NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

COMMERCE AND AGRICULTURE COMMITTEE

Thursday, September 10, 1998
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Duane Mutch, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Duane Mutch, Meyer Kinnoin, David O'Connell, Harvey Sand, Herb Urlacher; Representatives Jack Dalrymple, Glen Froseth, Pat Galvin, Lyle L. Hanson, Dennis Johnson, George Keiser, John Mahoney, Eugene Nicholas, Earl Rennerfeldt, Arlo E. Schmidt

Members absent: Representatives Jim Poolman, Lynn J. Thompson

Others present: See attached appendix

It was moved by Senator O'Connell, seconded by Representative Dalrymple, and carried on a voice vote that the minutes of the April 21, 1998, meeting be approved as distributed.

AGRICULTURAL RESEARCH BOARD

Chairman Mutch called on Mr. Jerry Doan, Agricultural Research Board, for presentation of the Agricultural Research Board's annual evaluation of research activities and expenditures as required by North Dakota Century Code Section 4-05.1-19. Mr. Doan said the 1997 Legislative Assembly created the Agricultural Research Board, which consists of 15 members. He said the board has great potential, and officials in several other states are watching the board to see how well it functions. He said the board has a very diverse membership, which assists in its purpose of identifying problems in agriculture and reacting to those problems through research. He said the board conducted a survey of bankers, producers, implement dealers, and others to try to identify the problems affecting agriculture so that the research could be focused on the major problem areas. In addition, he said, the board conducted a review of the entire research program at North Dakota State University and found that although some areas were performing excellently, other areas needed strengthening.

Mr. Doan said the board asked administrators at North Dakota State University to develop initiatives to address problem areas. He said the board learned that it had to look at the big picture regarding crossing disciplines, there was a lack of assistantships and graduate students at the university, and there was a need for cost-sharing with producers for research. He said $5 million in initiatives were identified by the administrators, and the board prioritized the initiatives so that approximately $3 million would be required to implement the initiatives. To achieve the implementation, he said, the board planned to request $2.7 million from the state and reallocate approximately $300,000 within the university. After the Governor directed the university to establish a 95 percent budget, he said, the board requested the department heads to suggest proposed budget cuts. He said the budget proposals were then combined with the initiatives into one package.

Mr. Doan submitted documents summarizing the Extension Service budget proposals for 1999-2001 and the ranking of proposed initiatives and program reductions, copies of which are on file in the Legislative Council office.

Mr. Doan said one area that has been somewhat confusing for the board is the fact that the board serves in an advisory capacity to the Extension Service. He said the board has attempted to fit the extension programs with the research agenda. He said the board has also worked with the Northern Crops Institute to discuss the impact of cuts in the Animal Science Department. In addition, he said, the board has spent time discussing the gas tax research fund and has signed a contract for administration to be provided on an hourly basis. He said 80 proposals have been submitted and some projects may be funded within the next few months. He said a major goal of the board is to get approval for the building of an animal research facility at North Dakota State University.

In response to a question from Representative Dalrymple, Mr. Doan said he does not favor the method through which the appointment process was established for board members. He said the board has experienced some difficulty working with the State Board of Higher Education in the selection of candidates. He said the State Board of Higher Education is not the group best able to determine the qualifications of the members of the Agricultural Research Board.

In response to a question from Representative Schmidt, Mr. Doan said the board needs consistency and the initial terms of some board members were too short to ensure that consistency.

In response to a question from Representative Hanson, Mr. Doan said the board is reviewing all of the research stations to determine how each station fits into the entire system. He said it does not make any sense to close a station until the whole system is reviewed.

WORKERS' COMPENSATION REPORTS

Chairman Mutch called on Mr. Michael Wolf, Workers Compensation Bureau, for comments regarding the bureau's safety audit of Roughrider Industries work programs and the performance of the modified workers' compensation coverage program as required by North Dakota Century Code Section 65-06.2-09. Mr. Wolf submitted written comments, a copy of which is on file in the Legislative Council office.

Mr. Wolf said modified workers' compensation coverage was established for inmates incarcerated at the Penitentiary and engaged in work in a prison industries work program. He said the bureau, in cooperation with the Department of Corrections and Rehabilitation, adopted administrative rules and fee schedules for the modified coverage. Because Roughrider Industries has not applied for or requested an account to be established for modified coverage, he said, the bureau is unable to do a performance audit of the program. He said a representative of Roughrider Industries has indicated that modified coverage may be needed for Roughrider Industries when a prison industry program is established at the James River Correctional Center.

