

House Bill 1371
Governor Burgum Testimony

House Agriculture Committee
Chairman Paul J. Thomas
Friday, January 27, 2023, at 9:30 a.m.
Room 327C, ND State Capitol

Chairman Thomas and members of the House Agriculture Committee, good morning and thank you for the opportunity to address you today.

Let me begin with gratitude for the work that the bill sponsors – many of them with agriculture backgrounds, including Chairman Thomas – and House and Senate leaders have put into House Bill 1371. This legislation is critical to the future success and survival of agriculture and our rural communities in North Dakota.

As our bedrock industry, North Dakota agriculture continues to lead the nation in several categories. We rank first in production of spring wheat, durum wheat, canola, flaxseed, all dry edible beans, pinto beans, dry edible peas and honey. We rank second in rye, sunflowers and lentils; third in sugar beets, oats and barley; and in the top dozen states for corn, soybeans, potatoes and chickpeas.

Despite our farmers' dedication and leadership in so many of these crops – including a growing abundance of feed for livestock from our many new value-added ag processing projects – North Dakota continues to experience a decades-long decline in animal agriculture.

In 1934, North Dakota had more than 700,000 dairy cows. Today that number is less than 12,000. We're importing milk for our school children. We rank 35th in milk cows; Minnesota is 7th, according to the U.S. Department of Agriculture's National Agricultural Statistics Service.

South Dakota ranks 7th and Minnesota 8th in cattle and calves on feed; North Dakota ranks 23rd.

Minnesota ranks 2nd and South Dakota is 10th in hogs and pigs; North Dakota ranks 24th.

Minnesota produces more turkeys in one month than we do in three years in North Dakota.

Why are these neighboring states so far ahead of us in animal agriculture? What do they have that we don't have? It's not available land. It's not available feed.

Their key advantage is that, unlike North Dakota, their states' corporate farming laws contain carve-outs that allow for alternative business structures in beef, dairy, swine and poultry operations. Unrelated parties interested in livestock production are allowed to form a corporate

business structure and better protect their personal assets just as they would be allowed to do in every other industry.

North Dakota farmers and ranchers can compete with anyone in animal agriculture if they have a level playing field. House Bill 1371 gives them the same business tools available to entrepreneurs in every other industry so they can access the capital and risk protections they need to start or expand modern livestock operations.

I can't stress enough that this would apply only to animal agriculture. North Dakota's anti-corporate farming law as it pertains to crop farming would remain in place.

These narrowly defined changes to state law will take the handcuffs off our producers and allow animal agriculture and rural communities and schools to thrive in North Dakota once again. We can level the playing field, and we can do it wisely and with smart environmental stewardship.

Mr. Chairman, that concludes my testimony. Thank you for your time, and I would stand for any questions.