

**1999 SENATE APPROPRIATIONS**

**SB 2009**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2009

Senate Appropriations Committee

Conference Committee

Hearing Date JANUARY 18, 1999

Tape Number	Side A	Side B	Meter #
2	X		2820 - 6224
		X	1-5085
2/12/99 2	X		4688-5050
Committee Clerk Signature <i>Kathey C. Kottenderock</i>			

Minutes:

**SENATOR NETHING:** Opened the hearing on SB2009; A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE AGRICULTURE COMMISSIONER; AND TO AMEND AND REENACT SECTION 4-01-21 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO THE SALARY OF THE AGRICULTURE COMMISSIONER.

**ROGER JOHNSON:** The North Dakota Commissioner of Agriculture to testify in support of SB2009 (testimony attached (tape 2, side A, meter 3090-end & side B, meter 0-620).

**SENATOR ROBINSON:** I have a question for OMB about the testimony on Page 8. The issue is the deficiency appropriation of \$27,850 requested and denied. How do you make that determination, what is the rationale for denial?

**JEFF LARSHUS:** Due to the small amount, that was requested and the money they had left in their budget, this biennium would be able to cover the deficiency.

**SENATOR SOLBERG:** I would like a schedule of the ERP funds and how they come in, from who, how much is costing each gallon. I want to see the cost to farmers for these ERP funds.

**ROGER JOHNSON:** We will be glad to provide it.

**SENATOR SOLBERG:** On the Waterbank Program, you requested an additional \$100,000.00.

Is that right? You received \$500,000.00 from Game & Fish on December 3, 1997, have you not? On Safe Send Project, you had 2 emergency Federal funds, one of \$182,000.00 and one of \$75,000, we spent that much on Project Safe Send in addition to what was appropriated 2 years ago?

**ROGER JOHNSON:** Yes, yes. Let me take these one at a time. The Waterbank funds that you requested. We generally enter into 10 year contracts, while the dollars are obligated, they actually are not spent. They have to be set aside for the full 10 years. This is what I think happened with Project Safe Send. This is a result of changing Safe Send during the flood in the Red River Valley. We scratched our plans because of the disaster and we did a special Safe Send that involved EPA coming in and paying for it. I think the emergency fund requests are federal fund spending authority.

**SENATOR SOLBERG:** This was spent in addition to what was appropriated 2 years ago for Project Safe Send?

**ROGER JOHNSON:** Yes, that would be true, except the dollars in that fund remaining get carried over. There is about \$100,000.00 still there for this biennium. These are from the ERP fund.

**SENATOR BOWMAN:** On Project Safe Send - When the bill was originally passed and collection of all the containers, we would go back and reduce some of the fees. We increased those fees tremendously from what they were. Have we addressed that anywhere or have we just went ahead and used that as a way to generate more wealth in the state rather than look at those that have funded this project.

**ROGER JOHNSON:** I was not here when that happened. We will try to deal with that following the hearing.

**KAY EAGLESON:** I represent Gifts Dakota Style in Jamestown, ND (tape 2, side B, meter 1158-1370). We do a catalog of North Dakota products. Have been involved with Pride of Dakota since 1989. Our catalog is funded partially by Pride of Dakota. About one-half of our mailing list is North Dakota related. Have received some funding for developing use of the Internet.

**PAUL THOMAS:** I work for AMS and I am Administrator of the North Dakota Dry Pea and Lentils Council and the growers (tape 2, side B, meter 1380-1560). It is a tribute to the Ag Department and for the little bit of funding we have used , and how far we have gotten in promoting our products.

**WOODY BARTH:** Farmer and Rancher from Solen, ND (tape 2, side B, meter 1567-1810). I serve as the chairperson of a six member credit review board which sets policy for the North

Dakota Ag Mediation Service. I am here to support the budget and the budget enhancement request.

**MARGIE FROEHLICH:** Resident of Mandan, North Dakota (tape 2, side B, meter 1812-2635). She testified on a skunk problem that she had in her back yard in Mandan, ND. She tried to get help from many agencies, and it appeared that everyone talked to had a reason for not being able to dispose of the skunk. For these reasons I am here in support of Wildlife Services and they are a very valuable department.

**TIM FOWLER:** Director of the Research Extension Center at Hettinger, North Dakota. I am testifying in behalf of the Ag Department budget, specifically the Wildlife Services (tape 2, side B, metre 2640-2940). We want to be sure that animal damage control or Wildlife Services is there in 7 or 8 years when we want to implement our research.

**FRANCIS MAHER:** I represent the Board of Animal Health, the commercial cattlemen. I am speaking in support of the AG Department budget (tape 2, side B, meter 3948-3110). Our feeling is that the State Veterinarian and the Assistant should spend more time in the field doing what they were hired to do.

**WADE MOSER:** I represent the North Dakota Stockmen's Association (tape 2, side B, meter 3116-3460). We have three areas of the budget that concern us. The Livestock Division, Brand Inspectors, Wildlife Services Division. The last one is the Board of Animal Health. We feel that the Board of Animal Health budget should be looked at closely and possibly some positions added.

**DOUG DUKART:** I represent the dairy part of the budget (tape 2, side B, meter 3463-3695). The inspection part of this service is very much needed. The new position of the Livestock Specialist is an area that we can benefit from in the dairy industry.

**LARRY KLEINGARTNER:** I am here to express our support for the Wildlife Services Division request for 2 additional positions (tape 2, side B, meter 3725-4005). Those positions would be shared by urban work and sunflower growers. There has been a great deal learned about controlling blackbirds in sunflower fields, and we hope that this program can be successful over the next several years in reducing damage in sunflower fields.

**BILL PFEIFFER:** I am speaking on behalf of the North Dakota Chapter of the Wildlife Society (tape 2, side B, meter 4010-4115). I wish to testify on the portion of the bill that deals with the Waterbank. We endorse the utilization of the money from the ERP funds, as a reward to the landowners that are willing to allow those rain drops to fall on the land. This would be matched by EPA. I also wish to testify on the Wildlife Service aspect. We highly endorse those portions of the bill that I have spoke on.

**SENATOR BOWMAN:** What will this Wildlife Services Division do that the Game and Fish officer cannot do?

**JOHN PAULSON:** I am District Supervisor with Wildlife Services. Currently the North Dakota Game and Fish Wardens do not have the tools necessary to deal with skunk problems. They do not carry live traps, they do not have euthanasia equipment. All of our personnel are equipped to handle these problems. At the present time, the Game and Fish deals with Deer depredation, and every other species is under the responsibility of the Wildlife Services.

**SENATOR BOWMAN:** My question is that if they only shot the skunk, it does not take a whole program to come up with a gun to shoot a skunk. If there is a problem like that, do we need to change the law so that your neighbor could have shot the skunk.

**JOHN PAULSON:** The Police Departments in the city limits are the only ones allowed to discharge a firearm. They do not have the type firearm available, other than their pistol to deal with it. Some Police Chiefs have decided that they do not want to deal with these type of problems.

**GARY KNUTSON:** I am the Executive Director of the North Dakota Ag Association (tape 2, side B, meter 4615-4695). We want to endorse and urge continued support for Project Safe Send and the Minor Use Program funding. We feel this program is going to continue to grow.

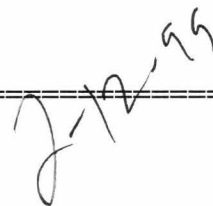
**ERLIN LIGHTHOLD:** I represent the North Dakota Weed Control Association (tape 2, side B, meter 4700-5075). We are in favor of the bill and keeping our noxious weed budget where it is at. The Landowner Assistance Program money goes directly from the state to the county, which the county administers 100% of that to the landowner. We ask for continued funding.

**SENATOR NAADEN:** Closed the hearing on SB2009.

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2/12/99

Tape 2, Side A, 4688-5050



**SENATOR NETHING:** Reopened the hearing on SB 2009.

**SENATOR SOLBERG:** Presented amendments to SB 2009, and noted 1 FTE in the livestock division had not been included in the amendment. This position does not add additional funding.

**SENATOR SOLBERG:** Moved do pass amendments to SB 2009 including the 1 FTE as outlined.

**SENATOR TOMAC:** Seconded the motion.

**MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.**

Page 5  
Senate Appropriations Committee  
Bill/Resolution Number sb2009.lwp  
Hearing Date JANUARY 18, 1999

2-12-99

**SENATOR SOLBERG:** Moved do pass SB 2009 as amended.

**SENATOR NAADEN:** Seconded the motion

**ROLL CALL:** 14 yeas; 0 nays; 0 absent & not voting

**MOTION CARRIED TO DO PASS SB 2009 AS AMENDED.**

**CARRIER: SENATOR SOLBERG**

**SENATOR NETHING:** Closed the hearing on SB 2009.

## FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2009 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-30-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

**Narrative:**

The Executive Budget Recommendation for the commissioner of agriculture (Department of Agriculture) is broken down in the following three segments:

General Fund:	\$4,607,129	Total Funds:	\$8,687,471
Federal Funds:	\$1,258,661		
Special Funds:	\$2,821,681		

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	\$4,607,129	\$4,080,342	0	0
Expenditures:	0	0	\$4,607,129	\$4,080,342	0	0

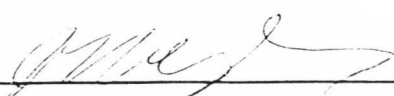
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: NONE
- b. For the 1999-2001 biennium: ENTIRE DEPARTMENT BUDGET
- c. For the 2001-03 biennium: NONE

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Jeff Weispfenning

Date Prepared: 1-4-99

Department Department of Agriculture

Phone Number 328-4758

Date: 2/12/99  
 Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2009

Senate APPROPRIATIONS Committee

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

Legislative Council Amendment Number 98031.0103

Action Taken DO PASS AMENDMENT

Motion Made By Sen. Solberg Seconded By Sen. Tomac

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) Unanimous No 0

Absent 0

Floor Assignment \_\_\_\_\_

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



Date: 2/12/99  
Roll Call Vote #: \_\_\_\_\_

**1999 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2009**

Senate APPROPRIATIONS Committee

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

Legislative Council Amendment Number 98031.0103

Action Taken DO PASS AS AMENDED

Motion Made By Sen. Solberg Seconded By Sen. Naaden

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Sen. Solberg

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

**REPORT OF STANDING COMMITTEE**

**SB 2009: Appropriations Committee (Sen. Nething, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 13, replace "3,130,530" with "3,053,452"

Page 1, line 17, replace "506,818" with "502,922"

Page 1, line 18, replace "857,818" with "851,681"

Page 1, line 22, replace "151,841" with "151,516"

Page 1, line 24, replace "554,363" with "553,907"

Page 2, line 2, replace "8,687,471" with "8,599,579"

Page 2, line 3, replace "4,080,342" with "4,068,216"

Page 2, line 4, replace "4,607,129" with "4,531,363"

Page 2, line 8, replace "sixty-four" with "fifty-eight" and replace "one" with "two"

Page 2, line 9, replace "twenty-four" with "sixty-two", after "2000" insert ", fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000", replace "sixty-six" with "sixty-four", after "~~one~~" insert "five", and remove the overstrike over "~~hundred~~"

Page 2, line 10, replace "forty-seven" with "sixty-nine"

Page 2, after line 10, insert:

**"SECTION 3. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$1,860,576, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture department programs, for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 4. ESTIMATED INCOME - ANHYDROUS AMMONIA STORAGE INSPECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$75,992, or so much of the sum as may be necessary, from the anhydrous ammonia storage inspection fund for the purpose of defraying the expenses of regulating anhydrous ammonia storage facilities, for the biennium beginning July 1, 1999, and ending June 30, 2001."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

SENATE - This amendment makes the following changes:

**REPORT OF STANDING COMMITTEE (410)  
February 15, 1999 6:16 p.m.**

**Module No: SR-30-3039  
Carrier: Solberg  
Insert LC: 98031.0104 Title: .0200**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,130,530	(\$77,078)	\$3,053,452
Operating expenses	828,957		828,957
Equipment	22,900		22,900
Grants	161,700		161,700
Board of Animal Health	506,818	(3,896)	502,922
Ag mediation	857,818	(6,137)	851,681
Ag in the classroom	96,000		96,000
Anhydrous ammonia storage	8,154		8,154
Waterbank program	414,000		414,000
Pride of Dakota	151,841	(325)	151,516
Wildlife services	779,694		779,694
Safe send	554,363	(456)	553,907
Noxious weeds	<u>1,174,696</u>		<u>1,174,696</u>
Total all funds	\$8,687,471	(\$87,892)	\$8,599,579
Less special funds	<u>4,080,342</u>	<u>(12,126)</u>	<u>4,068,216</u>
General fund	\$4,607,129	(\$75,766)	\$4,531,363
FTE	46.00	1.00	47.00

Detail of Senate changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	DELAY MARKET SALARY ADJUSTMENTS TO 1/1/2001	REDUCE PLANT SERVICES PROGRAM	AUTHORIZE BOARD OF ANIMAL HEALTH POSITION	TOTAL SENATE CHANGES
Salaries and wages	(\$39,149)	\$9,978	(\$17,907) <sup>1,2</sup>	(\$30,000) <sup>3</sup>		(\$77,078)
Operating expenses						
Equipment						
Grants						
Board of Animal Health	(4,751)	855				(3,896)
Ag mediation	(8,133)	1,996				(6,137)
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota	(468)	143				(325)
Wildlife services						
Safe send	(599)	143				(456)
Noxious weeds						
Total all funds	(\$53,100)	\$13,115	(\$17,907)	(\$30,000)	\$0	(\$87,892)
Less special funds	<u>(16,727)</u>	<u>4,601</u>				<u>(12,126)</u>
General fund	(\$36,373)	\$8,514	(\$17,907)	(\$30,000)	\$0	(\$75,766)
FTE	0.00	0.00	0.00	0.00	1.00 <sup>4</sup>	1.00

Senate changes narrative:

<sup>1</sup> In addition to the two percent annual salary increases, funding is included to provide the commissioner a market equity salary increase of \$428.42 per month for the final six months of the biennium. The statutory annual salary for the commissioner will be:

Current salary	\$57,120
July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$64,569

<sup>2</sup> In addition to the two percent annual salary increases, funding is included to provide the deputy commissioner a market equity salary increase of \$390.58 per month for the final six months of the biennium.

<sup>3</sup> Reduces funding for temporary and overtime salaries of the plant services program.

<sup>4</sup> Authorizes one FTE position for the Board of Animal Health. No additional funding is added for the position.

Sections are added identifying the amounts being appropriated to the Agriculture Department from the environment and rangeland protection fund and the anhydrous ammonia storage inspection fund.

**1999 HOUSE APPROPRIATIONS**

**SB 2009**

## 1999 HOUSE STANDING COMMITTEE MINUTES

## BILL/RESOLUTION NO. SB 2009

House Appropriations Committee  
Education and Environment Division

Conference Committee

Hearing Date March 11, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-end
1		x	0-end
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

**SB 2009 - A bill for an act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to amend and reenact section 4-01-21 of the ND Century Code, relating to the salary of the agriculture commissioner.**

**CHAIRMAN WENTZ** opened the hearing on SB 2009.

**1A: 1.0 ROGER JOHNSON, Agriculture Commissioner**, testified in support of the bill and provided a review of the budget. (See testimony.)

**1A: 14.1 REP. CARLSON** asked why the federal government funding had decreased so significantly. Mr. Johnson said that the budget agreement in Congress puts a cap on total agriculture spending.

**1A: 23.0 REP. AARSVOLD** asked about the potential financial costs if ND loses its TB-free status. Dr. Larry Schuler, State Veterinarian, said that there would be fees of \$10-20 per head for testing cattle to meet other states' requirements.

**1A: 25.5 MR. JOHNSON** said that the federal government will indemnify producers of herds affected by TB. The state makes up the difference as to the value of the herd. There was discussion of the farmer whose herd was destroyed due to TB within the past few days.

**1A: 49.0 REP. NICHOLS** asked about the increase in phytosanitary certificates. Dave Nelson, State Entomologist, said that there was an increase in the number of certificates necessary to move grain through Canada. The phytosanitary certificate has been replaced by the certificate of origin.

**1B: 0.1 BRIAN NIES** testified in support of the bill.

**1B: 1.2 BEVERLY VOLLMER** endorsed Ag mediation services and testified in support of the bill.

**1B: 4.0 BONNIE WOODWORTH, President of ND Beekeepers Association**, testified and asked the committee to remove the amendment of \$30,000 for temporary funding salaries.

**1B: 5.7 ROGER EMTER, Glen Ullin small business owner**, testified in support of the Pride of Dakota program.

**1B: 8.7 DAROLD WALLS, Dakota Lake Products, Kensal**, testified in support of the Pride of Dakota program.

**1B: 11.6 GARY KNUTSON** endorsed project Safe Send and testified in support of the bill.

**1B: 12.3 REP. JON NELSON, District 7**, testified in support of the transfer of EARP funds into the Minor Use program.

**1B: 23.6 REP. LLOYD** asked about the activity in other states with regard to the IR4 programs. Larry Kleingartner, Executive Director of ND Sunflowers Association, said that there are 8 sites in 5 other states. The residue sites are subsidized at \$2500 each.

**1B: 25.1 REP. DENNIS JOHNSON, District 12**, testified in support of the Safe Send program.

**1A: 25.9 REP. MONSON** said that he is concerned about the canola pesticides. Barry Kollman, Northern Canola Growers Association, said that products have been sent to the EPA for testing. They will use this program again next year.

**1B: 31.8 MERLIN LIGHTHOLD, ND Weed Control Association,** testified in support of the bill.

**1B: 36.4 BILL PFEIFER, ND Chapter of Wildlife Society,** testified in support of the bill.

**1B: 41.8 LEO BRUNNER, Director of Parks for Minot Park District,** testified in support of the bill. (See testimony.)

**CHAIRMAN WENTZ** adjourned the meeting. The hearing remains open and will be continued on March 12, 1999.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 26, 1999			
Tape Number	Side A	B Side	Meter #
1	x		8.8-44.9
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2009

**CHAIRMAN WENTZ** opened discussion on SB 2009.

**1A: 8.8 REP. LLOYD** discussed amendments 0202. SB 2009 includes funds for Safesend (SB 2081) and Ag Mediation (SB 2289). He moved the amendments, and the motion was seconded by Rep. Nichols.

**1A: 20.2 REP. NICHOLS** said he would resist the reduction of \$120,000 from the general fund in Ag Mediation. There is already a terrible hit from the reduction in federal funding, and it is wrong to hurt the farmers more. He moved to restore \$120,000 to the general fund and designate the money for Ag Mediation. The motion was seconded by Rep. Aarsvold.

**1A: 23.5 REP. AARSVOLD** said that by decreasing funds for Ag Mediation, they would be opening up the potential for more bankruptcies.

**1A: 24.7 A voice vote** was taken and the motion failed.

**1A: 25.4 REP. AARSVOLD** moved to amend the amendment by adding \$100,000 to the Minor Use program in Section 7. The motion was seconded by Rep. Nichols.

**1A: 27.4 REP. MONSON** said that he is a minor use pesticide user, but the amount of money he has seen coming to those groups from the check offs is very large. It is not necessary to add back in that area.

**1A: 28.5 REP. LLOYD** asked which source the funds come from. Rep. Aarsvold replied that there are adequate resources in the EARP fund. Rep. Lloyd continued by saying that if the increase does not occur, there will only be \$94,000 left in the EARP fund, which does not allow for \$100,000 to go to Minor Use.

**1A: 30.5 A voice vote** was taken and the motion failed.

**1A: 30.7 REP. AARSVOLD** voiced his concern that whoever is on the conference committee will consider this.

General Discussion

Page 2

House Appropriations, EE Division

March 26, 1999

**1A: 31.5 REP. MONSON** asked where the funds for Ag in the Classroom are coming from and what they are being used for. Rep. Boehm replied that the money comes from special funds, Farm Bureau, and Farmers Union. The money is used mainly to educate teachers. They are currently having trouble raising funds, but want the authority to spend it if they can raise it.

**1A: 32.9 REP. MONSON** asked if PETA was involved. He had heard and seen things regarding PETA that ND kids should not be exposed to. Rep. Boehm replied that he does not think this is the case. He stated that the Farm Bureau and Farmers Union would not cooperate in any efforts with PETA. He would meet with board members to find out.

**1A: 35.8 A voice vote** was taken on adopting amendment 0202. The motion carried. Rep. Aarsvold and Rep. Nichols voted no.

**1A: 36.6 REP. DALRYMPLE** told the committee that he was considering offering a statement of legislative intent when the bill goes to full committee. The statement, regarding Safesend, said that the intent of Safesend was not to accept products from wholesalers and manufacturers unless they pay for the services.

**1A: 38.3 REP. CARLSON** said he assumed the state was not picking up from wholesalers and manufacturers. Rep. Lloyd replied that they are listed in the data of where the products came from. He was told that some of these products came from farmers who do not want to be seen at the Safesend sight with materials they are dropping off. Getting rid of chemicals and materials is a cost of production for wholesalers and manufacturers and should not be a cost of the state.

**1A: 41.2 REP. AARSVOLD** asked if ND has the potential of becoming a dumping ground because of the low cost disposal offered here. Rep. Lloyd said that this potential does exist. Some materials have crossed borders.

**1A: 43.0 REP. LLOYD** moved for a Do Pass as amended. The motion was seconded by Rep. Boehm. A roll call vote was taken and the motion carried with 5 yeas and 2 nays. Rep. Lloyd will carry the bill to the full committee.



## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 26, 1999			
Tape Number	Side A	B Side	Meter #
2		x	12.4-32.6
Committee Clerk Signature <i>Roxanne Hone</i>			

Minutes:

Chairman Dalrymple opened the discussion on Senate Bill 2009.

**2B: 12.4 Rep. Lloyd** discussion of amendment 98031.0202 to the committee. Rep. Lloyd moved to adopt the amendment. Rep. Poolman 2nd the motion.

**2B: 22.0 Rep. Aarsvold** commented on concerns of cuts in budget.

**2B: 23.1** On a Voice Vote the motion carried to adopt the amendment.

**2B: 23.5 Rep. Dalrymple** presented amendment 98031.0203 to committee. Brief discussion of amendment. Rep. Boehm moved to adopt the amendment. Rep. Monson 2nd the motion. On a Voice Vote the motion carried to adopt the amendment.

**2B: 26.2 Rep. Kerzman** made a motion to further amend the bill and include \$75,000 for the RCALF fund regarding Ag mediation. The money would come from general funds. The Senate hasn't found a source of money and would like to get into a conference committee regarding the issue. Rep. Aarsvold 2nd the motion. On a Voice Vote the motion failed.

General Discussion

Page 2

House Appropriations

March 26, 1999

**2B: 31.3 Rep. Lloyd** moved for a DO PASS AS AMENDED. Rep. Boehm 2nd the motion. On a Roll Call Vote the motion carried.

15 voting YES

4 voting NO

1 voting ABSENT

Carrier: Rep. Lloyd

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 2, 1999			
Tape Number	Side A	B Side	Meter #
1	x		11.3-34.5
Committee Clerk Signature		<i>Roxanne Hone</i>	

Minutes:

**1A: 11.3 Chairman Dalrymple** opened the discussion on Senate Bill 2009.

Two separate amendments to consider: .0206 & .0207.

**1A: 13.9 Rep. Lloyd** explanation of amendments to bill as previously amended. Operating expenses are reduced by \$100,000 instead of \$200,000 to let the commissioner find \$100,000 for Ag Mediation. Chairman Dalrymple asked about Ag Mediation language.

**1A: 15.7 Legislative Council** explained the spending authority is restored in Ag Mediation line. It would allow them to make line item transfers without going to Emergency Commission.

**1A: 16.6 Rep. Gulleeson** commented this is not what she had in mind. Not sure that we've fixed anything here. There were questions regarding federal money being dropped. Moving the numbers to another line item is not the answer here by reducing the budget here, at all.

**1A: 17.7 Rep. Aarsvold** commented he would echo the same comments as Rep. Gulleeson. Further commented on concern for industry and spending of funds and increase in registration fees.

**1A: 18.4 Rep. Lloyd** moved to adopt the amendments .0207. Rep. Boehm 2nd the motion.

**1A: 19.6 Rep. Byerly** moved to Reconsider action on Senate Bill 2009. Rep. Wentz 2nd the motion. On a Voice Vote the motion carried.

**1A: 19.9 Rep. Hoffner** asked with the amendment how many general fund dollars in line item. Legislative Council replied \$776,681.

**1A: 20.8 Rep. Dalrymple** asked about restoration of position. **Rep. Lloyd** replied that with discussions the position was not that important compared to the \$ for Ag Mediation.

**1A: 21.6 Rep. Gulleson** commented throughout the session we have been trying to help out the Ag Sector which is one of the parts of our economy that needs the most focus right now. We come here and take \$190,000 from the House side out of a \$3 million budget and took a \$150,000 total out of a \$43 million Water Commission budget, and we took a \$150,000 total out of a \$9 million tax commission budget. It makes no sense to me and we are going in the absolute wrong direction. I don't understand it. Hoping it is not politics because if it is it's one of the worst kinds.

**1A: 22.6 Rep. Lloyd** moved to add \$100,000 of line item transfer authority to the entire budget. Rep. Boehm 2nd the motion. On a Voice Vote the motion carried. On a Voice Vote the amendment was adopted.

**1A: 25.6 Rep. Lloyd** explanation of amendment .0206: assists in labeling and registration of chemicals that are being used in Canada, also enhances the labeling of products that are available in the United States but not being used on crops in ND. This is an opportunity to pursue this. Allows for a development of a committee: Chairman of Senate/House Ag committees and Governor appoints several people from the Ag Coalition to identify and prioritize the crop protection products and labeling needs. This will help with competitiveness and fairness. **Rep. Lloyd** moved the amendment. **Rep. Wentz** 2nd the motion.

**1A: 29.6 Rep. Aarsvold** commented on the source of funding and jeopardization of relationship between private and public relationship. Hopes to defeat the amendment.

**1A: 32.0 Rep. Lloyd** moved for a DO PASS AS AMENDED. **Rep. Wentz** 2nd the motion. On a Roll Call Vote the motion carried.

15 voting YES

5 voting NO

Carrier: Rep. Lloyd

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, replace "and" with "to provide for a transfer;"; replace "section" with "sections", and after "4-01-21" insert "and 19-18-04"

Page 1, line 3, after "commissioner" insert "and pesticide registration fees; and to declare an emergency"

Page 1, remove line 11

Page 1, line 14, replace "828,957" with "758,957"

Page 1, line 18, replace "851,681" with "676,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,374,579"

Page 2, line 3, replace "4,068,216" with "4,033,216"

Page 2, line 4, replace "4,531,363" with "4,341,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.** Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:

1. Give the name and address of each manufacturer or distributor.
2. Give the name and brand of each product registered.
3. Be accompanied by a current label of each product so registered.
4. Be accompanied by a registration fee of ~~three~~ four hundred dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit ~~forty~~ forty-six dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
5. Be accompanied by a material safety data sheet.

The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue.

to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.

Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.

This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section."

Page 2, after line 21, insert:

**"SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 7. TRANSFER.** The office of management and budget shall transfer \$85,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 8. CONTINGENT APPROPRIATION - TRANSFER.** If dual labeling of agricultural pesticides is approved, there is hereby appropriated the sum of \$75,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund to the agriculture commissioner for the purpose of assisting in the creation of pesticide labels for the period beginning with the effective date of this Act and ending December 31, 2000. On January 1, 2001, the office of management and budget shall transfer an amount equal to the unspent appropriation authority remaining pursuant to the appropriation provided for in this section from the environment and rangeland protection fund to the minor use pesticide fund.

**SECTION 9. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 10. EMERGENCY.** Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$30,000	\$3,083,452
Operating expenses	828,957	828,957	(100,000)	728,957
Equipment	22,900	22,900		22,900
Grants	161,700	161,700		161,700
Board of Animal Health	506,818	502,922		502,922
Ag mediation	857,818	851,681	(175,000)	676,681
Ag in the classroom	96,000	96,000		96,000
Anhydrous ammonia storage	8,154	8,154		8,154
Waterbank program	414,000	414,000		414,000
Pride of Dakota	151,841	151,516		151,516
Wildlife services	779,694	779,694		779,694
Safe Send	554,363	553,907	20,000	573,907
Separate section - Dual labeling			75,000	75,000
Noxious weeds	<u>1,174,696</u>	<u>1,174,696</u>		<u>1,174,696</u>
Total all funds	\$8,687,471	\$8,599,579	(\$150,000)	\$8,449,579
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>40,000</u>	<u>4,108,216</u>
General fund	\$4,607,129	\$4,531,363	(\$190,000)	\$4,341,363
FTE	46.00	47.00	(1.00)	46.00

Detail of House changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	REDUCE AGRICULTURE MEDIATION	ADD CONTINGENT FUNDING FOR DUAL LABELING	ADD FUNDING FOR COMPUTERS	REMOVE AG MEDIATION NEGOTIATOR
Salaries and wages	\$30,000 <sup>1</sup>					
Operating expenses		(\$100,000) <sup>2</sup>				
Equipment						
Grants						
Board of Animal Health						
Ag mediation			(\$100,000) <sup>3</sup>			(\$75,000) <sup>6</sup>
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota						
Wildlife services						
Safe Send					\$20,000 <sup>5</sup>	
Separate section - Dual labeling				\$75,000 <sup>4</sup>		
Noxious weeds						
Total all funds	\$30,000	(\$100,000)	(\$100,000)	\$75,000	\$20,000	(\$75,000)
Less special funds				<u>75,000</u>	<u>20,000</u>	<u>(55,000)</u>
General fund	\$30,000	(\$100,000)	(\$100,000)	\$0	\$0	(\$20,000)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	TOTAL HOUSE CHANGES
Salaries and wages	\$30,000
Operating expenses	(100,000)
Equipment	
Grants	
Board of Animal Health	
Ag mediation	(175,000)
Ag in the classroom	
Anhydrous ammonia storage	
Waterbank program	
Pride of Dakota	
Wildlife services	
Safe Send	20,000
Separate section - Dual labeling	75,000
Noxious weeds	
Total all funds	(\$150,000)
Less special funds	<u>40,000</u>
General fund	(\$190,000)
FTE	(1.00)

House changes narrative:

- <sup>1</sup> Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program.
- <sup>2</sup> Reduces operating expenses. The commissioner may determine the specific areas to reduce within this line item.
- <sup>3</sup> Reduces agriculture mediation. The commissioner may determine the specific areas to reduce within this program.
- <sup>4</sup> If dual labeling of pesticides is approved, an appropriation from the environment and rangeland protection fund is provided for creating the pesticide labels. Any of this funding that has not been spent by December 31, 2000, will be transferred to the minor use pesticide fund.
- <sup>5</sup> Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for the Safe Send program.
- <sup>6</sup> Removes 1 FTE agriculture mediation negotiator position.

A section is added providing for an \$85,000 transfer from the environment and rangeland protection fund to the minor use pesticide fund.

A section is added increasing the biennial pesticide registration fee from \$300 to \$400. Of the \$400, \$67 is deposited in the general fund and \$333 in the environment and rangeland protection fund.

A section is added appropriating \$25,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying a herd of cattle infected with bovine tuberculosis.



Date: 3.26.99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2009

House Appropriations Committee

- Subcommittee on Education and Environment
- or
- Conference Committee

Legislative Council Amendment Number 0202

Action Taken Do Pass as amended

Motion Made By Lloyd. Seconded By Boehm

Representatives	Yes	No	Representatives	Yes	No
Chairperson Janet Wentz	X				
Vice Chairman Ed Lloyd	X				
Rep. Ole Aarsvold		X			
Rep. James Boehm	X				
Rep. Al Carlson	X				
Rep. David Monson	X				
Rep. Ronald Nichols		X			

Total (Yes) 5 No 2

Absent \_\_\_\_\_

Floor Assignment Lloyd to Full Committee

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

Date: 3.26.99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2009

House Appropriations Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number 98031.0202 & 98031.0203

Action Taken DP AS AMENDED

Motion Made By Lloyd Seconded By Boehm

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

Total (Yes) 15 No 4

Absent 1

Floor Assignment Rep. Lloyd

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

REPORT OF STANDING COMMITTEE

SB 2009, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 2, replace the first "and" with "to provide a statement of legislative intent; to provide for a transfer;"; replace "section" with "sections", and after "4-01-21" insert "and 19-18-04"

Page 1, line 3, after "commissioner" insert "and pesticide registration fees; and to declare an emergency"

Page 1, remove line 11

Page 1, line 14, replace "828,957" with "758,957"

Page 1, line 18, replace "851,681" with "676,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,374,579"

Page 2, line 3, replace "4,068,216" with "4,033,216"

Page 2, line 4, replace "4,531,363" with "4,341,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.** Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:

1. Give the name and address of each manufacturer or distributor.
2. Give the name and brand of each product registered.
3. Be accompanied by a current label of each product so registered.
4. Be accompanied by a registration fee of ~~three~~ four hundred dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit ~~fifty~~ sixty-seven dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
5. Be accompanied by a material safety data sheet.

The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue

to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.

Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.

This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section."

Page 2, after line 21, insert:

**"SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 7. LEGISLATIVE INTENT - PROJECT SAFE SEND.** It is the intent of the legislative assembly that the agriculture commissioner not accept products under project safe send from wholesalers or manufacturers unless the full cost of disposal is recovered from the wholesaler or manufacturer. It is also the intent of the legislative assembly that products which are not a direct danger to the public should be disposed of by the owner in a proper manner. The agriculture commissioner may distribute educational materials on the proper and safe disposal of appropriate materials by the original purchaser for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 8. PROJECT SAFE SEND - FEES.** The agriculture commissioner may charge wholesalers and manufacturers a fee for the disposal of pesticides located in North Dakota. The fee may be no less than the cost of disposal. All fees collected under this section must be deposited in the environment and rangeland protection fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 9. TRANSFER.** The office of management and budget shall transfer \$85,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 10. CONTINGENT APPROPRIATION - TRANSFER.** If dual labeling of agricultural pesticides is approved, there is hereby appropriated the sum of \$75,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund to the agriculture commissioner for the purpose of assisting in the creation of pesticide labels for the period beginning with the effective date of this Act and ending December 31, 2000. On January 1, 2001, the office of management and budget shall transfer an amount equal to the unspent appropriation authority remaining pursuant to the appropriation provided for in this section from the environment and rangeland protection fund to the minor use pesticide fund.

**SECTION 11. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the

state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 12. EMERGENCY.** Sections 10 and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$30,000	\$3,083,452
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Grants	161,700	161,700		161,700
Board of Animal Health	506,818	502,922		502,922
Ag mediation	857,818	851,681	(175,000)	676,681
Ag in the classroom	96,000	96,000		96,000
Anhydrous ammonia storage	8,154	8,154		8,154
Waterbank program	414,000	414,000		414,000
Pride of Dakota	151,841	151,516		151,516
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Separate section - Dual labeling			75,000	75,000
Noxious weeds	<u>1,174,696</u>	<u>1,174,696</u>		<u>1,174,696</u>
Total all funds	\$8,687,471	\$8,599,579	(\$150,000)	\$8,449,579
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>40,000</u>	<u>4,108,216</u>
General fund	\$4,607,129	\$4,531,363	(\$190,000)	\$4,341,363
FTE	46.00	47.00	(1.00)	46.00

Detail of House changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	REDUCE AGRICULTURE MEDIATION	ADD CONTINGENT FUNDING FOR DUAL LABELING	ADD FUNDING FOR COMPUTERS	REMOVE AG MEDIATION NEGOTIATOR
Salaries and wages	\$30,000 <sup>1</sup>					
Operating expenses		(\$100,000) <sup>2</sup>				
Equipment						
Grants						
Board of Animal Health						
Ag mediation			(\$100,000) <sup>3</sup>			(\$75,000) <sup>6</sup>
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota						
Wildlife services						
Safe Send					\$20,000 <sup>5</sup>	
Separate section - Dual labeling				\$75,000 <sup>4</sup>		
Noxious weeds						
Total all funds	\$30,000	(\$100,000)	(\$100,000)	\$75,000	\$20,000	(\$75,000)
Less special funds				<u>75,000</u>	<u>20,000</u>	<u>(55,000)</u>
General fund	\$30,000	(\$100,000)	(\$100,000)	\$0	\$0	(\$20,000)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	TOTAL HOUSE CHANGES
Salaries and wages	\$30,000
Operating expenses	(100,000)
Equipment	
Grants	
Board of Animal Health	
Ag mediation	(175,000)
Ag in the classroom	
Anhydrous ammonia storage	
Waterbank program	
Pride of Dakota	
Wildlife services	
Safe Send	20,000
Separate section - Dual labeling	75,000
Noxious weeds	
Total all funds	(\$150,000)
Less special funds	<u>40,000</u>
General fund	(\$190,000)
FTE	(1.00)

House changes narrative:

- 1 Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program.
- 2 Reduces operating expenses. The commissioner may determine the specific areas to reduce within this line item.
- 3 Reduces agriculture mediation. The commissioner may determine the specific areas to reduce within this program.
- 4 If dual labeling of pesticides is approved, an appropriation from the environment and rangeland protection fund is provided for creating the pesticide labels. Any of this funding that has not been spent by December 31, 2000, will be transferred to the minor use pesticide fund.
- 5 Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for the Safe Send program.
- 6 Removes 1 FTE agriculture mediation negotiator position.

Sections are added providing that the Agricultural Commissioner may charge wholesalers and manufacturers for the actual costs of disposing of their products under project Safe Send and that products which are not a direct danger to the public should be disposed of by the owner in a proper manner rather than under project Safe Send.

A section is added providing for an \$85,000 transfer from the environment and rangeland protection fund to the minor use pesticide fund.

A section is added increasing the biennial pesticide registration fee from \$300 to \$400. Of the \$400, \$67 is deposited in the general fund and \$333 in the environment and rangeland protection fund.

A section is added appropriating \$25,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying a herd of cattle infected with bovine tuberculosis.

VK  
4/2/99  
1084

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009 APP 4-5-99

In lieu of the amendments adopted by the House as printed on pages 1056-1060 of the House Journal, Engrossed Senate Bill No. 2009 is amended as follows:

Page 1, line 2, replace the first "and" with "to provide for crop protection product task force; to provide a statement of legislative intent; to provide for a transfer;"; replace "section" with "sections", and after "4-01-21" insert "and 19-18-04"

Page 1, line 3, after "commissioner" insert "and pesticide registration fees; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,083,452"

Page 1, line 14, replace "828,957" with "628,957"

Page 1, line 18, replace "851,681" with "776,681"

Page 1, line 24, replace "553,907" with "573,907"

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009 APP 4-5-99

Page 2, line 2, replace "8,599,579" with "8,374,579"

Page 2, line 3, replace "4,068,216" with "4,033,216"

Page 2, line 4, replace "4,531,363" with "4,341,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.** Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:

1. Give the name and address of each manufacturer or distributor.
2. Give the name and brand of each product registered.
3. Be accompanied by a current label of each product so registered.
4. Be accompanied by a registration fee of ~~three~~ four hundred dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit ~~fifty~~ sixty-seven dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
5. Be accompanied by a material safety data sheet.

The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.

Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.

This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section."

Page 2, line 14, replace "\$1,860,576" with "\$1,880,576"

Page 2, after line 21, insert:

**"SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 7. LEGISLATIVE INTENT - PROJECT SAFE SEND.** It is the intent of the legislative assembly that the agriculture commissioner not accept products under project safe send from wholesalers or manufacturers unless the full cost of disposal is recovered from the wholesaler or manufacturer. It is also the intent of the legislative assembly that products which are not a direct danger to the public should be disposed of by the owner in a proper manner. The agriculture commissioner may distribute educational materials on the proper and safe disposal of appropriate materials by the original purchaser for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 8. PROJECT SAFE SEND - FEES.** The agriculture commissioner may charge wholesalers and manufacturers a fee for the disposal of pesticides located in North Dakota. The fee may not be less than the cost of disposal. All fees collected under this section must be deposited in the environment and rangeland protection fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 9. TRANSFER.** The office of management and budget shall transfer \$85,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 10. LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and the state treasurer shall make transfers of funds between line items in section 1 of this Act of up to a cumulative sum of \$100,000 as may be requested by the agriculture commissioner for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 11. CROP PROTECTION PRODUCT TASK FORCE - MEMBERSHIP - DUTIES.** The crop protection product task force consists of the agriculture commissioner, the chairman of the house agriculture committee, the



chairman of the senate agriculture committee, and three individuals appointed by the governor. The governor shall call the task force together for its initial meeting, at which time the task force members shall select a member to be chairman. Every meeting thereafter is at the call of the chairman. The task force shall:

1. Identify and prioritize crop protection product labeling needs;
2. Determine which crop protection compounds should be considered for registration by this state and submitted for environmental protection agency approval and allocate funds, as needed, to accomplish the registration and approval; and
3. Work in a coordinated and cooperative fashion with the manufacturers of crop protection products to ensure prompt and consistent labeling of products for use in the United States, Canada, and Mexico.

