

1999 HOUSE AGRICULTURE
HCR 3009

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3009

House Agriculture Committee

Conference Committee

Hearing Date 1/8/99

Tape Number	Side A	Side B	Meter #
ONE - HCR 3009	x		0-7
Committee Clerk Signature			

Minutes:

Summary of Resolution: Relating to the concurrent resolution urging Congress to review the planned merger between Cargill, Inc., and Continental Grain Company and take any action appropriate to minimize potentially adverse effects on farmers, ranchers, and consumers that could result from such increased concentration in the agricultural sector.

Chm Nicholas: announced that we would take some testimony now and then hold the Resolution over till next week and invited anyone who wishes too, would have a chance to present testimony then.

Rep Belter, sponsor of HCR 3009 presented some amendments and asked that they be put on the Resolution.

Roger Johnson, ND Commissioner of Agriculture: I am here today in support of HCR 3009, but I am also here to urge you to strengthen both the language and intent of this concurrent resolution

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House Agriculture Committee

Bill/Resolution Number SCR3009a

Hearing Date *Click here to type Hearing Date*

to encompass all agricultural sectors affected by continued mergers and consolidations, which are causing economic concentration in many area of agriculture. (Written testimony attached.)

Mark Zitz: Lobbyist for ND Farmers Union, supporting this resolution, some weeks ago our National President, Lee Swenson, called for a moratorium on farm related mergers. There seems to be an epidemic filtering through out our whole economy.

Other presenters

North Dakota Catholic Conference: Christopher Dodson, Ex Dir: There is little doubt that a merger of Cargill, Incorporated with Continental Grain Company will greatly increase concentration in the Agriculture sector. Therefore we support SCR 3009.)Written testimony attached).

Mary Christianson, representing Link Reinhiller, Chm.. Dakota Resource Council and they favor the adoption of HCR 3009. (Testimony attached.)

Motion by Rep Berg for a DO PASS and place on the consent calender. Second by Rep Warner

Unanimous vote

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3009

Page 1, line 1, replace "Congress" with "the United States Department of Justice"

Page 1, line 19, remove "Congress of the" and after "States" insert "Department of Justice"

Page 1, line 25, after "to" insert "the Attorney General of the United States,"

Re-number accordingly

Date: 7-99
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3009

House AGRICULTURE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No pass Consent

Motion Made By Berg Seconded By Warner

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman			Bob Stefonowicz		
Dennis E. Johnson, Vice Chm					
Thomas T. Brusegaard					
Earl Rennerfeldt					
Chet Pollert					
Dennis J. Renner					
Michael D. Brandenburg					
Gil Herbel					
Rick Berg					
Myron Koppang					
John M. Warner					
Rod Froelich					
Robert E. Nowatzki					
Phillip Mueller					

Total (Yes) Chaiman No _____

Absent _____

Floor Assignment _____

REPORT OF STANDING COMMITTEE (410)
February 12, 1999 10:13 a.m.

Module No: HR-29-2708
Carrier: Nicholas
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3009: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3009 was placed on the Tenth order on the calendar.

1999 SENATE AGRICULTURE

HCR 3009

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3009

Senate Agriculture Committee

Conference Committee

Hearing Date 3/18/99

Tape Number	Side A	Side B	Meter #
2		X	545-980
2		X	4080-4268
3/25 1	X		4290-4430
Committee Clerk Signature <i>Christa Ferguson</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on HCR 3009.

Representative Belter introduced the bill.

Senator Klein: Were you indicating that we should possible add the Harvest States Farm land issue on here?

Representative Belter: I don't know what the circumstances are of that possible consolidation.

Senator Sand: Would you object if we added something that said any other possible combinations of grain people merging.

Representative Belter: I wouldn't object to that.

Kelly Shockman from the National Farmer's Organization spoke in support of the bill. Feels this getting larger and larger is becoming a real problem.

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Senate Agriculture Committee

Bill/Resolution Number Hcr 3009

Hearing Date 3/18/99

Senator Wanzek closed the hearing on HCR 3009.

Discussion was held.

MARCH 25, 1999

Senator Klein made the motion for a Do Pass.

Senator Mathern seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Urlacher

Date: 3/25
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3009

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Consent

Motion Made By Klein Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroepflin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Urlacher

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

REPORT OF STANDING COMMITTEE (410)
March 25, 1999 12:10 p.m.

Module No: SR-54-5601
Carrier: Urlacher
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3009: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3009 was placed on the Tenth order on the calendar.