In response to a question from Senator Sand, Mr. Dennis Fracassi, Roughrider Industries, said the intent of the modified workers' compensation coverage program was to allow Roughrider Industries to move forward with partnerships with private industry and sell products beyond the borders of the state. He said Roughrider Industries has met with approximately 85 businesses in Jamestown to discuss the establishment of a prison work program at the James River Correctional Center.

In response to a question from Representative Mahoney, Mr. Fracassi said the Department of Corrections and Rehabilitation will be responsible for injuries sustained by prison industry workers and will have coverage through the state risk management fund as well as reinsurance. He said the impact on the Workers Compensation Bureau will be no different than any other workers' compensation program.

Chairman Mutch called on Mr. Pat Traynor, Workers Compensation Bureau, for comments regarding the bureau's study of its wage-loss benefit structure as required by Section 7 of Chapter 257 of the 1997 Session Laws. Mr. Traynor submitted a written report, which was prepared by Mr. John Halvorson of the Workers Compensation Bureau, a copy of which is on file in the Legislative Council office.

Mr. Traynor said the study reviewed the adequacy of benefits for people prevented from returning to work for more than five days. He said the study focused on short-term disabilities. Although the percentage of wage-loss claims per 100 covered workers has decreased to 1.06 workers for 1997, he said, more safety prevention programs are needed to reduce that number further. He said the bureau safety program has grown tremendously but can still do better.

Mr. Traynor said injured workers in North Dakota receive wage-loss benefits at a rate comparable to, or slightly higher than, the average benefit rates in other states and the wage-loss benefit structure is fundamentally sound. He said the report concluded that many disabled workers receive benefits that are actually higher or lower than the rate recommended by the 1972 National Commission on State Workmen's Compensation Laws because of the minimum benefit and the maximum benefit cap. He said the bureau's study indicated that the Legislative Assembly could ensure that a higher percentage of disabled workers receive benefits at the statutory rate by increasing the maximum benefit cap or decreasing the minimum benefit. He said the report provides various options that the Legislative Assembly could consider including:

1. Increasing the maximum benefit cap, which would give North Dakota one of the highest caps in the country.
2. Changing the minimum benefit to bring it in line with that in other states.
3. Adopting a benefit rate based on net wages rather than gross wages.
4. Amending the definition of "net wage" to include the impact of state taxes.

Mr. Traynor said the study of the comparison of postinjury benefits to preinjury benefits for long-term benefit recipients indicated that benefit levels are sufficient for nearly 72 percent of those surveyed. He said over 27 percent are receiving over 125 percent of their preinjury net wages. He said the report concluded that with the current workers' compensation benefit levels and yearly Social Security disability cost-of-living adjustments, most injured workers receiving both wage-loss benefits and Social Security disability can save toward retirement at least to the degree that they were able to before the injury.

It was moved by Representative Dalrymple, seconded by Representative Nicholas, and carried on a voice vote that the committee accept the report of the wage-loss benefit structure study.

ECONOMIC DEVELOPMENT STUDY

Chairman Mutch called on Mr. Kevin Cramer, Department of Economic Development and Finance, for comments regarding the transfer of assets of Technology Transfer, Inc., to the Development Fund as required by the 1997 Legislative Assembly.

Mr. Cramer said Technology Transfer has transferred its external functions to the Development Fund. He said the 1997 Legislative Assembly left in place one staff person for Technology Transfer, and the duties of that person were absorbed by other staff when the individual holding the position left the department. He said the Technology Transfer Board and the Development Fund Board recently held a joint meeting to discuss the merger of Technology Transfer into the Development Fund. He said the Department of Economic Development and Finance is attempting to absorb the functions of Technology Transfer within the entire agency so that all aspects of the department are able to address the concerns of Technology Transfer. Without Technology Transfer, he said, there will likely be a gap in financing of projects that would have been eligible for funding from Technology Transfer. He said the board is attempting to identify the assets of Technology Transfer and has found that there are approximately 48 investments that have a realistic chance of returning money to the fund. He said if those investments are nurtured properly there could be a long-term return of $2.5 million.

In response to a question from Representative Froseth, Mr. Cramer said the law requires the assets of Technology Transfer to be moved to the Development Fund. He said under the current economic development structure, the Development Fund is the only real logical place to transfer the assets of Technology Transfer.

