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Testimony in support of ND House Bill #1436

Chairman Thomas, Vice Chair Beltz and members of the House Ag Committee I want to thank you for the opportunity to testify on behalf of #1436. I am here independently representing myself as I am currently not a member of any organization. I have spent the past three years intensively studying the Beef Checkoff at the national level as well as the North Dakota Beef Commission and the state's share of the checkoff. I have attended 5 quarterly NDBC board meetings, two NDBC budget meetings, three legislative hearings related to the NDBC and two producer education meetings sponsored by the beef commission.

I want the committee and everyone else in the room to know who exactly owns the Beef Checkoff. The Beef Checkoff at the federal and the state level is owned by the people who pay the checkoff. The state's ½ of the federal program and the state checkoff are not owned by the state nor is the checkoff owned by any state or federal commodity group including the North Dakota Stockman's Association or NCBA the group it affiliates with. The Beef Checkoff is not owned by the North Dakota Beef Commission even though it is charged with administering the checkoff. The Beef Checkoff is simply owned by the people who pay the fee, tax or assessment. It is their fund for promotion, education and research that supports North Dakota and U.S. beef producers. The North Dakota Beef Commission while created by ND statute is owned by the payers of the Beef Checkoff.

I am proudly serving on a coalition working with U.S. Senators seeking some reforms in the Beef Checkoff at the federal level. We are hoping to get the reforms incorporated into the farm bill. I think that is a really important step but meaningful reform must start at the state level. In 1985 I voted for the Beef

Checkoff and support a Beef Checkoff that lives up to the promise of being apolitical -avoiding politics and political groups.

For the 35 years of the Beef Checkoff and the 7 years of North Dakota Beef Checkoff the North Dakota Stockman's Association has controlled the North Dakota Beef Commission. The records show that the majority of the money at their discretion has been allocated to NCBA. There are two ways to make the system just and fair to the producers who pay the checkoff. One would be to give representation to all interested groups. The problem with that is how do you decide which groups deserve how much representation. I would argue the group that has the largest membership represents only a small minority of producers wishes. Clearly an election with the payers of the Beef Checkoff having an opportunity to seek a position or decide who is elected to the ND Beef Commission is the most equitable solution. I believe the opportunity for producers to lobby or influence the actions of the NDBC is also an important part of the checkoff and commission.

ND House Bill #1436 creates an election where every producer has a chance to be elected or choose who is elected to the North Dakota Beef Commission. One of the promises of the Beef Checkoffs is that they would be apolitical. That has not been the case at both the state and federal level and that has eroded overall support for the checkoffs. In making the process fairer in North Dakota we would both by example and action take a leadership role in making the federal checkoff more responsible to all the producers who own the Beef Checkoff. The other approach is a big nothing and an insult to those who pay the checkoff.

Again the number one issue is fairness. You can't get any fairer than Democracy. The other side's arguments will be, why change what is working so well. Who is it working for? I would answer NDSA and NCBA. The second important question is will the board be better and the checkoff work better with the potential for diversity on the board? I believe that producers from different viewpoints would go a long way to educate producers on their checkoff.

Believe it or not many producers from around the country are watching and waiting for the outcome of HB#1436 hoping the Beef Checkoff will come closer to

living up to it's promise. No lobbying-no policy influencing- no politics. Thank you and I would be happy to answer any questions.