

**1999 HOUSE APPROPRIATIONS**

**HB 1484**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HOUSE BILL 1484

House Appropriations Committee  
Hearing Date January 26, 1999

Tape Number	Side A	Side B	Meter #
ONE	X		-1.5- 28.8
Committee Clerk Signature <i>Kathleen Jones</i>			

Minutes:

A Bill for an Act to provide an appropriation for the pride of dakota program, developing standards for wheat quality, monitoring agricultural production standards, research, and the promotion of agricultural products.

1A: 1.1 The meeting on hearing HB 1434 was called to order.

1A: 1.6 Mr. Bill Patrie, member of the Working Committee of the Commission on the Future of Agriculture spoke in favor of HB 1434. The objective is to develop a recognized family brands that provide commensurate net return. Secondly, this bill would establish, promote, and implement internationally recognized standard of product quality and processing excellent that can be certified by the independent entity. Note enclosed testimony.

1A: 8.6 Rep. Bob Nowatzki spoke in support of the bill for major reasons: 1. this bill would make agriculture products synonymous with high quality, and 2 stating a goal certain that over time we should invest 2% of our gross farm income back into agricultural research. Note enclosed testimony.

1A: 12.1 Roger Johnson, Commission of Agricultural, stated there needs to be a change in the concept of ag products for the future. This state needs to play a solid roll in research for ag products. The Commissioner is going to supply the committee with additional information.

1A: 16.6 Discussion took place regarding the total ag budget including federal, state and local funding.

1A: 28.6 The hearing was closed.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1484

House Appropriations Committee

Conference Committee

Hearing Date 2/8/99

Tape Number	Side A	Side B	Meter #
2		x	2.6-10.5
Committee Clerk Signature <i>Kevin Gault</i>			

Minutes:

(2.6) Chairman Dalrymple opened the hearing on HB 1484 in the Roughrider Room.

(3.1) Rep. Poolman made a comment and moved for a DO NOT PASS motion.

(5.1) Rep. Aarsvold commented and resisted the DO NOT PASS motion.

(7.9) Rep. Delzer supported the DO NOT PASS motion..

HB 1484 was moved as a DO NOT PASS motion, with a vote of 14 yes, 6 no, and 0 absent and not voting.

Date: 2/8/99  
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1484

House Appropriations Committee

Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DNP - Do Not Pass

Motion Made By Poolman Seconded By Delzer

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold		X	Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether		X			
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) 14 *Click here to type Yes Vote* No 6 *Click here to type No Vote*

Absent 0

Floor Assignment Dalrymple *Click here to type Floor Assignment*

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
February 8, 1999 3:50 p.m.

Module No: HR-25-2231  
Carrier: Dalrymple  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1484: Appropriations Committee (Rep. Dalrymple, Chairman)** recommends **DO NOT PASS** (14 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1484 was placed on the Eleventh order on the calendar.

**1999 TESTIMONY**

**HB 1484**

TESTIMONY FOR HOUSE BILL 1484  
Prepared by Representative Robert Nowatzki  
Tuesday, January 26, 1999

Chairman Dalrymple and members of the House Appropriations Committee. For the record I am Representative Bob Nowatzki from District 10.

I am introducing HB 1484 at the request of COFA, but also as an individual who has spent most of my adult life striving to make improvements in agriculture in the state. I have been involved in farming all my life, and I have 15 years of experience with the technical aspects of production agriculture in agricultural research and the administration of agricultural research.

HB 1484 speaks to addressing the first objective -- Objective #1, of the COFA statement developed during the past interim.

I feel the two major aspects of this bill include efforts to make North Dakota agricultural products synonymous with high quality, and stating a goal certain that over time we should invest 2% of our gross farm income back into agricultural research.

Investments in ag research pay large dividends. If we did reach the goal of 2% of gross farm income invested in ag research from all sources during the next 10 years, we would in effect be doubling our ag research effort.

Solving the biological problems affecting our crop production base is a very dynamic and every-changing problem requiring a constant state-of-the-art effort. Addressing problems like scab in wheat and barley cannot be successfully solved by sporadically turning on and off research appropriations -- it requires long term effort. Some of the COFA initiatives are included in the executive budget. Certainly ag research as a whole is treated very well, I applaud and support those efforts.

I believe we need to put more efforts into addressing non-food industrial uses for our farm products and by-products. We simply do not need to eat or feed, or export to somebody else who can eat or feed, all of our agricultural production. I believe we need to explore new nonfood industrial uses for farm products allowing us to create jobs in processing, and to increase the value of our products.

With that, Mr. Chairman, I will yield to others to address some of the specifics of HB 1484.

January 26, 1999

House Committee on Appropriations  
HB 1484

Chairman Dalrymple and Committee Members:

My name is Bill Patrie and I am a member of the Working Committee of the Commission on the Future of Agriculture. I have been especially interested in Goal 1 which is to **make North Dakota agricultural products synonymous with high quality, dominating the premium markets**. We believe that we can accomplish this goal by achieving two objectives. This bill HB1484 provides the funding for those two objectives. Objective 1 is to develop a recognized family of brands that provides commensurate net returns. Our working committee understands that brand names still mean a great deal to the consumers of food products. Through a grant from Ag Products Utilization Commission and funds from pork and corn producers we were able to test that assumption in regards to a local company, Cloverdale Foods, Inc. of Mandan. In surveying the meat buyers that buy for numerous stores every day, we found that Cloverdale Foods label means premium quality. They would like to buy this premium quality for less money but their greatest concern was ample supply--even at the above market prices some of these products receive. Cloverdale Foods Inc. is perceived in the market place of pork products as a quality leader. This bill recognizes that if pork producers and corn growers who produce the feed are going to gain above market prices for corn or pigs, they must help Cloverdale expand that premium reputation.

By building on the brand equity of companies like Cloverdale Foods, Inc, this appropriation will help increase the value of the commodities used to support that marketing effort. By cross selling the high quality brands that we have we can increase the market clout of our existing companies such as American Crystal Sugar, Dakota Maid flour, Dakota Growers Pasta, Cloverdale Tangy Summer Sausage, North American Bison, and many smaller less well known North Dakota companies that produce quality and premium products.

This effort to identify a "family of brands" is done by companies such as Conagra and General Mills and many others. We hope that through this effort to develop a family of brands, we will achieve the same effect for our citizens as The Kellogg company achieved for Battle Creek Michigan.

Objective 2 is to establish, promote and implement internationally recognized standards of product quality and processing excellence that can be certified by an independent entity.

This objective realizes that not all commodities in North Dakota can be marketed at premium prices under a brand or label. Instead, we can increase the value of these products by identifying production or processing practices and procedures that the market will pay more money for. We already know that organic production of grain adds value to that grain. The certifying procedures are important the organic producer and the buyer of those products. This appropriation will allow producers of organic products and buyers of those products to come together and develop solid trustworthy certification processes that are reliable and cost effective. It will Also allow for



the creation of appropriate third part certification organizations as necessary. It is understood that those benefiting from the certification would pay the costs of this effort.

Another example of certification would be in the production of cattle that fit the "natural beef" category. Since the EEU requires hormone free and antibiotic free beef, this certification procedure could be of great value to those who hope to sell meat to European markets.

I look forward to answering questions.

Thank you for your consideration.