In response to a question from Representative Dalrymple, Mr. Cramer said the Technology Transfer Board has learned through the years and made more quality investments recently. He said he realizes that the Legislative Assembly intended to get away from designating economic development funds for certain purposes but yet wants to have assistance available for projects that hold great potential. He said the department is looking for more collaborative opportunities such as working with the universities and other development entities.

In response to a question from Representative Dalrymple, Mr. Cramer said the Agricultural Products Utilization Commission has the authority to invest in agricultural sector products that may have been eligible for funding from Technology Transfer.

Chairman Mutch called on Mr. John Van Middlesworth, Department of Economic Development and Finance, for comments regarding Technology Transfer investments. Mr. Van Middlesworth submitted written summaries of the 1997-99 Technology Transfer appropriation and Technology Transfer projects approved since 1992, copies of which are on file in the Legislative Council office.

Mr. Van Middlesworth said Technology Transfer has invested in 296 projects since 1991 and currently has approximately $387,000 available for new projects. He said Technology Transfer has invested in four projects during this biennium. He said the regional rural development revolving loan fund also set aside money for early research projects similar to those eligible for funding from Technology Transfer.

BOARD OF ANIMAL HEALTH

Chairman Mutch called on Dr. Larry Schuler, State Veterinarian, for comments regarding the annual report of the Board of Animal Health. Dr. Schuler said the president of the Board of Animal Health was recently notified that he had not been reappointed to the board and indicated that he would prefer not to present the report of the board. As a result, Dr. Schuler said he will present the report. Dr. Schuler distributed a copy of the annual report of the Board of Animal Health, a copy of which is on file in the Legislative Council office.

Dr. Schuler said the report of the board indicates that the short-term goals of the board focus primarily on improving compliance with laws and rules and delivering better service in the areas of importation requirements, nontraditional livestock, auction markets, MLV vaccine outlets, and office procedures. In addition, he said, the board is considering legislative proposals relating to the appointment of a consulting veterinarian for the board, allowing the board to request an administrative hearing on unlawful actions that endanger livestock, and allowing an exemption to the open records law for people that choose to participate in voluntary disease certification programs. He said the report also contains long-term goals of the board. He said the role of the board is changing and the merger with the Agriculture Department is proceeding fairly well.

In response to a question from Senator Mutch, Dr. Schuler said the board and Agriculture Department officials are working on learning their roles. He said the relationship is getting better as a result of defining the appropriate roles.

In response to a question from Representative Dalrymple, Dr. Schuler said the greatest risk to animal health in the state involves nontraditional livestock and the diseases and exposures that nontraditional livestock may possess.

In response to a question from Senator Sand, Dr. Schuler said aquaculture is a growing industry in the southern United States. He said the Board of Animal Health has no legal authority over fish farms.

In response to a question from Senator Urlacher, Dr. Schuler said there are over 200 licensed nontraditional livestock premises in the state. He said a growing industry revolves around exotic pets and the board is looking at licensing and import requirements for various species. He said the major problem facing the board is the shortage of manpower and the board plans to ask for additional support staff so that the veterinarian can do more veterinary work.

Chairman Mutch called on Mr. Wayne Carlson, Agriculture Department, for comments regarding the report of the Board of Animal Health. Mr. Carlson

said the merger of the Board of Animal Health with the Agriculture Department has been a positive change and adds to the expertise of the department. He said there have been a few problems along the way, but the board and the department have addressed most of the problems. He said the department or the board may propose legislation during the next legislative session to address some of the concerns regarding the merger. One of the biggest problems to address, he said, is the appointment of the State Veterinarian. He said the board and the department have agreed to disagree regarding the appointment process.

In response to a question from Representative Schmidt, Mr. Carlson said one area that may need legislation is a problem with lack of cooperation from state's attorneys regarding enforcement of animal health rules.

INDUSTRIAL HEMP STUDY

Chairman Mutch called on Mr. David Kraenzel for the presentation of a report from the Agricultural Experiment Station regarding its study of feasibility and desirability of industrial hemp production in the state as required by Section 1 of Chapter 56 of the 1997 Session Laws. Mr. Kraenzel and Mr. Tim Petry from the Department of Agricultural Economics at North Dakota State University addressed the committee by telephone conference call. Mr. Kraenzel and Mr. Petry reviewed the report of the study regarding industrial hemp, a copy of which is on file in the Legislative Council office.