1999 TESTIMONY

HCR 3009



"Watchdogs of the Prairie"

Organizing North Dakotans Since 1978

Dakota Resource Council • PO Box 1095 • Dickinson, ND 58602-1095

8 January, 1999

Chairman Nicholas and Members of the House Agriculture Committee
Fifty-sixth Legislative Assembly of North Dakota

Dakota Resource Council (DRC) favors the adoption of HCR 3009, which urges Congressional review of the proposed merger between Cargill and Continental Grain.

A majority of DRC's members are farmers and ranchers. Over the past two decades, our members have seen a dwindling number of bidders for our commodities in the marketplace, as agribusiness companies have proceeded with a relentless policy of consolidation. During the same time period, our prices, our share of the food dollar, and our incomes have all diminished. According to statistics compiled by the U. S. Department of Commerce, the net annual income of the average farm in North Dakota in 1997 was only about \$500.

There is a direct relationship between reduced income in North Dakota's most important industry and the constantly shrinking number of bidders for our commodities. The federal government has not aggressively enforced antitrust law, and it needs to hear from states like North Dakota that its lax enforcement is unfair to farmers who rely on fair markets for an honest livelihood. The state should urge Congress, in the strongest possible manner, to investigate this proposed merger. We need more, not fewer, buyers to compete for our products.

Link Reinhiller (M.R.C.)

Link Reinhiller
Chair
Farm Preservation Committee
DRC



Representing the Diocese of Fargo
and the Diocese of Bismarck

Christopher T. Dodson
Executive Director

To: Members of the Senate and House Agriculture Committees
From: Christopher T. Dodson, Executive Director
Subject: House Concurrent Resolution No. 3009
(Merger of Cargill and Continental Grain)
Date: January 8, 1999

The North Dakota Catholic Conference supports House Concurrent Resolution No. 3009.

There is little doubt that a merger of Cargill, Incorporated with Continental Grain Company will greatly increase concentration in the agricultural sector. In addition to its economic consequences - such as the reduction of competitive markets, and its legal consequences - such as the possible anti-trust violations, the proposed merger has social justice consequences.

Such extreme concentration threatens real access to markets, fair and just pricing, true competition, and even private ownership of property. Consequently, such developments threaten the ability of farmers and ranchers to engage in their vocation with dignity and the very health of our rural communities.

Our concern about concentration in ownership is rooted in the call to respect and defend the life and dignity of the human person, is reflected in the Old Testament's Jubilee tradition, and developed Catholic social teaching concerning the universal destination of goods. More recently, the Vatican, the United States Catholic bishops, and other state Catholic conferences have expressed concern about concentration in agriculture. Only last November, Bishop James Sullivan of the Fargo Diocese and Bishop Paul Zipfel of the Bismarck Diocese released a statement on rural issues (copy of which is attached) stating that policies should "foster wide distribution of ownership in agriculture rather than concentration, whether in land, animals, technology, seed, genetic make-up, processing, or production."

It is, therefore, appropriate that Congress review the proposed merger of Cargill and Continental Grain. In fact, more is needed that a congressional review. We recommend that HCR 3009 be amended to urge the Department of Justice or the Federal Trade Commission investigate the merger *and* conduct vigorous enforcement of whatever federal laws it might violate. Moreover, we recommend that the resolution list more of the potential problems that could result from the merger, such as the aggregation of inside information on world grain markets and the impact on livestock producers.

For these reasons, the North Dakota Catholic Conference urges a **Do Pass** recommendation, with the suggested amendments, on HCR 3009.

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Call Attention to the Crisis in Rural Life

We call on agencies within the Church and all persons to convey the problems facing rural communities and the Church's concern for rural life. We must share the struggles facing rural communities and the Church's concerns with urban communities and those residing in other states.

Education and Catechesis on Rural Issues

We call on our teachers and catechists to incorporate concern for rural issues, with a view to Catholic social teaching, into their work.

Prayer and Worship Opportunities

Our worship and prayer life should reflect our love and respect for farming and rural life. We call on all persons of faith to offer thanksgiving for the blessing of farm and ranch families and rural life.

Charitable Services

Whenever our farm and ranch communities face economic difficulties, other problems may follow such as domestic violence, abortion, substance abuse, suicide, divorce, and loss of health care coverage. The Church, through parishes, charitable organizations, and health care institutions must reach out and help those in need. In doing so, the Church's response should provide a sense of hope rooted in the resurrection of Christ.

Place of Community

In many of our rural communities, churches serve a civic function. Parishes can take advantage of their role in the community by offering space and even leadership to those seeking to address community needs.

