



SENATE BILL NO. 2020
SENATE APPROPRIATIONS GOVERNMENT OPERATIONS DIVISION
TERRY WANZEK, CHAIR
TESTIMONY IN SUPPORT OF SENATE BILL 2020

Chairman Wanzek and members of the Senate Appropriations Government Operations Division. My name is Parrell Grossman and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear in support of Senate Bill 2020.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota soybean farmers planted 6,600,000 acres of soybeans, producing over 245 million bushels of soybeans.

Not everyone immediately realizes the agricultural economic impact in North Dakota. According to a 2022 North Dakota Agriculture Industry Economic Contribution Analysis conducted by the NDSU Department of Agriculture, the economic contribution to North Dakota is \$30.8 billion, including \$18.8 billion from direct output and \$12 billion from secondary output. We encourage this legislature to continue to significantly invest in agriculture in North Dakota.

North Dakota's farmers, like Ryan Pederson from this morning and others mentioned throughout the hearings, are hardworking individuals carrying on multi-generational family farms. In addition to the constant risks of weather, disease, and low prices, they now face challenges in ever-changing market conditions or regulatory environments. Now, issues of low carbon intensity and carbon management in crop planting are a new and serious challenge.

Sometimes, farmers must be thinking, "can't we just get a little help here?" Well, we know NDSU and Dr. Lardy's team are the perfect ones to do so.

The funding request for the Biofuels and Carbon Initiative position is critical for North Dakota. You will recall the testimony or comments this morning of soybean

farmer, Ryan Pederson, from the Rollette area. Ryan farms approximately 2,200 acres of soybeans. He clearly has substantial experience and expertise with soybean crops. Ryan has an impressive resume with state and national agricultural associations. Among the other organizations he outlined, he currently represents the North Dakota Soybean Council on the Clean Fuels Alliance America Board, the industry trade association representing Biodiesel, Renewable Diesel and Sustainable Aviation fuel.

Ryan spoke about his experience of participating in many university and private farm research projects. He detailed his experience with a pilot program with Virginia Tech and North Dakota Farmers Union. While he praised that program, he noted that experience demonstrated the complexities of these programs. While Ryan did not mention it, he earned a Master's Degree in Agriculture Economics from Purdue University. So, when Ryan talks about the complexities of these farming programs or practices, we should take notice.

Once we do the research requested in the Experiment Station section, it is critical to provide the conclusions to our producers. Demand for information related to carbon management is exceeding current staff capacity.

In the biomass based diesel segment, there is demand for ever lower carbon index scores. Learning more about successful carbon lowering practices will help support our efforts to lower the soybean carbon index score.

In addition, industry is moving quickly with numerous carbon management offerings in response to changing carbon management policies. Tracking all the offerings can become a full-time job. Not everyone is staffed to do an analysis of which of the many offerings would make the most economic impact on a given operation.

Those farmers in states that adapt to meet the market preferences and demands for low carbon intensity, including in biodiesel and ethanol production, definitely will have a huge advantage in future market successes. North Dakota must be one of those states, and the legislature could exponentially speed up that result with this position and funding. As some of the materials provided to this Committee note, this shift to markets with low carbon intensity (CI) “necessitates a comprehensive understanding of climate smart practices and the intricacies of carbon contracts.”

Along with all of the SBARE priorities Dr. Lardy and his team have presented as part of this proposed legislation, we strongly encourage you to support the Biofuels and Carbon Initiative position for the reasons provided.

With that, Chairman Wanzek and members of the Government Operations Division, the Soybean Grower's Association supports the funding requests in Senate Bill 2020 and respectfully urges you to give Senate Bill 2020 a "Do Pass" recommendation.

Thank you and I would be happy to answer any questions.