Mr. Kraenzel said the study initially focused on the market for and the marketability of industrial hemp. He said there is a market for industrial hemp, but the size of the market must be defined to determine the economic opportunity for North Dakota. He said industrial hemp has potential to be an excellent rotation crop, but additional study is needed and existing laws must be changed to allow the growing of industrial hemp. He said eastern North Dakota is a logical place to grow hemp because of the climatic conditions and soil types. In addition, he said, central North Dakota may be suitable for growing industrial hemp. He said industrial hemp growers initially would likely need support with the administrative burden in growing the crop and with security.

Mr. Petry said a similar study was conducted in Oregon and the conclusions were similar, except that Oregon held limited potential for growing and processing industrial hemp as a viable industry. Because it is illegal to grow industrial hemp in the United States, he said, very little marketing research and agronomic information is available. He said industrial hemp is now being grown in Canada and additional data regarding the cost of production and crop yields will be available within the next year. He said more research on the crop's adaptability to North Dakota conditions is needed and the Experiment Station would like to continue the research.

Mr. Kraenzel said the report concludes that because industrial hemp may have potential as an alternative rotation crop, the Legislative Assembly should consider legislation that would allow controlled experimental production and processing. He said experimental production and processing would provide the necessary information to determine the marketability of the crop. He said the state already has processing facilities that should be able to handle the processing of the seed for oil. However, he said, the infrastructure for fiber processing would need to be established. He said education regarding the crop would be necessary to overcome the obstacles of negative perceptions of industrial hemp. As an example, he said, the National Farm Bureau has recently changed its stance regarding the growth of industrial hemp and no longer supports experimentation.

In response to a question from Senator O'Connell, Mr. Kraenzel said the cost per acre of growing industrial hemp and the yield varies depending upon the purpose of the crop. He said the yield for seed is significantly lower than the yield for fiber.

In response to a question from Senator Urlacher, Mr. Petry said the equipment needed for seeding and harvesting the crop is similar to equipment used for growing other crops in the state. He said if industrial hemp becomes a commercial crop, specialized equipment would likely be developed to plant and harvest the crop.

In response to a question from Representative Galvin, Mr. Kraenzel said Vermont recently passed legislation to legalize the planting and cultivation of industrial hemp for research purposes. He said more states will likely follow and the result may be pressure on Congress to legalize growing of industrial hemp. He said industrial hemp probably can be grown on sovereign Indian reservations because the reservations are not covered by federal laws.

Senator Sand said he is aware of industrial hemp being grown in Manitoba close to the Manitoba/North Dakota border.

In response to a question from Senator O'Connell, Mr. Petry said the problem that concerns law enforcement is the fact that it is not possible to differentiate between industrial hemp and marijuana. However, he said, genetic engineering may solve this problem. He said some studies indicate that marijuana grown in the vicinity of industrial hemp is likely to result in cross-pollination that generally reduces the potency of the marijuana.

In response to a question from Representative Schmidt, Mr. Kraenzel said studies have shown that industrial hemp reduces the growth of Canadian thistle. He said further research is needed to determine whether it is a biological or chemical reaction or simply due to the canopy of the industrial hemp.

In response to a question from Representative Froseth, Mr. Kraenzel said the study did not address what other countries have done regarding security

concerns. He said many other countries are more liberal as far as enforcement of laws affecting hemp.

Mr. Petry said a United Nations group recently addressed the question of enforcement relating to the growing of hemp in other countries. He said he would try to include additional information regarding that study in a followup report.

In response to a question from Representative Hanson, Mr. Kraenzel said the study indicated no specific diseases or insects that affect or are the result of the growing of industrial hemp. He said additional research should be done in that area.

In response to a question from Representative Rennerfeldt, Mr. Kraenzel said an area of concern is the potential for industrial hemp to become a noxious weed.

In response to a question from Representative Dalrymple, Mr. Petry said he is not aware of the amount of funding that would be necessary to continue the study for an additional two years. He said the Experiment Station director would have to work with the vice president to develop a potential budget.

In response to a question from Representative Nicholas, Mr. Petry said Canadian research indicates that the gross revenue per acre can vary from a high of $141 to a low of approximately $5.30. He said the average is about $73.50 per acre.

Mr. Cramer said a symposium will be held at the Winnipeg Convention Center on October 13-14 which will address the growing and marketing of industrial hemp. He said it is an important meeting that should be attended by representatives from North Dakota.

