

## North Dakota agriculture commissioner says promoting livestock is a struggle

North Dakota law forbids corporations from owning agricultural land in the state, a law designed to protect family farms. But modern animal agriculture facilities require significant amounts of capital. While some out-of-state investors are interested in doing business in North Dakota, Agriculture Commissioner Doug Goehring says the law shuts them out.



Young pigs inside one of the barns that the Quandt family operates near Oakes, North Dakota. The North Dakota Livestock Alliance points to the Quandt operation as an example of what is possible in the state. Jeff Beach / Agweek

North Dakota's efforts to promote animal agriculture have largely been relegated to helping existing operations expand, in part because of the state's anti-corporate farming law, North Dakota Agriculture Commissioner Doug Goehring said.

North Dakota trails neighboring states, most notably South Dakota, in livestock production. While South Dakota has seen growth, especially in dairy and hogs, North Dakota is struggling to find answers.



Doug Goehring, North Dakota agriculture commissioner. Mikkel Pates / Agweek

"If we weren't doing something, we would do it," Goehring said. "We've turned every rock over ... there's just limitations given the law in North Dakota, as to what we can do."

North Dakota law forbids corporations from owning agricultural land in the state, a law designed to protect family farms. But modern animal agriculture facilities require significant amounts of capital. While some out-of-state investors are interested in doing business in North Dakota, Goehring says the law shuts them out.

"Until those (laws) change, I don't think animal agriculture, from what I continue to hear from the livestock industry, they don't see it growing or flourishing," Goehring said.

"And in fact, we keep losing even our midsize dairies because it's not economically viable for them."

## *Burgum: Farm Freedom can help animal ag and rural communities*

"We know our North Dakota farmers and ranchers can compete with anyone, anywhere, anytime, if they're given a level playing field. We have the opportunity to level the field with Farm Freedom legislation," North Dakota Gov. Doug Burgum writes.



North Dakota Gov. Doug Burgum delivers a budget address to lawmakers on Dec. 7, 2022, in the state House of Representatives. Jeremy Turley / Forum News Service

### **Opinion by Gov. Doug Burgum**

January 20, 2023 at 10:02 AM

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Opinion

Recently a bill was introduced by several North Dakota farmer-legislators to help promote animal agriculture and reverse decades of decline which have caused our state to fall far behind neighboring states. Farm Freedom legislation will remove the handcuffs that have held back our farmers and ranchers for way too long.

The problem: Archaic North Dakota law prohibits anyone who is not related from pooling their resources to start an animal ag operation. For example, if two unrelated farmers who live next to each other want to join forces and launch a dairy, beef, hog or poultry operation because they want to add value to their crops, create employment for their community and diversify their operations, North Dakota law doesn't allow it.

The solution: Do what South Dakota did and update our corporate farming law to allow unrelated parties to partner with each other and access external sources of capital for animal agriculture. Minnesota also has exemptions to its corporate farming law for poultry and livestock.

How has it worked out for them? South Dakota ranks 7th and Minnesota 8th in cattle and calves on feed; North Dakota is 23rd.

Minnesota ranks 2nd in hogs and pigs and South Dakota ranks 10th; North Dakota is 24th.

Minnesota is the nation's top turkey state, producing over 40 million turkeys in 2021; North Dakota produces about 1 million turkeys annually.

To put it bluntly, our neighbors are knocking the stuffing out of us.

The Farm Freedom legislation now pending before the Legislature supports family farming because it allows families to pool their resources and gain access to capital to establish the purchasing power and operating scale they need to be successful, just as our citizens can do in any other industry.

It also supports small towns and rural schools. In Clark County, S.D., which has seen a resurgence in animal ag in the past five years, the chairman of the county commission recently told Agweek that livestock is a lifesaver for small towns because crop farmers are getting bigger with fewer hands needed thanks to advances in equipment. "One person can (crop-)farm 10,000 acres by himself, but one person can't take care of 10,000 animals by themselves," Wally Knock said, noting it takes more people including truckers, feed businesses, maintenance services, veterinarians and construction crews, among others.

Critics of this legislation are already trying to confuse and distract citizens with scare tactics, despite the bill's strict limits that would still ban large sales of farmland to corporations. Such tactics are meant to distract from the truth, which is this: North Dakota law allows everyone except farmers and ranchers to decide who their business partners should be.

Opponents also claim farmers can simply form a cooperative if they want to do business together. Yet state law requires a cooperative must be incorporated by at least five adults, which freezes out farmer-to-farmer partnerships.

We know our North Dakota farmers and ranchers can compete with anyone, anywhere, anytime, if they're given a level playing field. We have the opportunity to level the field with Farm Freedom legislation, and we can do it wisely and with smart environmental stewardship.

