

## TESTIMONY ON HB: #1207

My name is Scott Shively. I have ran a seedstock Angus program in Pleasant Lake, N.D. for 50+ years. I voted for the Beef Checkoff in the 1980s. One of the important promises of the Beef Checkoff was that it would be apolitical. The Beef Checkoff has failed miserably at the state and federal levels on being apolitical as well as having serious transparency and accountability issues. Beyond that the creation of the Beef Commission by ND Statute causes the commission to operate with a serious lack of oversight. A legislature lacking in an understanding of Beef Checkoff rules and laws afford producers little chance to affect their Beef Checkoff.

In North Dakota the North Dakota Beef Commission is a state agency created by statute that has served a political group, the North Dakota Stockmen's Assn. The way the law was written and politics has maintained that control. Previous legislative assemblies have failed miserably to address the problems that the appointment system has caused.

The Beef Checkoff in North Dakota must belong to the producers regardless of membership in any group. That has absolutely not been the case since the Beef Checkoff and the North Dakota Checkoff were created. Eighty percent of beef producers (checkoff payers) have no serious relationship to any of the groups with direct interest in the checkoffs. That would include NDFU, NDFB, NDSA and IBAND. These producers do have common opinions on many issues affecting producers. Some of those most important issues are truthful labeling of beef, promotion of North Dakota produced and processed beef, eliminating the electronic identification mandate, reforming the Beef Checkoff (state and federal) , a distrust of NCBA as well as packer concentration and funding and enforcing of the Packers and Stockyard Act. These prevent beliefs have not been shared with some of the groups involved with the Beef Industry in North Dakota especially the North Dakota Stockmen's Assn. an affiliate of NCBA.

I have personally witnessed many acts of the bending and breaking of rules that govern the Beef Checkoff as well as the breaking of North Dakota statutes and rules a couple of which would be the open meeting law and rules preventing agencies from interfering in/ lobbying on legislation pending regarding the ND Beef Commission.

Neighbors Montana and South Dakota have commissions and councils that share by appointment seats with most of the interested parties. The diversity on their boards serves the Beef Checkoff and producers well. Again this is absolutely not the case in North Dakota. The fairest way to resolve the issue is free and open elections with the beef producers of North Dakota electing their representation.

I am testifying favorably toward an election process but believing the bill needs to be amended to make it much simpler and cheaper to administrate. I would favor self certification by

affidavit with ballots available to be downloaded from the Beef Commission. The district parts of the bill look ok .

North Dakota producers signed petitions on the federal Beef Checkoff to support a referendum. They would likely do the same in North Dakota. Those in North Dakota that express the opinion that North Dakota producers approve of the way the North Dakota Beef Commission and Beef Checkoff operate admit over and over again that the referendums would kill the checkoffs. That is clearly not approval.

Some of the ways those whom have tried for a seat on the North Dakota Beef Commission but failed to be appointed would advocate to change would be the following:

Making the NDBC more focused on spending the dollars at their discretion in North Dakota vs. handing them over to the control of a political group which does not have producers back.

Promoting North Dakota beef would be more of a priority.

They would skip the \$2000 dollar NCBA “brainwashing” of new members or at least give commissioners the choice on whether to attend.

A more diverse board would allow commissioners to present NDBC and Beef Checkoff information to any groups they may be involved in.

A more diverse commission would serve as a sort of checks and balances with a more robust discussion on spending and operating. The NDBC collects a checkoff on smaller cattle sales than Montana and South Dakota but spends more to operate its commissions.

It is long past time for the legislature to either fix the problem or do away with the statute and the commission altogether and let someone else operate the Beef Checkoff fairly.

SCOTT SHIVELY