

Testimony in Favor of HB 1371

Good morning, Chairman Rep. Thomas and members of the House Ag committee.

My name is Kenton Holle. I represent the North Dakota Milk Producers Association speaking in support of HB 1371. This would be the Ham and Cheese Bill 2.0!

I am a third generation Morton County Dairy man. My wife and I are transitioning our farm to our son Andrew, his wife Jennifer and there 4 children to pave the way for generation 5 to be Morton County dairy farmers.

We do not take this privilege of continuing the dairy tradition lightly. It is because of the generations before me that made the industry what it is to withstand the years and to continue to grow.

We are blessed to be a family that farms! We have seen the disappointment of families that for all the valid reasons are not able to continue on with the next generation. We also know the loss of a dream for a younger generation that is not able to operate a farm. Please don't take my comments as being conceited, or judgmental of any one no longer continuing the family traditions. I have nothing but compassion for those families!

What I am going to critical and judgmental of is those individuals who have risen to the cause of not allowing a diversification of ownership and management opportunities for our farm families.

Ham and Cheese Bill 1.0 was shot down by organizations and individuals that were flinging the word corporation around like the Boogie man of 2015! They still are boasting of the 75% of the people in the state who voted did not want corporate farming. What did this negative campaign accomplish? Virtually nothing, it did not pave the way for any new and unique methods of developing and financing livestock development. The campaign then and now is exploiting the negative impacts of developing farms in our communities!

But what has been done to strengthen those communities in the absences of the plan that was shot down! Nothing!

As I reflected on the lost opportunities of families to pass on the farm, why has that happened if our state is such a safe haven for family ownership. Why have our communities declined if we are safe from the influence of large corporate farms?

If our current laws and business structure is so good, why have we seen a decline in the states livestock industry?

We have a State-owned Bank that is not being utilized to provide for the growth of our number one industry. BND could be the difference that some of these families needed to keep the family on the farm. No solutions have been presented to better utilize our states Bank!

I am upset to be here again talking about the same thing! I am also upset that we have heard and will continue to hear the same rhetoric about corporations that we heard last time.

The claim is that this bill will push the cost of land out of reach for the local farmers.

Have you been to a farm land sale lately? If we don't have the influence of corporate farms on the sale of land than how come the 500-acre farm doesn't stand a chance against the 20,000-acre farm when it comes to adding that quarter of land adjacent to his farm. One thing about the size of some of the farms and the acre grab that is going on it makes it very easy for the average farmer to go to a land sale when the bidding starts at what he anticipated being his highest price and going up from there! I know first-hand that the room full of hopeful land buyers gets narrowed down to just a few in a hurry! So don't believe for a minute the corporate ownership of 160 acres is going to push the land price out of reach. It already is happening! Who is pushing out the smaller producer it is not the corporate structure that is not here!

It is assumed that the 160 acres will be bought, that is not necessarily so it could be the share of one of the owners.

About these 160 acres if this facility is a beef or dairy operation it is going to take almost every acre of that. Considering the housing for cattle, the storage of feed, a site for manure containment. Machine storage, a shop, owners and workers housing. A hog facility would have a smaller footprint not requiring the entire 160 in to the corporation.

This livestock facility would then be the hub for neighboring producers to be included in the ownership of the facility without a risk to their existing farm. They would have the benefit of adding value to the crops they produce by marketing it to the corporation. Enjoy the benefits of a profitable year. Also, they would have the ability to benefit from the application of the livestock manure on their land. Not just the farmer investor benefits but other farmers can do the same thing. These sorts of arrangements are happening now so it's nothing new, just the potential for more to benefit from it is real.

A cattle operation requires dedication, a desire to work with livestock, the resilience to make the good times hold over through the bad times. Those aren't the sort of things that a foreign owner or a corporate giant are interested in. 160 acres and a livestock facility in ND is probably not on the radar of a corporate GIANT.

The other scare tactic that is used is the corporate farm structure will kill the states dairy industry. We have enough time that our neighboring states have passed us by to look at their situation. Minnesota and South Dakota continue to add cows and farms. They develop in communities where they are welcomed. they build a spirit of cooperation and entrepreneurship.

South Dakota has 9 cheese or milk processing plants Minnesota has more than a dozen! That is not by accident!

I will sum this up by reflecting back on my opening remarks of the loss of our family traditions. Our states agriculture industry has many family farm success stories and there will continue to be.

We also cannot close our minds to the success that has been achieved by those farms that are able to use this tool to structure, manage, transfer and operate their farms. I wish the same thing for the great farmers in this our great home state of ND!

Thank you for the diligence you will put into making this decision.
Please send this bill HB1371 out of committee with a DO PASS!
THANK YOU