



**North Dakota Grain Growers Association
Testimony in Opposition to HB 1509
Senate Agriculture and Veterans Affairs Committee
February 20, 2025**

Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association (NDGGA). I appear before you today in opposition to HB 1509.

HB 1509 proposes significant changes to the oilseed council's assessment refund process. We believe these changes are detrimental to the council's operations, the stability of the agricultural checkoff system, and ultimately, the interests of North Dakota oilseed producers.

The current refund process, codified in Section 4.1-09-19 of the North Dakota Century Code, is the result of extensive legislative and stakeholder input and has served the industry effectively for the past 15 years. It provides a balanced approach, allowing producers to access refunds while ensuring the council can effectively manage its budget and plan for critical research, promotion, and education initiatives.

HB 1509 introduces four key changes that pose serious concerns:

* Elimination of the Initial Refund Request: Removing the requirement for a written request within 60 days of assessment significantly hampers the council's ability to forecast refund requests and budget accordingly. This lack of predictability could lead to financial instability and jeopardize essential programs. It also takes out the personal responsibility for requesting a refund, which is an important balance for the greater than 95% (vast majority?) of producers that support the check-off and the value it provides to all producers.

* Extended Refund Application Period: Expanding the application window from 90 days to a full year, coupled with the 30-day processing requirement, creates a prolonged period of financial uncertainty. This extended timeframe makes long-term planning for research, market development, and education initiatives extremely challenging. How can the council

effectively commit resources when a significant portion of its funding could be subject to refunds up to a year later? As stated previously, the current 60-day period was the result of extensive work and review by the Legislature, and seems to work very well.

* Vague Electronic Application Mandate: The bill mandates electronic applications through "secured electronic means," a term that is undefined and ambiguous. This lack of clarity creates confusion and potential compliance issues for the council. What constitutes "secured electronic means"? This ambiguity places an undue burden on the council and could lead to unnecessary costs and administrative hurdles. It also could foster fraud and abuse.

*Broader Industry Implications: HB 1509 could set precedent affecting other checkoff organizations. This would threaten stability of commodity checkoff system across agricultural sectors and risk undermining critical industry functions such as research, market development and producer education.

Furthermore, these changes are being proposed despite a clear lack of demand from oilseed producers. The current system is supported by the majority of producers and functions efficiently. Why fix what isn't broken?

In conclusion HB 1509 threatens the stability of the entire checkoff system, which is vital for funding research to improve profitability and quality, developing domestic and international markets, and providing essential education programs for producers and consumers.

Therefore, Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, the North Dakota Grain Growers Association stands in opposition to HB 1509 and would hope the Committee and the full Senate concur.