**SECTION 12. APPROPRIATION.** There is hereby appropriated out of any moneys in the environment and rangeland protection fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the crop protection product task force for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 13. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 14. EMERGENCY.** Section 13 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**DEPARTMENT 602 - AGRICULTURE DEPARTMENT**

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$30,000	\$3,083,452
Operating expenses	828,957	828,957	(200,000)	628,957
Equipment	22,900	22,900		22,900
Grants	161,700	161,700		161,700
Board of Animal Health	506,818	502,922		502,922
Ag mediation	857,818	851,681	(75,000)	776,681
Ag in the classroom	96,000	96,000		96,000
Anhydrous ammonia storage	8,154	8,154		8,154
Waterbank program	414,000	414,000		414,000
Pride of Dakota	151,841	151,516		151,516
Wildlife services	779,694	779,694		779,694
Safe Send	554,363	553,907	20,000	573,907
Noxious weeds	<u>1,174,696</u>	<u>1,174,696</u>		<u>1,174,696</u>
Total all funds	\$8,687,471	\$8,599,579	(\$225,000)	\$8,374,579
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>(35,000)</u>	<u>4,033,216</u>
General fund	\$4,607,129	\$4,531,363	(\$190,000)	\$4,341,363
FTE	46.00	47.00	(1.00)	46.00

Detail of House changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	ADD FUNDING FOR COMPUTERS	REMOVE AG MEDIATION NEGOTIATOR	TOTAL HOUSE CHANGES
Salaries and wages	\$30,000 <sup>1</sup>				\$30,000
Operating expenses		(\$200,000) <sup>2</sup>			(200,000)
Equipment					
Grants					
Board of Animal Health					
Ag mediation				(\$75,000) <sup>4</sup>	(75,000)
Ag in the classroom					
Anhydrous ammonia storage					
Waterbank program					
Pride of Dakota					
Wildlife services					
Safe Send			\$20,000 <sup>3</sup>		20,000
Noxious weeds					
Total all funds	\$30,000	(\$200,000)	\$20,000	(\$75,000)	(\$225,000)
Less special funds			20,000	(55,000)	(35,000)
General fund	\$30,000	(\$200,000)	\$0	(\$20,000)	(\$190,000)
FTE	0.00	0.00	0.00	(1.00)	(1.00)

House changes narrative:

- <sup>1</sup> Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program.
- <sup>2</sup> Reduces operating expenses. The commissioner may determine the specific areas to reduce within the budget. A section is added authorizing the Agriculture Commissioner to transfer up to \$100,000 of appropriation authority between line items without Emergency Commission approval.
- <sup>3</sup> Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for the Safe Send program.
- <sup>4</sup> Removes 1 FTE agriculture mediation negotiator position.

Sections are added providing that the Agriculture Commissioner may charge wholesalers and manufacturers for the actual costs of disposing of their products under project Safe Send and that products which are not a direct danger to the public should be disposed of by the owner in a proper manner rather than under project Safe Send.

A section is added providing for an \$85,000 transfer from the environment and rangeland protection fund to the minor use pesticide fund.

A section is added increasing the biennial pesticide registration fee from \$300 to \$400. Of the \$400, \$67 is deposited in the general fund and \$333 in the environment and rangeland protection fund.

A section is added appropriating \$25,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying a herd of cattle infected with bovine tuberculosis.

Sections are added establishing a crop protection task force and appropriating \$300,000 from the environment and rangeland protection fund to the task force for addressing crop protection product registration and labeling issues.

Date: 4.2.99  
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2009

House Appropriations Committee

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

Legislative Council Amendment Number .0206 & .0207

Action Taken DP as amended

Motion Made By Lloyd Seconded By Wentz

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

Total (Yes) 15 No 5

Absent 0

Floor Assignment REP. Lloyd

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

REPORT OF STANDING COMMITTEE

SB 2009, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1056-1060 of the House Journal, Engrossed Senate Bill No. 2009 is amended as follows:

Page 1, line 2, replace the first "and" with "to provide for crop protection product task force; to provide a statement of legislative intent; to provide for a transfer;"; replace "section" with "sections", and after "4-01-21" insert "and 19-18-04"

Page 1, line 3, after "commissioner" insert "and pesticide registration fees; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,083,452"

Page 1, line 14, replace "828,957" with "628,957"

Page 1, line 18, replace "851,681" with "776,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,374,579"

Page 2, line 3, replace "4,068,216" with "4,033,216"

Page 2, line 4, replace "4,531,363" with "4,341,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.** Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:

1. Give the name and address of each manufacturer or distributor.
2. Give the name and brand of each product registered.
3. Be accompanied by a current label of each product so registered.
4. Be accompanied by a registration fee of ~~three~~ four hundred dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit ~~fifty~~ sixty-seven dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
5. Be accompanied by a material safety data sheet.

The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.

Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.

This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section."

Page 2, line 14, replace "\$1,860,576" with "\$1,880,576"

Page 2, after line 21, insert:

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Total all funds	\$8,687,471	\$8,599,579	(\$225,000)	\$8,374,579

**REPORT OF STANDING COMMITTEE (410)**  
**April 5, 1999 7:51 a.m.**

**Module No: HR-61-6414**  
**Carrier: Lloyd**  
**Insert LC: 98031.0209 Title: .0400**

Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>(35,000)</u>	<u>4,033,216</u>
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Grants					
Board of Animal Health					
Ag mediation				(\$75,000) <sup>4</sup>	(75,000)
Ag in the classroom					
Anhydrous ammonia storage					
Waterbank program					
Pride of Dakota					
Wildlife services					
Safe Send			\$20,000 <sup>3</sup>		20,000
Noxious weeds					
<b>Total all funds</b>	<b>\$30,000</b>	<b>(\$200,000)</b>	<b>\$20,000</b>	<b>(\$75,000)</b>	<b>(\$225,000)</b>
<b>Less special funds</b>			<b>20,000</b>	<b>(55,000)</b>	<b>(35,000)</b>
<b>General fund</b>	<b>\$30,000</b>	<b>(\$200,000)</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>(\$190,000)</b>
FTE	0.00	0.00	0.00	(1.00)	(1.00)

House changes narrative:

- 1 Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program.
- 2 Reduces operating expenses. The commissioner may determine the specific areas to reduce within the budget. A section is added authorizing the Agriculture Commissioner to transfer up to \$100,000 of appropriation authority between line items without Emergency Commission approval.
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- 4 Removes 1 FTE agriculture mediation negotiator position.

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Sections are added establishing a crop protection task force and appropriating \$300,000 from the environment and rangeland protection fund to the task force for addressing crop protection product registration and labeling issues.



**1999 SENATE APPROPRIATIONS**

**CONFERENCE COMMITTEE**

**SB 2009**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2009C

Senate Appropriations Committee

Conference Committee

Hearing Date April 7, 8, 10 and ~~13~~<sup>12</sup>, 1998

Tape Number	Side A	Side B	Meter #
1	X		1069-4707
4-8-99	1 X		1550-4382
4-9-99	1 X		1-3704
4-10-99	1 X		0-3776
4-10-99 (filed with House Appropriations)		X	3.5-44.0
1			
4-13-99	2	X	0-1670
Committee Clerk Signature <i>Kathy C. Kottelerock</i>			

Minutes:

**SENATOR SOLBERG:** Opened the conference committee hearing on SB2009.

**ROLL CALL:** Present; Senator Solberg, Senator Naaden, Senator Tomac, Representative Lloyd, Representative Boehm, Representative Nichols.

**SENATOR SOLBERG:** Asked Representative Lloyd to go over the changes the House made to SB2009.

**REPRESENTATIVE LLOYD:** In Section 3, numeral 4, the registration fee was increased from \$300-\$400 for each product registered and the accompanying \$67 for each registered product is in line with current language in the statute, I think it's 25%. Page 2, Section 6, is the \$200,000 that was transferred from the Game and Fish Department operating funds for the Water Bank program. The Section 7, is the continuation of the Legislative Intent for Project Safe Send. Section 8, is a new section that says the Ag Commissioner may charge the wholesalers and manufacturers of feed, if in fact if they deliver pesticides or other chemicals to Safe Send. The discussion was whether the materials come directly from a wholesaler or manufacturer which would have been used in the normal course of doing business as opposed to materials that would have been dropped off by a farmer at that business to be delivered to Safe Send. That was the discussion that prompted this section to be included. Section 9, is transferring \$85,000 from the Environmental and Rangeland Protection fund to the Minor Use Pesticide fund. They had used

\$160,000 of the \$350,000 that was allocated last biennium. Last biennium, they came with a request of \$250,000 and the House Appropriations added \$100,000 to that request. They had spent \$160,000 this biennium with a carry over of \$190,000. We added \$85,000 in their which brought it up to \$265,000 of spendable of funds for Minor Use Pesticide research. Section 11, is the Crop Protection Project Task Force. This is new language that was put in by the House Appropriations Committee to promote and develop registration and prioritization principally of crop materials, protection materials that were currently either used in Canada or the United States which would assist North Dakota farmers in being more competitive as far as their farming activities are concerned. The embellishment is that it would have a committee involved in this, made up of two Ag Committee Chairman from the House and Senate, the Commissioner of Agriculture and three individuals from the Ag Coalition who are appointed to the committee by the Governor. This committee of six would identify and prioritize the crop protection products for labeling needs. That fits with dual labeling that's been discussed, where by Canada has a label on a product that the United States doesn't currently have and it's been deemed that the product would benefit our farmers and the Commissioner could then create a label to use for the purpose of relabeling materials in Canada that could be brought across the boarder and used in North Dakota. At the same time, we're looking at the crop protection compounds which could be considered for registration by the State, which might be used on other crops in North Dakota and Canada that would benefit our farmers in being competitive both cost wise and additional protection wise because of the nature of the chemical involved. It's very important that this committee work closely and in very good cooperation with the manufacturers involved. To go out on a limb and just do it themselves, I think it would be wrong. It has to be a cooperative effort between the trade and the task force to accomplish the goals to a mutual benefit of the parties involved or it won't work. It really will benefit all three countries because of the NAFTA agreement. There has been some recent research done which was submitted to EPA for the purpose of registration of a fungicide in Canada, US and Mexico. We are already progressing in that direction and felt this would be a good opportunity to enhance it from a North Dakota perspective. Section 12, we added \$300,000 of appropriated money from ERP for the purpose of use by the committee. Section 13, appropriation for the Board of Animal Health at \$25,000 for the purpose of assisting the farmers involved in Tuberculosis detection. This is basically for indemnification. The salaries and wages of \$30,000 increased as a result of testimony which indicated that this actually was beekeepers money at \$.15 a hive, \$78,000 a biennium and that these people felt they should be able to use their money since they pay fees for this purpose and made a request those funds should be restored. We were pleased to do that in that regard. Under operating expenses, there was \$100,000 removed from the General funds out of operating and then a second \$100,000 was removed to assist in supporting Ag Mediation. The \$75,000 in the Ag Mediation line was the removal of the FTE negotiator, it did not affect a mediator is was a negotiator. They would still have two negotiators. Under Safe Send, there was \$20,000 added and this came Environmental Rangeland Protection fund, specifically for the purpose of augmenting the departments computer assistance. Some computers still have 3.1 DOS and they needed a laptop. The computers will be for Safe Send. Section 11, is a transfer authority for the Ag Commissioner to take from any line item from his budget as he wishes up to \$100,000, principally to augment Ag Mediation in that regard.

**SENATOR SOLBERG:** Distributed the latest update on the Tuberculosis situation from the department (attached). We have a lot of work to do on this yet.

**SENATOR SOLBERG:** Let's start with Section 3. This will increase the registration fee from \$300-\$400 on all products, insecticides, registrations, an increase of \$50-\$67 that goes into the General fund. I feel that's a pretty size bump at one time and we've heard so much about the Ag problems. We can't control a whole lot of what the Ag sector is going to receive as far as prices but, hopefully we're trying to work a little bit on the input costs. I don't know of any chemical company that's going to eat this, it's going to be passed on to the user.

**REPRESENTATIVE LLOYD:** There's been a study of a comparison of the surrounding State's and Minnesota was being paid \$500 for the same thing we were getting \$300. South Dakota was \$350; Montana \$300; and Minnesota was \$500 minimum with .5% of gross sales. When I made my request to the Council I was asking for \$50 a year and when I received the amendment it was too late and we left it at \$100 per year. I was hoping it would be questioned here.

**SENATOR TOMAC:** The reason for the increase is to pay for Section 11?

**REPRESENTATIVE LLOYD:** That's correct.

**SENATOR TOMAC:** Sections 3, 11 and 12 are all related. \$300,000 for a study, how did you come to that figure?

**REPRESENTATIVE LLOYD:** We had to come to some figure and it's a starting point.

**SENATOR SOLBERG:** What is the estimated income total on the \$100 increase on registrations?

**REPRESENTATIVE LLOYD:** About \$700,000 total.

**SENATOR TOMAC:** Did you ever determine what products are labeled, are they crop or livestock products?

**REPRESENTATIVE LLOYD:** I did not. The products that are labeled are more than just crop protection. Some household, livestock and etc.

**SENATOR TOMAC:** Can we get a breakdown of the labeled products, that would be of some use to us.

**SENATOR SOLBERG:** We'll see if we can get that.

**SENATOR NAADEN:** I visited with a pet store owner and she was pretty excited because there was a lot of those on this list and you'd be raising the fees for them quite high.

**REPRESENTATIVE LLOYD:** For Roundup Ultra, in all four State's , the price per gallon is \$32.27. There is not difference in State's going from \$500 in Minnesota to \$300 in North Dakota. Tardon has a \$.86 difference and Treflan a difference of \$.03.

**SENATOR SOLBERG:** Do you feel if this would happen, that we put this increase in. I wonder how many chemicals would then drop to the minor use chemical. We have some now that do not register because of the minor use. that is why our minor use funds come in to register them so they can be used. Is that not right? If we add the 33% increase on, will 18 more drop down, drop the registration and bring us down to the minor use category?

**REPRESENTATIVE LLOYD:** The answer to that would be No. Because the chemical is not fit for minor use and targeted at the value of the crop and not the actual chemical. Targeted at what your return is to place that chemical on a crop. It is a matter of the crops that would be registered on, not the chemical itself.

**SENATOR SOLBERG:** Then my question would be, why do we have any minor use?

**REPRESENTATIVE LLOYD:** An instance would be dry beans are considered a minor use crop, and if they don't feel that dry beans are worth the risk of registration, then the chemical company will not apply for registration on that crop, because of the crop return is not adequate to cover the cost.

**SENATOR SOLBERG:** As we continue to go more into diversification and minor crops, will we not see more minor use of chemicals?

**REPRESENTATIVE LLOYD:** You will see more crops that will be requiring chemicals which will have more need for registration on those crops, that is correct, it is the crops. As we diversify our cropping programs we then will more than likely encounter needs which we currently have not had. That is my concern here, is to have some of that occur.

**SENATOR SOLBERG:** Lets go to Section 11. I do not understand this task force right now. Where and what are they going to be doing for this \$300,000? We have quite a few task force and quite a few interim committees and I don't know anybody spending 150 Grand a year doing anything right now.

**REPRESENTATIVE LLOYD:** I envision along with the things we identified, prioritizing the ones that need to be done and the opportunities for doing that, some of that money will be spent in physically assisting the Ag Department in doing it's job of the developing a US label in concert with the manufacturer for a crop. I see those funds being used side-by-side with minor use. In other words it just not for travel and meals, it's for getting the job done, have a few meetings and being able to specifically evaluate what needs to be done. A couple of trips to Canada, physically go up there and work with these people. We don't want to keep our distance, we have to work with them. Send one person to DC once or something.

**SENATOR NAADEN:** There doesn't seem to be anybody on this committee that's a specialist. You take the Ag Commissioner, the Ag Committee Chairman and three other people. I'd think that if we were going to determine some of these things, you should at least have someone from the Agricultural College that works with these chemicals all the time.

**SENATOR TOMAC:** Maybe I don't fully understand the harmonization issue and that is what this speaks to, is that correct?

**REPRESENTATIVE LLOYD:** Yes.

**SENATOR TOMAC:** To me the harmonization issue is of a political nature and not a technical nature. I say it's a political nature because, Canadian registration process something that's been proven up here. Apparently the EPA in the United States is different and if we can resolve those differences and convince the EPA that we except there tests and registrations. We need to come to an understanding and do research, on in the political arena. I think a task force does have some merit and I wouldn't oppose a couple of thousand dollars for a task force so we can get these group of individuals to travel so we have a clearer understanding of that. But, when we talk about putting money in specific chemicals and getting those cleared, that goes beyond my understanding of the problem.

**REPRESENTATIVE LLOYD:** I feel that there is some direct association with minor use and with this \$300,000 here. I also see that there is additional opportunity for some products that are labeled in the United States as well, besides just Canada.

**SENATOR TOMAC:** There is a lot of confusion on the issue, that's why I'm saying a task force may be but, I'm not sure if I'm quite ready to bite into a 33% increase to pay for that kind of a study.

**SENATOR SOLBERG:** Before we adjourn, I want to go over the Tuberculosis handout, I have some work to do and will update you. We stand in recess until the call of the Chairman.

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4/8/99            **Tape 1, Side A, Meter 1550-4382**

*Handwritten initials/signature*

**SENATOR SOLBERG:** Reopened the conference committee hearing on SB2009.

**ROLL CALL:** Present; Senator Solberg, Senator Naaden, Senator Tomac, Representative Lloyd, Representative Boehm, Representative Nichols.

**SENATOR SOLBERG:** I thought we'd take a look at each section and see if they're is any disagreement. Section 6, \$200,000 from the Game & Fish for the Water Bank program. Who's funds are these are and how would they be used?

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**REPRESENTATIVE NICHOLS:** As it stands now, the previous biennium there was \$500,000 of funds from the Game & Fish Department used for this project. Those funds were used primarily in the Devils Lake area, now this biennium we've taken out the priority wording with regard to the area and let that be used statewide which was what both Game & Fish and the Ag Department wanted to be able to utilize it. The \$200,000 will be used to put together with some additional Federal funds for the Water Bank program. The Game & Fish Commissioner does sign off on the use of the funds on this \$200,000 and they did that the previous biennium and it seemed to work fine. In our visits, both Game & Fish and Ag felt ok with this agreement.

**SENATOR SOLBERG:** Section 8, Project Safe Send fees, I believe this is a new section. Sections 7 & 8 are tied together.

**SENATOR NAADEN:** Are the companies now using this to get rid of chemicals that they need to get rid of?

**SENATOR SOLBERG:** Along with that in Section 8, who determines the cost, it says the fee may not be less than the cost of disposal.

**ALLEN KNUDSON:** Legislative Council. This is a new section that the Commissioner may charge the wholesalers and manufacturers from disposing of their unused or old pesticides.

**SENATOR SOLBERG:** No determination on what that cost may be?

**ALLEN KNUDSON:** It would depend on the contract the Ag Commissioner has with the company that disposes of the chemicals.

**SENATOR SOLBERG:** Any recollection on the House on that Section?

**REPRESENTATIVE LLOYD:** There wasn't a lot of discussion on the actual fee itself. The disposal fees have come down from over \$9 a pound and now they're down around \$1 a pound. It was understood that based upon the cost of disposing is what the fee would be.

**SENATOR TOMAC:** If I understand what the House tried to do is, Safe Send has evolved into something slightly different than what the original idea was. The original idea was you would dispose of chemicals you had no where else to go with. The philosophical difference is, do we use Safe Send to get rid of any and all environmentally harmful chemicals or do we force the manufacturer to accept those back like we do the oil companies? I'm not sure I'm not ready for a requirement of that but, I think it's an issue that needs further study.

**REPRESENTATIVE LLOYD:** Your understanding is quite correct. It's sort of a dual issue. About 12 1/2 % of the material disposed in 1998 was 2-4D and 2-4D even if frozen can be reconstituted and utilized. That seems like an excess amount being disposed of, that was my concern. Other House members concern was that there might be material that were damaged at the wholesalers, etc. and those somehow got into the chain of going to Safe Send. That's a

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matter of in the course of doing business. That's two different issues that both may apply in this case.

**SENATOR NAA DEN:** Well, if the object of Safe Sent is to do away with chemicals that can't be used, why do we want put a fee on it? The object is to get rid of it. Why do we want to start differentiating between the retailer and the farmer? They do it in a systematic way. Why do we want to start throwing up obstacles in that direction? Is it to raise money, or do we want a safe place for those chemicals to be taken care of?

**SENATOR SOLBERG:** Senator Naaden, I tend to agree with that. It concerns me that if we are going to start determining if a retailer or wholesaler selling these chemicals comes in are you going to start weighing this out; cost, load and etc.

**SENATOR TOMAC:** I tend to concur with you but, I do feel the House is trying to address the minor abuses of this program. The concern that they have is if these abuses continue and I think it's a justifiable concern. I don't think it warrants Section 7 and 8, however, I do think it may warrant some type of study. Would the House be interested in compromising language that would allow the Legislative Council to study that.

**SENATOR NAA DEN:** The chemical companies are paying for this program through registration. The main object of this program is to get rid of chemicals as safely as we can. you have to look at, what is the goal of the program, the goal is to get rid of the chemicals as safely as possible.

**REPRESENTATIVE LLOYD:** The principal objection was that they weren't able to discern the difference between compounds that a farmer would bring to a local retailer because, the farmer didn't want to be seen bringing them to Safe Send versus the local retailer transferring product that maybe was damaged into Safe Send. That was the principal concern that created the amendment.

**SENATOR SOLBERG:** The retailers than, if you've got some people a little paranoid about Government taking down their name, you may not have these people even coming and disposing of their chemical either, along with the retailers and wholesalers. So it could really back fire.

**SENATOR SOLBERG:** Section 9, on the Minor Use. If we're going to increase the registration fees, it concerns me that we may have more chemicals registering under the Minor Use program and this in turn, the \$85,000, this might be enough there.

**REPRESENTATIVE NICHOLS:** I would like to see us increase this by \$100,000 in the amount your transferring from the ERP fund for the Minor Use Pesticide fund. I think with all the specialty crops that we are going to need to have more money in this fund.

**SENATOR SOLBERG:** In 1997/1999, there was \$350,000 in that and wasn't used. In the 1999/2000 budget there was \$160,000 and the House took it down to \$85,000.



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**REPRESENTATIVE LLOYD:** The carryover was \$190,000 of the \$350,000 and the House added \$85,000 back in bringing it to \$265,000. I do understand that it did take sufficient time to organize the process so they couldn't really get started at day one.

**SENATOR SOLBERG:** So they used \$160,000 in this biennium.

**REPRESENTATIVE LLOYD:** That's correct.

**SENATOR SOLBERG:** Representative Nichols, do you feel satisfied with that?

**REPRESENTATIVE NICHOLS:** I would like to see it raised to \$365,000 at least as much as last biennium. Primarily because it took so long to get things in motion that possible for half on the biennium, did not use any or very much of the money. I feel there is going to be more demand.

**SENATOR SOLBERG:** Evidently, your committee felt that the \$265,000 was sufficient?

**REPRESENTATIVE LLOYD:** We judged that it might be adequate with the initial information. The information since then would augment the support of the additional \$100,000.

**SENATOR SOLBERG:** Section 1, 10, 11 and 12, anybody have any information to shed on these that we didn't have yesterday? I passed out the HB1052.

**REPRESENTATIVE LLOYD:** We'll be making some additional motion as soon as I get the language to modify Sections 11 and 12, bringing forth amendments.

**SENATOR NAADEN:** Did you have a hearing on those sections?

**REPRESENTATIVE LLOYD:** Yes.

**SENATOR NAADEN:** Did you have the companies come in and testify for or against it?

**REPRESENTATIVE LLOYD:** We did not have the companies come in and testify.

**SENATOR NAADEN:** Then you didn't have a hearing on it.

**SENATOR SOLBERG:** Representative Lloyd, is there any type of a budget set up on the \$300,000 or is it just a loose figure to have something in place.

**REPRESENTATIVE LLOYD:** I have asked for that budget to be developed and provided to me.

**SENATOR TOMAC:** The conference committee that we were on with Game & Fish, we did add \$20,000 to the Wildlife Deprivation and I'm not sure if it needs to be put into this also and authority needs to be given to the Department of Ag.

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**ALLAN KNUDSON:** I'll check on it but, I believe Game & Fish contracts directly with the Federal Agency that does that.

**SENATOR SOLBERG:** We'll stand in recess until the call of the Chair.

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4/9/99            **Tape 1, Side A, Meter 1-3704**

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**SENATOR SOLBERG:** Passed out a listing of the registered pesticides and etc., from the Ag Department.

**REPRESENTATIVE LLOYD:** Passed out proposed amendment, .0210 to SB2009 and explained (attached (tape 1, side A, meter 160-375). Moved for it's adoption.

**REPRESENTATIVE BOEHM:** Seconded the motion.

**SENATOR SOLBERG:** What would think of a four year sunset on all three of these sections?

**REPRESENTATIVE LLOYD:** I think that it would be appropriate. They should be able to accomplish it in two biennium's.

**SENATOR TOMAC:** Why do we need \$50,000 to fund this and why does \$25,000 have to come out of the General fund? I think we can take this out of the ERP fund to fund this committee. \$50,000 for a two year study committee is pretty lavish. Do you have some type of a budget of what we'd spend that money for?

**REPRESENTATIVE LLOYD:** I've actually requested that but haven't received that yet. It's going to take time to prioritize and technical issues with regard to which products we want to look at and working closely with manufacturers. Also, products that might be needed or available that we haven't evaluated up to this point. There has been some talk about the need to have an expert on this committee, an outside expert. My position is that those people are at the call of the committee, there public employees and their wages and travel is paid already. They can come in as consultants anytime they wish. I don't think they need to be members of the committee. That's why I tend to agree with the sunset. The \$50,000, I feel is appropriate, there might be some travel involved. The \$25,000 out of the General fund, I think is appropriate because, there was some resistance by the industry for the \$300,000. We were going to put \$25,000 out of General fund to support it and industry said, they still want to cooperate with us on these matters and that was there suggestion to bring in the other \$25,000 as a match from them for our General fund moneys. That already shows real promise as a cooperative effort.

**SENATOR TOMAC:** I don't disagree, I think we're pretty close. I'm ok with this if we put the sunset on.

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**SENATOR SOLBERG:** Any problem with the amendment as presented with the sunset? So, there is an agreement with the committee members that Section 3, 11 and 12 are appropriate as adopted on the amendment .0210 with a four year sunset on. No problems with Section 6. Section 7 & 8, Senator Naaden.

**SENATOR NAADEN:** I think the object of project Safe Send is to get rid of chemicals that can't be used anymore and I can't see why we want to start putting fees or restrictions on getting rid of those products. I doesn't make much difference whether there from a dealer or from a farmer. We still want to get rid of them. I'll move to strike Sections 7 & 8.

**SENATOR TOMAC:** Seconded the motion.

**REPRESENTATIVE LLOYD:** This came out of the House Appropriations Committee and we've expressed our concerns. There isn't any money attached to it so, I think if you in terms of justifying this, I think that if Senator Naaden would go back over his major reasons in wishing to delete them, I think we could bend in that direction.

**SENATOR NAADEN:** I think the reasons for this whole project is to get rid of chemicals as easily and safely as we can and that's why the program is put together. I don't know why we want to go in after all the chemical companies are paying for it anyway in the fees that we charge and why we want to now put restrictions on who can take it there without a fee or whatever. Let's just leave it as it is, the project is working wonderfully.

**SENATOR SOLBERG:** I heard some comment of individuals that would rather bring their chemicals to the wholesaler/retailer rather than Safe Send. I guess they don't like Government making a list of names. I guess I can see their point. I would hate to discourage getting rid of these in any form. We may have some misuse to a point, maybe it's better to get rid of some that shouldn't and not get rid of some that should.

**REPRESENTATIVE LLOYD:** There is an issue with regard to other chemicals which are still out on some of the farmsteads. I would like to pose a challenge that we make a little better effort to collect those from those farmsteads. I think that was part of the original intent of Safe Send to do some environmental cleanup concept and those that are still left on the abandoned farmsteads pose somewhat of a threat. I agree with Representative Nichols who presented it to us in our committee.

**REPRESENTATIVE NICHOLS:** I don't think I have any easy answer as to how we could accomplish it because it would certainly have to be coordinated with the current owners. There are a lot of abandoned building on these old farmsteads and many cases some old dangerous products stored in these buildings. I don't know if it could be a township association type of effort or a county effort with the help of the extension agent but, I would like to see some type of a project to clean these up.

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**SENATOR SOLBERG:** It's a good of an idea as any. We have a motion to delete that, are we all in favor. Ok, we are in agreement. Section 9, this is the Minor Use Fund and there was some concern yesterday on the funds not being enough.

**REPRESENTATIVE NICHOLS:** In our earlier visit, I talked about the possibility of at least putting another \$100,000 into this because, we are going to have a lot of minor type crops growing. In visiting with Representative Lloyd, he thought that we should look at doubling that amount, making sure there is enough in that item to take care of any minor use projects.

**SENATOR SOLBERG:** Worked with the committee to make sure the funds were available.

**REPRESENTATIVE NICHOLS:** I move that we add \$200,000 to what is currently appropriated for Minor Use.

**REPRESENTATIVE BOEHM:** Seconded the motion.

**SENATOR SOLBERG:** Any comments or problems with this, ok. \$285,000 additional in Minor Use plus the carryover. Everyone is in agreement. Section 10, Alan.

**ALAN KNUDSON:** That was put in when the House reduced the operating expensed by \$100,000 and they wanted the Commissioner to have the ability to make those reductions from anywhere within his budget, so this was added to be able to transfer between the line items.

**SENATOR SOLBERG:** Section 13, the Tuberculosis situation, I'm going to ask the department to give us verification of the numbers that were given to us regarding the charges, page 2. The reduction in operating of \$200,000.

**REPRESENTATIVE BOEHM:** I move to reinstate \$100,000 in the operating line item.

**SENATOR SOLBERG:** The \$200,000 that was taken out, there was no determination where the \$200,000 would come from?

**REPRESENTATIVE BOEHM:** We didn't specify where from.

**SENATOR TOMAC:** I didn't understand the cut at \$275,000. I think I would take the Senate's position and the Senate cut \$30,000, the House reinstated that, I would say we should add back in at least \$170,000 to the operating. The cuts are all General fund cuts and within the operating line item, cutting 25% of that, all of that is not General fund. That's pretty deep for any agency.

**SENATOR NAADEN:** I would suggest that we leave the \$100,000 there and put the \$75,000 in Ag Mediation.

**SENATOR SOLBERG:** Ag Mediation, that \$75,000 was an FTE?

**REPRESENTATIVE BOEHM:** That's correct.

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**SENATOR SOLBERG:** The \$200,000 in operating cuts, the \$100,000 out of general operation and \$100,000 ag mediation?

**REPRESENTATIVE LLOYD:** The \$100,000 out of ag mediation was actually put back in because of the \$100,000 opportunity for transfer authority.

**SENATOR NAADEN:** They haven't got anymore money. You can transfer all you want but, if you haven't got anymore money, what good is it going to do?

**REPRESENTATIVE LLOYD:** That's why we made the motion of \$100,000.

**SENATOR TOMAC:** My concern on ag mediation, the \$75,000, my understanding, and I visited with Representative Lloyd on this, \$55,000 in Federal funds and \$20,000 in General funds and that's what we do by eliminating that one position. I understand the reasoning behind that, I don't necessarily agree with that. I think currently when we are looking at the situation we have in Ag, I think to have any mediators or negotiators out there that we can, especially if the Federal Government is going to pick up the bulk of the share, I think it makes sense for us to allow it. The Federal program has been cut substantially and this further cuts what the Fed is willing to give us. I would take the position that the whole \$75,000 and the FTE go back in on the ag mediation.

**REPRESENTATIVE LLOYD:** In 1980 when it started, I think it was really justified. As I look at farmers today and I started teaching farmers in 1968, their wealth and knowledge has escalated on an increasing curve and I don't think we appreciate that in North Dakota as much as it really has occurred. I see the bankers today, having a lot more acceptance and willing to work and be more cooperative as well. I judge this as a change and in that view, I think that lessening the benefits of ag mediation has occurred whether we maybe don't recognize it fully. That's part of the justification for the cut. They would still have two negotiators which are really the individuals who work with the mediators, farmers and bankers. Your mediators are still out in the field working with individuals. It appears to me they would have adequate individuals and I appreciate the \$55,000 are Federal funds and only \$20,000 are State funds. I guess I look at it from both sides as my taxes go to pay Federal funds as well.

**REPRESENTATIVE NICHOLS:** The FTE that was cut, is one of the people that are out in the field working directly with farmers, lenders, supplier and etc., I think there has been some mix up about that. There was already one mediator position which are the positions that help once you get to a situation where you, the banker, farmer and the suppliers get together and work out a plan of repayment. These are where the two mediators come in and there was one mediator position cut already that was dropped. The negotiator position that we took out of with our amendment is actually one of the people out in the field working directly with farmers and ranchers. Even though times have changed from the 80's, I really can't see where we're going to have any less need in the next couple of years for the people that are out in the field working with farmers and ranchers regardless of the ability of production. When you get into financial problems, your into financial problems. The negotiation process, you have an individual that

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isn't hired by a banker, supplier or the farmer, so it is a third non-biased opinion. The Federal level has cut back to the individual states because there are so many more states in the same need we have put together their own programs, dispersing it to more states. For the year 2000, there is more money available Federally.

**SENATOR SOLBERG:** Representative Boehm, your motion will continue to be on the table till the next meeting.

**REPRESENTATIVE BOEHM:** Since there was a lot of discussion with this mediation, along with that motion, I would give the Ag Commissioner the option to do with the \$100,000, leave that transfer authority in there. If he wanted to do it in ag mediation as part of that, part of that he could get Federal dollars plus he could use the General dollars that he needs so, it would give him \$80,000 to do whatever.

**SENATOR SOLBERG:** I have a question, we will address the next time we get together, the \$20,000 to the computer. The last biennium, we spent quite a bit of dollars to bring the computers systems up to speed and I thought that included the Safe Send also. We stand in recess until the call of the Chair.

4/10/99                      **Tape 3, Side A, Meter 0-3776**

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**SENATOR SOLBERG:** Reconvened the conference committee meeting of SB 2009.

**ROLL CALL:** All committee members present.

**SENATOR SOLBERG:** Yesterday, we left off with a motion on the floor, that is still there, from Rep. Boehm to restore \$100,000 to the budget.

**REP. NICHOLS:** Sen. Naaden had questioned what good is it to move \$100,000 from one place to another if there isn't operating dollars to move. My question to Rep. Lloyd is to give an example of where those costs could be moved from. Even with \$100,000 added this is a pretty severe blow to the budget.

**REP. LLOYD:** The \$100,000 addition to the operating line would augment the budget.

**SENATOR TOMAC:** Where did \$100,000 come from? Why did the House choose this cut?

**REP. LLOYD:** The original \$100,000 that was cut in mediation. It was resurrected by a \$100,000 transfer. The \$100,000 in operating was made in Appropriations and was brought to the House. The bill passed the House on the first vote because of misinterpretation. And, then was rereferred to the House Appropriations Committee with the amendments passed. We felt the funds in the Commissioner's budget were adequate to accomplish what we'd discussed. We took from the operating fund. We don't like to use state funds to augment federal cuts.

**SENATOR SOLBERG:** Was the motion to restore \$100,000 overall, or are you looking at a certain area of restoration?

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**REP. BOEHM:** That is an overall cut to allow them to do what they felt is necessary.

**SENATOR TOMAC:** I'd resist the motion. That is a substantial cut. This wouldn't restore cuts to mediation. We need to be \$275,000 spending authority plus 1 FTE.

**SENATOR SOLBERG:** The motion is one 1-line item and to reduce that by \$100,000. We've agreed to restore \$30,000 to the beekeepers. Project Safe-Send will tie into this other portion. Let's discuss the ag mediation.

**REP. NICHOLS:** The FTE is a position that would be cut is a negotiator out in the fields- not one of the 2 mediators. I'd resist elimination of that position.

**REP. LLOYD:** What is the difference between negotiator and mediator? There is nothing here that shows the difference. I need to have some clarification.

**SENATOR TOMAC:** My understanding is this individual was in the field.

**ROGER JOHNSON:** Commissioner of Agriculture. The position that I believe is at stake is a western field negotiator that works directly with farmers. A negotiator works directly with the farmers. When you get to the final stages before foreclosure, it would go into mediation.

**REP. LLOYD:** The negotiator is the person who works with the mediator, the farmer, and the banker. That is apparently the mediator.

**ROGER JOHNSON:** Actually the first statement you made was true and so was the second statement.

**SENATOR TOMAC:** The differences may not be clear and may be inappropriately named.

**SENATOR SOLBERG:** I thought one person took this all the way through.

**REP. LLOYD:** The discussions and the understanding that I got through our meeting with the Commissioner of Agriculture and his staff, through our subcommittee on Appropriations. My interpretation in that discussion is that the mediator worked with the farmer in the field and may include the banker, and if they can't resolve it, a negotiator steps in and assists the mediator and the farmer and the banker. I didn't intent to cut anybody in the field.

**SENATOR TOMAC:** The mediation process has evolved. And, in 1985, we literally had to beg bankers to come and testify. Now we have bankers testifying for the positions. The process is largely federally funded. Mediators and negotiators, I believe have a dual purpose. It would be a mistake to cut these positions. Banks recognize the value of this process. We need to capitalize on available federal funds.

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**REP. LLOYD:** The terminology may need changing. A position that matched this description was put into the 95% budget cut of the Governor. It was placed in the budget by the Commissioner, but to my knowledge, that was not restored by the Governor. (tape A, 1535)

**SENATOR SOLBERG:** We're still going to leave your motion on the table, Rep. Boehm, along with the discussion about the ag mediation. But, I think we have a situation setting up this Board that we need to talk about. Of course, if we do not do that, I'm not going to go along with raising the registration because this was in the agreement on the chemical companies. And, if we don't do that, we'll have to look at the minor use funds, etc.

**SENATOR NAADEN:** The Pesticide Control Act is a board made up of the Ag Commissioner, Director of Extension, and Director of Ag Research. I think those people can take care of anything that this Crop Protection Task Force can take care of. I see no reason to put a tax on the chemical companies to add \$90,000 to the state treasury. If the purpose in the increase in registration is to get more money in the minor use fund, and I think if we wanted to push that Pesticide Control Board a little bit to encourage them to provide more use of the minor use fund. I think the bottleneck right now in minor use funds in registration of chemicals is the fact that we don't have someone in the office to write the rules and regulations to get those chemicals in use. The person who has been there is leaving, and they are going to have trouble putting someone new in there. If the purpose of the increase in registration is to increase the use of the minor use fund, let's put our money there rather than to have another board. We have hired people whose job it is to do this ought to be doing this. We ought to write intent in to get them to do this. They can even privatize those funds to allow private groups to apply for those funds and get a chemical label.

**SENATOR SOLBERG:** The purpose of this was to bring HB 1252 into play in the harmonization of chemicals between Canada the US to do labeling. When we put more money yesterday in the minor use in a couple of areas because of the excess money coming in from the extra \$50 licensing.

**REP. LLOYD:** You are correct in that interpretation.

**SENATOR SOLBERG:** The agreement we had yesterday was between the drafters of HB 1252 and the chemical companies.

**REP. LLOYD:** I'm aware of the Board. I look at the Board as policy making rather than an actively working board. They bring concerns to their Board discussions, perhaps from their own personnel in extension and research. I don't view them as being a cooperative working Board with industry at this point. It is judicious to bring these groups together in this policy-making board. I didn't check to see if there was an addition to the general fund of the portion of the new earth moneys that will be brought in. I think the Commissioner was going to check it out, too. I thought it was an actual percentage. When the drafters created it, I didn't query them on it in regard to why they increased the general fund portion. I assumed it was based on a percent, but I didn't check.



