

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

AGRICULTURE COMMITTEE

Friday, December 14, 2001
Roughrider Room, State Capitol
Bismarck, North Dakota

Chairman Wanzek called the meeting to order at 9:00 a.m.

Members present: Senators Terry M. Wanzek, Bill Bowman, Duane Mutch, Ronald Nichols, Harvey Tallackson; Representatives James Boehm, Michael Brandenburg, C. B. Haas, Joyce Kingsbury, Phillip Mueller, Jon O. Nelson, Eugene Nicholas, Dennis J. Renner, Earl Rennerfeldt, Arlo E. Schmidt, Ray H. Wikenheiser

Members absent: Representatives Thomas T. Brusegaard, April Fairfield, Rod Froelich, Edward H. Lloyd

Others present: See Appendix A

Chairman Wanzek announced that Representative Eugene Nicholas is the vice chairman of the committee.

At the request of Chairman Wanzek, committee counsel presented a memorandum entitled *Production and Consumption of Ethanol - Background Memorandum*.

At the request of Chairman Wanzek, Ms. Jocie Iszler, Executive Director, North Dakota Corn Growers Association, Fargo, presented testimony regarding ethanol production and consumption.

She distributed a series of handouts entitled *Report to the Agriculture Committee of the Legislative Council - Study of Methods to Encourage Production and Consumption of Ethanol*. Copies of the documents are on file in the Legislative Council office. She said Iowa has a retail ethanol incentive that is quite popular.

In response to a question from Representative Nelson, Ms. Iszler said only 17 percent of all gasoline used in this state is ethanol. She said Minnesota has a 95 percent usage because it is mandated in that state. She said South Dakota provides a pump incentive that keeps ethanol about two cents per gallon less than gasoline. She said South Dakota also has a strong ethanol marketing program.

In response to a question from Senator Nichols, Ms. Iszler said since Minnesota started supporting its ethanol industry, it gets back about \$2 for every dollar invested. She said Minnesota expects to start exporting ethanol in the near future.

In response to a question from Senator Bowman, Ms. Iszler said an ethanol plant can have a price per bushel impact of 3 cents to 20 cents, depending on the proximity of the corn to the plant. She said a 1995

study done by Larry Leistritz, North Dakota State University, concluded that there was a five cent to six cent per bushel impact in this state.

In response to a question from Senator Mutch, Ms. Iszler said some plants buy their corn from elevators and some buy it from investors who are members of the plant.

In response to a question from Representative Brandenburg, Ms. Iszler said the individual from Iowa Corn Growers who was instrumental in passage of Iowa's incentive package would be willing to come and talk with the committee.

Representative Nicholas said the basis of corn has been strengthened in the range of 20 to 25 cents per bushel as a result of the two ethanol plants and the Cargill Corn Milling plant (formerly Pro Gold) in Wahpeton.

In response to a question from Representative Nelson, Ms. Iszler said the North Dakota Corn Growers Association supports increased ethanol utilization in the state and creation of ethanol markets outside the state.

In response to a question from Representative Mueller, Ms. Iszler said the new Leistritz study will be finished by the end of January 2002. She said it should show what impact a third ethanol plant might have on the price of corn in this state.

She said Minnesota found that what it received back for its incentive dollars included more jobs, increased capital construction, and increased circulation of dollars within its economy.

In response to a question from Senator Wanzek, Ms. Iszler said South Dakota currently has four plants on-line. She said another three plants are being constructed and two plants are in the proposal stage. She said South Dakota and Minnesota are gearing up to supply markets outside of their states. She said another plant is proposed for Canada, too. She said our neighbors are gearing up for potential federal requirements regarding the use of reformulated gasoline.

Senator Tallackson said another 30 million gallon plant would be needed in this state if ethanol usage is mandated at the rate Minnesota does.

In response to a question from Representative Nicholas, Ms. Iszler said Amoco does not offer ethanol.

In response to a question from Senator Mutch, Ms. Iszler said Minnesota is the only state that mandates ethanol use.

In response to a question from Representative Rennerfeldt, Ms. Iszler said 70 percent of the cost of producing ethanol is tied up with the price of corn. She said energy costs comprise another 15 percent. She said ethanol typically will follow the price of gasoline. She said when there are low corn prices and high gasoline prices, ethanol plants tend to do very well.

