

## Testimony for 1370 - Tax exemption on grain storage

Chairman Headland and committee, my name is Phil Murphy representing the ND Soybean Growers Association in support of 1370. You may know that about 90% of ND soybeans leave the state on trains for the Pacific NW and ultimately 70% of those go to China. That is on the cusp of changing in a dramatic fashion very soon. With a new soybean crush facility coming online this year, another the next and what appears to be more to come, the opportunities to supply soybeans year 'round at a premium may well incentivize producers to build storage. If they do, the permanent jobs, valuable products and expensive facilities with surrounding improved infrastructure will survive and thrive. But on-farm storage carries a hefty price tag.

The round, corrugated above-ground grain bins with cement floors, venting, fan systems and so forth cost between \$2.50 and \$3.50 per bushel (according to a quote from a large dealer last week, a 62,000 bushel bin with the works will pencil out at around \$2.50 while the smaller bins get more expensive). That's a hundred fifty grand or so which is about what my house would be worth if it had a good basement. Anyway, it's a lot of money and I believe it to be fairly obvious that the point of this bill is to encourage our growers to store. Elevators will take and keep soybeans for a price, but they have always turned around and put the beans on a train for exports out of the PNW so do not have storage capacity for all year as is needed by the crush facilities. This bill gives ND farmers a better chance to nudge our nascent value-added industry along and make it a success story for decades to come. Please consider granting this sales tax exemption to help our entire state economy move forward. The NDSGA thanks you for your time and consideration.