



**Testimony of Brenda Elmer, Executive Director
North Dakota Corn Growers Association
In support of HB 1370
January 23, 2023**

Chair Headland and members of the House Finance and Taxation and Committee,

Thank you for allowing me to come before you to share our support of House Bill 1370. For the record, my name is Brenda Elmer and I am the executive director of the North Dakota Corn Growers Association (NDCGA), which is the voice of the more than 13,000 corn growers across the state at the grass roots level.

Last month, Governor Burgum joined NDSU at the Capitol to unveil a first of its kind comprehensive study of the economic contribution of agriculture in the state. For the year 2020, agriculture contributed nearly \$31 billion to the economy and more than 110,000 jobs and represented nearly 25 percent of the state economy. The impact of agriculture was much more than we imagined and the state of ag in North Dakota is promising.

North Dakota farmers are employed in one of the most financially risky occupations, facing difficult economic situations, rising input costs like fertilizer - more than 400 percent, mounting federal regulations that create vast uncertainty that can make or break a growing session. Storage of harvested crops is one effective tool that helps give our growers more options and a better hand in the markets. Instead of simply choosing between what the local grain elevator or the nearest ethanol plant will pay for their corn right at harvest time, storage provides them increased opportunity to hedge for a better future price, because they can sell throughout the year.

With three soybean crush plants in the works and a possible corn wet mill, these value-added agriculture partners will need crops year-round for their facilities. Constructing a new grain bin to store more of their crops is very expensive for growers these days who face rising costs in raw materials — particularly steel and concrete. While new farm machinery used exclusively for agriculture production is taxed at a lower sales tax rate, on-farm storage depends on features, for example if a fan is included, the tax is less. Erecting on-farm storage systems can cost tens of thousands of dollars for just one bin. A sales tax exemption for such ag equipment can save North Dakota several hundred to thousands of dollars. Money that instead can be invested or expended elsewhere in the state.

We anticipate that the bill's sponsors have or will work with storage contractors to help determine what is and what is not part of the "grain bin." For example, the ladders attached to the bin, or the concrete pad, augers, sweeps, spreaders, fans, heaters, floors, conveyors, bucket elevators, and air systems are often part of bin storage construction.

This tax exemption will reduce the overall cost of doing business for our state's farmers and pay dividends as a result. Our mission statement is "growing a healthy, profitable business climate for northern corn", and this legislation will be a valuable tool to help producers meet that mission. We urge your support of HB 1370. Thank you for your time today and I stand for any questions you may have.