Senator Bowman said ethanol plants need inexpensive corn. He said he does not understand how that will help local farmers. He said if it is cheaper for an ethanol plant to import corn from another country, business sense would dictate that the plant would do that and then the state will be in the position of expending tax dollars to build and subsidize an ethanol plant or plants that purchase their corn from suppliers in other countries.

Senator Tallackson said Minnesota appropriated \$54 million to subsidize its agriculture program. He said a portion of the automobile registration fee and the agricultural fuel tax refund are used in North Dakota to support ethanol.

At the request of Chairman Wanzek, Mr. Roger Johnson, Agriculture Commissioner, presented testimony regarding the production and consumption of ethanol and biodiesel. A copy of his testimony is attached as Appendix B. He said the focus of his office has been on getting the farm bill through Congress. He said it is equally important that the state does what it can for farmers in the state. He said there needs to be ethanol development incentives. He said startup dollars are very important. He said there ought to be tax incentives for those selling the product and mandated use of the product. Even if the Legislative Assembly does not mandate use across the board, he said, it should consider imposing limited mandates. He said state government uses a lot of fuel in its state fleet.

Commissioner Johnson said if the country sustained an annual usage of biodiesel at 100 million gallons, there would be a seven cent per bushel increase in the price of soybeans. He said in North Dakota this translates to a \$5 million impact. He said South Dakota is locating an ethanol plant next to a feedlot because ethanol only uses part of the corn kernel. He said South Dakota is also looking at methane as an energy source.

Commissioner Johnson said he supports biotechnology in part because it offers a lot of opportunities for the future. He said it needs to be appropriately regulated and accepted by consumers. He said it is preferred that decisions are based on sound scientific standards, but at the same time, products that the consumer wants will be produced. If the customer disagrees with what is in fact sound science, he said, then there is a dilemma. He said this is a contentious issue and time must be spent in providing information.

Commissioner Johnson said the Canadian Wheat Board recently announced that it does not want genetically modified wheat in Canada. He said Canada has that single control source. He said there is no comparable entity in the United States.

In response to a question from Representative Nelson, Commissioner Johnson said the Ag in the Classroom Project will be familiarizing children with ethanol.

In response to a question from Senator Bowman, Commissioner Johnson said the committee should look at mandating ethanol for use in state vehicles.

In response to a question from Representative Brandenburg, Commissioner Johnson said almost every agricultural product produced in North Dakota is exported. He said ethanol offers an opportunity to use corn as the start of some economic activity in this state.

At the request of Chairman Wanzek, Mr. Lance Gaebe, Agricultural Policy Advisor, Governor's Office, said the Governor looks forward to working with this committee to increase ethanol sales in this state and to support the construction of additional ethanol plants.

At the request of Chairman Wanzek, Mr. Brian Kramer, North Dakota Farm Bureau, presented testimony regarding ethanol consumption and production. A copy of his testimony is attached as Appendix C. He said the North Dakota Farm Bureau supports the existing ethanol incentives and urges the state to become more active in promoting the production and consumption of ethanol and other renewable fuels.

In response to a question from Representative Nelson, Mr. Kramer said the Farm Bureau will be considering its position on the issue of mandating ethanol by some or all sectors.

In response to a question from Senator Nichols, Mr. Kramer said everyone can do a better job of promoting our products.

At the request of Chairman Wanzek, Mr. Harold Newman, Alchem, Ltd., LLP, Grafton, said the Grafton plant produces about 10 million gallons of ethanol per year. He said ethanol makes up only about 17 percent of gasoline consumption in the state. He said many pumps have confusing handles. He said at one station in Tower City, a poll was conducted and 14 percent of the people said they grabbed the wrong handle. He said ethanol producers are now working with the North Dakota Corn Growers Association to place yellow handles at the pumps. He said ethanol usage in North Dakota is not as high as it is in South Dakota. He said Amoco and Conoco do not sell ethanol in this state. He said he suspects that the dealers in South Dakota are offering ethanol because they receive a two cent per gallon incentive. He said ethanol plants need to operate around the clock. He said ethanol has raised the price of corn by 30 cents in Minnesota. He said any new plant that is built will have to use coal as an energy source because natural gas prices are too volatile. According to a

recent North Dakota survey, he said, 50 percent of the people buy fuel based on its price.

In response to a question from Senator Tallackson, Mr. Newman said he pays 15 to 20 cents over market price for a bushel of corn.

