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**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Agriculture and Veterans Affairs Committee
February 6, 2025**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on Senate Bill No. 2342. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports SB 2342.

SB 2342 establishes a new Value-Added Milk Processing Facility Incentive Program. The program would provide incentives to a new dairy processor after the facility is fully operational. The new program would operate under the purview of the Agriculture Diversification and Development (ADD) committee. The ADD Committee has demonstrated a strong ability to make wise investments that benefit agriculture and the broader economy.

As you know, North Dakota dairy producers have faced significant headwinds in recent years. The 2023 closure of the processing facility in Bismarck has forced our remaining dairy farms to ship their milk much longer distances. Increased transportation costs cut into dairy farmers' already razor thin margins.

Two proposed dairies in the eastern half of the state will reverse North Dakota's trend of declining production. However, the survival of the state's existing dairy farms and the future growth of the industry depend on producers' access to processing. This legislation sends a strong signal to any potential processor that North Dakota is willing to be a strong partner.

We respectfully request a "Do Pass" recommendation on SB 2342. Thank you for your consideration. I will stand for any questions.