Chairman Mutch called on Mr. Floyd Boutrous for comments regarding the industrial hemp study. Mr. Boutrous said two of his sons are involved in a business in San Francisco which manufactures clothing from hemp. He said they import the hemp from China. He said his sons would manufacture the clothing in North Dakota if hemp were grown here. He said he is working to form a North Dakota Industrial Hemp Association to help develop industrial hemp as an alternative crop in North Dakota.

Mr. Nick Boutrous said his brothers employ approximately 23 people in their manufacturing business. He said the cost to manufacture the clothing would be significantly lower if hemp were grown in the United States. He said hemp can be used in making over 25,000 products and North Dakota should not delay continuation of experimenting with the growth of industrial hemp. He said Congress and the President should be pressured to change the laws prohibiting the growth of industrial hemp in the United States.

Mr. Kraenzel said timing is important to maintain comparative advantages and turn those advantages into a market advantage. However, he said, caution must be exercised in proceeding with the growth of industrial hemp.

In response to a question from Senator Sand, Mr. Nick Boutrous said there is a long history of growing industrial hemp in Manitoba. He said Winnipeg is being developed as the industrial hemp center of North America, and processing facilities are being built in Manitoba.

Mr. Kraenzel said he will furnish the Legislative Council with an addendum to the report submitted to the committee. He said the addendum will address a few additional issues, including the cost of continued research.

ANIMAL CONFINEMENT FEEDING OPERATION LAWS AND RULES

Chairman Mutch called on Mr. Murray Sagsveen, State Health Officer, for comments regarding the current laws and rules relating to the regulation of animal confinement feeding operations in the state. Mr. Sagsveen submitted written comments, a copy of which is on file in the Legislative Council office. Mr. Sagsveen said the State Department of Health has jurisdiction to regulate certain aspects of concentrated animal feeding operations, particularly with respect to water and air quality. He said the department has adopted administrative rules regarding the control of pollution from certain livestock enterprises, but the department does not have the authority to determine the location of a concentrated animal feeding operation. He said county and township zoning authorities are generally limited in their authority to zone normal farming operations, and it is difficult to differentiate between a normal farming operation and an enterprise of an industrial nature that may be beyond what is considered a normal farming operation.

Mr. Sagsveen said the litigation regarding the EnviroPork facility revolves around odors generated by the facility violating state standards, the lagoon being improperly constructed to adequately protect ground water, and the lagoon being permitted as a solid waste landfill. He said the odor problems at the facility have been solved to a certain extent by covering the lagoon with a layer of straw. He said the plaintiffs have not provided any evidence that the facility adversely affects the ground water, and the department is asserting that the rules adopted by the department specifically exempt agricultural waste from licensing requirements for solid waste landfills.

Mr. Dennis Fewless, State Department of Health, submitted written testimony regarding federal Environmental Protection Agency initiatives concerning concentrated animal feeding operations. He said the federal government enacted regulations addressing the control of livestock waste from animal feeding operations in 1972. He said a feeding operation is defined as a facility where animals have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period. He said a concentrated animal operation is defined as an

animal feeding operation that confines more than 1,000 animal units or confines between 301 to 1,000 animal units and discharges pollutants into waters of the United States. He said the Clean Water Act defines concentrated animal feeding operations as point sources subject to national pollution discharge elimination system review and potential permitting requirements. He said the State Department of Health has begun inspecting the larger concentrated animal feeding operations in the state, especially those close to waters of the state determined to have the greatest potential impact. He said the department will develop an inspection list which prioritizes the facilities that should be inspected by three years and by five years.

In response to a question from Representative Dalrymple, Mr. Fewless said the department inspects facilities on a complaint basis as well as the periodic inspections conducted of the bigger and newer facilities. He said the Environmental Protection Agency may provide federal funds to allow inspections for new and existing facilities. He said the department has had no complaints regarding discriminatory inspections.

In response to a question from Senator Kinnoin, Mr. Fewless said the department has been doing a good job of regulating the larger operations. He said those operations can be good neighbors. However, he said, some of the older operations located in areas that pose ground or surface water problems are tougher to address.

In response to a question from Representative Schmidt, Mr. Fewless said the Environmental Protection Agency is looking at national criteria to establish uniform regulations. He said the agency is requesting states to work together to develop a strategy for states in Region VIII. He said he is not sure how voluntary the strategy would be.

