced in North Dakota if we have more locally owned processors versus sending them to out of state to large meat packers or foreign own processing facilities. This approach may also revitalize our communities. As a family farmer, I believe this would be way more satisfying way to raise animals, see it processed at your local meat market or processing plant, and sold at a local or regional grocery store then to work for Costco and its shareholders.

Thanks,

JP. Lueck
Farmer
Spiritwood ND