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**SENATOR SOLBERG:** Rep. Lloyd, you're still with the task force?

**REP. LLOYD:** Yes.

**SENATOR NAADEN:** What do we want to accomplish with the additional money charged to the chemical companies?

**SENATOR SOLBERG:** I believe the initial charge was for this task force on the harmonization of chemicals. I have no idea what it is going to cost to reliable these chemicals.

**SENATOR NAADEN:** The actual applications they fill out to EPA to get these chemicals licensed or registered. There is only 1 person there doing that work. If we need another person to help with the work, that's what we need to do. It doesn't do us any good to have another Board sitting out here, why do we want to have a \$50,000 task force that still doesn't know how to fill out these applications?

**SENATOR SOLBERG:** The task force will be working with EPA, ND industries, Canadian officials, etc. for these minor use projects.

**REP. LLOYD:** There are many advantages ... most importantly involving industry in determining what we need to do in ND. Commodity groups are a great benefactor. I don't think there will be enough money in the minor use fund to accomplish these goals within the biennium. It is unfortunate that the need for this individual didn't come out in the testimony. I think we could have addressed it at that time. (tape A, 2700)

**SENATOR NAADEN:** Who heard of harmonization until this session?: We haven't asked the Pesticide Board to do anything about this issue.

**SENATOR SOLBERG:** There has been a lot of talk in communities along the Canadian Border. Nothing has been done about it during that time. HB 1252 and a couple of other bills presented in this session have brought it to life. We've gotten a lot of action on this during the past 2 months.

**SENATOR NAADEN:** Conversations have been mostly since the last session. We can tweak the Pesticide Control Board to do a lot of this. If you put another person in that position to write those minor use registration forms for chemicals, we would be a lot better off. You aren't going to get those chemicals okayed until that's done.

**SENATOR SOLBERG:** We aren't going to settle this today. Monday we're going to finalize this along with the Board of Animal Health.

**DR. SCHOLAR:** State Veterinarian. In regards to the TB testing, basically we haven't got too much new to report. I got some numbers yesterday as far as the trace backs. We've traced sales out of the herd for the past 8 years. They've averaged about 50 head a year so we're looking at

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400 head that have been sold out of the herd. Not all of these will require follow-up. We're looking at doing testing in another 70-75 herds within the state.

**SENATOR SOLBERG:** Cost-wise, we're about where we were last time.

**DR. SCHULLER:** Those costs do not include testing these 75 herds.

**SENATOR NAADEEN:** I think we should know how much increased funding is going into the general fund.

**ALLEN KNUDSON:** (LC) The estimate is that \$68,000 would go into the general fund. That is the increase from \$50 to \$58.50.

**SENATOR SOLBERG:** That would be a net effect of \$43,000.

**REP. LLOYD:** Distributed proposed amendment #98031.0213 for consideration on Monday.

**REP. BOEHM:** Distributed proposed amendment #98031.0212 for consideration on Monday.

**SENATOR SOLBERG:** Adjourned the conference committee.

1999 SENATE CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 2009

Appropriations Committee

Conference Committee

Hearing Date April 10, 1999

Tape Number	Side A	Side B	Meter #
1		x	3.5-44.0
Committee Clerk Signature			

Minutes:

*Please see tapes filed under House Appropriations Conference Committees, 4-10-99.*

**1B: 3.5 CHAIRMAN SOLBERG:** On the table was the motion by Rep. Boehm to restore \$100,000 to the budget.

**1B: 3.8 REP. BOEHM:** I would like to make that motion, and also further amend that to include the \$75,000 for Ag Mediation, and restore that FTE.

**1B: 4.2 REP. LLOYD:** Second

**1B: 4.4 CHAIRMAN SOLBERG:** Does everybody understand that? The motion is to restore \$100,000 to the operating line, \$75,000 in Ag Mediation, and the FTE. Is that right Rep. Boehm?

**1B: 4.7 REP. BOEHM:** That's right Mr. Chairman.

**1B: 4.9 SEN. TOMAC:** Just to generate some discussion on this, I'd resist this yet. We're getting warmer. I think the Senate took the correct approach, and we're still \$100,000 off plus or minus. I know the House reinstated the \$30,000, but that actually went into salaries and wages, so that isn't out of operating. They did do \$20,000 on computers, so we're still \$80,000 apart. If the motion recognizes that we need to put in Ag Mediation, that's the correct step. We're still cutting pretty deep in the operating.

**1B: 6.2 CHAIRMAN SOLBERG:** We'll take a roll call vote.

**1B: 6.3 ROLL CALL VOTE:** Sen. Solberg, aye; Sen. Naaden, aye; Sen. Tomac, no; Rep. Boehm, yes; Rep. Nichols, no; Rep. Lloyd, aye.

**1B: 6.4 CHAIRMAN SOLBERG:** That motion passes. We're pretty much set on the budget then except for the \$20,000 in SafeSend. That in my opinion will come down in Sections 3, 11, and 12. We should decide now exactly how that is going to be. Sen. Naaden I know where you're coming from on the discussion of the funds on the task force. Let's throw this open and see where we're at. Correct me if I'm wrong, Rep. Lloyd, but the chemical companies went along with the revised situation on this. Is that right?

**1B: 7.5 REP. LLOYD:** That's correct. They've gone along with the revisions that have been made with this amendment, and they've also gone along with HB 1252. I think, from talking with them, that they would kind of resist any additional changes because this is the right route to go to achieve the things that they're interested in with regard to North Dakota.

**1B: 8.0 CHAIRMAN SOLBERG:** Is there something we can do to help the department as far as registration and labeling? I'm not sure how we can do it.

**1B: 8.5 SEN NAADEN:** The Pesticide Control Board has control of the Minor Use funds. All monies in this fund are appropriated on a continuing basis to the board. Why don't we use that board?

**1B: 9.0 CHAIRMAN SOLBERG:** I think we are, but what this task force is proposed to do is different from what the control board is doing.

**1B: 9.3 REP. LLOYD:** Mr. Chairman you are 100% right on that. They will augment the board and take it a step further than what the current board does. I view the current board as more policy makers. I don't think the Director of Extension and the Director of the RE Station have the time to get involved in the types of things this task force should get involved in. I want some action. I want the industry involved. The task force has an industry person, farmers, and legislative individuals who will all be proactive.

**1B: 10.3 SEN. NAADEN:** Why don't we do away with the Pesticide Board then?

**1B: 10.5 CHAIRMAN SOLBERG:** How often does the board meet?

**1B: 10.7 SEN. NAADEN:** It's at the call of the chair.

**1B: 10.8 REP. LLOYD:** I believe that's right. It's at the call of the chair, which is the Commissioner of Agriculture.

**1B: 10.9 SEN. NAADEN:** I'm sure there are people within the Ag Research and the Ext. Service that spend an awful lot of time in this area. We're calling on them to step up their activity. That's what we should be doing, rather than disregard them and start a new board. If these people are there for a reason let's make them work, not hire another bunch of people to do it.

**1B: 11.5 SEN. TOMAC:** Those are valid points. If we look at the Pesticide Act and the duplication, we all struggle with deficiencies in government. It seems to me that this is an enhanced pesticide board. If we can't fund the current department with the funding request the Governor gave them, then the new initiative is kind of duplicating.

**1B: 12.5 REP. LLOYD:** I have to disagree. I don't think adding more money to that board is going to make a difference unless it was totally remodified. I'm not sure that's what we want to do with that board because they have been making some very specific policy making decisions which influence their employees. Those employees are pretty much well-employed at this time. Even though they might become involved, I don't think that the total activity by those employees will be sufficient.

**1B: 13.4 CHAIRMAN SOLBERG:** What areas would the task force work in? We need to know if we're duplicating.

**1B: 14.3 REP. LLOYD:** In amendment 0210, page 3, I think #3 may be a valid one. That particular board may or may not have been active in this in the past, but if they have been and they had the authority they haven't functioned adequately in that area. Item #4 has not been done adequately. They might have discussed some minor use issues. I question if they have discussed going another step further and interacting with the manufacturers and processors of crop protection products. I think they haven't explored opportunities with Ag Canada at the level this other board will be able to take that to. While I'm sure there are individuals in the NDSU Research Department that have been involved with EPA, I don't know if they have participated at the level that we're looking for now. My real concern is the plight of the ND farmer. We've been looking at this issue for at least 10 to 12 years. That is, having a fair situation that the products are available to farmers in ND and Canada. Without that embellishment, the state board wouldn't be able to do that.

**1B: 17.3 SEN. NAADEN:** I think both of those are covered under the Pesticide Act. If we want to determine what research is necessary to fulfill the data, we can use commodity groups to encourage it. We still have to go to our Ag Research or Extension Service. This committee certainly doesn't have any expertise in that area.

**1B: 18.2 CHAIRMAN SOLBERG:** What if we would amend 4-35-02 to include what we have in section 11 as far as adding to that board. In that subsection we would sunset that in four years and add to 4-35-04 the five areas that we have in the explanation of the board and sunset that. That would put together the Pesticide Control Board with what we're proposing for the task force. That way we would have one board working together. I would also possibly look at a 1/2 time FTE with registration of Minor Use pesticides.

**1B: 20.4 SEN. NAADEN:** I think we should look at the budget for this whole thing. If all the money we take in in Minor Use funds goes into this fund, we should have a budget drawn up out of that. What happens to that money. We need to provide another person to put the proposals together.

**1B: 22.0 CHAIRMAN SOLBERG:** We're looking at \$85,000 that the House put in, and the carry over of \$190,000. So \$475,000 in minor use. It seems to me that's more than adequate, when we used \$160,000 this biennium.

**1B: 22.0 REP. LLOYD:** I agree that \$475,000 is going to help a lot. I would hope that they would spend it all. The need is there for that purpose. The melding of the board and the task force may be beneficial. The most important part of having a task force is that it has a strong vested interest in its outcome. Anytime that you have individuals in charge of a program and they don't have a personal investment, rarely do you see it succeed in four years. It's really

important we have individuals on this task force that want to see it succeed, then it will move forward at a pace that's going to get the work done. That's been a problem in the past. The board has been working more on the regulatory and political side, than being proponents of the whole program.

**1B: 24.0 SEN. NAA DEN:** The House put in \$85,000, there was a \$190,000 carry over, and what did they add?

**1B: 24.2 CHAIRMAN SOLBERG:** \$200,000 from the additional EARP funds from the additional \$50 for registration. \$25,000 of that went to the task force.

**1B: 25.7 REP. NICHOLS:** Regarding the \$50,000 that the task force has at their disposal, what are they going to use it for? Would they have meetings and travel to the extent that they would need \$50,000?

**1B: 26.3 CHAIRMAN SOLBERG:** Rep. Lloyd do you have any comment on that? We've brought it down ¼ million so far. I would say there will be meetings, travel, contacts with Ag Canada, EPA. I don't think there would be a lot of nuts and bolts work. There would be more if we combined the task force and the board. I haven't seen a specific budget. I don't know if there is one.

**1B: 27.0 REP. LLOYD:** No, not at this time.

**1B: 27.4 SEN. NAA DEN:** That's one of my big problems. We have no idea what they're going to spend the money on. I would much rather see the \$50,000 put a couple people on the Pesticide Board. I want to see the budget. How can we cut it down from \$300,000 to \$50,000, and we don't know what they're doing with it.

**1B: 27.9 REP. LLOYD:** That cut was from a major change in direction. \$250,000 would've been used for actual duty work instead of committee work. The industry was in objection to the use of that fund, because of their endeavors of registration. That's an apple and an orange difference. The \$50,000 is certainly appropriate for a committee of this size to meet for a biennium and to achieve its goals. I don't see that as inappropriate funding at all. Quite frankly, if you put in a little bit of travel and requesting some investigative research I don't think that's inappropriate at all. The fact is, I think they'll spend it very wisely. For that amount of money they'll need a very detailed budget.

**1B: 30.0 SEN. TOMAC:** The fiscal note you handed out with HB 1252, is that current in concert with the bill? The fiscal note is dated 3-30-99. It takes \$100,000 of EARP funds. Is that old or is that what it's going to cost? Then we're talking about more money yet to this whole thing.

**1B: 30.4 CHAIRMAN SOLBERG:** What 1252 is now is strictly an enabling institute, and the fiscal note was basically taken off and was transferred over into here. Is that correct Rep. Lloyd?

**1B: 30.8 REP. LLOYD:** That's what I thought.

**1B: 32.2 CHAIRMAN SOLBERG:** What are the disadvantages and the advantages of putting the board and the task force together?

**1B: 32.5 REP. LLOYD:** I would have to study it to some extent. What we don't want is for the task force to get involved with the board issues. The board works with revising policy issues.

**1B: 36.5 CHAIRMAN SOLBERG:** Could Dr. Schuler provide us with some more information? Regarding the costs for the TB issue with the cattle. Dr. Schuler?

**1B: 37.3 DR. SCHULER, State Veterinarian:** (presented a chart of expenses due to the TB issue) The funds for the Estimated Suspect Appraisal haven't been used yet. These are actual expenses today.

**1B: 39.3 REP. LLOYD:** What is the target date for knowing the results of the test? Do we know that?

**1B: 39.6 CHAIRMAN SOLBERG:** I think that's just a cushion in case we run into any more reactors.

**1B: 40.5 REP. NICHOLS:** On this chart, why are the 30 cows separated out?

**1B: 40.8 DR. SCHULER:** There were 30 cow and calf pairs that were sold out in 1997, and we're trying to locate them to purchase them back.

**1B: 41.5 CHAIRMAN SOLBERG:** Does the Federal government treat those as infected also?

**1B: 41.6 DR. SCHULER:** Yes.

**1B: 41.8 REP. LLOYD:** I'd like to add a sentence at the end of amendment 0213 that would read "In support of the Rancher's and Cattlemen's Action Legal Foundation". The intent is that the money will be used for that purpose.

**1B: 43.9 SEN. NAA DEN:** Is this a difference between the House and the Senate?

**1B: 44.2 CHAIRMAN SOLBERG:** No. This would be an add-on.

**1B: 44.5 SEN. NAA DEN:** I was informed that you couldn't bring up anything that wasn't a difference between the House and the Senate.

**1B: 46.3 CHAIRMAN SOLBERG:** We have another amendment by Rep. Boehm, amendment 0212. Do you want to explain that?

**1B: 46.5 REP. BOEHM:** This amendment is very simple, and just relates to tax exemptions for the indemnity of the cattle of Mr. Fried.

**1B: 47.0 SEN. NAADEN:** I have no problem with that. That's directly related to what we're discussing.

**1B: 47.2 CHAIRMAN SOLBERG:** That exempts Mr. Fried from state income tax for two years, is that correct Rep. Boehm?

**1B: 47.4 REP. BOEHM:** That's correct Mr. Chairman.

**1B: 47.5 CHAIRMAN SOLBERG:** Is there any objection to that? All right, we'll accept that.

Meeting adjourned

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tape 4, B, 0-3252

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**SENATOR SOLBERG:** Reopened the conference committee on SB 2009.

**ROLL CALL:** Present: Senators Solberg, Naaden, Tomac; Representatives Lloyd, Boehm, Nichols

**SENATOR SOLBERG:** I'd like to go section by section, to know which ones we have covered, if there are any changes, and we can do that quickly to get down to sections 3, 11, and 12.

Sections 3 and 4 of the amendment # 0212 by Rep. Boehm on the tax situation on the farm that had the buyout of the TB cattle, are we okay on that one? Section 6 - okay. Sections 7 & 8 we're going to reject that's the Safe Send whereby retailers/wholesale could not bring chemicals in from Project Safe Send. Section 9, Minor Use, I think we were going to keep that open until we settle Sections 3, 11, and 12 to see what is left over in there. Let me go over the figures we have in Minor Use - The estimated income on the added registration is \$350,000. We're putting \$200,000 to the minor use labeling; \$68,000 general fund; \$25,000 to the task force; and \$20,000 Safe Send computer equipment for a total of \$313,000; and an estimated income of \$350,000. So the \$37,000 balance we'd either put that into an area or that stays with the EARP fund. (tape A, B, 160)

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**SENATOR SOLBERG:** If we add sections 3, 11, and 12 - \$25,000 of that would go to the task force, and \$25,000 out of general is the way its drawn now. Section 10 is the line item transfers and that would be down to \$100,000 now with what was approved the other day as far as the monetary appropriations on the department. We still want to leave that up to the Commissioner to move that around in anyway he would wish. I would like to put an amendment on there excluding the line item of animal health. The reason being that when we moved that over 3 years ago when it was a stand alone, it's part of the department but still has a basic line item. (tape B, 525)

**SENATOR NAADEN:** I don't see why we need section 10 at all. It is just taken out of the operating expenses and it already gives the Ag Commissioner the authority to take it out where he wants to.

**SENATOR SOLBERG:** Shall we strike 10?

**SENATOR TOMAC:** I'm not in agreement, and I know we voted on the operating and I think the operating cuts are still too deep, but it seems to me that deep a cut in operating hasn't been justified given the current circumstances. The House didn't vote for it, only justification for that cut. The Senate's position was one of cutting \$30,000 out of the special funds. From the Senate's position, I don't know that I've been given an explanation of why \$100,000 was cut. If that cut remains in the budget, I think we need to give a cut that deep the flexibility of coming either from salaries or operating. I'm in agreement that it shouldn't come from the Board of Animal Health. I think if you expect to reduce the Ag Department's general fund operating by 20%, I think you need to allow them to take that from any of those line items--salaries, operating or wherever they need it. If it's going to be this Conference Committee's decision to continue to hold with the \$100,000 cut, I think you need to give the Commissioner the ability to take those cuts from wherever they see fit. It's going to cut pretty deep into operating. I'd resist at this point, if we restore \$100,000, I don't have any problem removing the line item authority. (tape B, 758)

**SENATOR NAADEN:** I would tend to agree, but it shouldn't be just in operating. We should be able to cut salaries also.

**SENATOR SOLBERG:** Let's leave Section 10 in there for the time being. Section 13 - the Board of Animal Health. You have a copy of what Dr. Schuler State Veterinarian and Mr. Carlson put together for us. Are there questions? On the bottom of the first sheet with the estimated dollar amount, the estimate for suspect appraisal. That is kind of a cushion of \$31,050, for 7 head that they may find suspect. I'd suggest we go the total expenses of about \$63,000 to allow for additional testing if necessary.

**SENATOR TOMAC:** You're suggesting \$63,000 - why can't we pad that more.

**SENATOR SOLBERG:** If we run into another herd, I think by law they can go to the emergency fund, or they could go to the emergency commission for that funding.

**SENATOR NAADEN:** Why don't we make that \$65,000? (tape B, 1337)



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**SENATOR SOLBERG:** Anything that is not used will be turned back. Sections 3, 11, and 12. My understanding of the Pesticide Commission consisting of the Commissions, the Director of Ag Research and the Director of Extension, and this deals basically with 2 sections of the pesticide law: 1) The emergency use, and 2) Special needs. HB 1252 proponents still feel this is a needed section of law.

**SENATOR NAA DEN:** On Saturday we discussed the 2 provisions of section 11 that aren't covered in the Pesticide Act. Why can't we just add that to the Pesticide Act and add a section that asks that committee, and I have no problem of increasing the committee, and let them pa for that committee out of the minor use control fund, and have it cover HB 1252. (tape B, 1518)

**REP. LLOYD:** I don't like to mix them. Prior duties and the way the Board ha been functioning may disrupt them .This task force is sufficiently different to require a different board. I don't want it to be bogged down on the regulatory side. We want it to be proactive with more vested in the outcome.

**SENATOR NAA DEN:** Whatever they do has to go through the Pesticide Control Board for licensing. That's the board that controls this whole licensing, etc. (tape B, 1840)

**REP. LLOYD:** We're not 100% sure about the licensing aspect regarding that whether they have to go through there or not, or how that would work at this point. I'm more concerned about the speed at which they will be working. I see the need for a group of people who really want to get something done, and I didn't want to put the regulatory aspect in their way as far as meeting with the committee. (tape B, 1980)

**SENATOR NAA DEN:** I know the cost of pesticides is not going to go down when you keep adding fees to the companies that are furnishing the pesticides. It's that simple. I think we can take care of the cost of this committee, and can add these duties to the Pesticide Control Board because as I see the Act, you haven't circumnavigated it a bit. That act is in full force right now and it will be after we pass another task force. They're going to have to go to this Pesticide Control Board to provide for anything they do. They don't have the authority to grant licenses to a new chemical in any way. If they want to set on that board and cause the Pesticide Control Board to be more proactive to allow the farmers in ND to be able to bring in chemicals from Canada for dual labeling, I think that's the proper place for it. I see no reason why they can't be a monitor on that board to get those people to hurry the process up. (tape B, 2190)

**REP. LLOYD:** Another concern I have is the third partner in here which is the manufacturers of the pesticides. From our discussions with various members representing that industry, they favor going with the task force, and quite frankly have expressed objection to being part of the original board. I didn't specifically ask them why they objected, but I don't think they want to be involved with the regulatory aspect of it. If you don't have the manufacturers on board, nothing is going to come out of whatever we do. (tape B, 2258)

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**SENATOR NAA DEN:** There's no reason a member of the industry can't be appointed to the Pesticide Control Act.

**SENATOR SOLBERG:** I think that's the point. They don't want to sit on a board with a regulatory task.

**SENATOR NAA DEN:** I don't know why, if it allowed them to bring more chemicals to the farmers in the state, maybe cheaper, why they wouldn't want to sit on that board?

**SENATOR SOLBERG:** Going back to HB 1252, the entire intent of that bill was for movement of harmonization of chemicals between the US and Canada. Nothing has been done in 2-3 years. I think out of frustration that nothing was being done, 1252 was introduced. There is a sunset on it. I feel \$50,000 being spent by users of chemicals will return benefits. (tape B, 2600)

**REP. LLOYD:** The manufacturers readily came forth to assist in matching any funds the legislature put into this particular task force. They see the value of it. I question whether they would see the same value with the current state board.

**REP BOEHM:** You stated nothing has been done for years. We have a board, that hasn't done anything. That's why we created this task force to accomplish harmonization. (tape B, 2660)

**SENATOR NAA DEN:** My point is, you still have to go through that Pesticide Control Board to get any of this done.

**REP. BOEHM:** We need someone to do the work. These people on the board do not have additional time. (tape B, 2702)

**SENATOR SOLBERG:** We discussed adding a half-time FTE to help with the license labeling.

**REP. BOEHM:** Moved adding \$45,000 from the Environmental and Rangeland Protection Fund for a half-time FTE position for minor use product registration activities. This includes writing prepared federal section 18 and 24 of crop pesticide registration for minor use labeling. If the department feels they have a half-time on staff now they want to make full time, that is agreeable.

**REP. LLOYD:** Seconded the motion.

**SENATOR SOLBERG:** We'll leave that on for discussion. Rep. Boehm, is this motion a stand alone, or is it in addition to sections 3, 11, and 12?

**REP. BOEHM:** I suppose I could make it in addition to help support the other three

**SENATOR SOLBERG:** If sections 3, 11, and 12 fail, I'm not sure we'll have the extra funding for that. As I stated on the moneys coming in is the proposed buying of computer equipment for

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Project Safe Send. If we don't have this whole thing come together, there will be stripping of others.

**SENATOR NAADEN:** Let's vote on section 3, the added registration.

**SENATOR SOLBERG:** There's no need for section 3, if we do not adopt sections 11 and 12.

**SENATOR NAADEN:** If we give that money to the Pesticide Control Board, and add a few people to it, they can go right ahead and accomplish the same thing.

**SENATOR TOMAC:** Let's hold the vote until we have more time.

**SENATOR SOLBERG:** Everything is settled except sections 3, 11, and 12. We stand in recess (tape B, 3252)

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4/10/99      **Tape 1, Side B, Meter 3.5-44.0**  
**Minutes physically attached - taken by House Appropriations Clerk, Casey Davis. Tape filed under House Appropriations Conference Committee, 4/10/99.**

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4/12/99 p.m.      **tape 5, A, 0- (didn't record)**

**SENATOR SOLBERG:** Reopened the conference committee on SB 2009.

**ROLL CALL:** Present: Senators, Solberg, Naaden, Tomac; Representatives Lloyd, Boehm, Nichols.

**SENATOR NAADEN:** Proposed amendment #0215.

**ALLEN KNUDSON:** (LC) Explained the amendment, noting first 5 sections are the same as Rep. Lloyds; Section 4 appropriates \$15,000 to the minor use fund; \$15,000 to the general fund; Section 5 changes use of the funds; Section 6 added legislative intent; Section 7 provides an expiration date.

**SENATOR SOLBERG:** Senator Naaden, this doesn't increase fees?

**SENATOR NAADEN:** That was not the intention. I intended to have Section 3 regarding fees included in this amendment.

**DISCUSSION:** Regarding how the sections of this amendment fit in with the others that have been presented.

**SENATOR SOLBERG:** We'll stand at ease to review this amendment.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1097-1099 of the Senate Journal and pages 1159-1161 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace the first "and" with "to provide for crop protection product task force; to provide a statement of legislative intent; to provide for a transfer;";, replace "section" with "sections", and after "4-01-21" insert "and 19-18-04"

Page 1, line 3, after "commissioner" insert "and pesticide registration fees; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,083,452"

Page 1, line 14, replace "828,957" with "628,957"

Page 1, line 18, replace "851,681" with "776,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,374,579"

Page 2, line 3, replace "4,068,216" with "4,033,216"

Page 2, line 4, replace "4,531,363" with "4,341,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.**

1. Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:
  - ~~1-~~ a. Give the name and address of each manufacturer or distributor.
  - ~~2-~~ b. Give the name and brand of each product registered.
  - ~~3-~~ c. Be accompanied by a current label of each product so registered.
  - ~~4-~~ d. Be accompanied by a registration fee of three hundred fifty dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit ~~fifty~~ fifty-eight dollars and fifty cents for each registered product to the general fund

in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.

- ~~5.~~ e. Be accompanied by a material safety data sheet.
2. The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.
3. Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.
4. This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section."

Page 2, line 14, replace "\$1,860,576" with "\$1,880,576"

Page 2, after line 21, insert:

**SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 7. LEGISLATIVE INTENT - PROJECT SAFE SEND.** It is the intent of the legislative assembly that the agriculture commissioner not accept products under project safe send from wholesalers or manufacturers unless the full cost of disposal is recovered from the wholesaler or manufacturer. It is also the intent of the legislative assembly that products which are not a direct danger to the public should be disposed of by the owner in a proper manner. The agriculture commissioner may distribute educational materials on the proper and safe disposal of appropriate materials by the original purchaser for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 8. PROJECT SAFE SEND - FEES.** The agriculture commissioner may charge wholesalers and manufacturers a fee for the disposal of pesticides located in North Dakota. The fee shall be no less than the cost of disposal. All fees collected under this section must be deposited in the environment and rangeland protection fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 9. TRANSFER.** The office of management and budget shall transfer \$85,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 10. LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and the state treasurer shall make transfers of funds between line items in section 1 of this Act of up to a cumulative sum of \$100,000 as may be requested by the agriculture commissioner for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 11. CROP PROTECTION PRODUCT TASK FORCE - MEMBERSHIP - DUTIES.** The crop protection product task force consists of the agriculture commissioner, the chairman of the house agriculture committee, the chairman of the senate agriculture committee, and three individuals appointed by the governor, one of whom must be a representative of a crop protection product manufacturer. The governor shall call the task force together for its initial meeting, at which time the task force members shall select a member to be chairman. Every meeting thereafter is at the call of the chairman. The task force shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner; and
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources.

**SECTION 12. APPROPRIATION.** There is hereby appropriated out of any moneys in the environment and rangeland protection fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, and out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the crop protection product task force for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 13. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 14. EMERGENCY.** Section 13 of this Act is declared to be an emergency measure."

Renumber accordingly

4/10/99

Rep. Boehm #3

98031.0212  
Title.

Prepared by the Legislative Council staff for  
Representative Boehm  
April 10, 1999

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, replace "and" with "to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subdivision to subsection 3 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax exemption for indemnities received for destruction of cattle;"

Page 1, line 3, after "commissioner" insert "; to provide an effective date; and to provide an expiration date"

Page 2, after line 11, insert:

**"SECTION 3.** A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

**SECTION 4.** A new subdivision to subsection 3 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis."

Page 2, after line 21, insert:

**"SECTION 7. EFFECTIVE DATE - EXPIRATION DATE.** Sections 3 and 4 of this Act are effective for the first two taxable years beginning after December 31, 1998, and are thereafter ineffective."

Renumber accordingly

4/10/99

Rep. Lloyd #2

98031.0213  
Title.

Prepared by the Legislative Council staff for  
Representative Lloyd  
April 10, 1999

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1097-1100 of the Senate Journal and pages 1159-1162 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for a transfer; to provide an appropriation to the governor;"

Page 2, after line 4, insert:

**"SECTION 2. TRANSFER.** The Bank of North Dakota shall transfer the sum of \$100,000 from uncommitted funds of the agricultural partnership in assisting community expansion fund to the governor's office operating fund for the purpose of investigating and analyzing beef industry trade issues for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE.** There is hereby appropriated from special funds derived from moneys in the governor's office operating fund, the sum of \$100,000, or so much of the sum as may be necessary, to the governor for the purpose of investigating and analyzing beef industry trade issues for the biennium beginning July 1, 1999, and ending June 30, 2001."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 101 - GOVERNOR

CONFERENCE COMMITTEE - This amendment provides an appropriation to the Governor of \$100,000 from funds transferred from the Ag PACE fund for investigating and analyzing beef industry trade issues.



PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1097-1100 of the Senate Journal and pages 1159-1162 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, after the semicolon insert "to create a legislative council committee; to provide an appropriation to the legislative council; to provide a statement of legislative intent;" and replace "section" with "sections 4-35-06.3 and"

Page 1, line 3, after "to" insert "the minor use pesticide fund and"

Page 2, after line 3, insert:

**"SECTION 3. LEGISLATIVE COUNCIL - CROP HARMONIZATION COMMITTEE.** The legislative council shall create a crop harmonization committee consisting of the chairman of the house agriculture committee, the chairman of the Senate agriculture committee, and three other individuals appointed by the legislative council chairman, one of whom must represent the agriculture chemical industry. In consultation with the pesticide control board, the committee shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner;
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources; and
6. Request to the legislative council in the same manner as do other interim legislative council committees.

**SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL.** There is hereby appropriated out of any moneys in the minor use pesticide fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, and out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, to the legislative council for the purpose of addressing crop protection product registration and labeling as provided for in section 3 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 5. AMENDMENT.** Section 4-35-06.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

~~4-35-06.3~~ **Minor use pesticide fund - Continuing appropriation.** The minor use pesticide fund is created as a special fund in the state treasury. All moneys in the fund are appropriated on a continuing basis to the pesticide control board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and ~~emergency uses~~ other uses as determined by the board.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-sixth legislative assembly that the agriculture commissioner, agricultural experiment station, and North Dakota state university extension service use resources available to them and register additional chemicals for use in the North Dakota agriculture industry for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 7. EXPIRATION DATE.** Section 3 of this Act is effective through June 30, 2001, and after that date is ineffective."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 160 - LEGISLATIVE COUNCIL

CONFERENCE COMMITTEE - This amendment creates for the 1999-2000 interim an interim Crop Harmonization Committee and appropriates \$30,000, \$15,000 if which is from the general fund to the committee to address crop protection registration and labeling issues.

Section 4-35-06.3 is amended to allow funds in the minor use pesticide fund to be used for other uses of pesticides as determined by the board.

A section of legislative intent is added providing that the Agriculture Department, Agricultural Experiment Station, and NDSU Extension Service use resources available to them to register additional chemicals for use in the North Dakota agriculture industry.

April 12, 1999

903  
4/13/99  
lof6

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

CONF. COMMITTEE AMENDMENTS TO ENGR. SB 2009

APPROP.

4/13/99

That the House recede from its amendments as printed on pages 1097-1100 of the Senate Journal and pages 1159-1162 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace the first "and" with "to create a legislative council committee; to provide an appropriation to the legislative council; to provide a statement of legislative intent; to provide for a transfer; to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subdivision to subsection 3 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax exemption for indemnities received for destruction of cattle;"; replace "section" with "sections", and after "4-01-21" insert ", 4-35-06.3, and 19-18-04"

Page 1, line 3, after "to" insert "the minor use pesticide fund," and after "commissioner" insert ", and pesticide registration fees; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,128,452"

Page 1, line 14, replace "828,957" with "778,957"

Page 1, line 18, replace "851,681" with "801,681"

Page 1, line 24, replace "553,907" with "573,907"

CONF. COMMITTEE AMENDMENTS TO ENGR. SB 2009

APPROP.

4/13/99

Page 2, line 2, replace "8,599,579" with "8,594,579"

Page 2, line 3, replace "4,068,216" with "4,133,216"

Page 2, line 4, replace "4,531,363" with "4,461,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 4-35-06.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-35-06.3. Minor use pesticide fund - Continuing appropriation.** The minor use pesticide fund is created as a special fund in the state treasury. All moneys in the fund are appropriated on a continuing basis to the pesticide control board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and emergency uses other uses as determined by the board.

**SECTION 4. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.**

2 of 6

1. Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:
  - ~~1-~~ a. Give the name and address of each manufacturer or distributor.
  - ~~2-~~ b. Give the name and brand of each product registered.
  - ~~3-~~ c. Be accompanied by a current label of each product so registered.
  - ~~4-~~ d. Be accompanied by a registration fee of three hundred fifty dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit fifty dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
  - ~~5-~~ e. Be accompanied by a material safety data sheet.
2. The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.
3. Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.
4. This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section.

**SECTION 5.** A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

**SECTION 6.** A new subdivision to subsection 3 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis."

**"SECTION 9. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 10. TRANSFER.** The office of management and budget shall transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 11. LEGISLATIVE COUNCIL - CROP HARMONIZATION COMMITTEE.** The legislative council shall create a crop harmonization committee consisting of the chairman of the house agriculture committee, the chairman of the senate agriculture committee, and three other individuals appointed by the legislative council chairman, one of whom must represent the crop protection manufacturing industry. In consultation with the pesticide control board, the committee shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner;
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources; and
6. Report to the legislative council in the same manner as do other interim legislative council committees.

**SECTION 12. APPROPRIATION - LEGISLATIVE COUNCIL.** There is hereby appropriated out of any moneys in the minor use pesticide fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, and from special funds derived from grants or donation income, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 13. LEGISLATIVE INTENT.** It is the intent of the fifty-sixth legislative assembly that the agriculture commissioner, agricultural experiment station, and North Dakota state university extension service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in the North Dakota agriculture industry for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 14. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with

bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 15. BUDGET SECTION REPORT.** The agriculture commissioner and the state veterinarian shall periodically report to the budget section on the status of the bovine tuberculosis disease in cattle and associated costs during the 1999-2000 interim.

**SECTION 16. EFFECTIVE DATE - EXPIRATION DATE.** Sections 5 and 6 of this Act are effective for the first two taxable years beginning after December 31, 1998, and are thereafter ineffective.

**SECTION 17. EXPIRATION DATE.** Section 4 of this Act is effective through June 30, 2001, and after that date is ineffective.

**SECTION 18. EMERGENCY.** Section 14 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**DEPARTMENT 160 - LEGISLATIVE COUNCIL**

CONFERENCE COMMITTEE - This amendment creates for the 1999-2000 interim an interim Crop Harmonization Committee and appropriates \$180,000, \$15,000 of which is from the general fund, \$15,000 of which is from the minor use pesticide fund, and up to \$150,000 of grants or donations to the committee to address crop protection registration and labeling issues. The House had established a crop protection task force and appropriated \$300,000 from the environment and rangeland protection fund to the task force for addressing these issues.

**DEPARTMENT 602 - AGRICULTURE DEPARTMENT**

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE COMPARISON TO HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$75,000	\$3,128,452	\$3,083,452	\$45,000
Operating expenses	828,957	828,957	(50,000)	778,957	628,957	150,000
Equipment	22,900	22,900		22,900	22,900	
Grants	161,700	161,700		161,700	161,700	
Board of Animal Health	506,818	502,922		502,922	502,922	
Ag mediation	857,818	851,681	(50,000)	801,681	776,681	25,000
Ag in the classroom	96,000	96,000		96,000	96,000	
Anhydrous ammonia storage	8,154	8,154		8,154	8,154	
Waterbank program	414,000	414,000		414,000	414,000	
Pride of Dakota	151,841	151,516		151,516	151,516	
Wildlife services	779,694	779,694		779,694	779,694	
Safe Send	554,363	553,907	20,000	573,907	573,907	
Noxious weeds	<u>1,174,696</u>	<u>1,174,696</u>		<u>1,174,696</u>	<u>1,174,696</u>	
Total all funds	\$8,687,471	\$8,599,579	(\$5,000)	\$8,594,579	\$8,374,579	\$220,000
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>65,000</u>	<u>4,133,216</u>	<u>4,033,216</u>	<u>100,000</u>
General fund	\$4,607,129	\$4,531,363	(\$70,000)	\$4,461,363	\$4,341,363	\$120,000
FTE	46.00	47.00	0.50	47.50	46.00	1.50

Detail of Conference Committee changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	REDUCE AGRICULTURE MEDIATION	ADD FUNDING FOR COMPUTERS	ADD AG CHEMICAL REGISTRATION POSITION	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$30,000 <sup>1</sup>				\$45,000 <sup>5</sup>	\$75,000
Operating expenses		(\$50,000) <sup>2</sup>				(50,000)

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Equipment						
Grants						
Board of Animal Health						
Ag mediation			(\$50,000) <sup>3</sup>			(50,000)
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota						
Wildlife services						
Safe Send				\$20,000 <sup>4</sup>		20,000
Noxious weeds						
Total all funds	\$30,000	(\$50,000)	(\$50,000)	\$20,000	\$45,000	(\$5,000)
Less special funds				<u>20,000</u>	<u>45,000</u>	<u>65,000</u>
General fund	\$30,000	(\$50,000)	(\$50,000)	\$0	\$0	(\$70,000)
FTE	0.00	0.00	0.00	0.00	0.50	0.50

Conference Committee changes narrative:

- <sup>1</sup> Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program, the same as the House version.
- <sup>2</sup> Reduces operating expenses. The commissioner may determine the specific areas of reduction within this line item. The House had reduced the operating expenses line item by \$200,000 and allowed the commissioner line item transfer authority of up to \$100,000 without Emergency Commission approval.
- <sup>3</sup> Reduces the agriculture mediation line item by \$50,000 from the general fund. The House had reduced this line item by \$75,000, \$20,000 of which was from the general fund and had eliminated one FTE position. The conference committee did not remove an FTE position for agriculture mediation.
- <sup>4</sup> Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for Project Safe Send.
- <sup>5</sup> Adds \$45,000 from the environment and rangeland protection fund for a .5 FTE position for minor use product registration activities, including writing and preparing federal Sections 18 and 24 crop pesticide registrations for minor use labeling. The department may use this funding to increase a .5 FTE position to a one FTE position for performing these activities.

Sections are added that:

Expand the use of the minor use pesticide fund for registering pesticides on more than just minor crops.

Increase the biennial pesticide registration fee from \$300 to \$350. The additional funds collected will be deposited in the environment and rangeland protection fund. The increase is effective only through June 30, 2001. The House had increased this fee by \$100 and deposited \$17 of the increase into the general fund and the remaining \$83 into the environment and rangeland protection fund.

Transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund. The House had provided for a transfer of \$85,000.

Provide legislative intent that the Agriculture Department, the Agricultural Experiment Station, and the NDSU Extension Service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in North Dakota.

Appropriate \$65,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying cattle infected with bovine tuberculosis. The House had appropriated \$25,000 for this purpose.

Provide for periodic reports to the Budget Section on the status of the bovine tuberculosis infection in cattle in North Dakota and associated costs during the 1999-2000 interim.

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Allow an income tax exemption for 1999 and 2000 for any indemnity received as a result of the bovine tuberculosis infection in cattle herds in North Dakota.