In response to a question from Senator Mutch, Mr. Fewless said current North Dakota regulations appear to meet all the requirements of the Environmental Protection Agency. He said the department will attempt to get North Dakota regulations approved by the agency and hopefully receive funding for an additional staff person.

Representative Dalrymple said even if North Dakota standards are reasonable, there is a serious pollution problem that must be addressed. He said if counties work together to establish zoning ordinances, a state siting standard may be the result of that effort. Representative Mahoney said many counties do not have zoning regulations in place to stop the construction of large feeding operations near residential areas.

Mr. Fewless said the department is trying to work with counties as early as possible to develop siting criteria for facilities. He said the current system is not perfect, but the department attempts to work with counties to address siting concerns. He said the major concerns are related to ground and surface water and the distance of facilities from residences and roads.

Mr. Gary Haberstroh, State Department of Health, submitted written testimony regarding North Dakota laws and regulations relating to concentrated livestock operations, a copy of which is on file in the Legislative Council office.

Mr. Haberstroh said North Dakota rules require State Department of Health approval for concentrated livestock operations with more than 200 animal units or any livestock operation where waste could or is likely to cause pollution of waters of the state. He said an animal unit is defined as roughly equal to 1,000 pounds of animal. Therefore, he said, one cow is considered an animal unit, as are four pigs, eight sheep, and 30 turkeys. He said the department has approved over 920 concentrated livestock operations since 1972. He said 421 of those operations are still active. Of those active facilities, he said, 146 have more than 200 animal units and 23 have more than 1,000 animal units.

Mr. Haberstroh said the term "waste loading" refers to the strength of potency of the waste generated by an operation. He said the waste loading from one cow equals that of about 13 people and one pig equals that of about 1.6 people. He said the volume of waste generated by one cow is equal to the volume of waste generated by 22 people and the volume of waste generated by one pig is about equal to that generated by 1.8 people.

Mr. Haberstroh said when an application for approval of a livestock operation is received, the department evaluates the facility design plans and site information. He said the department specifically reviews the ground water and surface water resources in the area, as well as the types of soil, the geology, and the hydrology of the site. After the assessment of the site and the department's review is completed, he said, the department develops draft approval conditions for the facility. He said if the department determines a facility is adequately designed to prevent impacts to water of the state, a conditional approval to operate is issued to the facility and the approval is valid as long as its conditions are not violated.

In response to a question from Senator Mutch, Mr. Haberstroh said if a complaint regarding odor is filed with the department, the department will inspect the odor to determine if odor standards are violated.

In response to a question from Representative Froseth, Mr. Haberstroh said facilities covered by the state's regulations must have acceptable waste confinement structures.

Mr. Lyle Witham, Assistant Attorney General, said state regulations relating to concentrated livestock operations are very minimal compared to regulations in other areas. He said the Environmental Protection Agency is looking at more stringent rules, but the

states are opposing those rules. He said North Dakota regulations are site-specific, which means they look at local conditions. He said the ultimate goal is to protect the waters of the state. He said the danger in regulating new facilities is that it raises the bar for all existing operations. He said the Legislative Assembly needs to make a policy choice whether to require more regulation. Another issue that needs addressing, he said, is the definition of "farming" with respect to zoning regulations.

Representative Keiser said the state should have a role in approving and regulating a facility when the byproduct of the facility will affect jurisdictions other than the county in which the facility is located.

MISCELLANEOUS COMMITTEE DISCUSSION

Senator O'Connell said the results of the studies discussed at the previous meeting regarding vomitoxin indicated that the size of the barley sample did not affect the accuracy of the test.

Representative Schmidt said if the committee holds additional meetings, the committee should examine a rule adopted by the Milk Marketing Board which is creating a serious problem for small town grocers purchasing milk.

Senator Sand said the larger grocers will have an enormous advantage over small town grocers in purchasing milk.

Representative Nicholas said there is very little this committee could do about the problem. However, he said, the Milk Marketing Board can change its rule if there is a serious impact.

Chairman Mutch said if committee members desire to take no further action regarding any of the studies before the committee, he would entertain a motion to adjourn sine die.

It was moved by Representative Nicholas, seconded by Representative Rennerfeldt, and carried that the chairman and the staff of the Legislative Council be requested to prepare a report and to present the report to the Legislative Council.

It was moved by Representative Nicholas, seconded by Representative Rennerfeldt, and carried that the meeting be adjourned sine die. Chairman Mutch adjourned the meeting.

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John D. Bjornson
Counsel

ATTACH:1