

## Testimony for 1370 - Tax exemption on grain storage

Chairman Kannianen and committee, my name is Phil Murphy representing the ND Soybean Growers Association in support of 1370. You may know that about 90% of ND soybeans leave the state on trains for the Pacific NW and ultimately 70% of those go to China. That is on the cusp of changing in a dramatic fashion very soon. With a new soybean crush facility coming online this year, another the next and what appears to be more to come, the opportunities to supply soybeans year 'round at a premium may well incentivize producers to build storage. If they do, the permanent jobs, valuable products and expensive facilities with surrounding improved infrastructure will survive and thrive. But on farm storage carries a hefty price tag.

The round, above ground grain bins with cement floors, venting, fan systems and so forth cost between \$2.50 and \$3.50 per bushel (according to a quote from a large dealer last week, a 62,000 bushel bin with the works will pencil out at around \$2.50 while the smaller bins get more expensive). That's a hundred fifty grand or so which is about what my house would be worth if it had a good basement. Anyway, it's a lot of money and I believe it to be fairly obvious that the point of this bill is to encourage our growers to store. Elevators will take and keep soybeans for a price, but they have always turned around and put the beans on a train for the PNW. They do not have storage for keeping all year. This bill gives ND a chance to nudge our nascent value-added industry along and make it a success story for decades to come. Please consider granting this sales tax exemption to help our entire state economy.