While the Church is especially called to take on these tasks, we call on other faith organizations, charitable entities, government agencies, and all

people of good will to help those affected by our current rural crisis. In doing so, we must remember that such service, while necessary, should not distract us from the task of working for a just agriculture system.

Solidarity with Urban Communities

We make a special appeal to those not engaged in agriculture or who may live in urban settings. By focusing this statement on the matters concerning farmers and rural communities we do not intend to convey that farming and rural communities are better than those that live in urban areas or engage in other vocations. Rather, we wish to call attention to one of God's blessed vocations and ask the rest of our society give it due respect and attention.

Moreover, we ask our brothers and sisters in urban communities to take a special interest in the well-being of those that produce their food and steward God's creation. To a large extent, the health of our urban communities is related to the health of our rural communities. The virtue of solidarity joins us together in the struggle to preserve family farms and rural communities.

A Time to Give Thanks Through Action

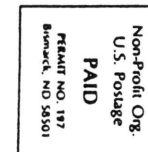
God has blessed us with gifts of creation and persons who apply their labor to God's creation so that we may have food, clothing, and other essentials for life and dignity. Farmers and ranchers, their families, and the rural communities in which they live, work, and worship are blessings for all of us, no matter where we live. We have reason to give thanks. Let us show our thanks through concrete actions addressing the crisis in rural life.

James S. Sullivan, Bishop of Fargo
Paul A. Zipfel, Bishop of Bismarck

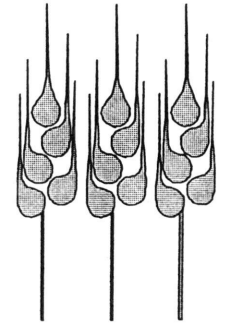
For more information, contact the North Dakota Catholic Conference 701-223-2519 <http://ndcatholic.org>



North Dakota
Catholic Conference
227 West Broadway, Suite 2, Bismarck, ND 58501-3737
RETURN SERVICE REQUESTED



Giving Thanks Through Action



A Statement by the Roman Catholic Bishops of North Dakota on the Crisis in Rural Life

*Blessed are you, Lord, God of all Creation.
Through your goodness we have this bread to offer, which earth has given and human hands have made.*

Liturgy of the Eucharist

The Breadbasket in Crisis

North Dakota truly is part of the world's breadbasket. The state's farm and ranch families produce an abundance of food and other agricultural products while contributing to a rural life enriched by values that come from working and living close to the land and to each other. Sadly, the families and communities that create that breadbasket are in crisis.

Record low prices for some crops and livestock, combined with disease, floods, and blizzards have created an economic and social strain in our rural communities. These events worsen an already disturbing trend in the declining number of family farms and ranches, a loss of rural residents, and concentration of ownership in land and markets. Meanwhile, greater pressures are put on church ministries, public and nonpublic schools, the delivery of government services, the provision of health care, rural businesses, mental health services, and eventually the urban economy.

This crisis gives reason to reflect on what the Church can offer to matters concerning rural life. In doing so, the Church calls upon a social teaching based on the primacy of the human person in every economic and social activity, including agriculture, and the Church's experience as pastors, teachers, and ministers to the very people most affected by this crisis in rural life.

Principles for a Just Agricultural System

The present crisis in rural life must move all persons, in a spirit of cooperation, to work for a just agricultural system situated within an ethical framework rooted in principles of social justice found in Sacred Scripture and the Church's social teaching.

The Need to Respect the Life and Dignity of the Human Person

Ultimately, the test of any agriculture policy is a moral one -- does it make concern for human life and

dignity the guiding norm? Public and social policies must put the human person first. Society cannot consider farmers and ranchers expendable in the name of "progress" or "efficiency."

Respecting human dignity means we must respect the vocation of farmers and ranchers. By applying their labor to God's creation and providing essentials, such as food and clothing, for life and dignity, farmers and ranchers exercise a stewardship that puts them in unique communication with God. Society, through government, economic, and business policies, must respect the rancher and farmer by providing just compensation for labor and by supporting rural communities.

The Common Good

Life and dignity are best respected and protected in community. We must work to preserve family farms and ranches precisely because they provide one of the best guarantees of a healthy community.

The Integrity of Creation

By virtue of their vocation, ranchers and farmers should exercise responsible stewardship of creation. Agriculture and economic policies must support them in the exercise of this responsibility and not promote exhaustion of the earth's resources.

The Universal Destination of Goods

The goods of creation are meant for all, throughout generations. Excess profits in agribusiness, especially at the expense of the laborer, violate principles of justice. Policies should foster wide distribution of ownership in agriculture rather than concentration, whether in land, animals, technology, seed, genetic make-up, processing, or production. Moreover, social and economic policies must provide just compensation to ranchers and farmers for their labor.