At the request of Chairman Wanzek, committee counsel presented a memorandum entitled *Biodiesel Fuel and Its Integration Into the Agricultural Economy of This State - Background Memorandum*.

At the request of Chairman Wanzek, Mr. Edmund Goerger, President, North Dakota Soybean Growers Association, Wyndmere, presented testimony regarding biodiesel production and consumption. He presented a document entitled *Biodiesel the Clear Choice*. A copy of the document is on file in the Legislative Council office. He said just last week John Deere approved the use of biodiesel in its diesel engines. He said the cost of biodiesel is still an issue. He said a lack of knowledge also impacts consumer usage.

Mr. Goerger said the Energy and Environmental Research Center at the University of North Dakota is going to undertake a biodiesel impact study. He said if a 10 million gallon biodiesel plant were to be built, it would require 10 percent of the North Dakota soybean crop.

In response to a question from Senator Bowman, Mr. Goerger said money is spent according to priorities. He said if it would cost him five cents per gallon more to purchase biodiesel fuel and if he knew that the additional money was going to help a neighbor, he would be willing to pay the higher price because the alternative is to watch oil money go to a foreign state.

At the request of Chairman Wanzek, Mr. Terry Goerger, farmer, Mantador, presented testimony regarding biodiesel production and consumption. He said he uses 20 percent biodiesel blend in his combines and tractors. He said after about a week of using biodiesel in his tractors, he noticed that the diesel smell was gone and that the usually dark exhaust fumes were less dark.

Mr. T. Goerger said farmers are pretty good at growing food. He said now they need to start growing energy. He said perhaps we could require state fleets, schoolbuses, garbage trucks, etc., to use biodiesel blends. He said we could look at incentives for fuel marketers to carry biodiesel.

At the request of Chairman Wanzek, Mr. Ray Martinson, Chairman, North Dakota Soybean Council, Fargo, presented testimony regarding biodiesel production and consumption. He said the national biodiesel board is dealing with national security issues.

At the request of Chairman Wanzek, Chet Pollert, State Representative, Carrington, presented testimony regarding the pricing structure and priority status imposed by Burlington Northern Santa Fe for grain shipping in the state, as well as the effect that use of the shuttle train concept has on rural North Dakota. He said the state has two principal

railroads--the Burlington Northern Santa Fe (BNSF) and the Canadian Pacific (CP). He said the railroads impose 1-car, 26-car, 52-car, and shuttle-car rate structures. He said the shuttle-car structures are for 100 or more cars. He said 20 years ago the railroads told the grain elevators that the use of 26-car trains was the wave of the future and would offer the ultimate in efficiency. He said the elevators and the processing mills upgraded their facilities to accommodate 26-car trains. He said the railroads then decided that 52-car trains were the wave of the future and would offer the ultimate in efficiency. He said the rationale was that 52 cars were all that could be pulled through the mountains en route to the Pacific Northwest. He said a number of facilities in the state again upgraded to accommodate the 52-car trains. He said a 52-car train can haul 173,000 bushels of grain.

Representative Pollert said BNSF has now introduced the shuttle-car concept--a 110-car train. He said most mills can accept 26-car shipments. He said exporters and a few mills can accommodate 52-car shipments. He said some exporters can unload 110-car trains, but the problem is that the mills do not want 110-car shipments. He said not only is there too much of a quality difference, there is also the issue of late charges. He said because of the time it takes to unload a 110-car train, late charges tend to be commonplace. He said some destinations impose three cent discounts on late 110 car shipments while others impose charges as high as six cents.

Representative Pollert said there are 190 grain elevators on the BNSF line in this state. He said only nine of them can load 110-car shipments. He said about 50 can load 52-car shipments, about 40 can load nothing larger than 26-car shipments, and the remaining can load only quantities smaller than 26 cars. He said many of the elevators invested millions of dollars so they could load 52-car trains and now BNSF will not let them co-load 110-car trains. He said CP does allow co-loading among two to three stations. He said if BNSF would allow co-loading, more grain could be delivered to local elevators, thereby creating local economic development. He said the other benefit would be that we would not have to accommodate so many grain trucks on our road system, as they haul to the select elevators that can load 110-car shuttles.

