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**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Finance and Taxation Committee
January 23, 2023**

Chairman Headland and members of the committee,

Thank you for the opportunity to testify in support of House Bill No. 1370. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmer Union's (NDFU) members.

NDFU supports HB 1370, which establishes a sales tax exemption for grain bins and materials used to construct grain bins. During our most recent annual convention, our members passed a special order of business outlining our priorities for this legislative session. That list of priorities included establishment of this exemption to support expanded on-farm storage.

The grain bin sales tax exemption is modeled after a policy that has existed in Iowa since 2019. During conversations with the new soybean crush plants, NDFU and other groups learned about those facilities' interest in expanding on-farm storage. We believe HB 1370 is an important step toward supporting that expansion.

Expanding on-farm storage is a win-win for farmers and commodity processors. For example, soybean crush plants benefit from year-round access to locally available soybeans. Farmers benefit from more flexibility in their marketing strategies. The attached chart illustrates the cyclical nature of soybean prices. Prices are usually highest in the spring and lowest in the months following harvest. Expanded on-farm storage gives farmers the opportunity to capture those higher prices. Of course, these benefits are not unique to soybeans; expanding on-farm storage benefits producers and processors of all commodities.

NDCC 57-39.2-04.4 authorizes North Dakota's existing sales tax exemption for materials used to construct agricultural commodity processing facilities. That exemption includes materials used to construct on-site grain storage. Given the benefits to farmers and processors for strong on-farm storage capacity, we believe extending the sales tax exemption to on-farm storage is an important step forward.

Thank you for your consideration. We respectfully request a "Do Pass" recommendation on HB 1370.

