

Testimony HB1371

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Testimony in Opposition for HB 1371

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee. I am here today to deliver testimony on behalf of the members of Dakota Resource Council.

Dakota Resource Council is a family farm and conservation organization. We were founded in 1978 by farmers and ranchers that wanted to protect their way of life and interests in the face of widespread energy development, but at the heart of it, we've always stood to protect family farms. Dakota Resource Council opposes HB 1371 because the bill opens North Dakota to industrialized corporate agriculture.

It's been said time and time again that we lag behind our neighbors in animal agriculture and the governor appears to have a 5 year plan for developing an entire animal livestock industry. But I have yet to hear the stress this will bring to our state and communities. Please consider the consequences of passing HB1371:

#### Communities and Family Farms aren't ready for Industrial Agriculture

Let's start out with the narrative that South Dakota, Minnesota and Nebraska are "kicking our butts" in livestock production. It seems to be implied that South Dakota didn't allow corporate farming and then when they did it supercharged their industry. I will get to this a bit further in my testimony but South Dakota already had 1.3 million pigs on around 1500 farms in 2002 before their law was put into place. It is extremely clear that there are other reasons that North Dakota doesn't have livestock, cold weather, lack of processing, and high transportation costs.

We currently have 169,000 hogs in the State of North Dakota. If we wanted to crack the top 15 we'd need about a million pigs, to get to 10 we'd have to add around 2 million pigs to beat South Dakota, 3.5 million to beat Nebraska, and 7.5 million if we wanted to beat Minnesota. But what do those numbers mean? The population of North Dakota is around 774 thousand people for comparison.

Pigs excrete an average of 11 pounds<sup>1</sup> of manure and urine every day. A CAFO that houses 5,000 pigs is comparable to a town that houses 50,000 humans, a greater population than all but 3 cities in North Dakota. Iowa, that has a human population of 3 million, has a hog population that produces sewage that would be produced by 168 million people, nearly half the population of the United States. In ND, CAFO's and their wastes will most likely be concentrated in the east because the western counties don't have the infrastructure that allows the hog or turkey farms to be most profitable. So it will be the eastern side of the state taking all of the pollution while a portion of the profit leaves the state.

Look no further than a state like Iowa, which has massive corporate hog farms to see the result of corporate agriculture. Des Moines, Iowa's most populous city recently had to spend millions of dollars to clean up its drinking water after it was contaminated by manure spreading and runoff from corporate agriculture operations<sup>2</sup>. The Iowa Department of Resources had to defend itself against Des Moines who tried to sue for damages to the Raccoon River. Many of our communities, like Valley City, Fargo, and Grand Forks rely directly on river water for drinking and CAFO runoff will cost our local governments millions of dollars to ensure there is clean drinking water for humans.

This isn't about putting a few extra barns in North Dakota. We make this point in order to make sure you as a body understand the possible scale of animal agriculture this change in law could create. And once you invite animal agriculture at such a scale, it is very difficult to reverse course.

#### HB 1371 will threaten control of the Family Farm

We foresee one of two scenarios occurring if this law is passed in its present form:

1. Family Farms maintain full control of their operation because of their majority interest. However, corporate interests may not want to invest in operations they cannot control, so there is not a large amount of corporate investment.
2. Despite having control of the farm on paper, family farms become dependent on outside capital from corporations and the corporations through financial leverage and access to necessary capital are able to control family farms because without the capital the family farmer cannot have an animal agriculture feeding operation.

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<https://www.forbes.com/sites/bethhoffman/2014/05/13/what-the-pork-china-pigs-and-poop/?sh=5edd24aa4d17>

<sup>2</sup><https://www.circleofblue.org/2020/world/des-moines-river-essentially-unusable-for-drinking-water-due-to-algae-toxins/>

We would predict that scenario 2 would be the most likely scenario play out in North Dakota. If corporations own a stake in your farm, and if the majority interest makes a decision that can hurt their interests, the minority shareholder can sue the farm for damages.

Presently, North Dakota law allows two unrelated North Dakota resident farmers to partner with each other through general partnerships, limited partnerships, LLPs, LLLPs, and cooperatives. In fact, the current law even allows unrelated family corporations to farm or ranch together through any partnership structure. If farmers in North Dakota want to pool their resources, they can, and they already do through these structures. And as a result, make this law unnecessary.

#### HB 1371 will devastate rural communities

Corporate animal agriculture socially and economically devastates rural communities. According to a Food and Water Watch Report, “Counties that sold the most hogs and those with the largest farms suffered declines across several economic indicators — including real median household income and total wage jobs — over roughly the same time period<sup>3</sup>. These counties also experienced significant population decline — twice the rate of Iowa’s more rural counties.” It might take people to run the animal farms, and there will be truckers, feed, and some support industries, but it’s all going to be from one company when they strongarm every competitor out of business regardless of how much control the family farm has on paper.

South Dakota overturned its anti corporate farming law in 2003. National Agricultural Statistics Service( NASS) data from 2002 shows **1506** farms raising a total of 1.37 million hogs. 191 were farms with 1000-4999 hogs and 66 had over 5000 hogs. By 2007, the number of farms with hogs was down to **959**, in 2017, this number was down to **571** but farms with over 5000 hogs were up 60% at 105. Clearly the smaller operations are getting squeezed out. The data clearly shows that farms are being lost by policy decisions making small farms harder to run a profitable enterprise and no amount of corporate cash will stop that.

year	#Total hogs	#farms	#farms 1000-4999 hogs	#farms over 5000 hogs
2002	1,375,000	<b>1506</b>	191	66
2007	1,490,000	<b>959</b>	171	92
2017	1,560,522	<b>571</b>	115	105

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<sup>3</sup> <https://onlineacademiccommunity.uvic.ca/asri/tag/water/>

### CAFO operations need permitting, inspections and enforcement of regulations

1. The Department of Environmental Quality has the authority to permit, inspect and enforce CAFO operations. This body needs to fund additional FTEs in the Department of Environmental Quality to deal with the influx of operations seeking permitting. Assuming that your target goal is cracking the top ten in animal agriculture, you'd need about 400 operations of 5,000 hogs each, 800 if you were permitting 2,500 animal barns. That's not even counting other types of livestock operations.
2. More FTEs at the Agriculture Department specializing in CAFOs to deal with the increased number of operations on an ongoing basis. These facilities need to be inspected annually, submit data throughout the year. The Livestock Manual needs to be reviewed and revised to establish that its provisions have the force of law and provide for clear, reasonable, enforceable regulations that will minimize these operation effects on surrounding communities, human health and natural resources.
3. More FTEs in the Secretary of State and Attorney General's office to ensure that these contracts fall under the new guidelines and violations are addressed promptly.

Passing this law will have serious implications to our state's environment and economic state. We urge a DO NOT PASS and stand for questions.