

HB 1371

Chairman Thomas and members of the House Agriculture Committee.

My name is Randy Melvin. I farm with my family near Buffalo, ND.

I appreciate the opportunity today to voice my support of House Bill 1371.

Why would this legislation be beneficial to a grain farmer in eastern North Dakota?

Our family farm has been looking at ways to expand our operation. We want to create opportunities for our 4 children to be able to return to production agriculture if they choose. We could always expand our crop acres but to be economically sustainable we would have to add 2,000 to 8,000 acres depending on how many of our children would potentially return to the farm. Expansion into animal agriculture allows for many benefits to our existing family operation.

The recent developments of the soybean crush plants and the current ethanol plants availability of distillers' grains has helped North Dakota have the ability to be a leader in the supply of feedstocks for this industry.

Expansion into this sector of agriculture is very capital intensive. The opportunity to partner with neighbors or other likeminded individuals is key to helping family farmers develop a business model for the success of this venture.

Currently Ag producers could make use of a Partnership business model. If partnerships were a viable business structure for many in the livestock industry, our livestock sector would be flourishing. We need to permit Ag producers the ability to capitalize on the benefits of an LLC or a corporation business structure that currently are not allowed by state law.

The main purpose of HB 1371 is to allow the agriculture sectors identified to have the same ability as every other business industry in this state to utilize a corporate business structure.

Consider this scenario. Imagine this hearing was in the Industry, Business and Labor committee. You were hearing a bill that would ban and not allow the use of LLCs or Corporations for every other industry in North Dakota. Would you as

committee members be in favor of telling banks, trucking companies, businesses of the oil patch, or any business of main street North Dakota that they could not utilize this business structure?

Members of this committee, would you support a ban of this business structure for any other industry? The main purpose of HB 1371 is to allow some sectors of the agriculture industry the same opportunity to utilize these business models.

The passage of this legislation isn't about my generation. This is about creating an opportunity for the next generation to be successful in agriculture.

The time is now to untie the hands of the Ag producers of this great state and allow us to create a productive profitable agricultural business climate for our children.

I ask you for your support of HB 1371.

Thank you for your time today and ask for any questions.

Randy Melvin