

Good Morning and thank you Chairman Thomas and Agriculture committee members for this hearing and your service.

My name is Donald Nelson, I farm and ranch in Keene ND and have for over 40 years I am submitting testimony in favor of HB1436 and oppose a similar bill HB1275 which both deal with changes to the North Dakota Beef Commission.

HB1436 is a much stronger bill that makes some much needed changes that beef producers have called on for years. We have a broken cattle market that needs to be fixed. This bill is a start and will let all cattle producers have a voice in where and how their checkoff dollars are spent.

As of January 24th US Cattle Report on slaughter in the 5 major feeding areas of the US, only 8 strings of 100 head or larger of slaughter cattle were sold on cash negotiated sales all of last week compared to 21 the week before and 26 the week before that, among all 5 major feeding areas of the US, yet slaughter numbers were basically normal. That is woefully pathetic! Corbitt Wall of the National Beef Wire reported that this was less than 50,000 head for all of last week and when he started working for USDA Market News in 1996 before mandatory price reporting it was over 500,000 HEAD per DAY on negotiated cash sales.

We can argue different solutions but ultimately it comes down to 2 things: industry (packer) concentration and integration fueled by our very own producer mandated checkoff dollars with one mandated voice controlling those dollars.

HB1436 is not by any means a magic bullet that will solve all of our problems but if we have to start anywhere, this is a solid first step.

The Beef Commission members are currently appointed by the governor by recommendation and not elected. The way the system is set up, it will only favor the status quo. Appointments require people to be cooperative with the powers that be, change will never come from the people in power. This causes frustration and our only outlet is to opt out of the checkoff. Producers request their checkoff dollars back, because they don't feel like a part of the system and in some cases they feel it's actively fighting against them. Their voice should be listened to, not ridiculed. Currently it's the only way to show your dissatisfaction with the checkoff program since commissioners are appointed and not elected like most other commodity checkoff groups.

I have been calling for changes to the cattle markets and checkoffs since 1987, before I was affiliated with any associations or groups. I have spoken all across the US since then and testified more than once here in Bismarck and usually the first question I got was did you request your money back (I have requested the forms but never gone through and got my money back as I believe in the original intent of the checkoff). Those that do are "branded" greedy and malcontents and ignored.

It's now been 36 years since I first started advocating changes to our cattle markets and producers are still waiting even though the solutions have been in front of State and Federal

legislators for years. Doing nothing is no longer an option. So do something and start the process before we lose our industry like the independent hog and poultry producers did. We have lost all our open and fair competitive markets as well as free market price discovery.

Ultimately if we stay this course we lose our freedom to ranch on our own terms, instead of for some multinational corporation.

So please vote in favor of HB1426 and oppose HB1275 which basically offers no change. Thank you!

Sincerely
Donald Nelson