Let's take the handcuffs off our farmers and ranchers and allow animal agriculture, family farms and our rural communities to thrive in North Dakota once again.



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## NDFB supports modern farming bill

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### Statement by NDFB President Daryl Lies

“NDFB believes modernizing the definition of production agriculture is vital to the success of farming in North Dakota. Family farms should have the opportunity to choose what business structure fits their families best without government picking winners and losers.

“It is important to allow farmers and ranchers the ability to embrace different business structures so they can help transition their farms to the next generation. Farms and ranches that have been in the family for generations should be able to embrace business practices that help modern farm and ranch families survive in today’s world economy.

“House Bill 1371 helps North Dakota agriculture move in the right direction. The bill seeks to modernize the definition of production agriculture and the business structure arrangements associated with livestock production. NDFB will continue to advocate for every segment of agriculture to utilize the financial structures they feel is right for their families.”

## Thirty years later is better than never for easing of corporate ag rule

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Senator was ahead of his time on corporate farm legislation

By *JournalTrib.com Staff* | on January 24, 2023

Passing Dreams  
By Steve Andrist

▶ 0:00 / 0:00



By Steve Andrist

As the 1990s dawned, North Dakotans, especially in rural communities, were worrying about whether it was at all possible to reverse the trend of out-migration and depopulation.

Farms were getting bigger and bigger, and rural communities were getting smaller and smaller. The downward spiral was on a fast track and picking up speed.

In the far northwest corner of the state a group of mostly farmers in Burke and Divide counties had hatched a plan to try to slow the train. They wanted to band together to launch a hog farrowing operation that would grow animal agriculture in their sparsely populated corner of the state.

They had meeting after meeting, eventually forming a group they called Quality Pork Producers, and started figuring out how they could rebuild animal agriculture in an area where there once were cows, pigs and chickens on just about every farm.

They wanted to start a corporation so they could pool their resources in whatever amount each one could afford, and convince a couple of business operators in town to join in the effort to grow a community that was withering away.

Quickly they learned they couldn't do it. North Dakota's 1932 anti-corporate farming law wouldn't permit unrelated farmers from operating farm corporations, and it certainly wouldn't allow town folk who don't farm to join in the effort.

The only real option under North Dakota law was to form a cooperative which, despite some limitations, they did. Quality Pork Cooperative was born, strapped for cash as it was, and lasted nearly 10 years before many people lost a lot of money.

So desperate were community members for some positive development that a number of town folk even bought debentures from the co-op. These basically were loans with no collateral or other guarantee that the money would ever be repaid. In other words, they were donations to a good cause.

In 1993, at the request of farmers involved with Quality Pork, Crosby State Sen. John Andrist (yes, a relative) introduced a bill proposing to change the law so that farmers could join together to form small corporations to add value to ag production. There were limits – no crop farming could be involved and at least 30 percent of the owners would have to be farmers.

Quality Pork members would have loved to have had the option the bill offered, but legislators weren't ready. It was killed in the Senate by a vote of 32-16.

Twenty-two years later, legislators were ready. A bill was offered up to craft an exemption to the anti-corporate farming law that would allow farmers to establish small corporations for dairy and swine production.

The Senate passed the bill 56-37, the House followed suit 29-16, and Gov. Jack Dalrymple signed it into law.

But the people weren't ready. Led by the North Dakota Farmers Union, an effort was launched to overturn the Legislature's decision. Petition signatures were gathered, the measure was put on the ballot for the people to decide, and in June 2016 nearly 76 percent of those voting rejected small dairy and swine corporations.

Are people ready yet?

Today, 30 years after legislators decided not to change the law to help Quality Pork members, the same issue is back in legislators' hands, with the strong backing of Gov. Doug Burgum.

HB 1371, introduced by a group of 10 legislators who are mostly farmers, once again proposes to craft an exemption that would allow small corporations to conduct animal agriculture.

The reason for the proposal is clear. While North Dakota can grow wheat and other small grains with the best of them, we lag far, far behind in cattle, hogs, turkeys and other animals.

Proponents say the anti-corporate farming law is the culprit. Burgum says our neighbors, which have corporate farming exemptions for some animal agriculture, "are kicking the stuffing out of us."

Farmers Union, concerned about large corporate feedlots and investors from around the world, again is leading the opposition.

Here's the thing. Both sides have identified the same problem, but they disagree on how to solve it. Is it too much to ask that they sit down together to seek common ground – to compromise – for the good of us all?

Maybe HB 1371 isn't the end all. But can it be tweaked, perhaps limiting corporate ownership to a preponderance of North Dakota farmers? Are there other solutions that should be on the legislative table?