Sections added by the House are not included which would have provided that the Agriculture Commissioner charge wholesalers and manufacturers for the actual costs of disposing of their products under Project Safe Send and that products which are not a direct danger to the public should be disposed of by the owner in a proper manner rather than under Project Safe Send.



(Bill Number) SB 2009 (, as (re)engrossed):

Your Conference Committee

Attendance			SENATORS	Vote	Attendance			REPRESENTATIVES	Vote
<sup>4-10</sup> P	<sup>4-12</sup> D	P	Solberg	N	<sup>4-12</sup> P	<sup>4-10</sup> P	Lloyd	N	
A	P	P	NOADEN	Y	P	P	Boehm	N	
P	P	AP	Tomac	Y	P	P	Nichols	Y	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)  
723/724      725/726      5724/5726      5723/5725  
 the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_ - \_\_\_\_\_

and place \_\_\_\_\_ on the Seventh order.  
727

, adopt (further) amendments as follows, and place  
 \_\_\_\_\_ on the Seventh order:

having been unable to agree, recommends that the committee be discharged  
 and a new committee be appointed. 690/515

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the  
 calendar.

DATE: 24, 9, 99

CARRIER: \_\_\_\_\_

LC NO. \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC NO. \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted \_\_\_\_\_

Statement of purpose of amendment \_\_\_\_\_

(1) LC (2) LC (3) DESK (4) COMM.

Date: 4-10-99

Roll Call Vote #: 1

1999 CONFERENCE COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2009

House Appropriations

Subcommittee on \_\_\_\_\_

or

Conference Committee

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

Action Taken Restore \$100,000 to budget, <sup>op. line in</sup> \$70,000 for Ag Med, and 1 FTE

Motion Made By Boehm Seconded By Lloyd

Representatives	Sen	Yes	No	Senators	Rep.	Yes	No
Solberg		X		Boehm		X	
Naaden		X		Nichols			X
Tamac		<del>X</del>	X	Lloyd		X	

Reps. (Yes) 2 No 1

Sen. (Yes) 2 (No) 1

Floor Assignment \_\_\_\_\_

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

(Bill Number) SB 2009 (, as (re)engrossed):

Your Conference Committee

Attendance	SENATORS	#1 Vote	#2
P	Solberg	N	Y
P	Naaden	Y	Y
P	Tornae	Y	N

Attendance	REPRESENTATIVES	#1 Vote	#2
P	Lloyd	N	Y
P	Boehm	N	Y
P	Nichols	Y	N

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)  
723/724      725/726      5724/H726      5723/H723  
 the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_ - \_\_\_\_\_

and place \_\_\_\_\_ on the Seventh order.  
727

, adopt (further) amendments as follows, and place  
 \_\_\_\_\_ on the Seventh order:

having been unable to agree, recommends that the committee be discharged  
 and a new committee be appointed. 690/315

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the  
 calendar.

DATE: 4 1 13 1 99

CARRIER: \_\_\_\_\_

LC NO. \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC NO. \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted \_\_\_\_\_

Statement of purpose of amendment \_\_\_\_\_

(1) LC (2) LC (3) DESK (4) COMM.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Solberg, Naaden, Tomac and Reps. Lloyd, Boehm, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1097-1100, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1097-1100 of the Senate Journal and pages 1159-1162 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace the first "and" with "to create a legislative council committee; to provide an appropriation to the legislative council; to provide a statement of legislative intent; to provide for a transfer; to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subdivision to subsection 3 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax exemption for indemnities received for destruction of cattle;"; replace "section" with "sections", and after "4-01-21" insert ", 4-35-06.3, and 19-18-04"

Page 1, line 3, after "to" insert "the minor use pesticide fund," and after "commissioner" insert ", and pesticide registration fees; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,128,452"

Page 1, line 14, replace "828,957" with "778,957"

Page 1, line 18, replace "851,681" with "801,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,594,579"

Page 2, line 3, replace "4,068,216" with "4,133,216"

Page 2, line 4, replace "4,531,363" with "4,461,363"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 4-35-06.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-35-06.3. Minor use pesticide fund - Continuing appropriation.** The minor use pesticide fund is created as a special fund in the state treasury. All moneys in the fund are appropriated on a continuing basis to the pesticide control board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and emergency uses other uses as determined by the board.

**SECTION 4. AMENDMENT.** Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-18-04. Registration - Fees.**

1. Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:
  - ~~1.~~ a. Give the name and address of each manufacturer or distributor.
  - ~~2.~~ b. Give the name and brand of each product registered.
  - ~~3.~~ c. Be accompanied by a current label of each product so registered.
  - ~~4.~~ d. Be accompanied by a registration fee of three hundred fifty dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit fifty dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
  - ~~5.~~ e. Be accompanied by a material safety data sheet.
2. The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.
3. Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.
4. This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section.

**SECTION 5.** A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

**SECTION 6.** A new subdivision to subsection 3 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis."

Page 2, line 14, replace "\$1,860,576" with "\$1,925,576"

Page 2, after line 21, insert:

**"SECTION 9. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 10. TRANSFER.** The office of management and budget shall transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 11. LEGISLATIVE COUNCIL - CROP HARMONIZATION COMMITTEE.** The legislative council shall create a crop harmonization committee consisting of the chairman of the house agriculture committee, the chairman of the senate agriculture committee, and three other individuals appointed by the legislative council chairman, one of whom must represent the crop protection manufacturing industry. In consultation with the pesticide control board, the committee shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner;
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources; and
6. Report to the legislative council in the same manner as do other interim legislative council committees.

**SECTION 12. APPROPRIATION - LEGISLATIVE COUNCIL.** There is hereby appropriated out of any moneys in the minor use pesticide fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, and from special funds derived from grants or donation income, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 13. LEGISLATIVE INTENT.** It is the intent of the fifty-sixth legislative assembly that the agriculture commissioner, agricultural experiment station, and North Dakota state university extension service use resources available to them to

assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in the North Dakota agriculture industry for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 14. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 15. BUDGET SECTION REPORT.** The agriculture commissioner and the state veterinarian shall periodically report to the budget section on the status of the bovine tuberculosis disease in cattle and associated costs during the 1999-2000 interim.

**SECTION 16. EFFECTIVE DATE - EXPIRATION DATE.** Sections 5 and 6 of this Act are effective for the first two taxable years beginning after December 31, 1998, and are thereafter ineffective.

**SECTION 17. EXPIRATION DATE.** Section 4 of this Act is effective through June 30, 2001, and after that date is ineffective.

**SECTION 18. EMERGENCY.** Section 14 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 160 - LEGISLATIVE COUNCIL

CONFERENCE COMMITTEE - This amendment creates for the 1999-2000 interim an interim Crop Harmonization Committee and appropriates \$180,000, \$15,000 of which is from the general fund, \$15,000 of which is from the minor use pesticide fund, and up to \$150,000 of grants or donations to the committee to address crop protection registration and labeling issues. The House had established a crop protection task force and appropriated \$300,000 from the environment and rangeland protection fund to the task force for addressing these issues.

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE COMPARISON TO HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$75,000	\$3,128,452	\$3,083,452	\$45,000
Operating expenses	828,957	828,957	(50,000)	778,957	628,957	150,000
Equipment	22,900	22,900		22,900	22,900	
Grants	161,700	161,700		161,700	161,700	
Board of Animal Health	506,818	502,922		502,922	502,922	
Ag mediation	857,818	851,681	(50,000)	801,681	776,681	25,000
Ag in the classroom	96,000	96,000		96,000	96,000	
Anhydrous ammonia storage	8,154	8,154		8,154	8,154	
Waterbank program	414,000	414,000		414,000	414,000	
Pride of Dakota	151,841	151,516		151,516	151,516	
Wildlife services	779,694	779,694		779,694	779,694	
Safe Send	554,363	553,907	20,000	573,907	573,907	
Noxious weeds	1,174,696	1,174,696		1,174,696	1,174,696	

**REPORT OF CONFERENCE COMMITTEE (420)**  
**April 13, 1999 3:15 p.m.**

**Module No: SR-67-7162**

**Insert LC: 98031.0216**

Total all funds	\$8,687,471	\$8,599,579	(\$5,000)	\$8,594,579	\$8,374,579	\$220,000
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>65,000</u>	<u>4,133,216</u>	<u>4,033,216</u>	<u>100,000</u>
General fund	\$4,607,129	\$4,531,363	(\$70,000)	\$4,461,363	\$4,341,363	\$120,000
FTE	46.00	47.00	0.50	47.50	46.00	1.50

Detail of Conference Committee changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	REDUCE AGRICULTURE MEDIATION	ADD FUNDING FOR COMPUTERS	ADD AG CHEMICAL REGISTRATION POSITION	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$30,000 <sup>1</sup>				\$45,000 <sup>5</sup>	\$75,000
Operating expenses		(\$50,000) <sup>2</sup>				(50,000)
Equipment						
Grants						
Board of Animal Health						
Ag mediation			(\$50,000) <sup>3</sup>			(50,000)
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota						
Wildlife services						
Safe Send				\$20,000 <sup>4</sup>		20,000
Noxious weeds						
Total all funds	\$30,000	(\$50,000)	(\$50,000)	\$20,000	\$45,000	(\$5,000)
Less special funds				<u>20,000</u>	<u>45,000</u>	<u>65,000</u>
General fund	\$30,000	(\$50,000)	(\$50,000)	\$0	\$0	(\$70,000)
FTE	0.00	0.00	0.00	0.00	0.50	0.50

Conference Committee changes narrative:

- <sup>1</sup> Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program, the same as the House version.
- <sup>2</sup> Reduces operating expenses. The commissioner may determine the specific areas of reduction within this line item. The House had reduced the operating expenses line item by \$200,000 and allowed the commissioner line item transfer authority of up to \$100,000 without Emergency Commission approval.
- <sup>3</sup> Reduces the agriculture mediation line item by \$50,000 from the general fund. The House had reduced this line item by \$75,000, \$20,000 of which was from the general fund and had eliminated one FTE position. The conference committee did not remove an FTE position for agriculture mediation.
- <sup>4</sup> Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for Project Safe Send.
- <sup>5</sup> Adds \$45,000 from the environment and rangeland protection fund for a .5 FTE position for minor use product registration activities, including writing and preparing federal Sections 18 and 24 crop pesticide registrations for minor use labeling. The department may use this funding to increase a .5 FTE position to a one FTE position for performing these activities.

Sections are added that:

Expand the use of the minor use pesticide fund for registering pesticides on more than just minor crops.



Increase the biennial pesticide registration fee from \$300 to \$350. The additional funds collected will be deposited in the environment and rangeland protection fund. The increase is effective only through June 30, 2001. The House had increased this fee by \$100 and deposited \$17 of the increase into the general fund and the remaining \$83 into the environment and rangeland protection fund.

Transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund. The House had provided for a transfer of \$85,000.

Provide legislative intent that the Agriculture Department, the Agricultural Experiment Station, and the NDSU Extension Service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in North Dakota.

Appropriate \$65,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying cattle infected with bovine tuberculosis. The House had appropriated \$25,000 for this purpose.

Provide for periodic reports to the Budget Section on the status of the bovine tuberculosis infection in cattle in North Dakota and associated costs during the 1999-2000 interim.

Allow an income tax exemption for 1999 and 2000 for any indemnity received as a result of the bovine tuberculosis infection in cattle herds in North Dakota.

Sections added by the House are not included which would have provided that the Agriculture Commissioner charge wholesalers and manufacturers for the actual costs of disposing of their products under Project Safe Send and that products which are not a direct danger to the public should be disposed of by the owner in a proper manner rather than under Project Safe Send.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

**1999 TESTIMONY**

**SB 2009**

## Did You Know?

North Dakota farmers and ranchers annually produce:

- \* Enough wheat for 108 billion sandwiches
- \* Barley for 42 billion cans of beer
- \* Potatoes for two billion servings of french fries
- \* Durum for 93 servings of pasta for every American
- \* Beef for two billion hamburgers
- \* Wool for 640,000 sweaters
- \* Enough milk for 1.6 billion glasses
- \* Pork for 65 million porkchops
- \* Sunflowers to fill over 400 million bags of sunflower seeds

## Sponsored By:

### North Dakota Department of Agriculture



Phone: 800-242-7535  
Mail: ND Department of Agriculture  
600 East Blvd. Ave., Dept. 602  
Bismarck, ND 58505-0020  
E-mail: [ndda@pioneer.state.nd.us](mailto:ndda@pioneer.state.nd.us)  
Website: [www.state.nd.us/agr](http://www.state.nd.us/agr)

### North Dakota Farm Bureau

Phone: 701-224-0330  
Mail: ND Farm Bureau  
PO Box 2793  
Bismarck, ND 5850  
E-mail: [ndfarm@btigate.com](mailto:ndfarm@btigate.com)  
Website: [www.fb.com/ndfb](http://www.fb.com/ndfb)



### North Dakota Farmers Union



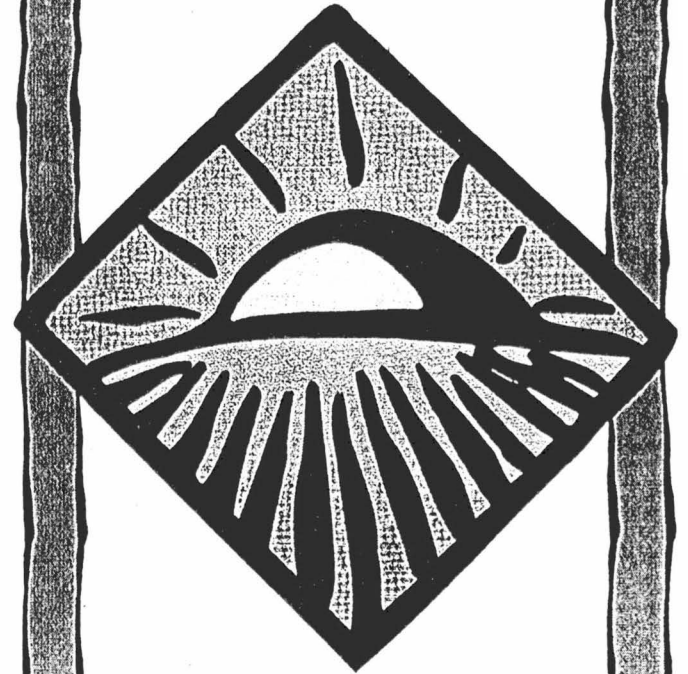
Phone: 800-366-6338  
Mail: ND Farmers Union  
PO box 2136  
Jamestown, ND 58402-2136  
E-mail: [ndfu@fm-net.com](mailto:ndfu@fm-net.com)  
Website: [www.ndfarmersunion.com](http://www.ndfarmersunion.com)

### North Dakota Ag Statistics Services

Phone: 701-239-5306  
Mail: ND Ag Statistics Services  
Po Box 3166  
Fargo, ND 58108-3166  
E-mail: [nass-nd@nass.usda.gov](mailto:nass-nd@nass.usda.gov)  
Website: [www.nass.usda.gov/nd/](http://www.nass.usda.gov/nd/)



# NORTH DAKOTA AGRICULTURE



... THE TRUSTED PROVIDER  
OF THE HIGHEST QUALITY  
FOOD IN THE WORLD.

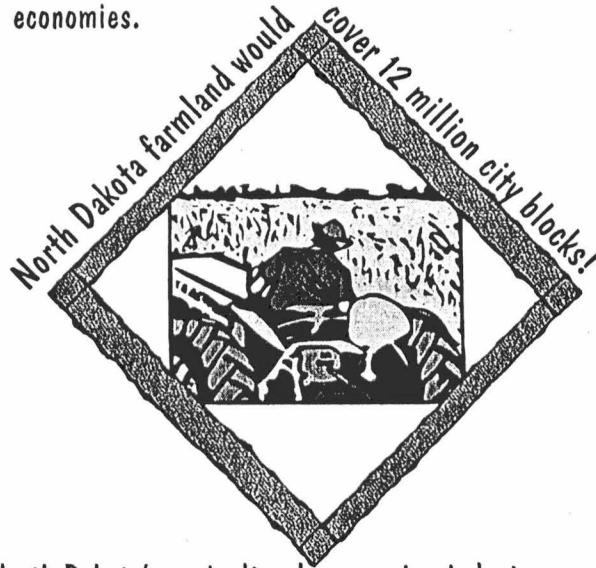
## Agriculture is North Dakota's #1 Industry

- \* More than 25% of North Dakota's population is employed directly by agriculture or in agriculture-related business.
- \* With cash receipts of more than \$3 billion, agricultural production and manufacturing make up more than 37% of North Dakota's economic base.
- \* North Dakota consumers spend only 11% of their gross income on food, compared to 25% in Germany and 37% in Ireland.
- \* North Dakota farms provide food and habitat for 90% of the state's wildlife.
- \* North Dakota has 31,000 family farms and ranches. The average size of a North Dakota farm is 1,274 acres.
- \* More than 39.3 million acres - nearly 90% of North Dakota's land area - is in farms and ranches.
- \* The average age of a North Dakota farmer is 51.4 years old.

\* North Dakota value-added cooperatives have built nearly \$800 million in facilities since 1990.

\* Value-added cooperatives account for more than 600 new jobs in North Dakota.

\* Producers in North Dakota have invested \$216 million in equity dollars into value-added cooperatives, which in turn has stimulated growth in local economies.



North Dakota's agricultural processing industry produces high quality products from farm and ranch commodities. These products include:

- ▶ Flour
- ▶ Cereal
- ▶ Ethanol
- ▶ French Fries
- ▶ Gourmet Foods
- ▶ Bread and Baked Goods
- ▶ Snack Foods & Condiments
- ▶ Pasta
- ▶ Canola Oil
- ▶ Corn Sweetener
- ▶ Straw Board
- ▶ Potato Chips
- ▶ Decorative Items
- ▶ Cheese & Ice Cream

North Dakota ranks first in the nation in the production of the following commodities:

1998	Percent of U.S.
Durum Wheat	69%
Spring Wheat	40%
Barley	30%
Sunflowers	57%
Pinto Beans	47%
All Dry Edible Beans	32%
Flaxseed	87%
Oats	16%
Navy Beans	45%
Canola	73%
Rye	19%



### North Dakota's Top Five Agricultural Exports

Wheat & Products	\$459 million
Feed Grains & Products	\$152 million
Sunflowers & Oils	\$128 million
Vegetables & Preparations	\$102 million
Soybeans & Products	\$95 million
<b>Overall</b>	<b>\$1.08 billion</b>



NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

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# BUDGET PRESENTATION

FOR THE  
1999-2001 BIENNIUM

January 18, 1999

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NORTH DAKOTA SENATE

COMMITTEE ON APPROPRIATIONS

THE HON. DAVID NETHING, CHAIRMAN

A9  
Dept

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## *The Department's Vision . . .*

**T**o provide North Dakota agriculture with the services and leadership necessary to make North Dakota the trusted provider of the highest quality food in the world with prosperous family farms, thriving rural communities and world class stewardship of resources.

## *The Department's Mission . . .*

**T**he North Dakota Department of Agriculture fosters the long-term well-being of North Dakota by promoting a healthy economic, environmental and social climate for agriculture and the rural community through leadership, advocacy, education, regulation and other services. To carry out its mandate, the Department of Agriculture is committed to the following responsibilities:

- ☞ Serving as an advocate for family farmers and for the rural community.
- ☞ Providing services that ensure safe, high-quality and marketable agricultural products.
- ☞ Developing and expanding markets for agricultural products.
- ☞ Reducing, the risk of financial loss to agricultural producers and to buyers and sellers of agricultural commodities.
- ☞ Ensuring compliance with laws administered by the North Dakota Department of Agriculture through understandable regulations, information, education and even-handed enforcement.
- ☞ Ensuring human safety and protecting the environment through proper use of pesticides.
- ☞ Providing services to reduce agricultural losses from noxious weeds, predatory animals, insects and diseases.
- ☞ Ensuring the quality of pesticides, fertilizers, veterinary medicines and animal feeds through testing and registration.
- ☞ Protecting and improving the health, welfare, quality and marketability of livestock and other domestic animals.
- ☞ Gathering and disseminating information concerning agriculture to the general public.
- ☞ Providing fair and timely dispute resolution services to agricultural producers, creditors and others.

# INTRODUCTION

ROGER JOHNSON  
COMMISSIONER

Ninety percent of North Dakota's land (more than 40.2 million acres) is in farms, making the state fourth in the nation in the percentage of total acres devoted to agriculture. North Dakota also ranks fourth in the nation in the percentage of economic base derived from agriculture.

At 38 percent of the total, agriculture is the largest sector of the state's economic base, generating more than \$3 billion in revenue in 1997. North Dakota was 10th in agricultural exports earning \$1.7 billion in FY 1996.

North Dakota's principal agricultural products are wheat and cattle. The combination of wheat at 41.4 percent and cattle at 9.2 percent made up over one-half of the state's total agricultural receipts in 1996. These two enterprises were also among the hardest hit by recent weather disasters. In 1997, wheat production was down 33 percent from 1996. Disease and insect problems, coupled with poor prices, have led to a predicted decline of more than 1.5 million acres in 1998 wheat plantings.

Total cattle inventories have dropped 8 percent from a year ago, due largely to record winter-related losses and economic factors. As a percent of total inventory, the total cattle death loss in 1997 is the highest on record.

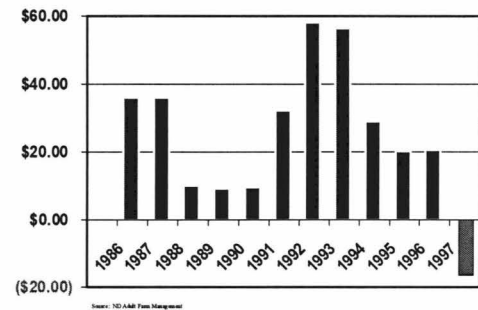
Net returns per acre of wheat in North Dakota turned negative in 1997, with an average statewide loss of \$16 per acre (see top chart at right).

Similarly, returns for beef cattle were net losses for many cattle producers during 1995 and 1996 (see middle chart at right).

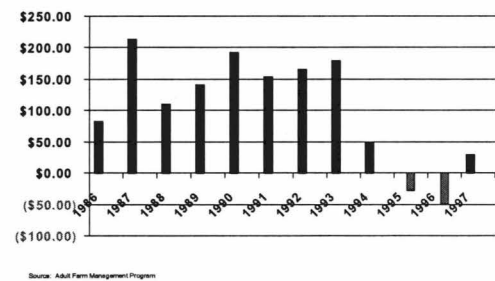
Low and negative net returns on wheat and cattle have led to declining net farm income. Net cash farm income has fallen from a per farm average of \$50,091 in 1993 to just \$15,190 in 1997. Profitability for producers is virtually impossible in this situation, with family living expenses now exceeding average net cash farm income (see bottom chart at right).

Agriculture, North Dakota's number one industry, is presently experiencing economic adversity. During difficult times, people look to government for help. The four program areas of the North Dakota Department of Agriculture – Executive Services, Agricultural Mediation, Livestock Services and Plants Services – are committed to providing assistance to improve the situation for agricultural producers and others.

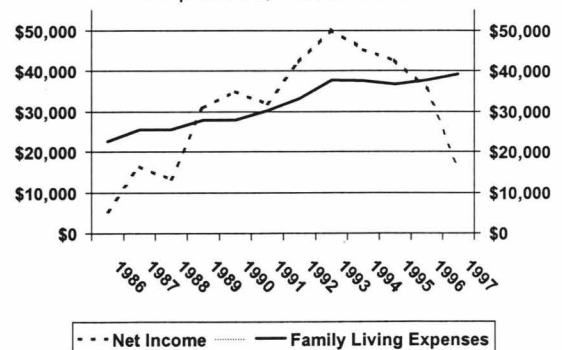
Net Return per Acre of Wheat  
(nominal dollars)



Net Return per Beef Cow  
(Nominal dollars)

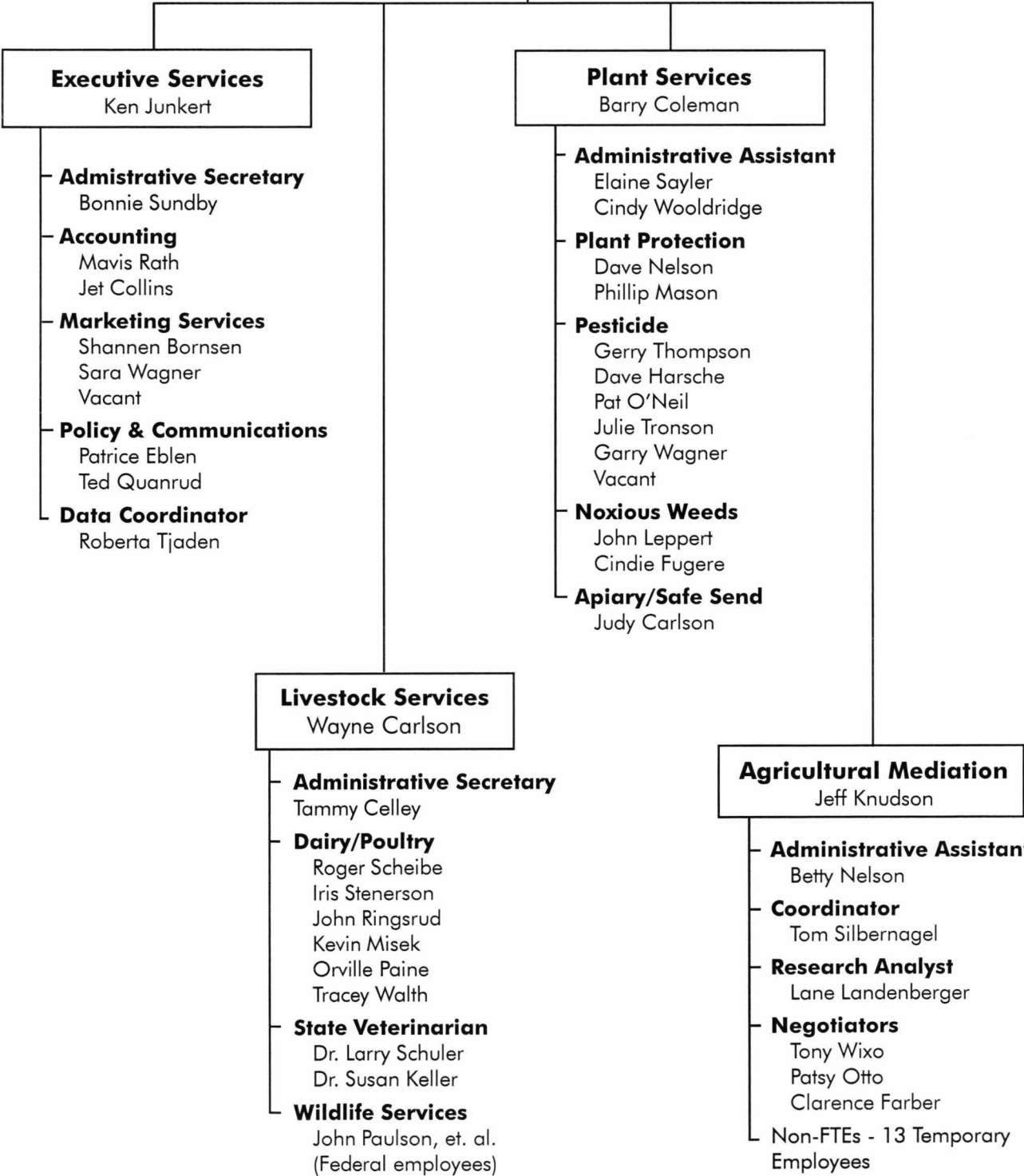


Net Farm Income vs. Family Living Expenses, North Dakota.





**Commissioner of Agriculture**  
 Roger Johnson  
**Deputy Commissioner**  
 Jeff Weispfenning  
**Assistant to the Commissioner**  
 Joanne Beckman



# EXECUTIVE SERVICES

The Executive Services program area provides administration, coordination, and support to all department program areas. The following services are provided:

- Administration • Accounting • Ag in the Classroom
- Communications • Computer Support • Marketing
- Reception Services • Research & Policy Development

## Commissioner of Agriculture

In addition to overseeing the programs and activities of the Department of Agriculture, the Commissioner of Agriculture serves on numerous boards and commissions, including:

- N.D. Industrial Commission • North Dakota Water Commission
- Board of Tax Equalization • Ag Products Utilization Commission
- N.D. Dairy Promotion Commission • N.D. Barley Council
- N.D. Seed Commission • N.D. Pesticide Control Board
- N.D. Edible Bean Council • N.D. Potato Council
- N.D. Oilseed Council • N.D. Soil Conservation Committee
- N.D. Ag in the Classroom Council • N.D. Seed Arbitration Board
- N.D. Disaster Emergency Board
- USDA Food and Agriculture Council
- Interstate Compact on Pest Control

## Marketing Services

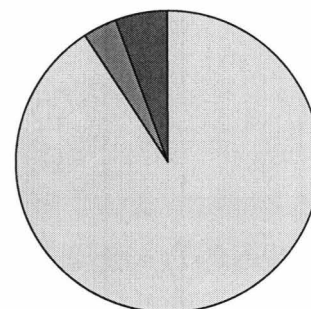
Marketing Services helps North Dakota companies obtain federal grants. The Department is a member of the Mid-America International Agri-Trade Council (MIATCO). Through MIATCO, North Dakota food and ag businesses can apply for 50 percent reimbursement of export promotion expenses. Also, USDA's Federal-State Marketing Improvement Program allocates funds through the State Department of Agriculture.

Pride of Dakota is the centerpiece of Marketing Services activities. The program continues to generate increased sales of North Dakota products through joint marketing efforts by member companies.

Increasing sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets through education, promotion, and market enhancement is the principal task of Marketing Services.

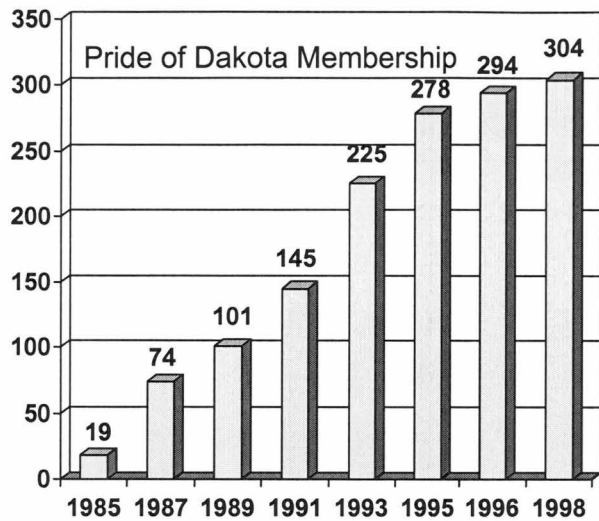
KEN JUNKERT  
PROGRAM MANAGER

1999-2001  
Governor's Budget  
Funding Sources



General	\$1,594,460
Federal	\$61,700
Special	\$98,831

Pride of Dakota members have made the program a resounding success. The program has



grown increasingly strong over the years. The membership has increased from 20 members in 1985 to more than 300 current members.

In 1991, program funding was increased to \$150,000 under the auspices of Growing North Dakota. Legislative intent directed the majority of the funds to be spent on out-of-state marketing for member companies.

Marketing Services has developed an Internet mall., providing Pride of Dakota companies an opportunity to reach out-of-state customers at a very low cost. This project is being funded in part by the USDA.

The Commission on the Future of Agriculture has recommended funding the development of a state joint marketing venture that promotes North Dakota products under one name. The Commission also recommends funding a program that develops internationally recognized standards of product quality and processing excellence that can be certified. The Commission recommends development of these programs by NDDA.

## Agriculture in the Classroom

The Agriculture in the Classroom program fosters a greater awareness by elementary and secondary school students of the importance of agriculture through development of educational materials and training of teachers.

Activities include in-service training, for-credit classes, a traveling classroom, and Internet and computer activities.

The line item for this program authorizes the Department of Agriculture to raise the budgeted amount to conduct program activities. The state provides only spending authority for this program, although the Commission on the Future of Agriculture recommends funding further development of the program.

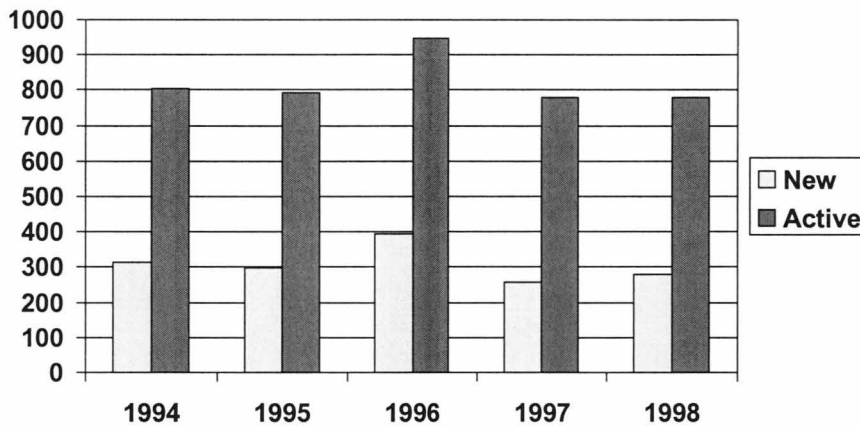
	1997-1999	1999-2001
Salaries	\$1,161,969	\$1,193,446
Operating	\$369,890	\$242,704
Equipment	\$9,300	\$9,300
Pride of Dakota	\$150,000	\$151,841
Ag in the Classroom	<u>\$25,000</u>	<u>\$96,000</u>
	\$1,716,159	\$1,693,291
FTEs	14.5	13.0

# MEDIATION

The North Dakota Agricultural Mediation Service (NDAMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others.

Negotiators help farmers and ranchers prepare financial and cash flow statements and loan applications. Negotiators also assist farmers in preparing information for solving non-credit disputes. Negotiators worked with 778 farmers in the last fiscal year (see chart below).

## New and Active Clients State Fiscal Years (1994-1998)



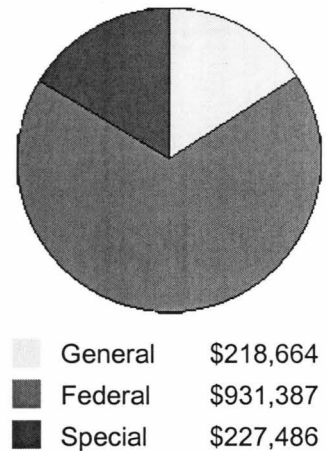
NDAMS expects an increase in the number of clients in the upcoming year because of low cattle and commodity prices, which will make feasible farm operating plans difficult to project.

Mediation is a voluntary process for farmers and private creditors; however, it is mandatory with FSA and FCS and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Mediators are trained as impartial third parties that serve as intermediaries between farmers and others to resolve disputes outside court. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for the participants and allows the parties to deal with the entire problem. Mediation works. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

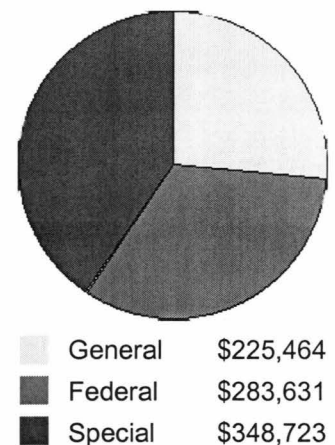
Most of the AMS field staff (negotiators and mediators) have worked

JEFF KNUDSON  
PROGRAM MANAGER

## Funding Sources 1997-1999

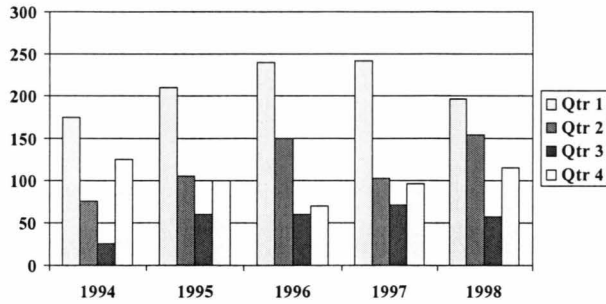


## 1999-2001 Governor's Budget Funding Sources



## Quarterly Mediation Requests

Calendar Years (1994-1998)

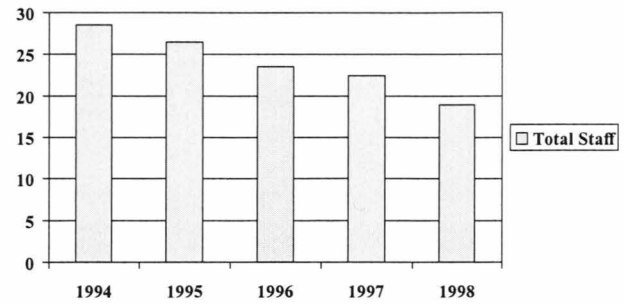


for the Department for many years, yet do not have FTEs. As temporary employees, they are paid hourly wages and receive no benefits.

The following chart shows that the number of AMS employees (FTEs and non-FTEs) has decreased from 23.55 to 19.0 in the past two years.

## AMS Employees

Years-end (1994-1998)



Reduced federal funding results in a sharp decrease in the recommended budget. Consequently, a budget enhancement request was submitted for additional general funds to sustain current program activity.

## Enhancement Request

The Agricultural Mediation Service requests a total budget enhancement of \$579,702. The request includes \$379,741 for salaries and \$199,961 for operating expenses. The request restores one FTE and includes funding for database software conversion and field staff computer hardware.

Mediation Budget Comparisons		
	1997-1999	1999-2001
Salaries	\$952,668	\$697,236
Operating	\$405,774	\$159,810
Equipment	\$19,095	\$772
	\$1,377,537	\$857,818
FTEs	6.55	6.0

# LIVESTOCK SERVICES

Livestock Services is comprised of the Dairy/Poultry Services, the Livestock Division, Board of Animal Health and Wildlife Services. The main focus of the program area is regulations pertaining to North Dakota's livestock industry. A brief description of each program follows.

## Livestock Division

The livestock industry traditionally ranks as one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.75 million cattle, 110,000 sheep and 170,000 hogs with a total value of approximately \$1.1 billion.

The Livestock Division protects this industry by licensing livestock dealers and auction markets. Approximately 180 dealers and 16 auction markets are granted licenses after posting bond, filing financial statements and passing tests of financial responsibility. Field investigations are routinely carried out to monitor financial conditions of dealers and auction markets and to discover unlicensed dealers.

The Department of Agriculture and USDA Market News entered into a cooperative agreement to compile and disseminate prices and other market information for livestock in North Dakota. The Department is responsible for paying a contract person in the Dickinson area. USDA reimburses the Department for all costs incurred.

The Department submitted a deficiency budget of \$27,850 to cover the cost of the Department's work in the 1996-97 winter disaster. OMB did not submit it to the Legislature for a deficiency appropriation.

## Dairy Services

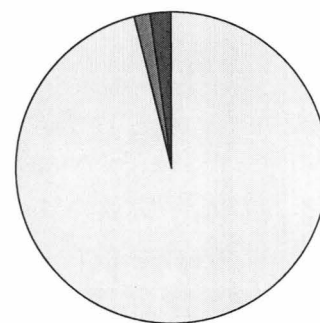
The main function of Dairy Services is to protect, encourage, promote, and enhance the marketability of North Dakota's dairy and poultry resources by assisting the industry in measuring compliance to statutes and regulations.

The division is administered by the director of dairy/poultry services with one staff /clerical person located in Bismarck. Three dairy inspectors visit the state's 843 (1998) dairy farms an average of 2.5 times a year. Each farm is inspected for cleanliness of equipment, proper usage and storage of drugs and water purity.

The state's 12 dairy processing plants and nine milk transfer stations are inspected four times or more times annually. Distribution facili-

WAYNE CARLSON  
PROGRAM MANAGER

1999-2001  
Governor's Budget  
Funding Sources



General	\$204,286
Federal	\$35,128
Special	\$45,000

ties, farm bulk trucks and samplers/haulers are also inspected.

One inspector performs the survey (auditing) work of the Interstate Milk Shippers program(Grade A). This involves 38 milk producer groups, five plants, and four transfer/receiving stations. The same individual performs USDA inspections of 12 manufacturing grade plants or transfer stations under a continuing contractual agreement. This involves two or more visits, as required by the USDA manufacturing milk program. Area dairy inspectors visit these sites during alternating quarters to do state inspections.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy division. For the first time, field staff conducted 150 inspections of non-traditional livestock for the state veterinarian's office this year.