Representative Pollert said BNSF has recently proposed a program called Scoots. He said this program involves trains consisting of 58 cars or more, but in reality, it will be available only to those sites able to load 110-car trains. He said the elevators that spent hundreds of thousands and even millions of dollars upgrading to 52-car loading facilities are not able to get the Scoots rate. He said the only way to get the Scoots rate or the 110-car rate is to have the whole train in one continuous long line. He said you will not have four spurs each holding up to 28 cars because BNSF believes this is inefficient.

Representative Pollert said North Dakota is different from other states. He said North Dakota is a specialty crop state, e.g., spring wheat, durum, barley, canola, flax, sunflowers, corn, soybeans, and dry edible beans. He said the concept of marketing by 110-car shipments does not work here. He said states like Iowa, Nebraska, or Illinois raise only two or three different crops. He said their primary crops are corn and soybeans. He said one can ship those via 110-car trains because there is not a lot of variance in their ultimate use. He said spring wheat, for instance, is purchased for use in bread, bagels, and pastries. He said each of those uses requires different proteins and different characteristics. He said single-car trains and 26-car shipments can best deliver the quantities and qualities that the bakers require. He said private mills do not have the track and storage capacity to accommodate the 110-car trains and their 410,000 bushel loads.

Representative Pollert said the 110-car concept runs contrary to the philosophy of the Legislative Assembly and Governor Hoeven's vision for North Dakota and for value-added agriculture. He said value-added agriculture is not created from 110-car shipments, but it can be from single-car and 26-car shipments because the consistency of the grain and value-added agriculture requires that kind of control.

Representative Pollert said the rail industry has made a healthy profit from moving grain in this state. He said the former Interstate Commerce Commission and the new Surface Transportation Board have both maintained that a railroad running on a variable cost-to-revenue ratio of 160 percent could pay fixed and variable expenses and still return a fair profit. He said the rate from corn states like Nebraska are in the 170 to 190 percent range. He said North Dakota's rates are as high as 285 percent.

Representative Pollert said the current situation in which BNSF is offering negotiated rates with 10 to 12 selected grain elevators in North Dakota and Minnesota is not beneficial to farmers, to grain elevators, or to the citizens.

Representative Pollert said the railroads are offering inverse rates to the Pacific Northwest. He said BNSF charges \$1.09 per bushel from Gladstone, 99 cents from Sterling, 93.5 cents from Jamestown, and 80 cents from Breckenridge, Minnesota. He said it should cost less to ship from Gladstone to the Pacific Northwest than it costs to ship from Fergus Falls, Minnesota. He said Gladstone is closer to the Pacific Northwest. Instead, he said, the farmers are being charged 29 cents more per bushel.

Representative Pollert said BNSF also instituted these rates at a time when the western part of the state could fill the grain needed for shipment to the Pacific Northwest. He said the rates that were instituted by the railroad served to lower the basis in western North Dakota and therefore the price of grain dropped by 25 cents per bushel.

Representative Pollert said the people of North Dakota do not realize what BNSF is doing by giving these special negotiated rates to only a few select elevators. He said BNSF is in fact transferring the cost of maintaining its track system to the taxpayers of North Dakota. He said by serving only 10 to 12 grain elevators, BNSF does not need to maintain as much of its rural rail track. He said the result is that grain producers will have to haul their grain by truck to these few select elevators. He said this will cause our roads to deteriorate and we will have to spend more tax dollars to fix the roads.

In response to a question from Representative Mueller, Representative Pollert said a lot of the mills are sitting in large metropolitan areas and they do not have the room for expansion. He said the 110-car trains are not preferred by the mills because there is too much variation in the grain quality. He said the other problem is that the short spurs can only handle a certain amount of poundage. He said legislative help on the federal level is needed to bring this case forward.

At the request of Chairman Wanzek, Mr. Steven Strege, Executive Vice President, North Dakota Grain Dealers Association, Fargo, presented testimony regarding grain shipping rates. He distributed a document entitled *Rail Market Information*. A copy of the document is attached as Appendix D. He said if rail rates were more reasonable in North Dakota, we could expect to save about \$52 million. He said there are nine shuttle elevators with special rates, but they do not necessarily load 110-car trains. He said there is significant disparity in this state's rail rates and the rail rates are not equitable. He said people residing close to shuttle elevators are ultimately getting more for their grain than those who live on branch lines. He said if branch lines are terminated, farmers will not have any choice but to travel to the larger elevators. He said this will mean transportation issues on roads that probably are not designed to handle that kind of traffic.