You can only imagine how our economy may have been impacted if we'd figured this out 30 years ago when Quality Pork members desperately asked for help.

Let's not wait another 30 years to give new tools to our farmers, ranchers and communities.

## Letter: Setting the record straight on proposed Farm Freedom legislation

ND House Majority Leader Mike Lefor writes, "The legislation will update the law to create opportunities that directly support our farmers, not compete with them."



Reps. Mike Lefor and Vicky Steiner, R-District 37, watched the votes come in on the House floor. File photo Ellie Potter/Forum News Service

### Opinion by Rep. Mike Lefor

January 31, 2023 at 8:23 AM

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Mark Watne paints entirely the wrong picture of a recent bill, HB 1371, introduced to promote animal agriculture in our state. The bill is about boosting animal agriculture. It does not harm our family farms.

This bill will allow dairies, cattle feedlots, and swine and poultry production to flourish in this state to help revitalize our rural communities. It does not allow people to create a C or S corporation to farm the land and produce crops.

The legislation will update the law to create opportunities that directly support our farmers, not compete with them. It'll provide additional marketing opportunities for our grain producers and decrease the use of commercial fertilizer.

Our neighboring states do not place unneeded business structure restrictions on their animal agricultural industries and this has allowed them to diversify and develop livestock operations, and create and maintain economic engines for their rural communities.

Because of this, South Dakota now has twice as many beef cattle as North Dakota, 13 times as many hogs, and over 11 times as many dairy cows. It's the same story in Minnesota, Nebraska, and Iowa. What's more, it's disingenuous to state that monopolistic corporations take over farming in these and other similar states. In fact, today, 97.7% of the farms across our nation are family farms.

When the legislature tried to address this issue in 2015, Farmers Union and Watne played on fear and portrayed the bill as being about “farming the land.” It was about animal agriculture then and still is today. In fact, Farmers Union’s restaurants are corporations, so they understand that the structure is a critical tool to protect personal assets while developing value-added agriculture.

Once again, this modernization bill is about developing animal agriculture in our state.

Animal ag requires many millions of dollars of equity capital to start up. It’s really tough to raise that kind of capital financing without engaging some investors beyond blood relatives. A typical hog production facility has initial startup costs between \$30-40 million dollars. Very, very few farms in North Dakota would have ready access to that kind of needed investment capital.

In just the past few years, North Dakota has lost several opportunities to locate large animal ag operations here, simply because we don’t allow business models where employees, farmers or other investors can buy in and participate. This bill would fix that and allow our state’s producers needed flexibility to partner with others to access capital, and support animal agriculture in our state.

More than that, this bill will also help agriculture in many other ways. This bill will help unleash new innovative and emerging ag technologies in our state, like hydroponic agriculture and aquaculture, allowing these promising ag industries to better structure their businesses to obtain necessary financing more easily.

Another important part of this bill is that it will protect surviving spouses. Currently, in a family farm corporate structure, the law requires a spouse of a family member to immediately divest their corporate shares to other shareholders if their spouse passes away. This bill corrects this existing injustice.

Finally, it is another complete myth that these animal agriculture producers will be buying up all the adjacent surrounding land or otherwise competing with local farmers and ranchers for purchasing land. The bill properly restricts cattle feedlots, swine, dairy and poultry operations total agricultural landholdings to a maximum of only one quarter, or 160 acres. Greenhouses, hydroponics, and aquaculture are even much more limited at only 40 acres. The footprints of these ag operations will remain exceedingly small, but the surrounding farmers will seek feed and forage, and utilize the manure, offsetting the purchase.

When promoting ag development and advancing our state’s ag economy, it’s a matter of moving everything forward together by providing solid opportunities for farmers in our state to partner, participate and/or market to these animal ag operations. For North Dakota, this bill does exactly that.



## With input from Farmers Union, North Dakota House votes to loosen corporate farming rules

Under House Bill 1371, feedlots or dairies could partner with a corporation and no longer fall under the definition of farming and ranching.



Young pigs inside one of the barns that the Quandt family operates near Oakes, North Dakota. The Quandts have a large family partnership that helped make it possible to expand livestock operations. Jeff Beach / Agweek

**BISMARCK** — After decades of the North Dakota Farmers Union opposing changes to state laws restricting corporate farming, input from the group may help relax those rules to benefit livestock production.

The North Dakota House on Tuesday, Feb. 21, voted in favor of a bill that would make it easier for animal agriculture to reverse decades of decline with help from outside investors.

With references to the state's largest farm organization, which is the Farmers Union, being at least neutral on the bill, the House passed the bill 70-24, sending it to the Senate.

