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**Testimony of
Mark Watne
North Dakota Farmers Union
Before the
Senate Agriculture and Veterans Affairs Committee
March 24, 2023**

Chairman Luick and members of the committee,

Thank you for the opportunity to comment on House Bill 1371. NDFU's official position on the bill before you is "neutral."

As you know, North Dakota Farmers Union's Policy & Action opposes changing the corporate farming law. For 90 years, we have defended that law as a way to keep agriculture in the hands of family farmers and ranchers. That underlying philosophy has not changed.

In early February, our Board of Governors voted to pursue amendments to HB 1371 that addresses each of our members' most significant concerns with the original bill. We worked diligently with the bill's prime sponsor to develop the agreement before you. We met with each of the bill's sponsors to discuss that agreement. Since the bill passed the House, we have continued to work with the Department of Agriculture to make several additional clarifying changes.

The bill before you protects the core principle of family farmer and rancher control. The bill creates new authorized livestock farm corporations and authorized livestock farm LLCs. These new entities must be majority-owned by family farmers and ranchers.

HB 1371 includes several additional changes from the original bill. Those include stronger acreage limitations, restrictions on foreign ownership, and a limitation on the number of shareholders. The bill also ensures these new entities are subject to the same reporting and enforcement standards as family farm corporations and family farm LLCs.

We recognize this legislature's interest in reforming our state's corporate farming law. While our members don't necessarily agree with that motivation, this bill offers a meaningful solution for all sides of the discussion. It allows unrelated farmers to incorporate together. The bill allows farmers and ranchers to access outside investment. And it preserves family farmer and rancher control of these new operations.

Thank you for your consideration. I will ask my staff to address any remaining technical questions with the bill and the amendments.