Mr. Strege said BNSF does not allow the co-loading of trains. He said an elevator normally has 48 hours to load cars. He said the late charge was normally \$25 per car per day. On August 1, 2001, he said, the late charge was raised to \$75 per car per day. He said that translates to about two cents per bushel. On September 1, 2001, he said, BNSF went back to the lower demurrage and on January 1, 2002, BNSF will go back to the more stringent charge.

Mr. Strege said 110-car trains are efficient. He said that may not be what the market wants. He said handicapping 52- and 54-car shippers while giving priority to 110-car trains is creating disparity. He said there might be some need for additional regulatory controls at the federal level.

Mr. Strege said there are only four major rail carriers in the United States. He said when Congress deregulated railroads, it never envisioned that we would get into this kind of limited competition. He said

if we lose more branch lines, it will impact not only the towns on those lines but also our roads because we will be trucking our grain farther.

In response to a question from Senator Bowman, Mr. Strege said if the railroads can haul grain west from eastern North Dakota for 80 cents, why are they charging \$1.08 to haul grain west from western North Dakota. He said generally grain grown in western North Dakota gets shipped to the West Coast, not to Minneapolis.

In response to a question from Representative Nelson, Mr. Strege said there are 440 grain elevators in the state. He said there were about 600 elevators in 1986. He said more will probably go out of business or become just niche markets handling specialty crops. He said he does not think the shipping patterns imposed by the railroads should govern the number of elevators.

At the request of Chairman Wanzek, Mr. Neil Fisher, Administrator, Wheat Commission, presented testimony regarding grain shipping rates. He said there is reason to study this matter further.

At the request of Chairman Wanzek, Mr. Tony Clark, Public Service Commissioner, presented testimony regarding grain shipping rates. He said the Public Service Commission would be supportive of giving this matter further study.

Mr. John Mielke, Executive Secretary, Public Service Commission, distributed a document entitled *North Dakota Rail Satisfaction Survey*. A copy of the document is attached as Appendix E. He said BNSF should be asked about its vision for the railroads in this state. He said it can then be determined what this will mean for small town North Dakota and for the state as a whole. He said a lot of this issue is preempted by federal law. He said there can be a rail rate complaint case initiated by the Public Service Commission.

In response to a question from Senator Mutch, Commissioner Clark said the state is preempted from rail rate regulation. He said the Public Service Commission is the state agency that represents the state's interest before the Surface Transportation Board. He said the Public Service Commission would need to prove that the railroad is dominant in a given area. He said the railroads have in the past engaged in significant legal maneuvering to prove that they are not dominant in a given area.

At the request of Chairman Wanzek, Mr. Dan Kuntz, lobbyist, Burlington Northern Santa Fe, said there are a lot of issues that have been raised and he said if the committee determines the parameters for a study of this kind, BNSF will be happy to work with the committee.

It was moved by Senator Bowman, seconded by Representative Brandenburg, and carried on a roll call vote that the chairman of the Agriculture Committee seek approval from the chairman of the Legislative Council for an expansion of the committee's assigned studies to include a study

of the grain shipping rates charged by railroads in this state. Senators Terry M. Wanzek, Bill Bowman, Duane Mutch, Ronald Nichols, and Harvey Tallackson and Representatives James Boehm, Michael Brandenburg, C. B. Haas, Joyce Kingsbury, Phillip Mueller, Jon O. Nelson, Eugene Nicholas, Dennis J. Renner, Earl Rennerfeldt, Arlo E. Schmidt, and Ray H. Wikenheiser voted "aye." No negative votes were cast.

At the request of Chairman Wanzek, committee counsel presented a memorandum entitled *Genetically Modified Organisms - Background Memorandum*.

At the request of Chairman Wanzek, Mr. Todd Leake, Dakota Resource Council, presented testimony regarding genetically modified organisms. He said his focus is on the economic reality of genetically modified organisms and particularly Roundup ready wheat. A copy of his testimony is attached as Appendix F. He said segregation is an issue with respect to genetically modified seeds. He said segregation can be violated as a result of cross-pollination or as a result of not adequately cleaning harvesting equipment or shipping containers.

Mr. Leake said a major concern is exports. He said 8 out of 11 of our major wheat export markets have imposed prohibitions on genetically modified wheat. He said our major markets for hard red spring wheat would be sacrificed if Roundup ready wheat were allowed. He said Canada then will no doubt seize our markets because Canada prohibits Roundup ready wheat.