### **Poultry services**

Dairy division personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. One USDA hatchery in Minot is inspected quarterly. All in-state and out-of-state hatcheries are licensed and bonded.

## **Board of Animal Health**

The State Board of Animal Health became a division of the Department of Agriculture in 1995. Employees include two veterinarians and one support staff. The board consists of seven members as outlined in N.D. Century Code 36-01-01.

The Board of Animal Health is charged with protecting the health of the domestic animals and nontraditional livestock of this state. The

board also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases among the domestic animals and nontraditional livestock of this state. The board must also prevent the escape and release of animals injurious to or competitive with agriculture, horticulture, forestry, wild animals and other natural resources. Any matter relating to the health and welfare of domestic animals and nontraditional livestock that is not specifically assigned by statute to another entity is deemed to be within the board's authority.

The livestock industry of North Dakota can be proud of its accomplishments in achieving the health status that is the envy of most states. This has been accomplished through hard work and cooperation of every facet of the livestock industry. It is imperative that surveillance and communication continue so that North Dakota can maintain the "disease free" status that we currently enjoy. This "disease free" status allows for easy exportation of livestock both on an interstate and international level with limited expenses to livestock producers in North Dakota.

Animal waste management is an issue that is coming to the forefront in animal agriculture. Although it does not directly affect the health of the animals, it is important for the board to provide as much information to livestock producers as possible and to act as a spokesman for them when necessary. This is an issue that will greatly affect the viability and future of animal agriculture.

The Board of Animal Health needs to assist industry groups in trade negotiations with other countries. Many of the barriers to free trade between countries are animal health related and the board can provide the infor-

mation necessary to appease the animal health concerns.

Voluntary disease control programs provide the tools needed by livestock producers to eliminate diseases from their livestock. Voluntary disease control programs provide recognition for and certification of these efforts. Some of the voluntary programs being developed on the national level that could be initiated in North Dakota are:

- Johnes Disease in cattle
- Scrapie in sheep • Leukosis in cattle
- Chronic Wasting Disease in elk and deer

With the coming of the free trade agreements, the movement of animals and animal products has been greatly enhanced. As a result, the potential for an emerging disease outbreak is greater. The state should develop an animal health emergency management plan to assure a quick and decisive response to such an outbreak.

The short-term goals of the State Board of Animal Health focus primarily on improving the compliance with statutes and rules and delivering better service and developing better communication with the people served.

Historically, the board has been an agency that regulates the mandatory eradication programs set forth by the federal government. With the imminent declaration of the U.S. as brucellosis-free and psuedorabies-free, the board sees its future role as an agency that assists the people of North Dakota with voluntary disease control programs that can add value to their livestock. The board can also act as a spokesman for livestock producers on issues relating to animal agriculture. In the long term, the board will be more active in public health and food safety issues, education, humane treatment of animals, nontra-

ditional livestock issues, and animal health emergency management.

## Wildlife Services

Wildlife Services (WS) provides federal leadership in managing problems caused by wildlife to protect agriculture and public health and safety. WS recognizes that wildlife is a significant public resource greatly valued by the people of North Dakota. By its very nature, however, wildlife is a highly dynamic and mobile resource that can damage agriculture, property, pose risks to human health and safety, and affect natural and man-made resources. The WS program carries out the federal responsibility in cooperation with the state to manage problems that occur when human activity and wildlife are in conflict.

WS in North Dakota has traditionally been a partnership of state and federal funding and in special cases (i.e., rebuilding the WS aircraft), individuals and other private entities. Additional funding is provided by cities, airport authorities, counties, water resource districts, other federal agencies and individuals to manage a wide variety of wildlife problems.

Coyote depredation on livestock, particularly calves and lambs accounts for the majority of predator related complaints received by WS. WS manages predator damage through the use of aerial and ground hunting, snares, traps, M-44's, and by providing technical assistance when appropriate.

Blackbirds annually cause an estimated \$20-30 million damage to sunflowers, corn and small grain crops in North Dakota. WS manages blackbird depredation through reduction of habitat, particularly dense cattail stands, baiting projects, and technical assistance. This major benefit to North Dakota farmers has a price tag of more than \$400,000



annually, funded primarily by the Federal government. Additionally, WS research expends \$350,000 annually to refine and develop new methods to manage blackbird damage problems.

The proposed budget, including the additional funding request, will allow North Dakota WS to add two positions to the current field staff and increase services provided by

WS to protect agriculture, natural resources, property, and to safeguard public health and safety.

WS is requesting a funding increase of \$115,831 to add two positions to handle urban wildlife problems and to assist with the increased effort of managing blackbird damage on sunflower, corn and small grains.

## Enhancement Request

Livestock Services has requested the following three enhancements:

- An FTE and funding for the position. The specialist will be responsible for the development and enhancement of the state’s livestock industries. This position will help enterprises with economic, financial, and regulatory problems they would encounter in the expansion or development of new or existing ideas. This would help diversify the state’s agriculture economy by increasing the value of agricultural production in the state. One FTE; Cost: \$89,000.
- Restore the funding for a clerical position that was eliminated during the merger of the Board of Animal Health with the Department of Agriculture. One FTE; Cost: \$36,000.
- Provide two urban specialists positions to be assigned primarily to non-rural wildlife damage management. These two specialists would also assist with blackbird damage management, particularly to the sunflower industry. Cost: \$116,000.

<b>Livestock Services Budget Comparisons</b>		
	<b>1997-1999</b>	<b>1999-2001</b>
Salaries	\$647,218	\$610,398
Operating	\$195,904	\$224,504
Equipment	\$1,100	\$1,100
Board of Animal Health	\$474,649	\$506,818
Wildlife Services	<u>\$779,694</u>	<u>\$779,694</u>
	<b>\$2,098,565</b>	<b>\$2,122,514</b>
FTEs	11	10

# PLANT SERVICES

Plant Services consists of Waterbank, Registration, Pesticides, Plant Protection, Noxious Weeds, Apiary, and Project Safe Send.

## Waterbank

A cooperative effort of several state and federal agencies, the State Waterbank Program gives landowners financial incentives to preserve wetlands. The program is very popular with landowners because it provides short-term leases that compensate them for the loss of agricultural production on acreage enrolled in the program.

Funding for the program has been derived from a combination of state and federal monies and private sources through fundraising activities.

Last session, the Legislature appropriated \$500,000 for Waterbank agreements in the Devils Lake watershed. Twenty agreements have been finalized which total 2,203 acres, including 32 acres of restorable wetlands, 460 acres of wetlands, and 1,711 acres of uplands.

## Apiary

The Apiary Division is responsible for the following services to the beekeeping industry:

- Annual licensing of beekeepers • Registration of beeyards.
- Inspection of colonies for diseases and parasites.

The majority of beekeepers are migratory, moving their bees to warmer climes in the winter. Approximately one-third of North Dakota bees overwinter in Texas where inspections for migratory movement are still required. North Dakota inspections are provided upon request of the beekeeper. Department personnel respond to complaints by the public, by landowners and commercial pesticide applicators regarding placement of bee yards.

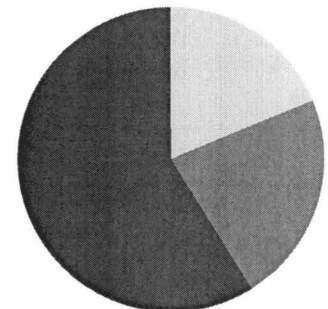
## Plant Protection

The Plant Protection Division is responsible for issuing phytosanitary export certificates, nursery inspection, and plant pest prevention, detection, evaluation and suppression.

Plants and plant products are certified to meet the quarantine re-

BARRY COLEMAN  
PROGRAM MANAGER

1999-2001  
Governor's Budget  
Funding Sources



General	\$745,302
Federal	\$877,719
Special	\$2,329,127

quirements of other states and foreign countries to facilitate the export of North Dakota agricultural products.

	1995	1996	1997	1998
Phytosanitary Export Certificates <sup>1</sup>	585	823	898	1834
Corn Borer Compliance Agreements to support movement of grain corn to the west coast <sup>1</sup>	48	60	66	66
Nursery Growers inspected and licensed <sup>2</sup>	43	42	46	45
Nursery Dealers Licensed and Inspected <sup>2</sup>	131	125	127	133

<sup>1</sup> Fees are charged for these services

<sup>2</sup> Nursery license fee \$50

Pest surveys are conducted to provide pest distribution information necessary to support the certification of plant products for export. Surveys include Karnal bunt, flag smut, dwarf bunt, Khapra beetle, soybean cyst nematode, golden nematode of potato, cereal leaf beetle, and Japanese beetle.

Because two years of intensive state survey efforts have demonstrated that North Dakota is free of Karnal bunt, it is anticipated that survey activity will substantially decrease in the future. As a result, the Department requests authority to spend \$20,000 in federal funds for Karnal bunt survey work in the upcoming biennium, compared to \$200,000 in 1997-99.

Nursery stock (trees, shrubs, and woody vines for outdoor use) is inspected for insects and diseases to provide a healthy product to consumers and prevent the introduction of pests into the state.

## Pesticide

The Pesticide Division enforces state and federal laws regarding the use of pesticides, as mandated by the Federal Insecticide, Fungicide and Rodenticide Act, while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

Inspection of pesticide dealers and applicators is the division's primary means of ensur-

ing safe and proper use of pesticides. These inspections are aimed at preventing illegal residues in our state's commodities and reducing damages from pesticide applications.

The division continues the development of initiatives mandated by the U.S. Environmental Protection Agency. These include:

- The Endangered Species Pesticide Management Program
- The Water Protection Strategy for Pesticides
- The Worker Protection Program

The division also administers the minor use pesticide grant program through the Pesticide Control Board. Three projects were approved in 1998 for approximately \$95,000. Many new projects are upcoming for 1999 and beyond to assist with residue trials for minor use crops in North Dakota. Without these programs, pesticide use in North Dakota would be severely restricted. The programs seek to provide farmers with as much flexibility and freedom as possible, while remaining in full compliance with federal mandates.

The division also prepares Section 18 emergency exemption requests to EPA for pesticides to address weed, disease, and pest outbreaks in the state. In 1998, Section 18 approvals were used to provide control on approximately 2,000,000 acres of crops consisting of durum, potatoes, barley, sunflowers, canola, flax, dry beans, sugarbeets and hard red spring wheat.

Project Safe Send, the division's program to help farmers and others get rid of unusable pesticides and empty pesticide containers, has collected more than 325 tons of hazardous and unusable chemicals in the past six years.

The division is also responsible for enforcing the anhydrous ammonia safety inspection program for the state. Approximately, \$73,973

has been requested out of the anhydrous fund for registration duties to administer the program. The governor's budget recommends increasing funding for pesticide registration and noxious weeds out of the EARP fund.

The Pesticide Division is 85 percent funded by federal money.

## Noxious Weeds

The Noxious Weeds Division coordinates integrated weed management programs. The three major programs available to landowners include:

The **Landowner Assistance Program** (LAP), administered by counties, continues to provide the foundation for controlling leafy spurge on private land in North Dakota. LAP provides a source of cost sharing to thousands of landowners in almost every county in North Dakota. Since 1992, participating counties have received an annual average of \$383,000 in state funding. Tax Department records show the county weed boards annually levy more than \$2 million dollars for their weed control programs.

The **North Dakota Biological Control Program** began to mass distribute insects for leafy spurge in 1992. Almost every county in the state now boasts a local biological control program with successful breeding populations of spurge-eating flea beetles. More than two dozen field days and collection events were held in 1998 at which over 42 million flea beetles were collected for redistribution, a 10-fold increase in two years. The events were sponsored by local county weed boards, the U.S. Forest Service, The Bureau of Reclamation, and the Department of Agriculture.

The **Weed Innovation Network** (WIN) grant program encourages groups of people to

work together to develop innovative ways to manage noxious and invasive weeds. Twelve WIN projects in ten counties have been provided funding to offset costs associated with large-scale weed control projects.

The division assists counties in enforcing the Noxious Weed Law (NDCC §63-01.1), and serves as a liaison between landowners, counties, state and federal land managers, other states, and local and regional associations.

## Registration

The Registration Division of the North Dakota Department of Agriculture is responsible for enforcing the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch.19-14), Insecticides, Fungicides, and Rodenticides (Ch.19-18), and the Fertilizer and Soil Conditioner Law (Ch.19-20.1).

Approximately 700 feed samples are collected each year for analysis. The state registers an estimated 2,970 pet foods and approximately 6,775 commercial feeds. The Department licenses nearly 280 feed manufacturers and 310 feed dealers.

There are 1,283 registered livestock medicines in the state of North Dakota. Before anyone can sell a livestock medicine, it must be registered with the state.

Approximately 7,657 pesticides, ranging from household/residential products to industrial and agricultural products, are registered in the state.

This division is responsible for Special Local Needs permits, Experimental Use permits, and Supplemental Labeling permits.

The state registers approximately 1,475 various types of fertilizers for agricultural and

residential use. Approximately 511 fertilizer distributors are licensed to sell agricultural fertilizer. The department analyzes about 700 to 800 fertilizer samples annually.

The U.S. Food and Drug Administration contracts the Department to perform tissue residue investigations when a residue is found by USDA in a slaughter animal. Additionally, the FDA contracted the Department to conduct 49 annual elevator inspections.

## Enhancement Request

Plant Services has requested the following two enhancements:

- \$160,000 from the EARP Funds to restore the Minor Use Fund to its original amount of \$350,000 appropriated during the previous legislative session.
- \$100,000 to allow the state to match a portion of federal funds approved for the Waterbank program. An additional match amount of \$200,000 will be needed.

<b>Plant Services Budget Comparisons</b>		
	<b>1997-1999</b>	<b>1999-2001</b>
Salaries	\$1,214,625	\$1,326,686
Operating	\$532,092	\$361,749
Equipment	\$22,500	\$12,500
Waterbank	\$714,000	\$414,000
Safe Send	\$734,428	\$554,363
Anhydrous	\$20,444	\$8,154
Noxious Weeds	<u>\$1,174,696</u>	<u>\$1,174,696</u>
	<b>\$4,412,785</b>	<b>\$3,852,148</b>
FTEs	16	17

# SUPPLEMENTAL INFORMATION

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The following items were distributed during the 1999-2001 Budget Presentation of the North Dakota Department of Agriculture to provide members of the Legislature with additional information about the Department's programs.

- 1998 Pride of Dakota Membership Directory
- Ag Mediation: Solving Problems; Resolving Disputes
- North Dakota Dairy Producer Opinion Survey
- North Dakota Dairy Diagnostic Advisory Team
- Wildlife Services - Request for Technical Assistance to Manage Wildlife Damage
- Project Safe Send: Report to the 1999 Legislature

WITH THE EXCEPTION OF THE ATTACHED PAGES THE TESTIMONY  
IS THE SAME AS PRESENTED TO THE SENATE.



NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

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**BUDGET  
PRESENTATION**  
FOR THE  
**1999-2001 BIENNIUM**

March 11, 1999

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**NORTH DAKOTA HOUSE OF REPRESENTATIVES**

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SUBCOMMITTEE ON EDUCATION AND THE ENVIRONMENT

THE HON. JANET WENTZ, CHAIRMAN

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# BUDGET REQUESTS

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- 1 **Plant Services** requests restoration of \$30,000 to temporary salaries to support apiary services.
- 2 **Plant Services** requests \$160,000 from the EARP Fund to restore the Minor Use Fund to its original amount of \$350,000 appropriated during the previous legislative session. No general fund cost.
- 3 **The Agricultural Mediation Service** requests a total budget enhancement of \$579,702. The request includes \$379,741 for salaries and \$199,961 for operating expenses. The request restores one FTE and includes funding for database software conversion and field staff computer hardware.
- 4 **Livestock Services** has requested funding to maintain the existing Wildlife Services program, to address increased urban and human health and safety demands and increase efforts to manage blackbird damage, particularly to the sunflower industry; Cost: \$116,000.
- 5 **Executive Services** requests \$150,000 to develop curricula that balance agricultural and environmental concerns. The budget currently shows an increase in spending authority, but no general fund appropriation has been identified.
- 6 **Plant Services** requests \$100,000 from the EARP Fund to allow the state to match a portion of federal funds approved for the Waterbank program.

# EXECUTIVE SERVICES

Executive Services provides administration, coordination, and support to all department program areas. The following services are provided:

- Administration • Accounting • Agriculture in the Classroom
- Communications • Computer Support • Marketing
- Reception Services • Research and Policy Development

## Commissioner of Agriculture

In addition to overseeing the programs and activities of the Department of Agriculture, the Commissioner of Agriculture serves on numerous boards and commissions, including:

- N.D. Industrial Commission • North Dakota Water Commission
- Board of Tax Equalization • Ag Products Utilization Commission
- N.D. Dairy Promotion Commission • N.D. Barley Council
- N.D. Seed Commission • N.D. Pesticide Control Board
- N.D. Edible Bean Council • Interstate Compact on Pest Control
- N.D. Oilseed Council • N.D. Soil Conservation Committee
- N.D. Agriculture in the Classroom Council • N.D. Potato Council
- N.D. Seed Arbitration Board • N.D. Disaster Emergency Board
- USDA Food and Agriculture Council

## Marketing Services

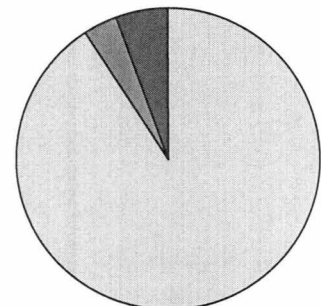
Increasing sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets through education, promotion, and market enhancement is the principal task of Marketing Services.

Marketing Services helps North Dakota companies obtain federal grants. The Department is a member of the Mid-America International Agri-Trade Council (MIATCO). Through MIATCO, North Dakota food and ag businesses can apply for reimbursement of export promotion expenses. Also, USDA's Federal-State Marketing Improvement Program allocates funds through the North Dakota Department of Agriculture.

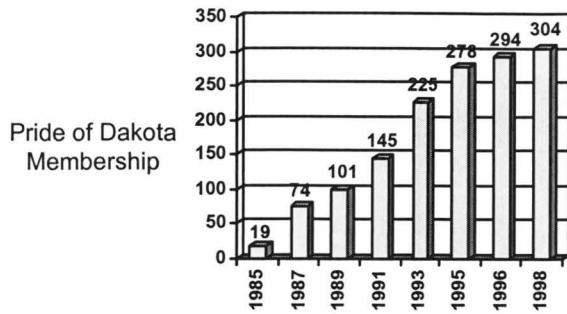
Pride of Dakota is the centerpiece of Marketing Services activities. The program continues to generate increased sales of North Dakota products through joint marketing efforts by member companies. Pride of Dakota has grown increasingly strong over the years. The membership has increased from 20 members in 1985 to more than 300 current members.

KEN JUNKERT  
PROGRAM MANAGER

1999-2001  
Governor's Budget  
Funding Sources



General	\$1,594,460
Federal	\$61,700
Special	<u>\$98,831</u>
	\$1,754,991



In 1991, program funding was increased to \$150,000 under the auspices of Growing North Dakota. Legislative intent directed the majority of the funds to be spent on out-of-state marketing for member companies.

Marketing Services has developed an Internet mall, providing Pride of Dakota companies an opportunity to reach out-of-state customers at a very low cost. This project is being funded in part by the USDA.

The Commission on the Future of Agriculture has recommended funding the development of a state joint marketing venture that promotes North Dakota products under one

name. The Commission also recommends funding an NDDA program that develops internationally recognized standards of product quality and processing excellence that can be certified.

## Agriculture in the Classroom

Agriculture in the Classroom fosters a greater awareness by elementary and secondary school students of the importance of agriculture through development of educational materials and training of teachers. Activities include in-service training, for-credit classes, a traveling classroom, and Internet and computer activities.

The line item for this program authorizes the Department of Agriculture to raise the budgeted amount to conduct program activities. The state provides only spending authority for this program, although the Commission on the Future of Agriculture recommends funding further development of the program.

## Additional Request

Executive Services requests \$150,000 to develop curricula that balance agricultural and environmental concerns. The budget currently shows an increase in spending authority, but no general fund appropriation has been identified.

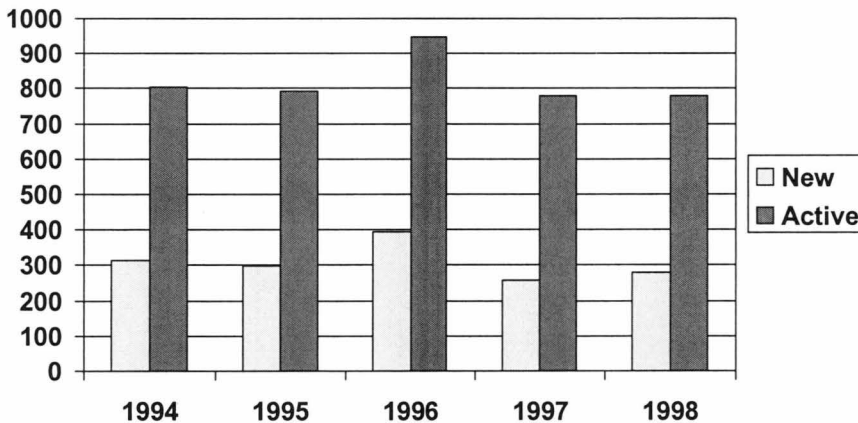
Executive Services Budget Comparisons			
	1997-1999	Governor's Budget	Senate Budget
Salaries	\$1,161,969	\$1,193,446	\$1,164,418
Operating	\$369,890	\$242,704	\$242,704
Equipment	\$9,300	\$9,300	\$9,300
Pride of Dakota	\$150,000	\$151,841	\$151,516
Ag in the Classroom	\$25,000	\$96,000	\$96,000
<u>Grants</u>	<u>\$111,700</u>	<u>\$61,700</u>	<u>\$61,700</u>
	\$1,827,859	\$1,754,991	\$1,725,638
FTEs	14.5	13.0	13.0

# AGRICULTURAL MEDIATION

The North Dakota Agricultural Mediation Service (NDAMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others.

Negotiators help farmers and ranchers prepare financial and cash flow statements and loan applications. Negotiators also assist farmers in preparing information for solving non-credit disputes. Negotiators worked with 778 farmers in the last fiscal year (see chart below).

## New and Active Clients State Fiscal Years (1994-1998)



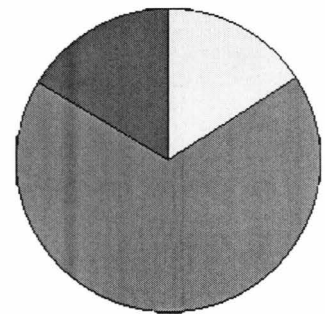
NDAMS expects an increase in the number of clients in the upcoming year because of low cattle and commodity prices, which will make feasible farm operating plans difficult to project.

Mediation is a voluntary process for farmers and private creditors; however, it is mandatory with FSA and FCS and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Mediators are trained as impartial third parties that serve as intermediaries between farmers and others to resolve disputes outside court. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for the participants and allows the parties to deal with the entire problem. Mediation works. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

Most of the AMS field staff (negotiators and mediators) have worked

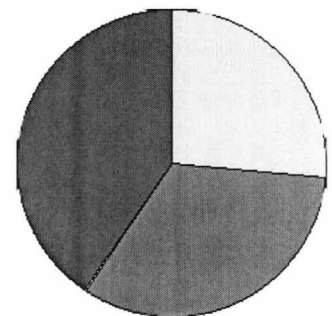
JEFF KNUDSON  
PROGRAM MANAGER

## Funding Sources 1997-1999



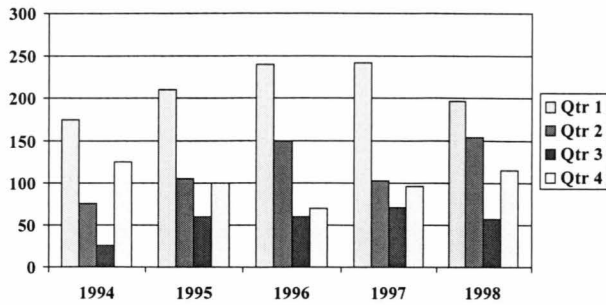
General	\$218,664
Federal	\$931,387
Special	<u>\$227,486</u>
	\$1,377,537

## 1999-2001 Governor's Budget Funding Sources



General	\$225,464
Federal	\$283,631
Special	<u>\$348,723</u>
	\$857,818

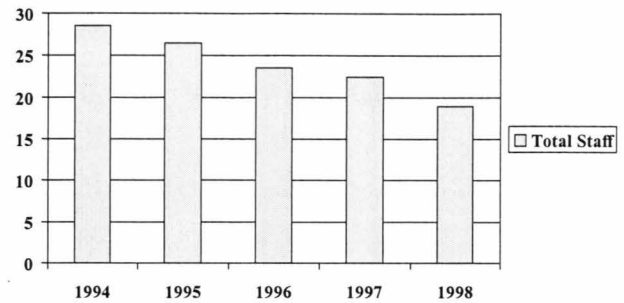
## Quarterly Mediation Requests Calendar Years (1994-1998)



for the Department for many years, yet do not have FTEs. As temporary employees, they are paid hourly wages and receive no benefits.

The following chart shows that the number of AMS employees (FTEs and non-FTEs) has decreased from 23.55 to 19.0 in the past two years.

## AMS Employees Years-end (1994-1998)



Reduced federal funding results in a sharp decrease in the recommended budget. Consequently, a budget enhancement request was submitted for additional general funds to sustain current program activity.

## Additional Request

The Agricultural Mediation Service requests a total budget enhancement of \$579,702. The request includes \$379,741 for salaries and \$199,961 for operating expenses. The request restores one FTE and includes funding for database software conversion and field staff computer hardware.

### Mediation Budget Comparisons

	1997-1999	Governor's Budget	Senate Budget
Salaries	\$952,668	\$697,236	\$691,099
Operating	\$405,774	\$159,810	\$159,810
Equipment	<u>\$19,095</u>	<u>\$772</u>	<u>\$772</u>
	\$1,377,537	\$857,818	\$851,681
FTEs	6.55	6.0	6.0

# LIVESTOCK SERVICES

Livestock Services is comprised of the Livestock Division, Dairy/Poultry Services, Board of Animal Health and Wildlife Services. The main focus of the program area is regulations pertaining to North Dakota's livestock industry. A brief description of each program follows.

## Livestock Division

The livestock industry traditionally ranks as one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.75 million cattle, 110,000 sheep and 170,000 hogs with a total value of approximately \$1.1 billion.

The Livestock Division protects this industry by licensing livestock dealers and auction markets. Approximately 180 dealers and 16 auction markets are granted licenses after posting bond, filing financial statements and passing tests of financial responsibility. Field investigations are routinely carried out to monitor financial conditions of dealers and auction markets and to discover unlicensed dealers.

The Department of Agriculture and USDA Market News entered into a cooperative agreement to compile and disseminate prices and other market information for livestock in North Dakota. The Department is responsible for paying a contract person in the Dickinson area. USDA reimburses the Department for all costs incurred.

The Department submitted a deficiency budget of \$27,850 to cover the cost of the Department's work in the 1996-97 winter disaster. OMB did not submit it to the Legislature for a deficiency appropriation.

## Dairy Services

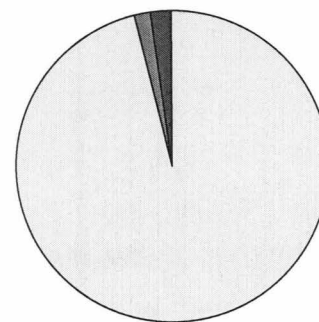
The main function of Dairy Services is to protect, encourage, promote, and enhance the marketability of North Dakota's dairy and poultry resources by assisting the industry in measuring compliance to statutes and regulations.

The division is administered by the director of dairy/poultry services with one staff /clerical person located in Bismarck. Three dairy inspectors visit the state's 843 (1998) dairy farms an average of 2.5 times a year. Each farm is inspected for cleanliness of equipment, proper usage and storage of drugs and water purity.

The state's 12 dairy processing plants and nine milk transfer stations are inspected four times or more times annually. Distribution facili-

WAYNE CARLSON  
PROGRAM MANAGER

1999-2001  
Governor's Budget  
Funding Sources



General	\$2,041,903
Federal	\$35,611
Special	\$45,000
<b>Total</b>	<b>\$2,122,514</b>

ties, farm bulk trucks and samplers/haulers are also inspected.

One inspector performs the survey (auditing) work of the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, five plants, and four transfer/receiving stations. The same individual performs USDA inspections of 12 manufacturing grade plants or transfer stations under a continuing contractual agreement. This involves two or more visits, as required by the USDA manufacturing milk program. Area dairy inspectors visit these sites during alternating quarters to do state inspections.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy division. For the first time, field staff conducted 150 inspections of non-traditional livestock for the state veterinarian's office this year.

### **Poultry services**

Dairy division personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. One USDA hatchery in Minot is inspected quarterly. All in-state and out-of-state hatcheries are licensed and bonded.

## **Board of Animal Health**

The State Board of Animal Health became a division of the Department of Agriculture in 1995. Employees include two veterinarians and one support staff. The board consists of seven members as outlined in N.D. Century Code 36-01-01.

The Board of Animal Health is charged with protecting the health of the domestic animals and nontraditional livestock of this state. The

board also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases among the domestic animals and nontraditional livestock of this state. The board must also prevent the escape and release of animals injurious to or competitive with agriculture, horticulture, forestry, wild animals and other natural resources. Any matter relating to the health and welfare of domestic animals and nontraditional livestock that is not specifically assigned by statute to another entity is deemed to be within the board's authority.

The livestock industry of North Dakota can be proud of its accomplishments in achieving the health status that is the envy of most states. This has been accomplished through hard work and cooperation of every facet of the livestock industry. It is imperative that surveillance and communication continue so that North Dakota can maintain the "disease free" status that we currently enjoy. This "disease free" status allows for easy exportation of livestock both on an interstate and international level with limited expenses to livestock producers in North Dakota.

Animal waste management is an issue that is coming to the forefront in animal agriculture. Although it does not directly affect the health of the animals, it is important for the board to provide as much information to livestock producers as possible and to act as a spokesman for them when necessary. This is an issue that will greatly affect the viability and future of animal agriculture.

The Board of Animal Health needs to assist industry groups in trade negotiations with other countries. Many of the barriers to free trade between countries are animal health related and the board can provide the infor-

mation necessary to appease the animal health concerns.

Voluntary disease control programs provide the tools needed by livestock producers to eliminate diseases from their livestock. Voluntary disease control programs provide recognition for and certification of these efforts. Some of the voluntary programs being developed on the national level that could be initiated in North Dakota are:

- Johnes Disease in cattle
- Scrapie in sheep • Leukosis in cattle
- Chronic Wasting Disease in elk and deer

With the coming of the free trade agreements, the movement of animals and animal products has been greatly enhanced. As a result, the potential for an emerging disease outbreak is greater. The state should develop an animal health emergency management plan to assure a quick and decisive response to such an outbreak.

The short-term goals of the State Board of Animal Health focus primarily on improving the compliance with statutes and rules and delivering better service and developing better communication with the people served.

Historically, the board has been an agency that regulates the mandatory eradication programs set forth by the federal government. With the imminent declaration of the U.S. as brucellosis-free and psuedorabies-free, the board sees its future role as an agency that assists the people of North Dakota with voluntary disease control programs that can add value to their livestock. The board can also act as a spokesman for livestock producers on issues relating to animal agriculture. In the long term, the board will be more active in public health and food safety issues, education, humane treatment of animals, nontra-

ditional livestock issues, and animal health emergency management.

## Wildlife Services

Wildlife is a significant public resource greatly valued by the people of North Dakota. It is, however, a highly dynamic and mobile resource that can damage agriculture and property, endanger human health and safety, and adversely affect natural and economic resources. The Wildlife Services program manages problems that occur when human activity and wildlife are in conflict.

Cooperatively funded by state and federal governments, Wildlife Services takes an integrated approach to solving a variety of human-wildlife conflicts in a manner that protects resources without significant impacts on wildlife.

Coyote depredation of livestock, particularly calves and lambs, accounts for the majority of predator-related complaints received by Wildlife Services. This damage is controlled by aerial and ground hunting, snares, traps, M-44s and by providing technical assistance on fencing, guard animals, electronic guards and other non-lethal methods.

Blackbirds annually cause an estimated \$20-30 million damage to sunflowers, corn and small grain crops in North Dakota. Wildlife Services manages blackbird depredation through reduction of habitat, particularly dense cattail stands, baiting projects and technical assistance. Additionally, Wildlife Services research expends \$350,000 annually to refine and develop new methods to reduce blackbird damage.

In 1998, Wildlife Services responded to 153 rabies in wildlife requests, up from 26 requests in 1994. In 1998, Wildlife Services provided



protection of timber resources and pasture land and road structures from beaver damage, after verifying \$331,328 in damages.

The proposed budget including the additional funding request will allow Wildlife Services to continue to protect agriculture, natural resources and property, and to safeguard

public health and safety. Wildlife Services is requesting a funding increase of \$116,000 to maintain the existing program, to address increasing urban wildlife problems associated with rabies and other human wildlife conflicts and to increase efforts to manage blackbird damage on sunflower and other crops.

## Additional Request

Livestock Services has requested funding to maintain the existing Wildlife Services program, to address increased urban and human health and safety demands and increase efforts to manage blackbird damage, particularly to the sunflower industry; Cost: \$116,000.

<b>Livestock Services Budget Comparisons</b>			
	<b>1997-1999</b>	<b>Governor's Budget</b>	<b>Senate Budget</b>
Salaries	\$647,218	\$610,398	\$604,710
Operating	\$195,904	\$224,504	\$224,504
Equipment	\$1,100	\$1,100	\$1,100
Board of Animal Health	\$474,649	\$506,818	\$502,922
Wildlife Services	<u>\$779,694</u>	<u>\$779,694</u>	<u>\$779,694</u>
	<b>\$2,098,565</b>	<b>\$2,122,514</b>	<b>\$2,112,930</b>
FTEs	11	10	11

# PLANT SERVICES

Plant Services consists of Waterbank, Registration, Pesticides, Plant Protection, Noxious Weeds, Apiary, and Project Safe Send.

## Waterbank

A cooperative effort of several state and federal agencies, the State Waterbank Program gives landowners financial incentives to preserve wetlands. The program is very popular with landowners because it provides short-term leases that compensate them for the loss of agricultural production on acreage enrolled in the program.

Program funding has been derived from a combination of state and federal monies and private sources through fundraising activities.

Last session, the Legislature appropriated \$500,000 for Waterbank agreements in the Devils Lake watershed. Twenty agreements have been finalized which total 2,203 acres, including 32 acres of restorable wetlands, 460 acres of wetlands, and 1,711 acres of uplands.

## Apiary

The Apiary Division is responsible for the following services:

- Licenses 200 beekeepers and registers 8,600 bee yards
- Facilitates migratory movement of bees by providing inspections required by importing states.
- Inspects colonies for diseases and parasites upon beekeeper request

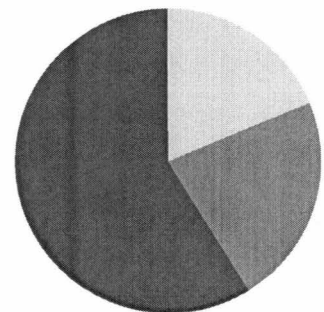
The majority of beekeepers are migratory and many move their bees to states that require inspection certificates. Three new threats to the bee industry have recently emerged: an antibiotic-resistant bacterial disease, a miticide-resistant bee mite, and an exotic hive beetle. Department personnel respond to complaints by the public and landowners, and assist commercial pesticide applicators in locating bee yards. Beekeepers pay approximately \$76,000 per biennium in license fees which go into the general fund.

## Plant Protection

The Plant Protection Division is responsible for issuing phytosanitary export certificates, nursery inspection, and plant pest prevention, detection, evaluation and suppression.

DAVID NELSON  
PROGRAM MANAGER  
(INTERIM)

1999-2001  
Governor's Budget  
Funding Sources



General	\$745,302
Federal	\$877,719
Special	<u>\$2,329,127</u>
	\$3,952,148

Plants and plant products are certified to meet the quarantine requirements of other states and foreign countries to facilitate the export of North Dakota agricultural products.

	1995	1996	1997	1998
Phytosanitary Export Certificates <sup>1</sup>	585	823	898	1834
Corn Borer Compliance	48	60	66	66
Agreements to support movement of grain corn to the west coast <sup>1</sup>				
Nursery Growers inspected and licensed <sup>2</sup>	43	42	46	45
Nursery Dealers Licensed and Inspected <sup>2</sup>	131	125	127	133

<sup>1</sup> Fees are charged for these services

<sup>2</sup> Nursery license fee \$50

Pest surveys are conducted to provide pest distribution information necessary to support the certification of plant products for export. Surveys include Karnal bunt, flag smut, dwarf bunt, Khapra beetle, soybean cyst nematode, golden nematode of potato, cereal leaf beetle, and Japanese beetle.

Because two years of intensive state survey efforts have demonstrated that North Dakota is free of Karnal bunt, it is anticipated that survey activity will substantially decrease in the future. As a result, the Department requests authority to spend \$20,000 in federal funds for Karnal bunt survey work in the upcoming biennium, compared to \$200,000 in 1997-99.

Nursery stock (trees, shrubs, and woody vines for outdoor use) is inspected for insects and diseases to provide a healthy product to consumers and prevent the introduction of pests into the state.

## Pesticide

The Pesticide Division enforces state and federal laws regarding the use of pesticides, as mandated by the Federal Insecticide, Fungicide and Rodenticide Act, while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

Inspection of pesticide dealers and applicators is the division's primary means of ensuring safe and proper use of pesticides. These inspections are aimed at preventing illegal residues in our state's commodities and reducing damages from pesticide applications.

The division continues the development of initiatives mandated by the U.S. Environmental Protection Agency. These include:

- The Endangered Species Pesticide Management Program
- The Water Protection Strategy for Pesticides
- The Worker Protection Program

The division also administers the minor use pesticide grant program through the Pesticide Control Board. The program seeks to assist producers in obtaining federal registration of pesticides for minor use crops. Without this program, pesticide availability in North Dakota would be severely restricted. Projects generally receive substantial funding from other outside sources. Project grants totaling \$160,000 are expected to be funded in 1998-1999.

### Minor Use Projects Funded in 1998

- Authority herbicide on Sunflower
- Fungicides for Sclerotinia control on Canola
- Herbicides on Borage and Camelina

### Minor Use Projects under review for 1999

- Valor herbicide on Sunflower
- Imi Herbicides on Sunflower

The division also prepares Section 18 emergency exemption requests to EPA for pesticides to address weed, disease, and pest outbreaks in the state. In 1998, Section 18 approvals were used to provide control on approximately 2 million acres of durum, potatoes, barley, sunflowers, canola, flax, dry beans, sugarbeets and hard red spring wheat.

Project Safe Send, the division's program to help farmers and others get rid of unusable pesticides and empty pesticide containers, has collected more than 325 tons of hazardous and unusable chemicals in the past six years.

The division is also responsible for enforcing the anhydrous ammonia safety inspection program for the state. Approximately, \$73,973 has been requested out of the anhydrous fund for registration duties to administer the program. The governor's budget recommends increasing funding for pesticide registration and noxious weeds out of the EARP fund.

The Pesticide Division is 85 percent funded by federal money.

## Noxious Weeds

The Noxious Weeds Division coordinates integrated weed management programs. The three major programs available to landowners include:

The **Landowner Assistance Program** (LAP), administered by counties, continues to provide the foundation for controlling leafy spurge on private land in North Dakota. LAP provides a source of cost sharing to thousands of landowners in almost every county in North Dakota. Since 1992, participating counties have received an annual average of \$383,000 in state funding. Tax Department records show the county weed boards annually levy more than \$2 million dollars for their weed control programs.

The **North Dakota Biological Control Program** began to mass distribute insects for leafy spurge in 1992. Almost every county in the state now boasts a local biological control program with successful breeding populations of spurge-eating flea beetles. More than two dozen field days and collection events

were held in 1998 at which over 42 million flea beetles were collected for redistribution, a 10-fold increase in two years. The events were sponsored by local county weed boards, the U.S. Forest Service, The Bureau of Reclamation, and the Department of Agriculture.

