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**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Finance and Taxation Committee
March 6, 2023**

Chairman Kannianen and members of the committee,

Thank you for the opportunity to testify in support of House Bill No. 1370. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's members.

NDFU supports HB 1370, which establishes a sales tax exemption for grain bins and materials used to construct or repair grain bins. The bill is intended to support an expansion of on-farm grain storage in the near-term and provides an expiration date of July 1, 2025.

As you know, the establishment of new soybean crush facilities in Spiritwood, Casselton and Grand Forks will expand North Dakota's soybean crush capacity to roughly 140 million bushels. In conversations with those projects and other processors, NDFU and commodity groups have learned about those facilities' interest in expanding on-farm storage. HB 1370 was developed in response to those needs and is modeled after a policy that has existed in Iowa since 2019.

Expanding on-farm storage is a win-win for farmers and commodity processors. For example, soybean crush facilities benefit from year-round access to locally available soybeans. Farmers benefit from more flexibility in their marketing strategies. As the attached chart illustrates, average soybean prices are 80 cents higher in May than during harvest. Expanded on-farm storage gives farmers the opportunity to capture those higher prices. Of course, these benefits are not unique to soybeans; expanding on-farm storage benefits producers and processors of all commodities.

NDCC 57-39.2-04.4 authorizes North Dakota's existing sales tax exemption for materials used to construct agricultural commodity processing facilities. That exemption includes materials used to construct on-site grain storage. Given the benefits to farmers and processors for robust on-farm storage capacity, we believe temporarily extending the sales tax exemption to on-farm storage is an important step forward.

Thank you for your consideration. We respectfully request a "Do Pass" recommendation on HB 1370.