“They were along every step of the way on this one and the amendments, as you see, were acceptable and were proposed by them, so we worked closely with them,” Rep. SuAnn Olson, R-Baldwin, said before the vote. “So I think that’s important to remember that the major farm groups are supporting this.”

Those amendments include:

- Requiring the majority of shareholders in any livestock corporation to be operators
- Limiting the number of shareholders to 10
- Requiring that livestock corporations are subject to the same regulations and reporting requirements as family-owned farms.

Under House Bill 1371, dairies and feeding operation for cattle, hogs and poultry would no longer fall under the definition of farming and ranching, meaning North Dakota's anti-corporate farming law, which limits farms to family ownership, would not apply to those operations.

"Passage of this bill does not make it easier for wealthy individuals to buy agricultural land in North Dakota," Rep. Jay Fisher, R-Minot. "This bill provides a carve out that only applies to animal agriculture. Anti-corporate farming laws pertaining to crop farming will remain in place."



Matt Perdue . Contributed photo

Perdue said the organization still would prefer the laws stay as is, however, they recognize strong interest from other ag groups and from legislators to open up the state's anti-corporate farming law to promote animal agriculture.

Some opponents to the bill cited an attempt in the Legislature in 2015 to loosen corporate farming restrictions. The Farmers Union led an effort to repeal the law in a statewide vote.

Rep. Donna Henderson, from Cavalier County, said that referendum kept her from supporting the change.

"My home county, it passed by 85%," she said. "There's no way I can vote for this and

go against the wishes of my county."

But the change in stance by Farmers Union was persuasive for others.

Rep. Jon Nelson, R-Rugby, said he had voted against every attempt to loosen corporate farming laws since he started serving in the Legislature in 1997, and was inclined to not support the current bill [in its original form](#) .

# NDFU taking “neutral” position on amended House bill allowing corporate livestock farming, ranching

Fargo, ND, USA / The Mighty 790 KFGO | KFGO

[Ryan Janke](#)

Feb 21, 2023 | 3:46 PM

BISMARCK, N.D. (KFGO) – HB 1371, a bill that would allow authorized livestock farm corporations and limited liability companies to operate in North Dakota, is making its way through the state capitol.



North Dakota Farmers Union is taking a neutral position on the bill at this point.

“Last week, North Dakota Farmers Union secured major amendments to HB 1371. These amendments guarantee family farmer and rancher control of new animal feeding operations,” President Mark Watne said in a statement. “The amended bill also limits the number of shareholders that can participate and requires these new entities to comply with the same enforcement requirements of family farm corporations.”

Watne said a limited liability company must have 75 percent of a family farmer or rancher with controlling interest. In a corporation, 51 percent of the interest must be owned by family farmers and ranchers.

“We added on that they can only own 160 acres, and a shareholder can only be in up to five of those areas,” Watne told KFGO News. “And so, there’s a limitation on how big they can become. That’s the primaries, it’s really important that if we’re going to allow this, it’s important that we have family farmers and ranchers controlling this.”

According to the group, North Dakota Farmers Union will continue to protect family farmer and rancher control of animal agriculture.

## North Dakota Soybean Growers support corporate farming bill

The North Dakota Soybean Growers Association supports the current version of the corporate farming bill as it passed out of the House of Representatives.



"The Pioneer Family" stands in front of the North Dakota State Capitol on July 14, 2016, in Bismarck. Michael Vosburg / Forum Photo Editor

**Opinion by Kasey Bitz**

February 23, 2023 at 5:30 AM

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Opinion

The North Dakota Soybean Growers Association supports the current version of the [corporate farming bill as it passed out of the House of Representatives](#).

Should this bill pass, it would protect family farmer and rancher control of livestock production, while allowing for the infusion of capital that many say would energize animal agriculture in our state.

HB 1371 limits any one corporation to owning 160 acres and prevents any shareholder from investing in more than 640 acres of animal feeding operations. The bill also prohibits these new entities from growing crops or grazing livestock in North Dakota. HB 1371 will promote responsible growth in animal agriculture, adding value to North Dakota soybeans and other crops.

(Kasey Bitz is the president of the North Dakota Soybean Growers Association and a LaMoure, North Dakota, farmer.)



## North Dakota Soybean Growers Association

February 23 at 7:31 PM · 🌐

The North Dakota Soybean Growers Association supports the current version of the corporate farming bill (HB 1371) as it passed out of the House of Representatives. Learn more:



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### North Dakota Soybean Growers support corporate farming bill



## NDFB

January 27 · 🌐

NDFB President [Daryl Lies](#) testified in favor of House Bill 1371 this morning. The bill seeks to modernize the definition of production agriculture and the business structure arrangements associated with livestock production.