The **Weed Innovation Network** (WIN) grant program encourages groups of people to work together to develop innovative ways to manage noxious and invasive weeds. Twelve WIN projects in ten counties have been provided funding to offset costs associated with large-scale weed control projects.

The division assists counties in enforcing the Noxious Weed Law (NDCC §63-01.1), and serves as a liaison between landowners, counties, state and federal land managers, other states, and local and regional associations.

## Registration

The Registration Division of the North Dakota Department of Agriculture is responsible for enforcing the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch.19-14), Insecticides, Fungicides, and Rodenticides (Ch.19-18), and the Fertilizer and Soil Conditioner Law (Ch.19-20.1).

Approximately 700 feed samples are collected each year for analysis. The state registers an estimated 2,970 pet foods and approximately 6,775 commercial feeds. The Department licenses nearly 280 feed manufacturers and 310 feed dealers.

There are 1,283 registered livestock medicines in the state of North Dakota. Before anyone can sell a livestock medicine, it must be registered with the state.

Approximately 7,657 pesticides, ranging from

household/residential products to industrial and agricultural products, are registered in the state.

This division is responsible for Special Local Needs permits, Experimental Use permits, and Supplemental Labeling permits.

The state registers approximately 1,475 various types of fertilizers for agricultural and residential use. Approximately 511 fertilizer

distributors are licensed to sell agricultural fertilizer. The department analyzes about 700 to 800 fertilizer samples annually.

The U.S. Food and Drug Administration contracts the Department to perform tissue residue investigations when a residue is found by USDA in a slaughter animal. Additionally, the FDA contracted the Department to conduct 49 annual elevator inspections.

## Environment and Rangeland Protection (EARP) Fund Recommendations

	1997-1999	1999-2001
<b>Beginning Balance</b>	<b>\$812,335</b>	<b>\$513,866</b>
<b>Total Revenue</b>	<b>\$1,926,600</b>	<b>\$1,900,000</b>
<b>Expenditures</b>		
Noxious Weed Operating	\$176,691	\$187,205 <sup>1</sup>
Noxious Weed Line	\$574,188	\$886,355 <sup>1</sup>
Safe Send	\$552,133	\$554,363 <sup>1</sup>
Registration	\$66,000	\$108,385 <sup>1</sup>
Pesticide Operating	\$90,890	\$113,082 <sup>1</sup>
Groundwater	\$200,000	\$200,000 <sup>2</sup>
Minor Uses	\$350,000	\$160,000 <sup>3</sup>
Noxious Weeds	\$215,167	\$ -
Waterbank	\$ -	<u>\$100,000<sup>3</sup></u>
<b>Total Expenditures</b>	<b>\$2,225,069</b>	<b>\$2,309,390</b>
<b>Ending Balance</b>	<b>\$513,866</b>	<b>\$104,476</b>

1 SB2009

2 HB1004

3 SB2009

## Additional Requests

Plant Services has the following three requests:

- \$160,000 from the EARP Fund to restore the Minor Use Fund to its original amount of \$350,000 appropriated during the previous legislative session.
- \$100,000 from the EARP Fund to allow the state to match a portion of federal funds approved for the Waterbank program.
- Restore \$30,000 to temporary salaries to support apiary services.

### Plant Services Budget Comparisons

	<b>1997-1999</b>	<b>Governor's Budget</b>	<b>Senate Budget</b>
Salaries	\$1,214,625	\$1,326,686	\$1,284,324
Operating	\$532,092	\$361,749	\$361,749
Equipment	\$22,500	\$12,500	\$12,500
Waterbank	\$714,000	\$414,000	\$414,000
Safe Send	\$734,428	\$554,363	\$553,907
Anhydrous	\$20,444	\$8,154	\$8,154
Noxious Weeds	\$1,174,696	\$1,174,696	\$1,174,696
Grants	<u>\$450,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
	\$4,862,785	\$3,952,148	\$3,909,330
FTEs	16	17	17

# Building the Future of North Dakota Agriculture

*"The trusted  
provider of  
the highest  
quality food  
in the world!"*



Commission  
on the Future  
of Agriculture  
**1998**

Future  
of  
Ag



# Specific objectives and action steps for each goal:

## Goal 1

**Make North Dakota agricultural products synonymous with high quality, dominating the premium markets.**

### Objective 1

Develop a recognized family of brands that provides commensurate net returns.

- a. We recommend initial efforts be directed toward those products for which North Dakota has the greatest comparative advantage.

- b. We recommend that cost-effective joint marketing be undertaken as multiple brands become viable or marketing pools of differentiable products can be identified.

### Objective 2

Establish, promote, and implement internationally recognized standards of product quality and processing excellence that can be certified by an independent entity.

- a. We recommend that the North Dakota Department of Agriculture promote the cooperation of appropriate certifying agencies with all relevant producer and processor groups to develop standards for their products and to develop systems for monitoring adherence to these standards.
- b. We recommend that the North Dakota Mill and Elevator establish a model for developing standards for wheat.

### Objective 3

Conduct the necessary animal and crop research to differentiate and market high

quality crop and livestock products from North Dakota.

- a. We recommend that the U.S. Congress and the State Legislature provide adequate research funding to North Dakota for emerging diseases of plants and animals.
- b. We recommend that public support for research related to crops and livestock grown in North Dakota be gradually increased to 2 percent of gross farm income to the state.
- c. We recommend that a major bench-marking effort be undertaken for key North Dakota agricultural products so as to quantify the greatest product advantages and areas requiring augmentation.

### Objective 4

Get producers to buy equity in and commit production to North Dakota-based processing and marketing enterprises.

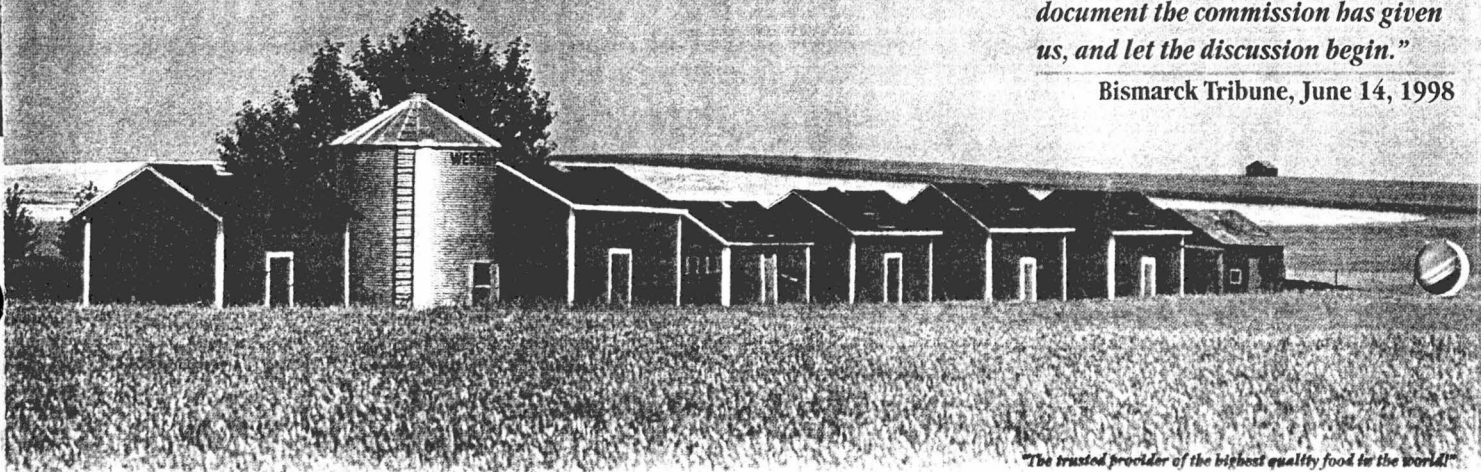
- a. We recommend that the Cooperative Development Center technical assistance services to producers be strengthened and expanded. ♦

*"The report is must reading for any farmer or rancher who wants to survive and see his farm or ranch passed on to future generations."*

Farm and Ranch Guide, June 19, 1998

*"Let us ponder the rather remarkable document the commission has given us, and let the discussion begin."*

Bismarck Tribune, June 14, 1998







## Goal 2

### Increase value-added agricultural processing.

#### Objective 1

Provide and promote opportunities for producers to invest in value-added agricultural processing through incentives.

- a. We recommend that the U.S. Congress and the North Dakota Legislature provide tax incentives for investors in value-added agricultural processing.

#### Objective 2

Improve and strengthen the Agricultural Products Utilization Commission (APUC).

- a. We recommend that the legislature assure a permanent funding source to support value-added research and development through APUC.
- b. We recommend that APUC remain under the control of farmers, with six appointed members to be selected from names recommended by agricultural organizations.
- c. We recommend that APUC be able to negotiate repayment of grants through preferred stock, intellectual property, and other methods.
- d. We recommend that APUC assist in the commercialization of innovations and patentable technologies discovered in publicly assisted research.



#### Objective 3

Provide and promote favorable finance programs for value-added agricultural processing businesses.

- a. We recommend improvements in the cooperative stock purchase program to include stronger incentives for low-equity farmers and improved loan terms for other farmers.
- b. We recommend the creation of an additional capital fund, partly funded by profits from the Bank of North Dakota, to make equity investments in value-added agricultural ventures within the state.

#### Objective 4

Promote innovative financial tools for non-farm North Dakota residents to invest in value-added agricultural processing projects with their farmer neighbors.

- a. We recommend that a mutual fund capital pool be developed to attract

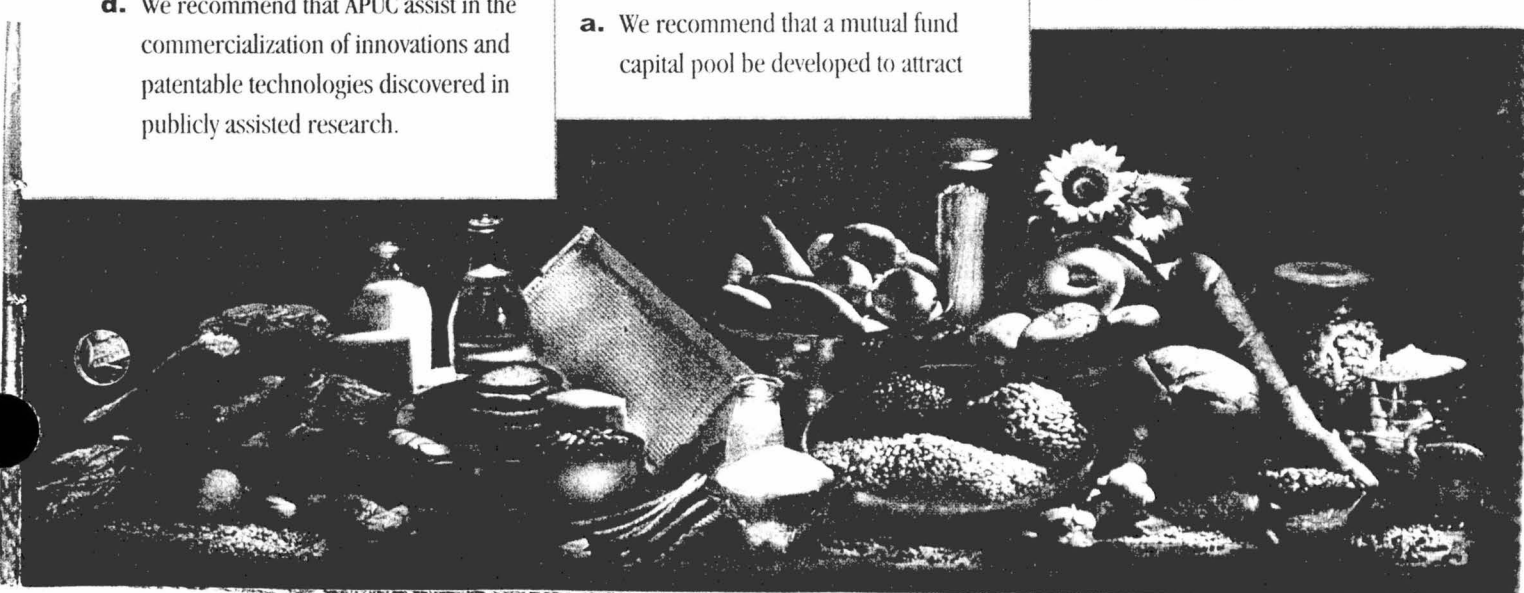
farm and non-farm investments in North Dakota value-added processing projects.

- b. We recommend that existing cooperatives be encouraged to create and capitalize a fund to be used to encourage farmers to invest in diversification and value-added projects.

#### Objective 5

Locate value-added food businesses in rural areas, where economically feasible and sustainable, with a high preference for North Dakota locations.

- a. We recommend that the legislature appropriate funds for a targeted Partnership in Assisting Community Expansion (PACE) program with lower matching requirements for value-added processing projects. ♦





## Goal 3

### Diversify and increase the value of agricultural production.

#### Objective 1

Develop and implement an aggressive plan for increasing animal agriculture within the state.

- a. We recommend that the 1999 legislature change the farm property tax structure to encourage investment in animal agriculture facilities.
- b. We recommend the promotion of value-added animal agriculture production, including quality assurance standards and safe food animal processing. We recommend that the state government explore the possibility of creating a partnership with the USDA Northern Great Plains Research Center to expand its mission to include this component.
- c. We recommend significant local and state involvement in the formulation and implementation of appropriate environmental regulations.

#### Objective 2

Focus research on new and emerging crops, livestock species, and appropriate technology that is suitable for production

and processing of food, fiber, energy, and other industrial products.

- a. We recommend that research be conducted in partnership with land grant universities, industry, farmers and non-profit organizations. The results of this research should be disseminated in a format that will optimize its use among farmers and processors.

#### Objective 3

To retain the ownership and control of production agriculture in the hands of family farms.

- a. We recommend that the North Dakota Legislature strengthen the family farming statute by allowing the number of possible shareholders related in some way to the "farmer" (as stated in the statute) to be increased to 30 members. We support the spirit and intent of North Dakota's family farming statute, which was established to preserve and maintain farm ownership and control in the hands of family farmers. The law should also make some allowances for no more than two full-time unrelated (to the "farmer") employees of the family corporation to become members of the farm family corporation. To qualify for such inclusion, the employee must have at least three years employment history with the family farm corporation, and upon leaving the employment of the farm,

the employee would be required to liquidate his/her shares.

#### Objective 4

Reduce transportation costs for North Dakota agricultural commodities and food products.

- a. We recommend that the State Legislature appropriate funding to the Department of Transportation to analyze methods of reducing transportation costs of North Dakota produced and processed commodities and products and to develop a strategic transportation plan for the state.
- b. We recommend that the State Department of Transportation harmonize requirements among North Dakota, other states, and Canadian provinces.

#### Objective 5

Create and implement an aggressive plan to develop and conserve water resources within the state.

- a. We recommend that the formulation of a strategic plan for economic development through irrigation be prepared by the High Value Irrigated Crops Task Force, in cooperation with NDSU, with state funding.
- b. We recommend that the USDA Northern Great Plains Research Center establish a Dryland Farming Institute to develop more drought-resistant crops and moisture-conserving farming practices.

#### Objective 6

Establish an agricultural marketing web site to link buyers and sellers of North Dakota produced and processed commodities and products.

- a. We recommend that the North Dakota Department of Agriculture establish and maintain a user-friendly web site that can be accessed by all North Dakota producers and processors as well as domestic and international buyers. ♦





## Goal 4

**Increase farm and non-farm cooperation that supports thriving rural communities and enhances our natural resources.**

### Objective 1

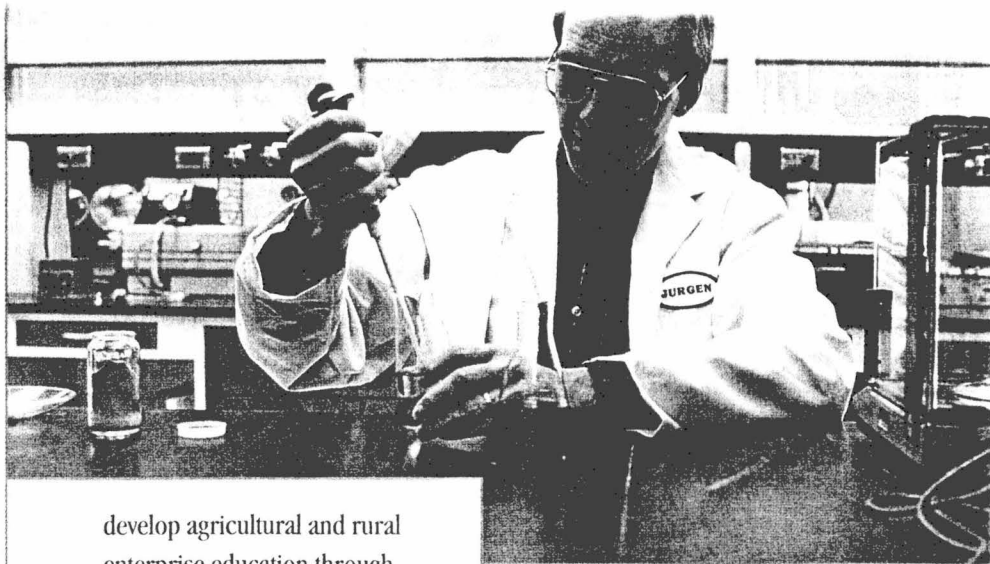
Increase the connectivity to and availability of information in rural communities.

- a. We recommend that the North Dakota Legislature provide incentives to establish an advanced telecommunications network that provides affordable service to all areas of the state.

### Objective 2

Develop broad-based support for agricultural education from elementary through adult levels.

- a. We recommend that the North Dakota Legislature provide adequate funding for agricultural education at the post-secondary level as well as for establishing vocational education courses in high schools.
- b. We recommend that the North Dakota Legislature provide adequate funding to the Board for Vocational Education:
  - ◆ To support as many adult farm management programs as demand requires;
  - ◆ To support the expansion of the curriculum to emphasize marketing education for farmers;
  - ◆ To encourage the creation and expansion of marketing clubs as adjuncts to new and existing Adult Farm Management Programs, and
  - ◆ To align the Extension Service, the Board for Vocational Education, and the university system to



develop agricultural and rural enterprise education through electronic means such as e-mail, internet web sites, and interactive video network classes.

### Objective 3

Design and implement entrepreneurial and work force recruitment and training incentive programs which will retain and attract people to rural North Dakota communities.

- a. We recommend a program of tuition rebates in partnership with local communities for university system students who work in rural North Dakota for a minimum of five years following graduation.
- b. We recommend that Job Service North Dakota expand its prospect list by lending its support to "Project Back Home" to increase the impact of the program statewide.

### Objective 4

Provide for a work force that has a vested interest in the business.

- a. We recommend that the legislature explore potential tax incentives which would encourage greater participation by North Dakota employees in agricultural business ownership.

### Objective 5

Increase the awareness of the significance of agriculture to the state of North Dakota.

- a. We recommend that the North Dakota Legislature provide adequate funding for the Ag in the Classroom program to educate the state's children on the vital importance of agriculture in their lives and in the state's economy.
- b. We recommend the continued funding, at current or increased levels, of 4-H and FFA programs.

### Objective 6

Increase the appreciation of the importance of stewardship of our natural resources in the production of high-quality food.

- a. We recommend the use of incentive-based conservation programs that are voluntary and that include annual payments to farmers to encourage greater use of natural resources by the public.
- b. We recommend the development of a teaching and learning curriculum for adults and school-age children that presents the production ethic that balances agricultural production and environmental concerns.◆

*"Everybody ought to read the final report of the Commission on the Future of Agriculture...Its blueprint for a prosperous and self-sufficient future is the boldest and most comprehensive in 80 years..."*

Bismarck Tribune, June 14, 1998

## Goal 5

**Create a political, regulatory, economic, trade, financial, and natural resource environment in which North Dakota producers can compete in the global marketplace.**

### Objective 1

Provide immediate tax relief for producers, focused on a more favorable property and income tax structure for agricultural producers.

- a. We recommend that Congress enact modifications to the tax law to permit the \$500,000 exemption in capital gain tax on residences to be applied to farms and small business real estate. A five-year minimum ownership is also suggested to prevent speculation in farmland.
- b. We recommend that the U.S. Congress

*"In order to be fully implemented it needs support, beginning at the grass-root level on up to the legislatures on both the state and federal levels..."*

Farm & Ranch Guide, June 19, 1998

provide additional estate tax exemptions to farm real estate transferred within families.

- c. We recommend that Congress allow farmers to purchase, own, and operate farm real estate with tax deferred retirement funds.
- d. We recommend that the state create a property tax structure which encourages on-farm living, well-kept buildings, and state-of-the-art, environmentally friendly production facilities.
- e. We recommend that Congress extend and expand income tax provisions to enable agricultural producers to utilize Income Averaging, the Investment Tax Credit, and 100 percent health insurance premium deductibility.
- f. We recommend tax abatements for beginning farmers similar to tax abatement programs for other beginning small businesses.
- g. We recommend that facilities used to grow or raise any unprocessed agricultural product be exempted from property tax.
- h. We recommend reducing dependence

on property taxes and increasing dependence on state revenue sources. Furthermore, we recommend that:

- ◆ State Aid Distribution be funded at 0.6 percent of statewide taxable sales;
  - ◆ State Foundation Aid be increased to 60 percent of the statewide per pupil cost for education, and
  - ◆ A related decrease in property taxes by local political subdivisions be implemented.
- i. We recommend that the 1999 North Dakota Legislature adopt changes in the definition of "farmer" for determining residential exemptions for property tax from a definition based on the percent of family income derived from farming to "whose gross farm income exceeds off-farm income."

### Objective 2

Improve the lending environment for agriculture.

- a. We recommend changes in the lending practices of the Bank of North Dakota and Farm Service Agency (FSA) for improved beginning farmer and first-time farm purchases. Beginning farmers should be afforded incentives similar to lending programs for beginning small businesses in other industries. We recommend that the Bank of North Dakota increase its beginning farmer loan limit from \$100,000 to \$150,000.
- b. We also recommend that:
  - ◆ FSA intensify its efforts to help beginning farmers and make every effort to reduce burdensome paperwork;
  - ◆ The FSA director take immediate action to implement the line-of-credit loans authorized in section



*"The trusted provider of the highest quality food in the world!"*

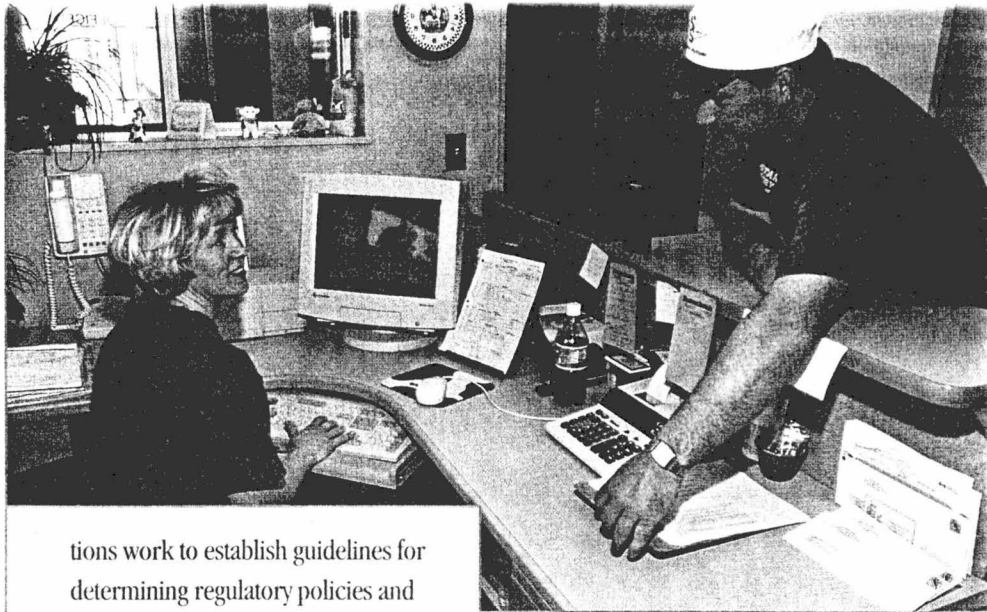
614 of the 1996 Farm Act. Line-of-credit loans should be used for all routine and recurring operating loans using either direct or guaranteed authorities;

- ◆ The FSA administrator give the highest priority to the immediate establishment of regulations to fully implement the "Preferred Lender" and "short form application" for operating loans under \$50,000 as required under the 1992 Agriculture Credit Act amendments;
- ◆ Congress authorize the Farm Service Agency to guarantee tax-exempt First Time Bonds used to make loans to beginning farmers and ranchers. These bonds should be allowed for use in seller-financed transactions between family members, and
- ◆ FSA increase its lending limits.

### Objective 3

Ease or eliminate restrictive regulatory burdens.

- a. We recommend easing impediments caused by existing pesticide regulations through:
  - ◆ Increasing resources and efforts of the U.S./Canada Technical Working Group (TWG) on Pesticides to harmonize pesticide regulations in the two countries;
  - ◆ Committing more resources and efforts to establishing tolerances for pesticides registered for use in Canada but not in the United States, and
  - ◆ Exerting a greater effort to accept registration data currently accepted by Canadian officials in support of Canadian registrations.
- b. We recommend that farm organiza-



tions work to establish guidelines for determining regulatory policies and specifications, including environmental bonding where warranted, that balance the need for agricultural production and preservation of North Dakota's valuable natural resources. These guidelines should be shared and coordinated with environmental, consumer, and regulatory groups.

### Objective 4

Reduce non-farm competition with individual farmers and ranchers for land acquisition including government agencies and non-profit organizations.

- a. We recommend that agricultural organizations in conjunction with the North Dakota Association of Counties and the North Dakota Township Officers Association develop model land use zoning guidelines for use by counties and townships that preserve agricultural land for future generations. More specifically, we recommend:
  - ◆ A statewide cap on CRP acreage at the current level, and that all future CRP be limited to highly erodible land and waterways, and
  - ◆ Retention of ownership and control of production agriculture in the hands of family farmers and ranchers by implementing a policy of no net loss of productive agricultural land.

### Objective 5

Provide better options for risk management by farmers.

- a. We recommend that the Congress and the U.S. Department of Agriculture make the following changes to the Federal Risk Management Program:
  - ◆ Expand coverage to all crops, including new and emerging crops;
  - ◆ Expand coverage to protect minimum revenue levels;
  - ◆ Develop a gross-farm income protection program, and
  - ◆ Provide that the yield data for disaster years not be included when calculating actual production histories for determining yield guarantee levels.

### Objective 6

Encourage options for lower cost, quality health insurance for farm families.

- a. We recommend that North Dakota Farm Bureau, North Dakota Farmers Union and other farm organizations cooperate in offering one health insurance program to their combined membership that would benefit from lower rates due to the larger pool of participants than any one organization currently enjoys. ◆

# Background

*"The best thing about the (Commission on) Future of Agriculture Report might be the psychological lift it gives North Dakotans..."*

*"The report has managed to lift our sights beyond the farm crisis and toward a prosperous farm future."*

*"...it's good to see state farm leaders taking the initiative. It is only in this way that the state's farmers will gain greater control of their own—and the state's—destiny."*

Grand Forks Herald, June 23, 1998

Ninety percent of North Dakota's land (over 40.2 million acres) is in farms, making the state fourth in the nation in the percentage of total acres devoted to agriculture. North Dakota also ranks fourth in the nation in the percentage of economic base derived from agriculture.

At 38 percent of the total, agriculture is the largest sector of the state's economic base (see Figure 1) and generated more than \$3 billion in revenue in 1997. North Dakota ranks 10th in agricultural exports, earning \$1.7 billion in fiscal year 1996.

North Dakota's principal agricultural

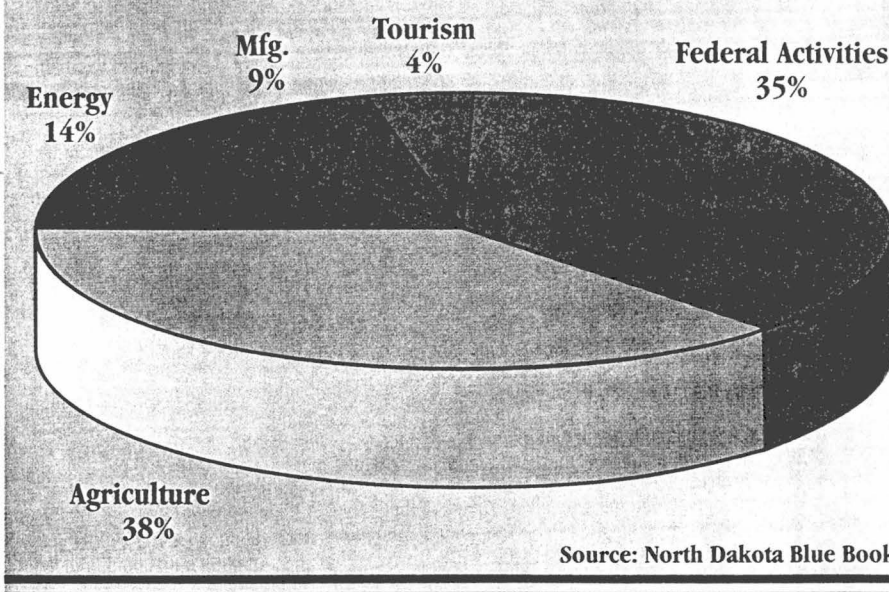
products are wheat and cattle. The combination of wheat at 41.4 percent and cattle at 9.2 percent made up over one-half of the state's total agricultural receipts in 1996. These two enterprises were also among the hardest hit by recent weather disasters. In 1997, wheat production was down 33 percent from 1996. Disease and insect problems, coupled with poor prices, have led to a predicted decline of more than one-and-one-half million acres in 1998 wheat plantings.

Total cattle inventories have dropped 8 percent from a year ago, due largely to record winter-related losses and economic factors. As a percent of total inventory, the total cattle death loss in 1997 is the highest on record.

Net returns per acre of wheat in North Dakota turned negative in 1997, with an average statewide loss of \$16 per acre (as shown in Figure 2). Similarly, returns for beef cattle were net losses for many cattle producers during 1995 and 1996 (as shown in Figure 3 on page 12).

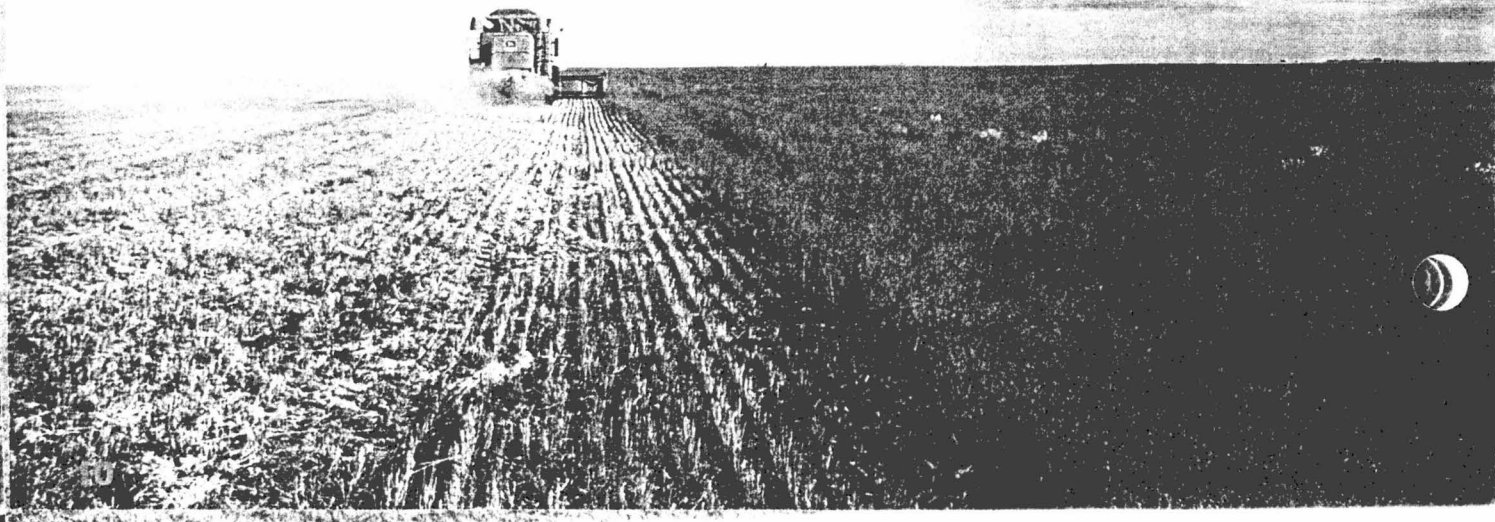
Low and negative net returns on wheat and cattle have led to declining net farm

**FIGURE 1. NORTH DAKOTA'S ECONOMY IN THE 1990s**



*"The commission's blueprint is a long-term approach."*

The Forum, June 14, 1998





income. Net cash farm income in the state has fallen from a per farm average of \$50,091 in 1993 to just \$15,190 in 1997. Profitability for producers is virtually impossible in this situation, with family living expenses now exceeding average net cash farm income (as shown in Figure 4 on page 13).

The state has also experienced a significant demographic change. The number of farm youth within the state has declined from 63,557 in 1970 to 17,366 in 1990 (as shown in Figure 5 on page 13) and is estimated to have decreased further to 10,000 at present. In addition, 31 of 53 counties have registered more deaths than births in the period from 1990 to 1996.

Family farm net income is also impacted by growing economic concentration in sectors of agricultural marketing and processing. Economic concentration among the four top meat packers has increased from 67 percent in 1987 to 87 percent in 1997. Similarly, the top four flour millers control 62 percent of the market today versus 40 percent in 1982.

Light sectors of agricultural marketing and processing continue to see an increasing percentage of economic concentration, limiting market opportunities and compet-

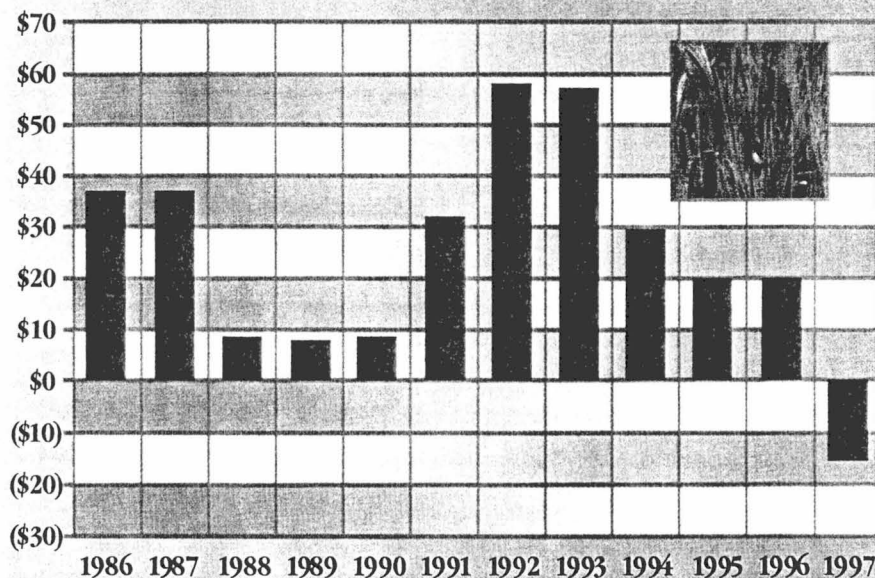
itive prices for farmers and ranchers.

Despite the adverse conditions, North Dakota has developed a worldwide reputation as a leader in value-added processing cooperatives. This well-deserved opinion is based on a carefully developed strategy and hard-fought successes in the creation of producer-owned enterprises. This body of experience in successes and failures will

*“Where predictions are concerned, the Commission on the Future of Agriculture’s are ... useful ... They build on the state’s current situation.”*

Grand Forks Herald, June 24, 1998

**FIGURE 2. NET RETURNS PER ACRE FOR WHEAT IN N.D.**



Source: North Dakota Adult Farm Management Program

*“Perfect timing. The plan could be the beginning of the salvation of North Dakota agriculture.”*

*“Building the Future of North Dakota,” a report by the Commission on the Future of Agriculture, reveals the clear-thinking, problem-solving abilities of North Dakotans...”*

Minot Daily News, June 14, 1998

serve us well in building the future envisioned in this report. Our hard work and profound commitment have generated an unshakable sense of self-confidence. We believe we can achieve our vision.

The Commission on the Future of Agriculture (the Commission) was formed because of the crisis in North Dakota agriculture. However, the Commission is confi-

dent that people within the state can build upon the very impressive human and social capital that has been developed over the last several decades.

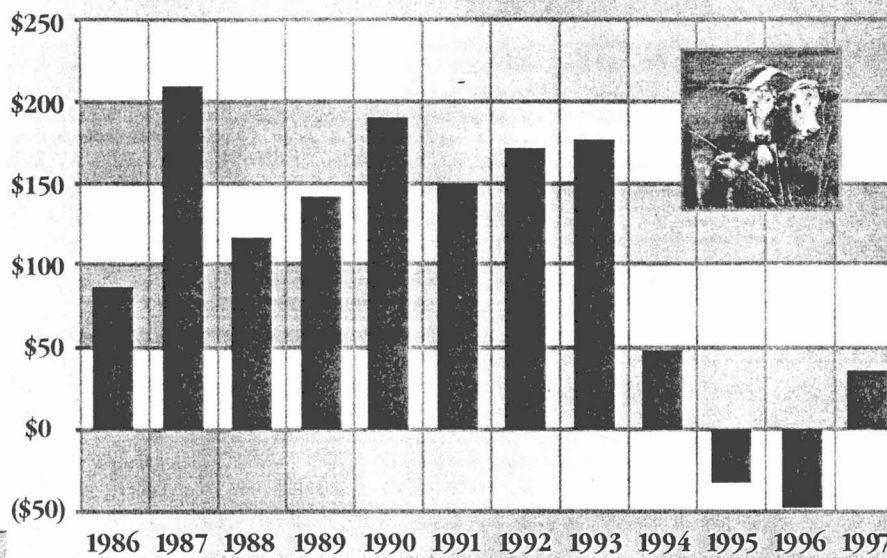
The Commission recognizes that many members of the farming community need immediate relief if they are going to survive economically. Furthermore, the state must develop a long-term strategic plan that will create long-term, sustainable prosperity utilizing all appropriate technology if the current crisis is not to repeat itself again in another few years.

Thus, the Commission believes it is imperative that its recommendations include strong action steps that will:

- ◆ Provide immediate relief to today's farmers;
- ◆ Generate actions that will improve profitability in the medium term, and
- ◆ Create a viable long-term economic future for North Dakota's farm and non-farm population.

The Working Group identified criteria that it felt should be used in selecting appropriate goals, objectives and action steps. It was determined that the goals,

**FIGURE 3. NET RETURNS PER BEEF COW IN N.D.**



Source: North Dakota Adult Farm Management Program





Objectives and action steps presented in the report should meet most, if not all, of the following criteria:

- ◆ Contribute to an increase in net farm income.
- ◆ Create an active cooperation between farm and non-farm communities.
- ◆ Be doable.
- ◆ Be incentive-driven.
- ◆ Increase the quality of food production.
- ◆ Contribute to healthy population growth.

The Commission believes that the objectives and recommendations in this report meet these criteria. We hope that you do, too.

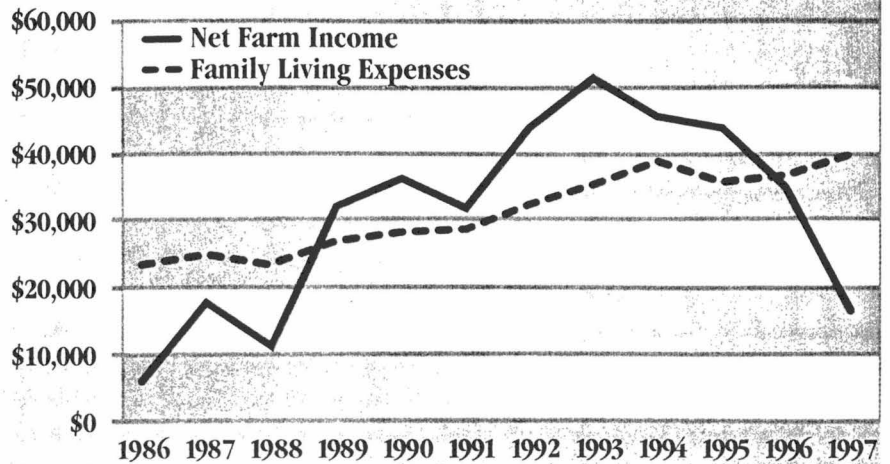
Many of the people of North Dakota who have developed this report are listed on the following page. Their assistance has been invaluable.

