Testimony in favor of 1501

Good Morning, Chairman and Committee, my name is Phil Murphy, Government Liaison for the ND Soybean Growers Association (NDSGA).

This is a simple bill which changes the ND Soybean Council (NDSC) in the Century Code from a Special Funds state agency to become a private or nongovernmental entity. 1501 offers a chance for legislators to be able to do what nearly all would like which is to downsize government, eliminate regulation/redundancies and red tape. You may have already heard testimony explaining that *the NDSC uses no taxpayer dollars* – it all comes from soybean grower's pockets through the Federal Checkoff. At first, all soybean checkoffs were by state authorities when the crop began to grow in popularity. In ND, 1982 saw soybeans grown mostly in just a few counties use acreage dwarfed by wheat, sunflowers and barley. Those three used over 15 million acres while soybeans were under 500,000. By 1991, as a result of farmer led efforts, the national soybean checkoff was created by the USDA, gathering all state soy checkoffs under its umbrella. Because there is already a Federal framework for accountability and compliance with state regulation no longer needed, 20 of the major soybean producing states eventually transitioned themselves away from the redundancies 1501 is striving to eliminate. There are a few states like ND which have simply never taken up the effort. The past forty years have seen soybean acres and crop value rise to often become the number one crop in the state, and now our soybean industry is poised to take off like never before. The timing of new crush plants combined with the value of soybean oil means opportunity to grow and change with the times. The ability to pivot and react in our quickening era would be enhanced by the passage of 1501. The NDSC has a Board of Directors and Executive Director experienced and confident enough to make the next step and operate as the privately funded business they could have been since 1991.

The inefficiencies imposed by state regulations are real. Here are some examples of how operating privately would help the business of the Council and relieve state agencies of burden; When the Council wishes to help, say, a research station buy a tractor or combine, they might have the money and full board approval, but must submit and put in a RFP to the Office of Management and Budget for any amount over ten thousand dollars he(weeks of delay) there is also the Human Resources component which includes a lengthy (a couple of months) vetting for hiring and another process for reduction of staff. Legal consultations require usage of an attorney from the Attorney General's office. Also, the State Auditor's Office must conduct a yearly audit whereas all other state commodity groups require one every two years. The overburdened State Auditor's office recently testified that they have forty clients waiting to get on the auditing list. When trying to get things done in your business whether its farming or not, regulations slow the pace of one's progress. Executive Director Sinner has typified the work involved dealing with state regulations as taking about one third of her time as well as that of her financial staffer. We can provide you with more examples of how state rules hinder the progress of the NDSC if you wish.

You all may know that the NDSGA can advocate while the Soybean Council is held primarily to education, research and creating market value. That is why I stand before you contracted by the Growers rather than the Council. NDSC Executive Director Stephanie Sinner and Board Chairman Chris