

Greetings Mr./Madam Chair, members of the Committee, I'm Kathrin Volochenko of the **Nonpartisan League**.

I request that this committee bring **Senate Bill 2342** in its current form to the floor with a **"Do Not Pass"** recommendation. The reasons are as follows:

*"5. The agriculture diversification and development committee shall develop a value - added milk processing facility incentive program to provide grants.*

*a. Grant funding under this subsection is limited to the lesser of ten million dollars or five percent of the total construction cost of building a value - added milk processing facility in the state capable of producing at least five million gallons of milk each year.*

*b. Grant funding under the program is a reimbursement for infrastructure, site acquisition, or other capital expenditures necessary for the value - added milk processing facility construction, including natural gas supply, electricity supply, roads, water lines, wastewater lines, storm water conveyance, or rail lines.*

*c. Upon achieving one hundred percent of the production capacity of the value - added milk processing facility, the agriculture commissioner shall distribute the grant award from funding available in the agriculture diversification and development fund."*

This proposed addition to "Section 4.1-01.1-07 of the North Dakota Century Code", which, if approved and signed into law, would allow North Dakota taxpayer dollars to subsidize private entities that few residents would want **upwind** of their cities and homes with the added risk of aquifer contamination.

A better idea would be to take the proposed "10 million dollar cap, or five percent of the total construction cost", and build a North Dakota State-Owned "Value-Added" milk production facility using the same or similar business model as the State Mill and Elevator, provided that there are strict odor and environmental controls in place. Then, as stakeholders, we would have the opportunity to express our ideas and opinions.

It's one thing to subsidize a new start-up ag-oriented business or expand an existing ag-oriented business with a cap on animal numbers, acres planted, or

building square footage. However, it's quite another to use taxpayer dollars to subsidize extremely large-scale facilities such as you're proposing.

In conclusion, please consider the implications of such a revision and recommend a **“Do Not Pass”** for SB 2342 in its current form.

Thanks for your time and attention.