Subsidiarity

Human dignity requires that persons and communities should possess the ability to exercise responsible self-governance. Subsidiarity means that while larger governments and businesses have a role and sometimes a duty to involve themselves in local affairs, they should give deference and due respect to local communities and families.

Option for the Poor

We should judge policies concerning rural life according to how they affect the least among us -- those with less power and influence, the most vulnerable, and the marginalized. A strong case exists that the "poor" today includes rural communities; not because they are among the economic poor -- although this is increasingly true -- but because they are among the least powerful and their way of life is marginalized, ignored, or forgotten.

A Framework for Action

These ideas provide not merely abstract principles, but a framework for action. Therefore, we urge citizens, local, state, and federal government, and all persons of good will to:

- Foster opportunities, such as cooperative associations, which give producers and communities more economic return and greater participation in the production process;
- Support the spirit and intent of North Dakota's Corporate Farming Law to preserve and maintain farm ownership and control in the hands of family farmers;
- Seriously examine and, if necessary, restrict the operation of large-scale animal confinement operations, looking not only at ownership and environmental questions, but also how such operations affect the common good of the community;
- Assure all persons in agriculture a just wage or

price for their labor, including compensation through production contracts, and take action to ensure just contractual arrangements;

- Foster widespread ownership of land and other agriculture property and assist first-time farmers;
- Strengthen rural communities by helping them shape their own environment and allowing them to enact land use ordinances consistent with the principles of subsidiarity and the common good;
- Support research, education, and markets for sustainable farm and ranch practices;
- Provide rural communities with a support structure, including the provision of health care and education.

Some may dismiss such actions and concerns as contrary to notions of "progress" and "efficiency." To them, the loss of family farms and vertical integration is inevitable. The economy, however, is a human-made institution and not an inevitable force. Moreover, in his encyclical, *The Gospel of Life*, Pope John Paul II reminds us that when cultural, economic and political currents encourage an idea of society excessively concerned with efficiency, a "conspiracy against life" is unleashed and a "culture of death" is promoted. We cannot embrace such a culture in the name of progress.

To address these issues, we call on persons to set aside partisan and ideological differences. We commend the spirit of cooperation that guided the North Dakota Commission on the Future of Agriculture and urge all persons and organizations to reach out in Christian charity, listen respectfully to each other, and work for the common good.

A Challenge for the Church

The challenges facing our rural communities are also challenges for the Church. The Church's ministry compels us to hear and respond to the needs of those in crisis. Reflecting on these challenges, we draw largely from the *Fargo Diocesan Response to the Rural Life Crisis*.

**Testimony of Roger Johnson
Commissioner of Agriculture
House Concurrent Resolution 3009
January 8, 1999
10:15 AM CST
House Agriculture Committee
Senate Agriculture Committee
Brynhild Haugland Room**

Chairmen Nicholas and Wanzek and members of the House and Senate Agriculture Committees, my name is Roger Johnson and I am the Commissioner of Agriculture.

I am here today in support of HCR 3009, but I am also here to urge you to strengthen both the language and intent of this concurrent resolution to encompass all agricultural sectors affected by continued mergers and consolidations, which are causing economic concentration in many areas of agriculture.

The planned merger between Cargill and Continental Grain Company is only the latest of many mergers and consolidations that have been occurring in many sectors, including the broiler industry, meatpackers, banks, railroads and seed companies, just to name a few. In fact, economic concentration in eight different agricultural marketing and processing sectors continues to grow, with over 50% of the market controlled by the top four firms in each industry (Attachment 1).

The effects of economic concentration are already adversely affecting farmers, ranchers, and consumers in North Dakota through market limitations, a lack of competition, and lower prices. For these reasons, I support National Farmers Union's recent call for a moratorium on all pending and proposed mergers and acquisitions of agricultural interests of significant size until a net farm income study is completed and publicly reviewed. I believe that we must act now to address the problems caused by economic concentration in all agricultural sectors.