Mr. Leake said he is also concerned about contamination from ongoing research, not just widespread contamination. He said just the fact that genetically modified wheat is out there will compel our customers to seek their product from other sources. He said we should pursue a moratorium until all segregation issues are addressed.

In response to a question from Representative Nelson, Mr. Leake said the reality is that we cannot export Roundup ready wheat to our regular markets. He said being able to say that Roundup ready wheat might be an advantage to the farmer but not to the consumer does not get the wheat into the market.

Mr. Leake said if the majority of our world markets accept genetically modified wheat, the argument for not pursuing the moratorium goes away.

Senator Bowman said the science behind genetic engineering needs to be understood in order to make informed decisions. He said the question is whether North Dakota gains or loses by pursuing genetically engineered crops.

Representative Mueller said the committee's major concern is not the validation of the science behind genetic engineering. He said the issue is whether the wheat grown can be sold.

Senator Wanzek said there are a lot of ongoing efforts in other countries to address the regulatory issues surrounding genetically modified wheat. He said he does not see why the corporations would

have an interest in promoting genetically modified wheat if it would kill the markets.

At the request of Chairman Wanzek, Mr. Herbert Werner, Hazelton, presented testimony regarding genetically engineered products. He said there is a real problem with pollen drift.

At the request of Chairman Wanzek, Mr. Bruce Freitag, Vice President, North Dakota Grain Growers Association, handed out a statement by the North Dakota Grain Growers Association. A copy of the statement is attached as Appendix G. He said the association's position is do not say no to new technologies through a moratorium. He said the North Dakota Grain Growers Association does not want to say that the wheat industry is not interested in new products. He said our markets need protection. He said eventually a whole host of scientific advancements will need to be dealt with, not just Roundup ready wheat. He said the benefits of new technologies normally go to those who adopt them first and it hurts competition-wise not to be on the front edge.

Mr. Fisher said the North Dakota Wheat Commission shares the position of the North Dakota Grain Growers Association. He said there are legitimate market concerns. He said biotechnology is also looked at as being beneficial. He said there are people working on tolerances and on rational solutions to the concerns.

In response to a question from Senator Mutch, Mr. Fisher said the United Kingdom, Italy, and Spain have concerns. He said there may be some protectionist attitudes that are affecting decisionmaking in other countries.

Mr. Kramer said the North Dakota Farm Bureau's position is that great care must be taken to ensure that our markets are not put at risk, but research must go forward. He said if a moratorium is to be put in place, procedures must be instituted to ensure that the moratorium is being observed. Who would ensure compliance? What kind of penalties would be assessed? Who is liable if a producer hauls wheat to an elevator and the elevator later sells wheat with a genetically modified organism in it? Where is the liability protection going to come from if there is any pollen drift? Who is going to provide the insurance? How do we guarantee that no genetically modified

wheat comes into North Dakota? What is the constitutionality of a moratorium? Would it violate any commerce clause provisions?

In response to a question from Representative Mueller, Mr. Kramer said the thing that has been lacking in all this is the education of the public regarding the benefits of genetically modified products and the safety of these products.

Mr. Strege said the North Dakota Grain Dealers Association is very concerned about risk to our markets. He said what is needed are tolerances for genetically modified products.

At the request of Chairman Wanzek, Mr. Wayne Fisher, farmer, presented testimony regarding genetically modified organisms. He said the needs of the farmers and the agricultural support industry must be balanced against the needs and wishes of Monsanto. He said there are no long-term studies on the effects of genetically modified organisms. He said the farmers of North Dakota are going to be the test case. He said there may be a premium if North Dakota has wheat that has not been genetically modified. He said even Monsanto's literature provides that there is a problem with cross-pollination and market acceptability.

In response to a question from Representative Nelson, Mr. W. Fisher said the introduction of genetically modified wheat will cause a major problem for organic growers. He said segregation is impossible. He said it is impossible to completely clean out your equipment. He said elevators often have a hard time keeping wheat out of sunflowers. He said the bioseed companies and some growers will be short-term gainers, but in the long run, there will be a lot of lawsuits that will harm farmers.

No further business appearing, Chairman Wanzek adjourned the meeting at 3:15 p.m.

L. Anita Thomas
Committee Counsel

ATTACH:7