All of us know that we have just begun the effort to create our future. The real challenge—implementation—is ahead of us. As the June 14, 1998, *Forum* editorial observed, *"The initiative might be the most important item of business to come before the 1999 Legislature."*

The words in this report are just words until they are implemented. This is a task that will require all of our efforts!◆

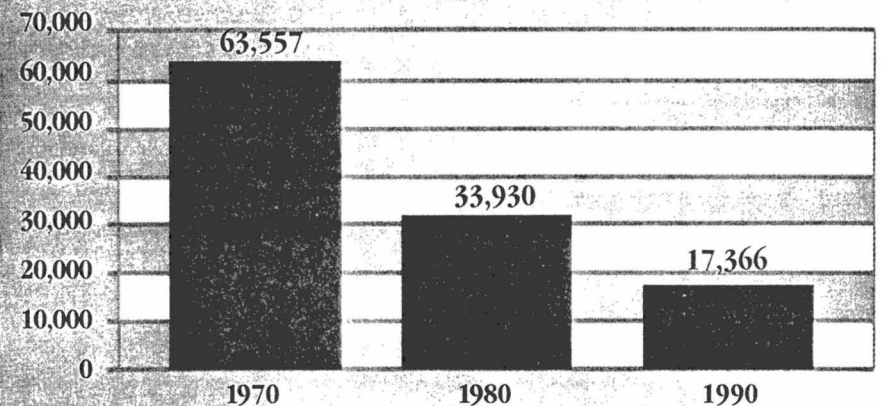
**For more information about the Commission on the Future of Agriculture, please contact the North Dakota Department of Agriculture at 1-800-242-7535 or 328-2231.**

**FIGURE 4. NET FARM INCOME VS. LIVING EXPENSES**



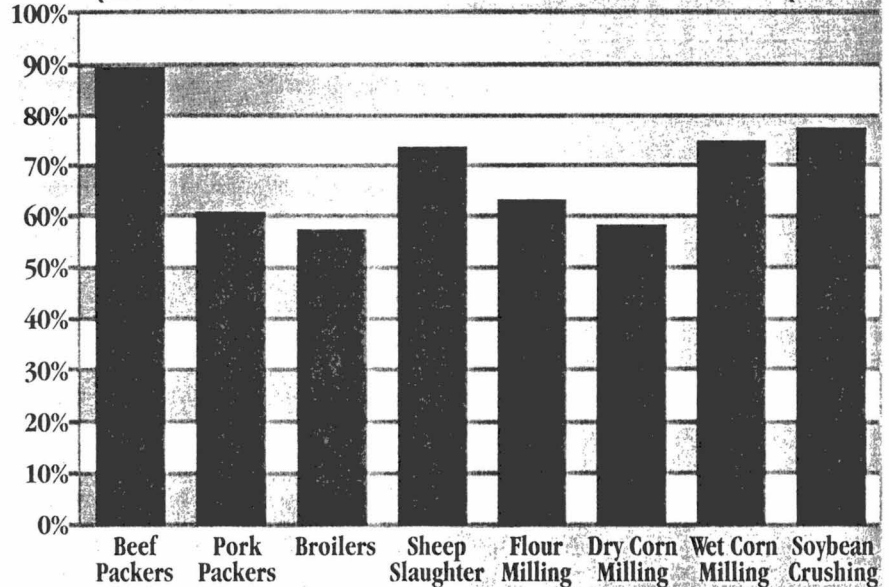
Source: North Dakota Adult Farm Management Program

**FIGURE 5. N.D. FARM YOUTH UNDER 18 YEARS OF AGE**



Source: Census Data Center

**FIGURE 6. CONCENTRATION OF AGRICULTURAL MARKETS (RATIO OF TOP FOUR FIRMS RELATIVE TO ALL FIRMS)**



Source: University of Missouri, 1997



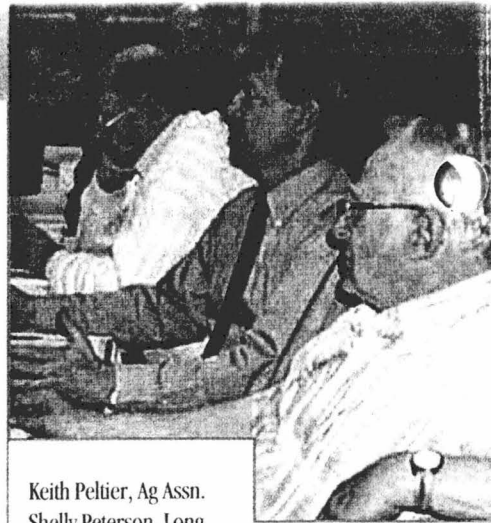
# Participants

The following people, representing the following organizations, participated on either the Steering Committee, the Working Group, or the Commission on the Future of Agriculture:

## Commission on the Future of Agriculture

Bruce Anderson, CENEX  
Sharon Anderson, NDSU Extension Service  
Ben Axtman, N.D. Assn. of Rural Electric Co-ops  
Elwood Barth, N.D. Credit Review Board  
Lori Capouch, N.D. Assn. of Rural Electric Co-ops  
Dennis Carlson, CENEX Land O' Lakes  
Robert Carlson, N.D. Farmers Union  
Kent Conrad, U.S. Senator  
Kevin Cooper, Industrial Development Assn.  
Kevin Cramer, N.D. Economic Development & Finance  
Galen Debey, N.D. Credit Union League  
Judith Dewitz, N.D. Water Commission  
Jerry Doan, Board of Ag Research  
Byron Dorgan, U.S. Senator  
Gerald Eissinger, N.D. Assn. of Telephone Co-ops  
Mark Froemke, N.D. AFL-CIO  
Lance Gaebe, N.D. Grain Growers Assn.  
Paul Germolus, Office of Attorney General

Cornelius Grant, NDRDC  
Dale Greenwood, N.D. Stockmen's Assn.  
John Hagen, MCETA  
Arden Haner, LAND  
Jim Harmon, N.D. Farm Bureau  
Jarvis Haugeberg, N.D. Grain Dealers Assn.  
Heidi Heitkamp, N.D. Attorney General  
Bill Hejl, Red River Valley Sugarbeet Growers Assn.  
Dennis Hill, N.D. Assn. of Rural Electric Co-ops  
Scott Hoag, Jr., NRCS  
John Hoeven, Bank of North Dakota  
Gary Hoffman, American Dairy Assn.  
Bryan Hoime, N.D. Township Officers Assn.  
Larry Isaak, N.D. University System  
Joel Janke, N.D. Vocational/Technical Education  
Patricia Jensen, N.D. State University  
Mark Johnson, N.D. Assn. of Counties  
Roger Johnson, N.D. Agriculture Commissioner  
Annie Kirschenmann, Farm Verified Organic  
Dave Koland, N.D. Assn. of Rural Water Systems  
Max Laird, N.D. Education Assn.  
Darrell Larson, N.D. Implement Dealers Assn.  
Charlotte Meier, N.D. Pork Producers Assn.  
Charles Mertens, USDA-Rural Development  
Bill Muhs, Farm Credit Services  
Bev Nielson, N.D. School Boards Assn.  
Eugene Nicholas, N.D. Legislature  
Arlene Olson, N.D. Farmers Union



Keith Peltier, Ag Assn.  
Shelly Peterson, Long Term Care Assn.  
Thomas Plough, NDSU  
Earl Pomeroy, U.S. Congressman  
Kevin Price, American Crystal Sugar  
Lincoln Reinhiller, Dakota Resource Council  
Dale Roemmich, N.D. Bankers Assn.  
Edward Schafer, Governor  
Howard Schmid, N.D. Farm Bureau  
Rev. George Schneider, N.D. Conference on Churches  
Francis Schwindt, N.D. Health Department  
Connie Sprynczynatyk, N.D. League of Cities  
Scott Stofferahn, Farm Service Agency  
Mike Strobel, N.D. Mill and Elevator  
Arnold "Chip" Thomas, N.D. Hospital Assn.  
Terry Wanzek, N.D. Legislature  
Dan Wiltse, N.D. Barley Council

## COFA Working Group Members

**John Bollingberg** - a life-long farmer from Wells County and graduate of N.D. State University. Bollingberg has served numerous groups, including the Agricultural Products Utilization Commission, Edible Bean Council and the N.D. Farm Bureau. Bollingberg currently chairs the N.D. Ag Coalition.

**Jack Dalrymple** - a Casselton farmer and Yale University graduate. Dalrymple has been a state legislator since 1985 and has served numerous other groups, including leadership positions for Dakota Growers Pasta Company and United Spring Wheat Processors.

**Jerry Effertz** - a Velva area family farm and ranch owner and master's degree graduate of N.D. State University. Effertz is a member of the N.D. Stockmen's Assn., N.D. Limousin Cattle Assn., McHenry County Farm Bureau, McHenry County Farmers Union and the Velva Lions Club.

**Neil Fisher** - administrator of the N.D. Wheat Commission and master's degree graduate of N.D. State University. Fisher was raised on a family farm that still operates near Pettibone, has been with the Commission since 1978 and was appointed administrator in 1998.

**Patricia Jensen** - vice president and dean for Agricultural Affairs at N.D. State University. Jensen is a College of St. Catherine graduate and William

Mitchell School of Law graduate and has a lengthy record of service to agriculture, through education and industry groups.

**Roger Johnson** - N.D. Commissioner of Agriculture and N.D. State University graduate. Johnson, a native of Turtle Lake, where he still owns a family farm, was administrator of the N.D. Agricultural Mediation Service from 1989 to 1996, serves now on the N.D. Industrial Commission and has served several other statewide groups.

**Fred Kirschenmann** - owner of a 3,100-acre organic farm in south central N.D. Kirschenmann is a doctoral graduate of the University of Chicago, a former college instructor and administrator, and now serves several sustainable and organic agricultural groups.

**Ron LeClerc** - director of Community and Rural Development for the N.D. Dept. of Economic Development & Finance. A Minot State and N.D. State University graduate, LeClerc farms part-time and serves several state and regional groups.

**Wade Moser** - executive vice president of the N.D. Stockmen's Assn., N.D. State University graduate, life-long rancher and former agricultural loan officer.

**Bill Patrie** - rural development director for the N.D. Associations of Rural Electric Cooperatives

and Telephone Cooperatives and master's degree graduate of Ball State University. Patrie is past CEO of Northern Plains Premium Beef and current chairman of the Rural Development Finance Corporation.

**Richard Schlosser** - owner of a 1,500-acre family farm near Edgeley and former school teacher. Schlosser is vice president of N.D. Farmers Union and serves on the N.D. Credit Review Board.

**Howard Schmid** - life-long Benson County farmer, raising wheat, barley and sunflowers. Schmid served as N.D. Farm Bureau president from 1990 to 1998, and is a member of the U.S. Durum Growers and N.D. Grain Growers.

**Robert Sorenson** - president of the Independent Community Banks of N.D. and graduate of N.D. State University. Sorenson is currently vice president of the Scandia American Bank, where he has been employed for the past 18 years.

**Steven Tomac** - owner of a 1,100 acre family farm and ranch in Morton County and a graduate N.D. State University. Tomac has served as a state senator since 1991 and served in the state house of representatives during the 1987-1989 sessions. He works as a rural appraiser and is involved with several statewide organizations.

## What is negotiation?

Negotiation is a less formal and often longer process than mediation. The negotiator acts as a representative of the farmer or rancher. AMS employs about 15 negotiators located throughout the state. They help farmers and ranchers prepare financial statements, cash flow projections, loan applications and other paperwork. Negotiators will also meet with farm creditors or other government agencies to help farmers with financial management and other issues.

## Is there any cost?

If you have never worked with an AMS negotiator, the first 10 hours of negotiation assistance are free of charge. After that, a modest hourly fee is assessed. Mediation fees are charged to farmers, major creditors and other parties for time spent "at the table." A waiver of fees may be granted to those who are unable to pay.

## Other disputes?

AMS also provides mediation services in other areas of contention, including landlord-renter disputes, weed control or seed disputes and appeals with federal or state agencies. AMS provides referrals to farmers and ranchers in many specialized areas such as:

- ◆ Legal services.
- ◆ Mental health services.
- ◆ Social services.
- ◆ Accounting and tax advice.
- ◆ Alternative financing.

## How does it work?

If you have questions or need assistance, call the toll-free number, 1-800-642-4752. A negotiator will be assigned to you and will contact you directly.

## Other resources

◆ If you do not already have an attorney, consult with people you trust for a referral. The North Dakota State Bar Association maintains a list of lawyers who practice agricultural law. For more information, call toll-free, 1-800-932-8880.

◆ The HELP-LINE provides crisis intervention, information and referrals to individuals facing stress and depression brought on by financial or other rural-related problems. Trained volunteers offer free and confidential assistance to rural residents, 24 hours-a-day, 7 days-a-week. The toll-free number is 1-800-472-2911.



North Dakota  
Department of Agriculture  
Agricultural Mediation Service  
600 E. Boulevard Ave. Dept. 602  
Bismarck, ND 58505-0020  
PH: (800) 642-4752  
(701) 328-4769  
FAX: (701) 328-4567

# AG MEDIATION

## Solving Problems; Resolving Disputes

AGRICULTURAL MEDIATION SERVICE  
NORTH DAKOTA DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

# Agricultural Mediation Service

The North Dakota Agricultural Mediation Service (AMS) was established in 1984 to help financially distressed farmers and ranchers. AMS credit counselors (negotiators) are trained to provide farmers with one-on-one assistance in credit and financial matters and resolving disputes.

With about 15 negotiators and mediators located around the state, AMS annually provides mediation and negotiation services, counseling and other assistance to approximately 1,000 farmers on a broad range of subjects, including:

- ◆ Finances.
- ◆ Beginning farmer loan applications.
- ◆ Farm planning.
- ◆ Farm production practices.
- ◆ Seed disputes.
- ◆ Disputes with federal and state agencies.

The North Dakota Agricultural Mediation Service is a division of the North Dakota Department of Agriculture, and is headquartered in the State Capitol in Bismarck. AMS policies are established by the North Dakota Credit Review Board.

## Advantages

Experience has shown that mediation:

- ◆ Prevents violence.
- ◆ Promotes community harmony.
- ◆ Results in longer lasting, "better" solutions.
- ◆ Saves time and money.
- ◆ Is confidential and preserves the dignity and self-esteem of all parties.

## What is mediation?

Mediation is a voluntary, problem-solving process created to help farmers and others avoid costly and often ruinous litigation. Mediation brings the disagreeing parties in a dispute to the same table in an attempt to resolve their differences. During mediation, everyone involved in the dispute should be willing to "lay all their cards on the table" and to consider all possible solutions to the problem.

The mediator is a neutral and impartial third party. The mediator arranges the time and location of meetings between disputants and conducts the meetings. Trained in problem-solving techniques, the mediator helps create an environment in which the disagreeing parties can resolve their differences. The mediator assists disputants in considering all options and in recording agreements.

Mediation can mean the difference between an acceptable agreement and expensive litigation, even foreclosure and bankruptcy. And it works: agreements are reached in two-thirds of all cases.



## How does it work?

Mediation usually begins after negotiation between a farmer and another party has failed to result in a workable repayment plan. Mediation may also be initiated when a creditor either rejects a borrower's restructuring plan or considers foreclosure. In North Dakota, the Farm Service Agency (formerly FmHA), Farm Credit Services and the Bank of North Dakota are required to offer mediation before initiating foreclosure proceedings. Here's how the mediation process is conducted:

- ◆ Either a farmer, lender or other party contacts the AMS and requests mediation.
- ◆ AMS assigns a negotiator to help the farmer prepare for mediation by getting all necessary financial papers and other documents in order.
- ◆ AMS assigns a mediator to the case.
- ◆ The mediator sets up a meeting(s) between the farmer and other parties.
- ◆ The negotiator attends mediation meetings with the farmer and helps represent the farmer's interests during the meetings.
- ◆ The mediator is neutral and facilitates frank and open discussion of all issues.
- ◆ The participants discuss all problems, possible solutions and options.
- ◆ Participants reach a mutually satisfactory agreement or "agree to disagree."
- ◆ The mediator issues a written report detailing the agreement and officially closing the mediation process.

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# *First State Bank of Golva*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BOX 1

GOLVA, NORTH DAKOTA 58632

(701) 872-3656

March 9, 1999

Dear North Dakota House Appropriation Committee:

The North Dakota Ag Meditation Service has been a value service to the farmers of our area. We have hard times in agriculture and need all the help we can give our farmers. Our hope is you will provide the adequate funding for the Ag Meditation Service to continue its good work.

*Quane Maus*  
*Asst. U.P.*

TO: MR KNUTSON, Ag Mediation Dept  
Fax: . 328-4567

RE: AG MEDIATION PROGRAM

FROM: Roger White  
12289 HWY 13  
Stirum, ND 58069  
701-678-2704

I am sorry I can't be at the hearings to testify for the Ag Mediation Program. I would like to say I think this is a very needed program in ND. My son and I have both used the program. It was very helpful to have someone to work with that knew the farming problems. They talk to you to assure you it isn't totally your problem, they will meet with the lender with you and that really helped. This is also a good program for the lenders as well because of the third party involvement.

If things can't work out so you can keep farming, the Ag Mediator works with ideas of what you can do besides farming.

This is one of the state programs that we can not get along without. You all know what the prices are for farm products, the weather adversities we have endured, etc. Our small towns and communities are hurting also. When I started farming in 1965, there were 60 farms in our township and now we have 10 family farms left. If there isn't some sort of support like the Ag Mediation Program from the state, it will only get worse.

We must do what we can, so I am asking you to support this bill. It has helped many farm families in the past and hope to have it available in the future.

Thank you for taking the time to listen. It is much appreciated. I feel assured you will make the right decision on this bill.

*Thank you  
Roger White*

2280 7th St. NW  
Turtle Lake, ND 58575

February 5, 1999

To Whom It May Concern:

As farmers who have leaned heavily on help from Ag Mediation, we would like to tell you about the importance we feel that they play in the lives of farm families in ND.

It is of public knowledge how very difficult it has been for small farms to continue to operate. We feel that from the first time we called on Ag Mediation for help their input and help was more than valuable. The mediators are well trained and knowledgeable in all areas that come into play. Until the Ag Mediation Dept. was formed there was little affordable help for the ones who were struggling.

Please don't deprive the farmer of this service. We would urge you, with the utmost urgency, to give them the funding they need to continue to provide this most important service for all farmers who need it. Many times they are the farmers only hope.

Thank You.

Sincerely,

*Ronald Zuborg*

*Glenn Ixberg*



# COMMUNITY CREDIT UNION

PHONE: (701)947-5011  
20 NORTH 1ST STREET  
NEW ROCKFORD, NORTH DAKOTA 58356



February 5, 1999

TO: Senate Appropriations Committee

Please be advised that we use the agriculture mediation program. It is a program that is very much needed on a continuous basis. We ask that you do what ever possible to keep this program in place.

Sincerely,

*Marvel Ebenhahn, pres.*  
Marvel Ebenhahn  
President

---

**MEMBERS MAKE THE DIFFERENCE!**

---

FESSENDEN BRANCH  
PO Box 284  
Fessenden, ND 58438  
Phone: (701)547-3856

CARRINGTON BRANCH  
PO Box 480  
Carrington, ND 58421  
Phone: (701)652-2482





# Farm Credit Services of Grand Forks

*At the heart of a growing America*

2424 32nd Avenue South • P.O. Box 13570 • Grand Forks, ND 58208-3570 • (701) 775-3193 • 1-800-288-3982 • Fax (701) 787-6659

February 5, 1999

Mr. Jeff Knudson  
Ag Mediation Service  
600 E. Boulevard Ave. Dept. 602  
Bismarck, ND 58505-0020


Dear Jeff,

This letter is to reflect my support of the ND State Ag Mediation Service.

As Director of Asset Management for Farm Credit Services of Grand Forks, my experience with utilization of the state's ag credit counseling services with my clients has been very beneficial. With the continued challenges within the state's ag economy, availability of your program in the future is essential. It provides a valuable, neutral, third party prospective which can be beneficial to all parties involved.

I wish you the best in 1999 and hope to continue to work with your Ag Credit Counselors in the future.

Sincerely,



Randy Skjerven  
Director of Asset Management

RS/dl



# GARRISON STATE BANK

BOX 339  
GARRISON, NORTH DAKOTA 58540

Telephone (701) 463-2262  
Fax # (701) 463-7452

February 5, 1999

NORTH DAKOTA STATE LEGISLATURE  
BISMARCK ND 58501

Dear Sirs:

I would like to write this letter in support of the funding for the Agricultural Mediation Service. As an Agricultural Lender, I cannot tell you how valuable that this service has become to the farmer's and rancher's in our area. The Mediation Service has and will continue to help our farmer's and rancher's work through these tough Agricultural times. Please give your full attention to this matter and fund this valuable service to the fullest. If you have any questions, or would like to visit with us concerning this matter, please give me a call at 1-800-735-6883 and I will be happy to visit with you. Thank you.

Sincerely,

Bruce Schreiner  
Assistant Vice President

# First State Bank OF WILTON

Phone: (701) 734-6316

P.O. BOX 309  
WILTON, ND 58579-0309

Fax: (701) 734-6502

February 5, 1999

N. D. Dept. of Agriculture  
Jeff Knudson  
Administrator Ag. Mediation  
600 E Blvd Ave. Dept. 602  
Bismarck, N. D.  
58505-0020

Dear Mr. Knudson,

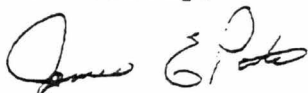
This letter is written to show support for the continued funding of Ag Mediation.

With the poor commodity prices and disasters our farm communities have seen, this would be a most inappropriate time to cut funding of the Ag Mediation program.

Our experience with Ag Mediation goes back to when the program began in 1984 and includes seeing mediators working with farm customers resolving difficult loan situations, farm planning, loan applications, farm production practices and working out disputes with Federal Agencies.

All of our experience with Ag Mediation has been positive. Having a mediator involved in a difficult situation not only helps promote harmony, but it results in better long term solutions, that save time and money for all concerned.

Sincerely,



James E. Porter  
Executive Vice President

February 5, 1999

Senate Appropriations Committee  
North Dakota Legislature  
Bismarck, ND 58505

Dear Members:

I am writing to lend my support to the North Dakota Agricultural Mediation Service. In a depressed ag economy such as we are facing, it is important to have knowledgeable farm advocates. With FSA understaffed and overworked, Ag Mediation will be called on to help with the tremendous amount of paperwork needed in their application process.

Please allow Ag Mediation Services to continue with their important work.

Sincerely,



Paul D. Boe  
Ag Loan Officer



## Security State Bank

February 5, 1999

Jeff Knudson, Administrator  
North Agricultural Service  
600 E Boulevard Ave  
Bismarck ND 58505

Dear Jeff:

I am writing this letter in support of the Ag Mediation Service. Security State Bank customers have used the service on several occasions. Frequently the Ag Mediation Service has assisted our customers with the assembly of their financial information so decisions could be reached as to how their farming operations should be financed.

If it eventually got to the point where there were no alternatives left for our customers other than to liquidate, the service helped with the liquidation and later assisted the customers in the transition from farming into other occupations.

Granted, not all situations work out positively for either the borrower or the lender, but most often a decision will be made that both parties can live with.

Thank you for letting me comment on this issue.

Sincerely,

Lorren D. Henke  
President

LDH/mb

### Wishek

Post Office Box 577  
Wishek, ND 58495  
Phone (701) 452-2314  
Fax (701) 452-2316

### Linton

Post Office Box 460  
Linton, ND 58552  
Phone (701) 254-4453  
Fax (701) 254-4454

### Lehr

Post Office Box 97  
Lehr, ND 58460  
Phone (701) 378-2701  
Fax (701) 378-2702

# FIRST STATE BANK OF GACKLE

GACKLE, NORTH DAKOTA

MEMBER FDIC



Mark A. Lehr, President

Dale L. Donat, Vice President

FAX MESSAGE

(701) 485-3296

328-4587

DATE: 2-10-99

MESSAGE TO: SENATE APPROPRIATIONS COMMITTEE

RE: Letter of Support  
of Continued Funding  
of AG MEDIATION PROGRAM

ATTENTION: Chrmn

FROM: Dale Donat, VP

PAGE: 1 OF 1 (including this page)

NOTE:

We request your approval of funding to maintain the AG MEDIATION PROGRAM, as we have used this service for our troubled farm customers and have found it to be an effective way for a third party to relieve tensions between the borrower and the creditor. It gives the farmer another alternative and another party an opportunity to express to the farmer their options. Often it is a counseling service in cooperating in the farm liquidation and securing a life after farming.

Thank You for your consideration/

Post Office Box 374

Gackle, North Dakota 58442

(701) 485-3391

Partner In Community Progress — Where Savings Help Others

P.O. Box 128  
Hannaford, ND 58448  
(701) 769-2121  
(FAX) 769-2124



*Security State Bank*  
OF NORTH DAKOTA

February 5, 1999

Mr. Jeff Knutson

RE: ND State Ag Mediation Program

Dear Mr. Knutson,

I am writing to state my appreciation of the Ag Mediation Program. Our area has experienced several difficult farming year since 1993 resulting in extensive financial loss and severe mental stress to our area farmers. It has been of great value to our customers and also to our bank to have qualified and independent mediators available in these times of crisis. We place significant value on this program and hope that it will continue to be available.

Sincerely,



Willie Koosmann  
Vice President



FARMERS & MERCHANTS STATE BANK of Tolna

Member FDIC

Post Office Box 405  
Tolna, North Dakota 58380  
(701) 262-4511

February 5, 1999

To the Members of the Senate Appropriations  
Committee:

We support the efforts that the Ag-Mediation  
project has done for North Dakota farm  
families. Please continue with this  
worthwhile project.

Sincerely,

Alan M. Klefstad  
Alan M. Klefstad  
Vice President / Loan Officer



TO: ND Senate Appropriations Committee

FROM: Joel Middaugh  
9 Lukens Drive  
Wilton, ND 58579  
(701) 734-6133

TOPIC: Agricultural Mediation Funding

The purpose of this letter is to testify in support of funding for the North Dakota Agricultural Mediation Service.

For several years I have worked with a farm credit mediator/negotiator. When I first entered the system, I had been farming with my father and brother in a farm partnership, but since my father wanted to retire, we decided to dissolve the farm partnership and my brother and I bought the remaining farm equipment. At that time, my brother and I started working with Farmer's Home Administration to acquire the farm machinery from the farm partnership. When farm income was unable to produce sufficient income for my brother's family living expenses, he also decided to quit farming. This required additional negotiating to enable me to buy his share of equipment.

I decided to quit farming in December of 1997 due to the poor farm economy. If it wasn't for the services provided by my Ag Mediation officer, I probably would have quit long before that time because I was not able to work effectively with my FmHA county supervisor. My negotiator was very knowledgeable and helpful when working through the various rules and regulations of the system.

Presently, I am working with a negotiator to guide me through the correct procedure to negotiate a settlement with FmHA. I feel that it has been extremely beneficial to my family to work with a negotiator while we were farming and now as we are leaving agriculture.

With the current farm situation, I feel that it is especially important to continue financing the Agricultural Mediation Service at this time for the farmers that are still farming and may need mediation services in the future.



OFFICE LOCATIONS

EDGELEY (701) 493-2334  
212 FIFTH AVENUE  
EDGELEY, NORTH DAKOTA 58433

ELLENDALE (701) 349-3842  
121 MAIN  
ELLENDALE, NORTH DAKOTA 58436

February 8, 1999

ND Senate Appropriations Committee  
State Capital Building  
Bismarck, ND 58501

RE: Ag Mediation

Dakota Plains Credit Union has worked with the ND Ag Mediation program in the past and is in support of the funding for the Ag Mediation Program so they can continue to work with distressed farmers in North Dakota.

Sincerely,

A handwritten signature in cursive script that reads "Steven Gebhard".

Steven Gebhard  
Loan Officer

SG/jb

# Memo From The Bank Of Steele

FROM:

Name Gerald HornerCompany Bank of Steele

Address \_\_\_\_\_

City Steele State N.D. Zip 58482Fax (701) 486-3186 Phone (701) 486-3186

TO:

Name N.D. Senate Appropriations Committee

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Fax (328) 4567 Phone (\_\_\_\_) \_\_\_\_\_MESSAGE: RE: N.D. Ag Mediation Service.

I'm writing to show my support for the N.D. Ag Mediation Service. I have been involved in the mediation process and have seen good results. I think it is very helpful to have a neutral third party involved in some very difficult situations. With all the financial turmoil going on at this time in the ag sector of our state's economy, I can see a real value to having a program like N.D. Ag Mediation Service to help our farmers get through tough times. I encourage you to establish appropriate funding to keep the service in place. Thank you for your consideration.

Transmitting a total of 1 pages including this page. If you do not receive all the pages, please contact us immediately.

Gerald Horner  
Loan Officer  
Bank of Steele

Security  
State  
Bank



of North Dakota

FAX COVER SHEET

TO: Jeff Kmitson FAX NO: 701-328-4567  
 COMPANY: Senate Appropriation Committee  
 FROM: Meyra Essigimmon, VP  
 DATE: 2/5/99

SECURITY STATE BANK OF NORTH DAKOTA - FAX NO.: 701-947-5766  
 6 S. 8TH STREET PHONE NO.: 701-947-2421  
 NEW ROCKFORD, ND 58356

COMMENTS: Re: Ag Mediation - Why & use it and like it

- ① The Ag mediator works as a go-between with the borrower and the lender thereby creating an open and less stressful environment in which everyone can work to an agreeable solution.
- ② Cuts down considerably on the lender's work in paperwork but also may force the borrower to assess his situation honestly and then make it easier to decide his future plans.

This FAX transmission consists of \_\_\_\_\_ pages, including this cover sheet. If you do not receive all of the pages, please call back as soon as possible.

The information contained in this message is solely intended for the use of the individual named above. Any dissemination, distribution, or copying of this message and/or attachments by anyone other than the intended recipient is strictly prohibited. If you receive this communication in error, please notify us immediately by calling us collect at 701-947-2421.

Thank you.

2-7-199

Senate Appropriations Committee

Dear Sirs:

I do believe the ~~State~~ should keep the ag. Mediation Service in effect. The Service has done alot of good for farmers in helping negotiate with banks, F.S.A. Credit Union also moral support.

There is not alot of help out there for farmers in tough times in agriculture. Most banks want to sell the farms out.

Progr a artz

Anita N. D. 58711

To: Senate Appro. Committee

In 1995 when the bottom fell out of the cattle prices and we sold our feeder calves we were unable to make enough money to pay back the original note we had for buying calves much less the interest and all other expenses. Needless to say - the morning after the sale we were completely devastated. We were at such a low point we weren't sure how we'd get through the day much less the rest of the year. I remembered hearing people talk about Ag Mediation and knew I had to find some help for us so I called Tom Silbernagel at home and he talked with both of us and made us realize that they could help us get our finances back in order - but most important he helped us with our low self esteem.

After the 96-97 winter blizzards we had 150 heifers to go on the pasture to be bred. The plan was to breed them and the fall prices were projected to be anywhere from \$800 to \$850. Once again the bottom fell out of the market and with the tough winter conditions we had over 75 of those heifers who didn't breed back & we sold the rest at a ~~low~~ market price of \$650. Needless to say - once again our financial situation dwindled back even further than it was. We once again contacted Tom at Ag Mediation and he gave us our mental attitude back along with help on our cash flow & financial situation.

To make a long story short - when 1998 rolled around we were at the point with the livestock prices being so low we had buried ourselves in such a heap of financial debt. We sat down with Tom from Ag Mediation

2

trying to figure out what we could do to make a workable cash flow and no matter what we tried - what we changed, there was no way we could come up with a workable plan, much less one where the bank could see giving us another operating loan. Ag mediation was with us every step of the way and right by our side when we decided to quit farming and sell everything. Ag mediation helped us come up with a time guide line as to what to do and when to do it. There were times when we felt like we no longer wanted to continue to live - but Tom always made us see that there is a life worth living for - even after having been farmers all our lives.

We ask that you please give Ag Mediation your top and utmost support when considering them for extra money. We received very good services from them - but unless you've ever used Ag mediation - you will never realize how busy they are. There were times we wondered why our messages weren't being returned sooner - but had to remind ourselves that there were more people than anyone could know - who they were trying to help and with ND being a big state and there being many people who need their help only 15 ag mediators in our state is way to small of a figure. Please appropriate more funding to them so they can increase their staff and help more people, people like ourselves who farmed & have lost everything because of rock bottom prices and who were at the point of using suicide as a solution to our problems. They made us realize this wasn't the solution and when I think of all the

3

people who may need the same help - but have to wait a long time because of the work load. Az Mediation has - I fear for how many people will use suicide as their solution because the phone wasn't being picked up at a time when they so desperately needed it to be.

Once again, please give Az Mediation your top priorities and allocate extra dollars - you will be saving more than 1 persons life, maybe even your own - one day!!!  
Thank you for listening to our testimony!

Sincerely,

Wilbur & Wanda Zimmerman  
Lehr, ND

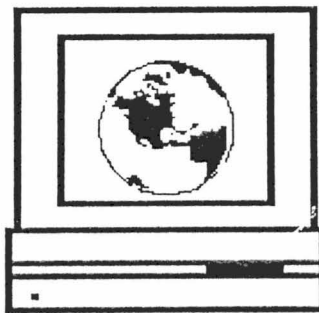


## E-Commerce Internet Sites

The Pride of Dakota E-Commerce Internet site includes the creation of a customized web site for your business of up to 40 interlinked pages of information about a business and specific products for sale including graphics, pictures and prices. This site is created from information provided by the member. This package also includes:

- ◆Up to 30 individual products for sale. Sizes, colors, or other information can be selected by customers for individual products.
- ◆Credit card information will be collected via the Internet and sent directly to the business in a secured transmission.
- ◆Prices including shipping information will be provided to customers.
- ◆Prices will be changeable at any time directly by the business using a password protected administration page.
- ◆Orders are immediately communicated to a business once the order is completed.

The fee for this product is \$1,200. Alternative price structures are available with revenue sharing conditions beginning at \$480 and 16% of internet sales.



*Find it on the web!*

## [www.shopnd.com](http://www.shopnd.com)

For more information contact:

SHANNEN BORNSSEN  
North Dakota Dept. of Ag.  
600 E. Boulevard Ave.  
Dept. 602  
Bismarck, ND 58505  
E-mail: sbornsen@state.nd.us

701-328-4759

OR

ROB LARSON  
ComMark, Inc.  
330 3<sup>rd</sup> St NE  
Mayville, ND 58257  
E-Mail: Rob\_Larson@commark.com

701-786-4670

## [www.shopnd.com](http://www.shopnd.com)

The  
Pride of  
Dakota  
Internet  
Mall

## [www.shopnd.com](http://www.shopnd.com)

Creating  
Internet  
Marketing  
Opportunities  
For  
Pride of Dakota  
Members..

Pride of  
Dakota

## Pride of Dakota Internet Mall at [www.shopnd.com](http://www.shopnd.com)

What's  
[www.shopnd.com](http://www.shopnd.com)

## Internet Site Packages

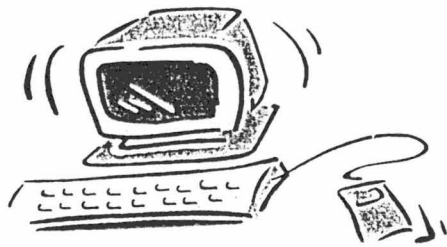
Through a grant from the U.S. Department of Agriculture, the North Dakota Department of Agriculture has created [www.shopnd.com](http://www.shopnd.com) – an internet mall exclusively for marketing and promoting Pride of Dakota members.

The purpose of the Mall is to provide cost effective access to the marketing of products and services via the Internet and to create a single internet location where consumers can find the products and services sold by Pride of Dakota members.

The Internet can create new and effective opportunities to reach potential customers and communicate with existing customers, vendors, and employees. These opportunities can allow faster and easier communication with customers and even the selling of products directly over the Internet.

In 1997, there was \$2.6 billion spent by consumers using E-commerce and the Internet. **In 2002, that number is expected to reach \$420 billion.**

[www.shopnd.com](http://www.shopnd.com) is designed to allow North Dakota businesses to participate in this growing area of commerce.



The Internet mall that is located at [www.shopnd.com](http://www.shopnd.com) is designed to coordinate important elements of internet marketing for Pride of Dakota members. The Mall will create a distribution channel that allows North Dakota businesses to showcase, market, and sell their products via the Internet to a national and international audience.

The mall will include a directory of all PRIDE OF DAKOTA members in a searchable format to allow consumers to easily and quickly find individual members. For members with existing internet web sites, links to these sites will be created to allow customers to "click" directly from the mall to that site. The mall will also have sophisticated and changing features including:

### E-Commerce Capability:

Businesses choosing to market and sell products directly via the Internet will be able to do this in a secure environment. Credit card information will be processed via the Mall and individual internet sites.

### Specialty Stores:

Changeable mall "stores" will be created to feature products from multiple suppliers. Examples of these "stores" will be "Christmas Gift Store," "The Craft Store," "ND Food Treats," etc.

### Feature Products:

The homepage of the Mall will have the capability to feature specific products of PRIDE OF DAKOTA members.

### Advertising Banners:

Members will be able to purchase banner advertisements that link to their company's internet site.

Through an open bidding process, ComMark Inc. of Mayville, North Dakota has been selected to provide individual business internet sites to Pride of Dakota members wishing to purchase their own internet site. The initial year's hosting fees for these sites are being provided at no cost.

### Internet Brochures:

The Pride of Dakota internet site includes the creation of a customized web site for your business of up to six interlinked pages of information about a business including graphics and pictures. This site is created from information provided by the member. This package also includes:

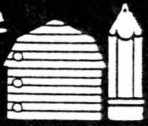
- ◆ An internet address (URL) of:  
[www.shopnd.com/yourcompany](http://www.shopnd.com/yourcompany) or  
[www.yourcompany.com](http://www.yourcompany.com).
- ◆ Links to e-mail address(es) of the members.
- ◆ Listing in major search engines.
- ◆ Up to 10 links to other pages of your choice.
- ◆ A link from the [www.shopnd.com](http://www.shopnd.com) mall.

The fee for this product is \$350.

### Other Options:

Web pages can be customized with an assortment of features including:

- ◆ Additional pages to your site.
- ◆ Pages or fields within a page that you can change on your own from your own office as often as you like for specials, ads, or other information.
- ◆ Special features such as digital sound, animation, digital video and more.



1998-1999  
Council Members

Roger Johnson  
Commissioner  
of Agriculture  
Bismarck

Wayne Sanstead  
Superintendent  
of Public Instruction  
Bismarck

Dean Aakre  
NDSU 4-H Youth  
Development  
Fargo

Bonny Berryman  
Erik Ramstad  
Minot

Virginia Dertz  
Madison Public School  
Fargo

Pat Eriksmoen  
Division of  
Independent Studies  
Fargo

LeAnn Hamer  
Ag Coalition  
Mandan

Tammy Huber  
ND Farmers Union  
Jamestown

Becky Koch  
North Dakota  
State University  
Fargo

Saran Nordby  
Producer  
Amdon

Arlene Peterson  
ND Farm Bureau  
Fargo

Doug Vannurden  
ND Vocational  
Agriculture  
Bismarck

Wesley Vigesaa  
Food, Land & People  
Bismarck

Mark Wagner  
Beulah Public Schools

Proposed Agriculture in the Classroom Budget 1999-2001

Food, Land, and People  
Teacher Training Seminars \$ 17,000

(materials, travel, facilitating costs,  
credit reimbursement)

Educational Outreach \$ 16,000

(materials, video training development  
conference booth rental, supplies, travel)

*AGmobile*

Traveling Ag Education  
Experience – Mobile Classroom \$ 10,000

(construction for trailer modifications,  
travel, consumable supplies)

Intern Program \$ 5,000

(training program for student development)

Living Ag Classrooms \$ 3,000

(materials, travel)

Webpage \$ 3,000

(development, hosting, and maintenance)

Ag Mag \$ 5,000

(newspaper teaching aid, development, printing,  
promotion)

Program Coordinator \$ 69,000

(salary, benefits)

General Operating \$ 13,000

(travel, training, phone, office supplies,  
computer software, etc.)