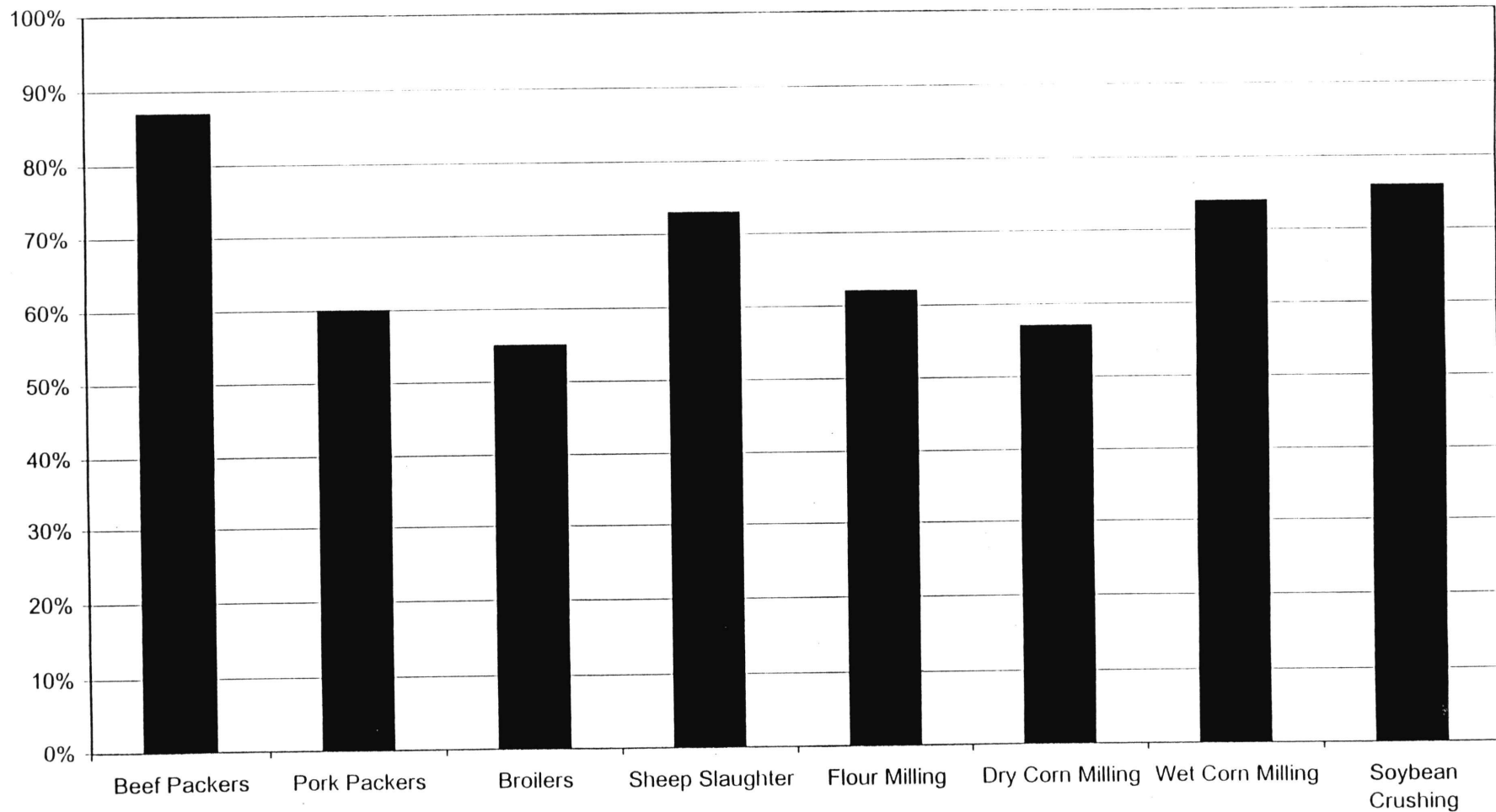
Relevant federal agencies and departments, including the Justice Department, Attorney General, Department of Commerce, Federal Trade Commission, and USDA, must also be encouraged to aggressively and proactively deal with the issues relating to and created by economic concentration.

Chairmen Wanzek and Nicholas and committee members, I urge you to strengthen the language offered in HCR 3009 so that a strong, clear message is sent to Washington which indicates that we need swift action on this issue.

I will answer any questions you may have.

Concentration of Agricultural Markets

(Ratio of top four firms relative to all firms)



Source: University of Missouri, 1997.

NORTH DAKOTA'S FIFTY-SIXTH LEGISLATIVE ASSEMBLY
Senate Agriculture Committee

1999

BILL NUMBER

HCR # 3009

GENERAL BILL SUMMARY:

House concurrent resolution urging United States Department o Justice to review the merge between Cargill, Incorporated, and Continental Grain Company and take any action appropriate to minimize potentially adverse effects of farmers, ranchers, and consumers that could result from such increased concentration in the agricultural sector.

No action taken. Joint Hearing with House Agriculture Committee.

Hearing Date: January 8, 1999.