Equipment \$ 9,000

(computer, computer projector, office furniture)

TOTAL APPROPRIATION: \$ 150,000

# AGRICULTURE IN THE CLASSROOM

**The Agriculture in the Classroom Council was established by the 1985 Legislature, but it has never received an appropriation. It simply has *spending authority* and the challenge to raise the money to run the program.** The Agriculture in the Classroom Council has the responsibility to “develop agricultural curriculum activities and train teachers in these agricultural curriculum activities for grades kindergarten through twelve in this state’s public school system.” (North Dakota Century Code, Chapter 4-37)

The following brief explanations offer more specific information about the major components of the Agriculture in the Classroom program:

## ***Food, Land & People* Teacher Training Seminars**

North Dakota K-12 teachers can learn how to integrate agricultural information into their classes with this exciting new curriculum. *Food, Land, & People* (FLP) is a nationally developed and field tested program that encourages the inclusion of state specific information. FLP features 40 lessons that cover topics such as seeds, raw to processed foods, pollination, soil erosion, cattle by-products, fabric production and nutrition, just to name a few. There is also the opportunity to discuss agriculture-related careers within this curriculum.

Facilitator training is scheduled for April 23-24 in Carrington. Teacher training seminars are set for July 12-13 in Minot and for July 14-15 in Dickinson.

## **Educational Outreach**

It is important for the word to get out about the work of the Council. A booth at conferences and agricultural events, preparation of promotional materials, and production of a video training program are ways to do that successfully.

## ***AGmobile***

The Council obtained an 8’x30’ FEMA trailer last fall for the purpose of making it a traveling agricultural education experience. At present, it is being “remodeled” at the Youth Correctional Center in Mandan. It will accommodate up to 20 students at a time to learn about agriculture and agriculture-related careers through hands-on activities. The *AGmobile* will be a classroom, an exhibit, a demonstration center, depending on its location---school, county fair, ag expo, etc. The possibilities are very exciting—and endless! Work is underway to develop partnerships with the Retired Teachers Association and university teacher training programs across the state to help with this project.

## **Program Coordinator**

This position is vital to the success of the Agriculture in the Classroom program. The members of the Council are all volunteers with full-time jobs. They have spent considerable time in the past year since the Council was formalized working on the various components. However, their time is limited. A coordinator is needed to manage the various components of the program.

## Enrollment

Yes, I am interested in participating in the Dairy Diagnostic project.

Please return this enrollment form to:

**John L. Johnson**

N.D. Dairy Diagnostic  
Project Coordinator  
100 Hultz Hall, P.O. Box 5053  
Fargo, ND 58105-5053  
or fax to 701/231-7590

The necessary application forms will be forwarded to you immediately.



**Or you may also complete this pre-enrollment form and return it to the address listed above**

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_

*Upon receiving this information, we will mail you the necessary application forms to fill out and return for processing*

# Plan Your Future

*A program for dairy families to increase dairy profitability and quality of life through teamwork*

**North Dakota  
Dairy  
Diagnostic  
Advisory Team**

A process to improve:

Dairy Productivity • Farm Profitability  
Family Goals • Planning for the Future



## Project Objectives

The North Dakota Dairy Farm Diagnostic Team is designed to help dairy producers solve the many challenges facing their industry today. It involves using a small team approach to evaluate and make suggestions in cooperation with the dairy family.

Goals will include:

1. One-on-one educational delivery teams.
2. Provide appropriate new technologies to dairy producers.
3. Enhance the financial success and long-term sustainability of dairy farms in North Dakota.
4. Provide assistance in areas such as:
  - Estate Planning/Farm Transfers
  - Farm Business Management
  - Nutrition and Feed Management
  - Herd Health
  - Reproduction
  - Housing/Ventilation/Lighting
  - Manure Management
  - Milk Quality and Components
  - Planning Dairy Expansion Projects
  - Stray Voltage Problems
  - Labor Issues
  - Setting Farm and Family Goals

## Assisting Dairy Producers With Steps Toward Increasing Profits

### 1. Identification

*Help will be available to assist in identifying barriers to your production and business goals.*

### 2. Diagnosis

*Once the barriers are identified, actions will be suggested, modifications monitored, and progress evaluated.*

### 3. Generating Alternatives

*Through positive problem solving measures and working together, solutions can be evaluated, agreed upon, goals set and accomplished.*

### For additional information, contact:

- **Statewide Project Coordinator**  
John L. Johnson  
701/231-7993 (NDSU)  
701/361-2987 (cell phone)  
701/874-2256 (home)
- **Program Oversight**  
NDSU Extension Service  
Animal and Range Sciences  
701/231-7644
- **Extension Dairy Specialist**  
J.W. Schroeder  
701/231-7663

## Participants Will Receive

- A personal Dairy Diagnostic Team.
- A complete analysis of the dairy farm by the diagnostic team
- Financial assistance for specific services and needs.
- Help in setting up goals and monitoring farm and progress.
- Follow-up visits and written reports by the Team Leaders.
- All records will be confidential.

## Program Costs

The annual cost of the North Dakota Dairy Diagnostic Advisory Team consultation will be made available to you by the project.

Support for this educational program is made possible through grants from dairy-related industry supporters, North Dakota Agricultural Products Utilization Commission, and the NDSU Extension Service.

In addition, many agricultural professionals will be donating considerable time to work with you on this process. Accepted participants will be charged a maximum of \$150 annual fee, plus the possibility of cost incurred for special tests agreed upon by you and the Advisory Team.

## Requirements for Application

To qualify for this self-help program, you must:

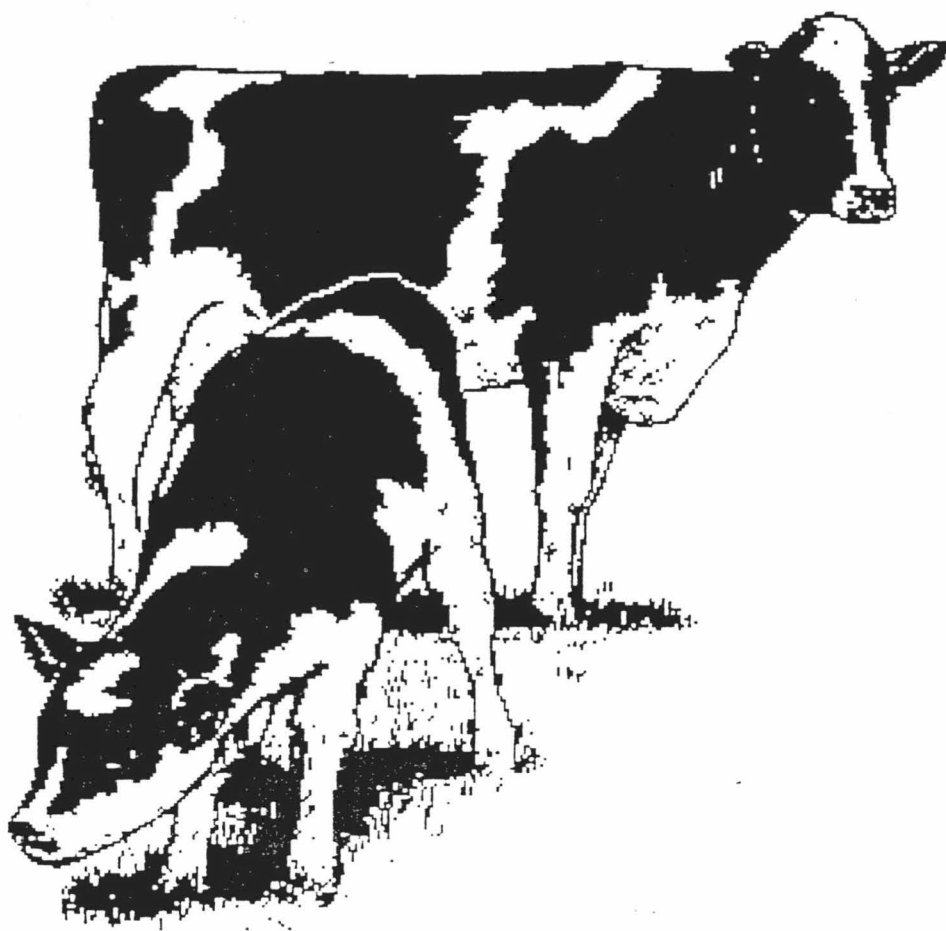
- Be keenly interested in enhancing your farm profitability and production levels
- Intend to have a future in dairying
- Have in place or willing to develop some form of enterprise or farm business management records
- Be willing to share your diagnostic team experiences with other dairy farmers and industry supporters

## Enrollment and pre-enrollment information on back

NDSU Extension Service, North Dakota State University of Agriculture and Applied Science, and U.S. Department of Agriculture cooperating. Sharon D. Anderson, Director, Fargo, North Dakota. Distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. We offer our programs and facilities to all persons regardless of race, color, national origin, religion, sex, disability, age, Vietnam era veterans status, or sexual orientation; and are an equal opportunity employer.

This publication will be made available in alternative formats for people with disabilities upon request, 701/231-7881.

# North Dakota Dairy Producer Opinion Survey



Presented by  
Wayne R. Carlson  
Livestock Industries Director  
North Dakota Department of Agriculture

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# 1998 SURVEY OF NORTH DAKOTA DAIRY PRODUCERS

Compiled by Wayne R. Carlson  
Livestock Services Coordinator

## EXECUTIVE SUMMARY

The North Dakota Department of Agriculture in conjunction with North Dakota Agricultural Statistics Service developed this survey to identify dairy producers' present and future plans. The Department of Agriculture, North Dakota Extension Service, and industry leaders will use this information to develop policy and direction for the dairy industry.

The dairy industry in North Dakota is in transition. Dairy farm numbers are declining at an alarming rate, decreasing from 1250 farms in 1992 to 804 in August of 1998.<sup>1)</sup> Improved efficiency that has resulted in increased production per cow has helped curtail the effects this decline has had on the overall industry. However, if the decline in numbers continues at the present rate, the state's entire dairy industry may be threatened. The state will lack the amount of milk needed to sustain feasible levels of production in its processing plants.

The survey showed a significant percentage of the state's dairy farmers are contemplating leaving the dairy industry, and greater percentages are uncertain about their future in dairy farming. There is, however, optimism in the survey because 15 percent of the producers plan on expanding.

Any state attempt, funded by the dairy producers, to expand or develop the dairy industry will meet major industry roadblocks. A clear majority of the producers feel that attracting new dairies from out of state is not a solution that should be considered.

Producers feel that the state should focus its help in expanding existing operations and helping young producers get a start in the business.

North Dakota producers are in favor of eliminating the present milk marketing order but still want a pricing system that has a minimum price support mechanism. One part of the survey was used to gain the dairy farmers' perspective on how they feel certain issues affect the dairy industry. Producers responded positively to questions about, weather, production, transportation, financing and availability of feed. Regulatory issues and markets had a neutral response while negative responses were given for prices and lifestyle.

The state must retain and enhance the dairy industry to ensure the adequate local supply of raw milk needed to sustain the existing industry. This can be achieved by developing and implementing a means to assist producers in expansion opportunities for existing farms, improving farm management, providing government support, and implementing new value-added opportunities.

## INTRODUCTION

The United State's dairy industry is in a transitional period. The Midwest is no longer considered the prime dairy region. California, New Mexico, Idaho and Florida have fast become large dairy states. This is due in part to the federal milk order that has allowed higher milk prices in areas other than the Midwest. In 1998 a federal judge has struck down the federal market order that was allowing this type of inequity. It now appears that the U. S. Department of Agriculture will be proposing new legislation to replace the market orders that have been ruled unconstitutional. In the meantime the dairy industry is in limbo.

The North Dakota dairy industry is also in a transitional period that has created a dilemma. Total milk cows numbers in North Dakota dropped from 60,000 to 48,000<sup>o</sup> last year, and total pounds of milk produced have dropped from 918 million in 1993 to 702 million in 1997<sup>o</sup>. The North Dakota Department of Agriculture is concerned about these statistics and their implication that there may be insufficient raw milk supplies for processing plants in the State.

In December, 1997, the North Dakota Department of Agriculture developed a survey to discover how the state's dairy producers felt about important issues facing their industry. Agencies such as North Dakota Department of Agriculture, economic development officers, Extension Service and dairy plants will need to analyze this information if North Dakota is going to retain its dairy industry.

## **OBJECTIVE**

The dairy industry and the Department of Agriculture will use this survey in developing policy to help change the decline in the dairy industry and to enhance the region's dairy industry. The survey is used only to get the perspective of the dairy producer and is not intended to represent the attitudes and opinions of all those involved in the North Dakota dairy industry. This report along with 1996 Tri State Dairy Initiative report on dairy capacity will provide an overall perspective of the dairy industry and help determine the future of the industry.

## **PROCEDURES**

The survey was coordinated by the North Dakota Department of Agriculture and compiled by the North Dakota Agricultural Statistics Service. The survey list included 1200 past and present dairy farmers. Those who did not respond were contacted by phone. Six hundred thirty-five farmers responded to the survey, which made the survey statistically significant.

The results of the survey were sorted twice, once by nine regions and once by three regions to analyze producer perspectives in different locations. The regulatory question was sorted by each individual inspector's territory, and the information obtained was used for evaluation of the inspector's work performance.

## SURVEY RESULTS

On January 1, 1998, there were 843 dairy farms in North Dakota. According to the survey, 89 dairy farmers will fail this year. The worst case scenario is that the State could lose another 196 producers if all of the "undecided" do in fact quit. Using the average milk production numbers for the state (12764lb/year)<sup>(2)</sup>, this would mean a decrease of 74 million lbs. of production this year. Using the worse case scenario, an additional 165.1 million lbs. would be lost. The total amount of milk lost could be estimated at 239.1 million lbs. This would have a devastating impact on the State and State's the dairy industry. Lost income from this product could be  $(\$13.5/\text{cwt.}) \times 239,000\text{cwt.} = \$32.3$  million.

North Dakota total economy could be effected considerably more when a multiplier effect is used. Using a multiplier from four to six would increase the losses to North Dakota's economy to an estimated \$129 million to \$193 million depending on what multiply effect is used.

The greatest impact would be seen in the cheese plant industry. The Tri State Initiative in 1995 conducted a survey on dairy plant capacity and needs. One of the conclusions of the study showed that the plants need an additional 1.1 million-lbs./ week to meet the plant's capacity. Since 1995, production has dropped an additional 138<sup>(3)</sup> million lbs.; any additional losses would be devastating.

This survey does not help alleviate any of those fears. When asked, " Are you planning to liquidate your dairy herd during 1998?" The results clearly indicated that we would lose a minimum of 10 percent to an estimated 33 percent of the producers. Ten percent of the producers are liquidating their dairy herds in1998!

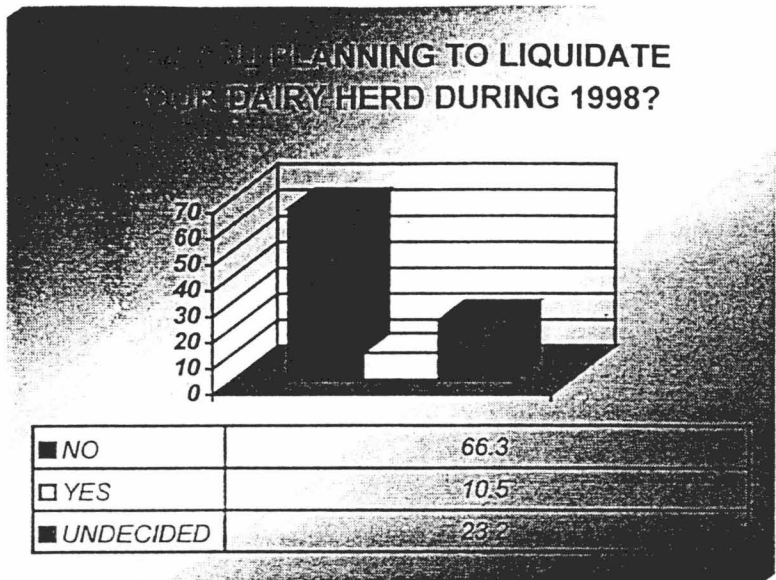
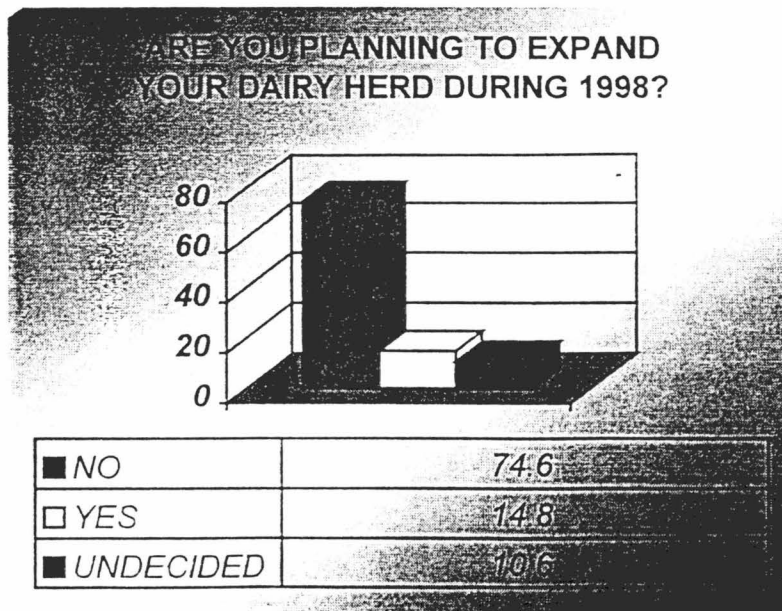


Figure 1

It can be rationalized that the loss in dairy farms can be offset by herd expansion. The survey did show that 14.8 percent of the producers are looking at expansion. This survey did not derive any indication concerning the number of cows planned for expansion. As a result, it is impossible to make any mathematical assumption about how much milk production would be added to the state's production. It does indicate that there is an interest in expansion, and the state must focus on those individuals in the future if the industry is to off-set the large exodus from the dairy farms. See figure below.



The survey overwhelmingly indicated that the state's producers are not willing to fund any dairy development or educational programs through a \$.01 check off. Any type of program developed must be funded through other private sources or through government initiative.

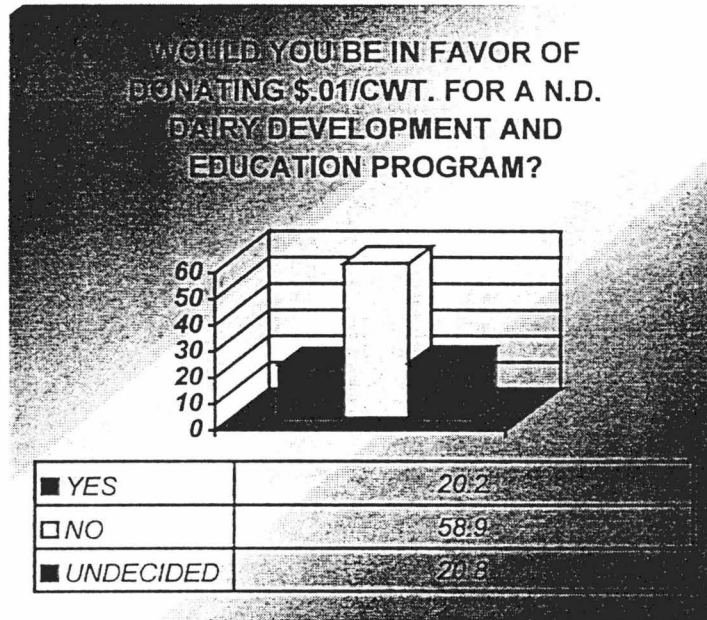


Figure 3

The next two questions referred to milk pricing, an issue in the forefront of all dairy discussions. A lawsuit brought by the Minnesota Milk Producers Assn. (MMPA) addressed the issue of milk orders. MMPA's contention is that the present milk orders favor other regions of the country by giving them an unfair advantage by allowing a higher price for their producers' milk. This encourages production in those regions. A federal judge agreed with MMPA's position.

Since the ruling, the U.S. Secretary of Agriculture has looked into several alternatives to replace the existing market orders. North Dakota producers agree with MMPA's position and feel that the federal marketing order should be eliminated, and any new plan should include a minimum price support. North Dakota producers are in favor of reform, and they think legislative and dairy leaders should pursue ways to change and improve the pricing system.

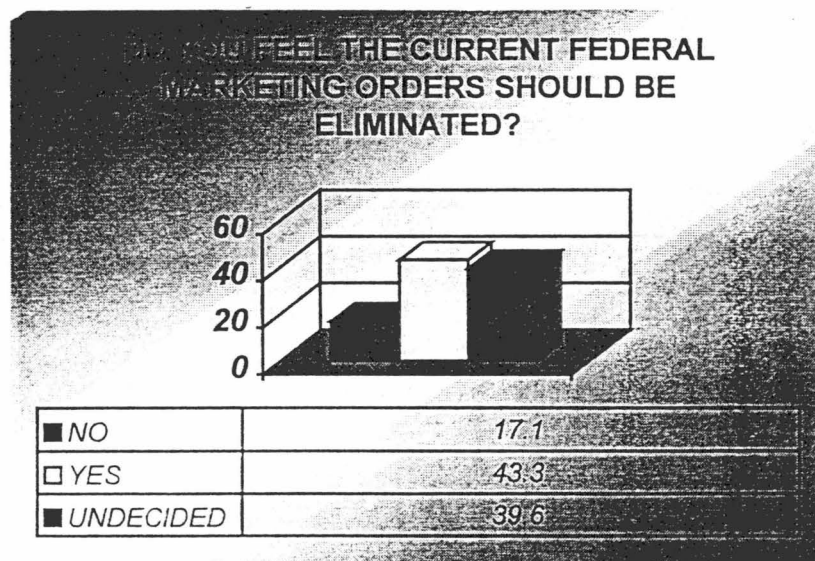


Figure 4

North Dakota producers favor a pricing system that maintains a minimum price system, primarily because of the variation in the price this past year. North Dakota raw milk prices have a high degree of variability because they follow national trend prices. For example, the Grade A milk price varied from \$10 to \$14 per hundred last year. If North Dakota producers had their way, any new milk orders being contemplated by Secretary Glickman would include a minimum price, which would have to be higher than



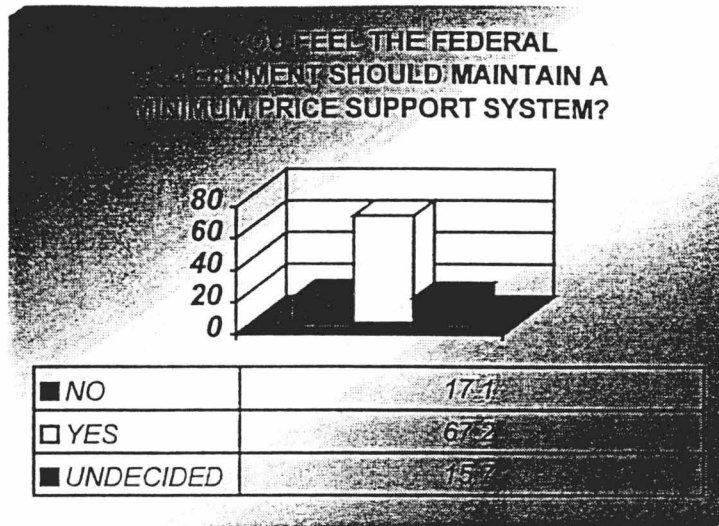
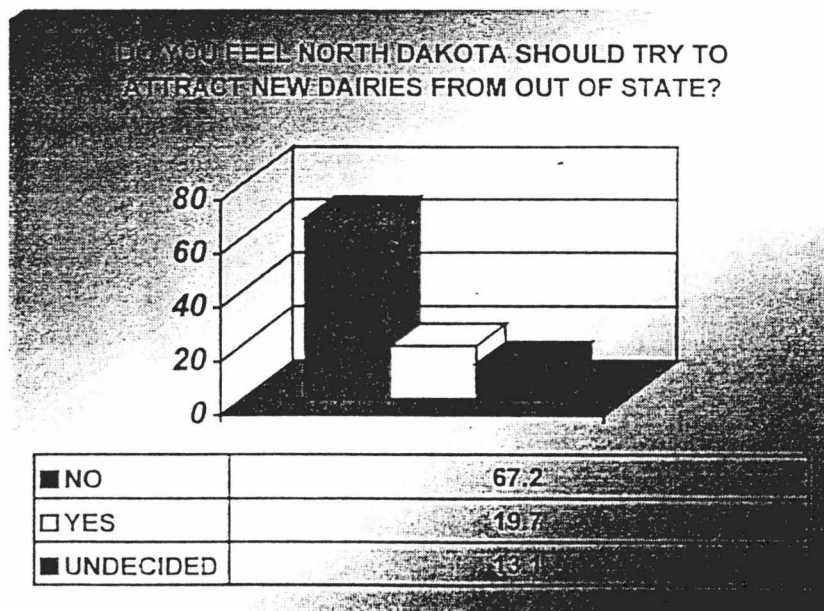


Figure 5

the cost of production. The danger of this type of system is that it could encourage overproduction, which would create huge government surpluses similar to those in the past. It would also have to take into consideration that the minimum price has to be higher than the cost of production.

The next series of questions dealt with expansion, "If North Dakota is going to expand, what should our state be doing to help with the dairy expansion?" It was very apparent that the producers don't want any State efforts going to entice out-of-state dairies to locate here.

Figure 6



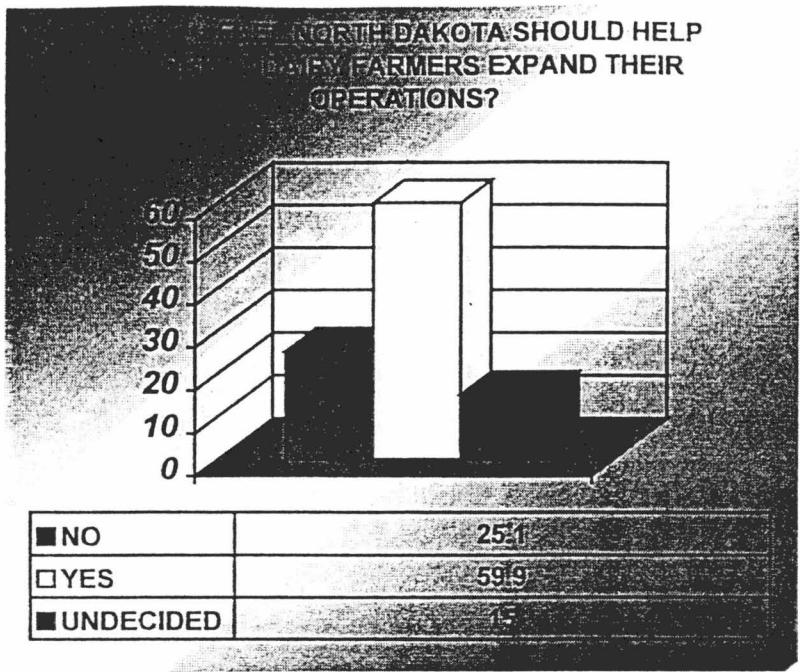


Figure 7

They feel it is important for the State to develop a plan to help young dairy farmers get into the business and also to help existing dairies expand. Low cost loans and assistance from a development specialist are two ways the State could help in this process. These conclusions are very evident in figures 7 and 8.

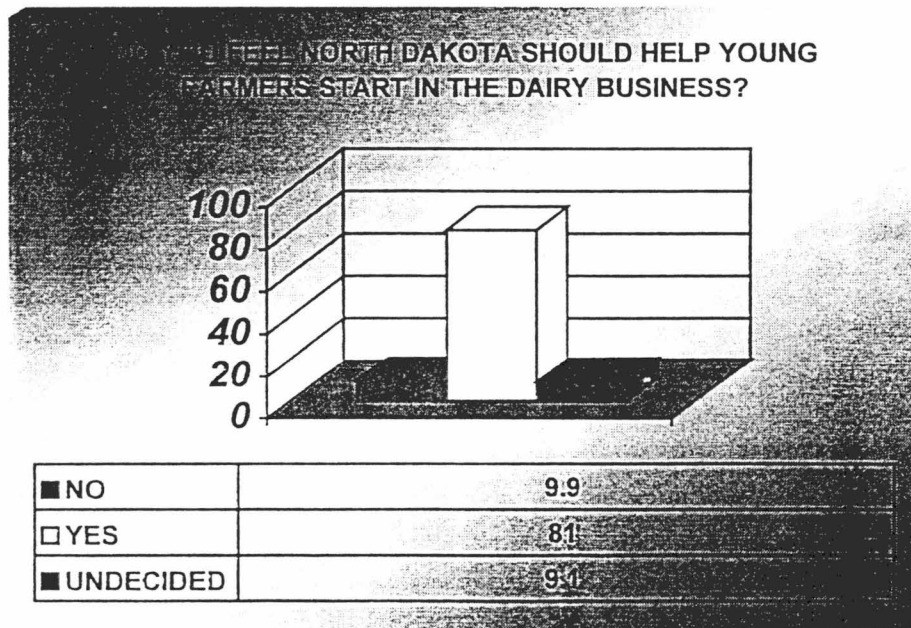


Figure 8

If the producer is to be helped, there needs to be an understanding about what producers feel are important conditions affecting the dairy industry. Figure # 9 clearly indicates that the conditions that affect the industry positively are feed availability, production, transportation, and financing. Those conditions that producers felt had a neutral effect were regulations and markets. A clear majority of the respondents felt that prices and lifestyle had a negative affect on the North Dakota dairy industry.

The demographics of the survey indicated the northwestern producers are the most negative about feed availability, markets, production, lifestyle, and transportation therefore, the northwest area of the state might not be the best location for dairies. Dairy producers in the northeastern part of the state seem to feel that prices, regulations, and weather are the most significant negative factors. However, those same producers feel strongly that production and feed availability are strong positive influences.

Other observations include:

- Eastern producers of the state feel feed availability is more positive than do producers in the rest of the state.
- Regulations are perceived in a more positive light from west to east.
- Weather is viewed as slightly more favorable to dairy in the west.
- Markets are perceived to be higher in the east.
- Production is viewed more in a positive light from east to west.
- Dairy farmers across the state regard lifestyles in a negative light.
- The central region regards transportation more positively than any other region.

- In the eastern part of the state, financing is viewed more on the negative view than in any other area.

The final question of the survey dealt with regulatory inspectors and how they deal with the producers. Overall the staff of the department was viewed as doing a satisfactory job in consistency, fairness, professionalism, accuracy, appropriateness and farm friendliness. See Figure # 10.

# CONDITIONS AFFECTING ND DAIRY INDUSTRY

5 - Very Positive  
4 - Positive  
3 - Neutral  
2 - Negative  
1 - Very Negative

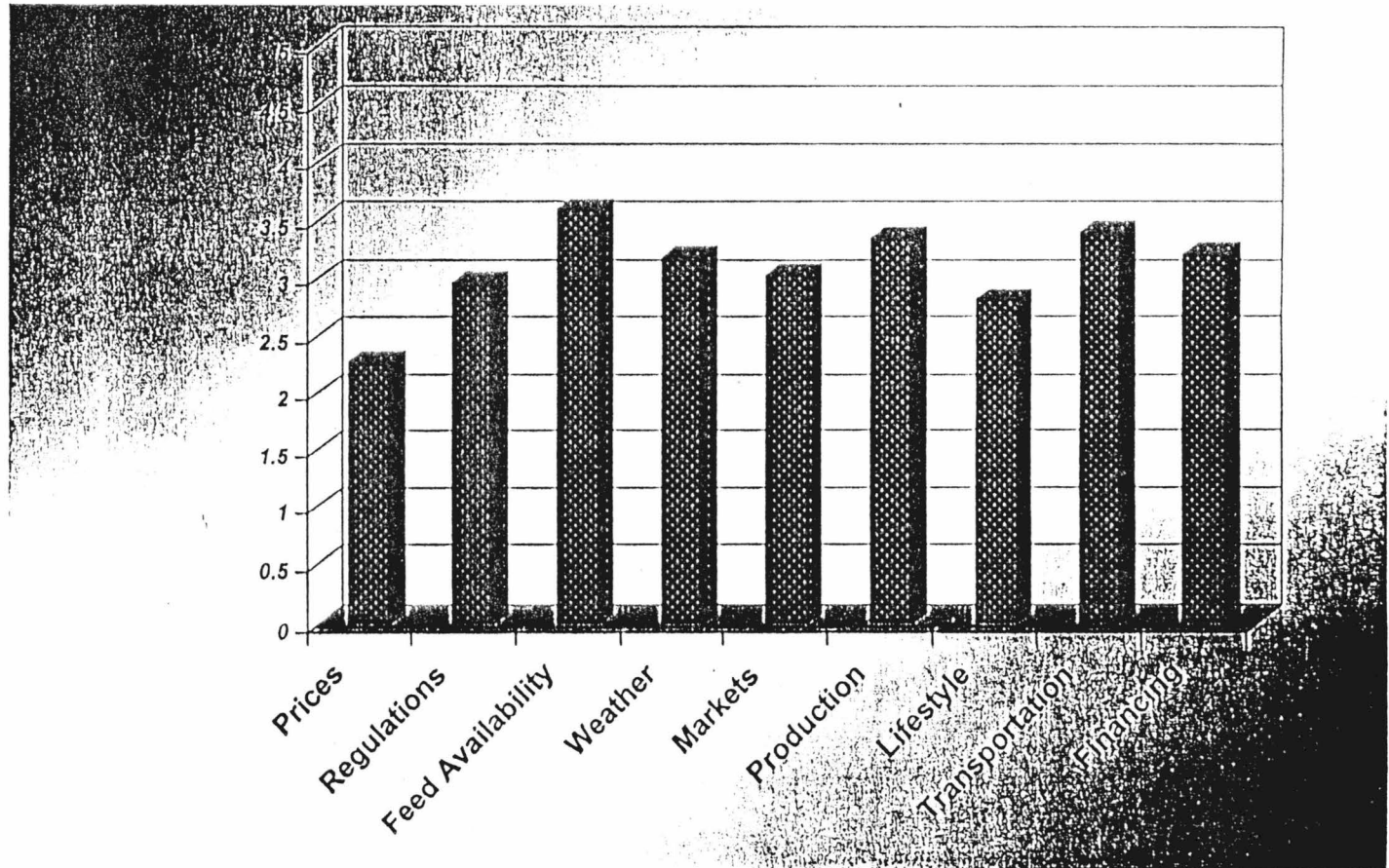


Figure 9

# HOW SATISFIED ARE YOU WITH NDDA INSPECTION PROCESS?

- 5 - Very Satisfied
- 4 - Satisfied
- 3 - Neutral
- 2 - Dissatisfied
- 1 - Very Dissatisfied

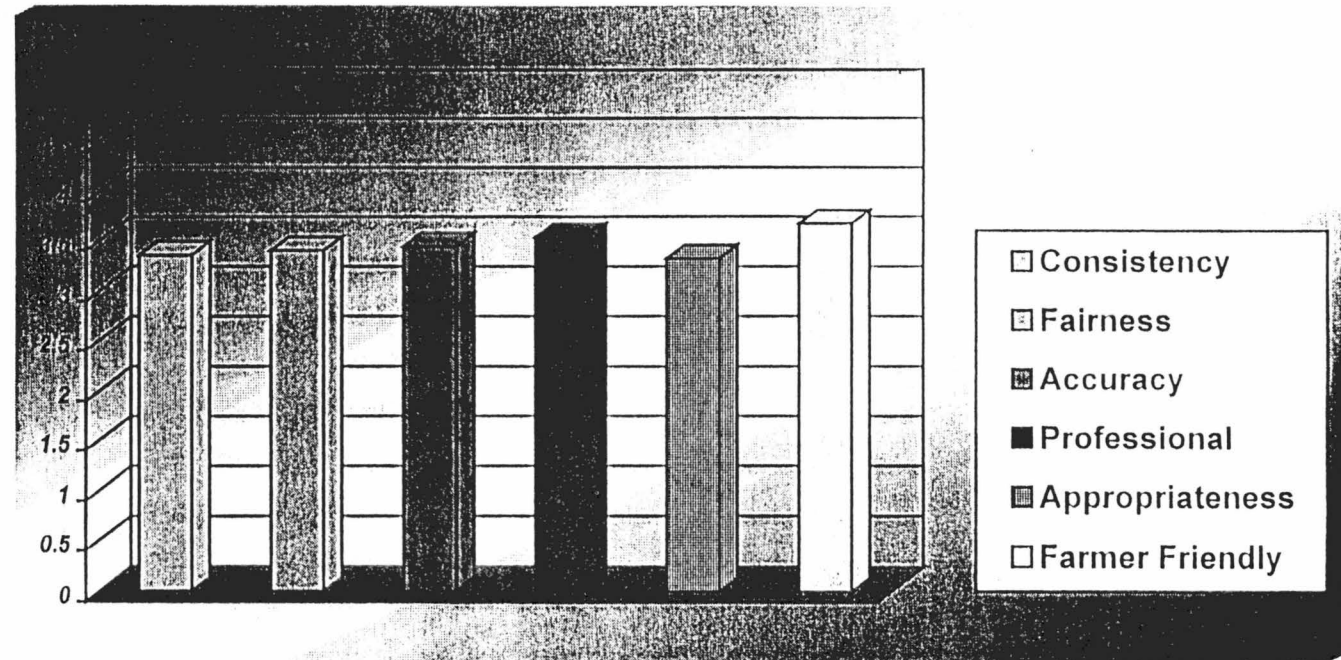


Figure 10

## ANALYSIS and CONCLUSION

The survey confirmed what the industry already knew in many areas. The number of dairy farms will continue to drop while the size of the remaining operations increase, which seems to mimic all production agriculture. Any future agricultural policy must contend with this trend.

Dairy farmers favor North Dakota helping existing dairies expand and placing special emphasis on helping beginning farmers instead of trying to bring large out-of-state dairy operations into the state. The dairy industry created a Dairy Diagnostic program in 1998 to help producers increase production.

The survey reinforced the need to develop and maintain policies that promote the industry by:

- Developing and implementing a means to assist existing dairy producers in expansion opportunities and to assist young producers who would like to start in the business. of
- Assisting locally established industry.
- Reducing government regulations.
- Using political means to provide a reasonable and profitable minimum pricing system.
- Eliminating the present price marketing system.
- Promoting those conditions including feed availability, transportation, financing, weather, and production factors, that are favorable to North Dakota dairy industry.

## REFERENCES

- 1) North Dakota Department of Agriculture
- 2) USDA, NASS: Ag Statistics No 67, June 1997
- 3) Tri State Dairy Initiative: Survey of Dairy Plant Capacity, December 1996



## Bibliography

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Rock Mooney, "Business structures to build on" Dairy Today, June/July 1998

Kenneth E. Olson, "Dairy Numbers Down" Hoards Dairyman, October 25, 1998

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William G. Zikmund, Business Research Methods, Fourth Edition  
Oklahoma State University, Dryden Press

ROGER JOHNSON  
COMMISSIONER OF AGRICULTURE



PHONE: (701) 328-2231

Dairy Producer,

The dairy industry recently has been faced with significant challenges and dramatic change. As a result, the North Dakota Department of Agriculture needs your ideas on how we can improve customer service and better target our attention to your needs. Please help us do that by taking a few minutes to answer the following questions. Your responses will be kept confidential by the ND Agricultural Statistics Service who will compile the information and provide us with a summary. Please return the questionnaire with the completed Milk Production Report in the enclosed envelope.

Thank You,  
*Roger Johnson*  
Roger Johnson  
Commissioner of Agriculture

Office Use Box		
Dist	Cty	Id
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Please answer these questions for the farm you operate. (Check the appropriate yes or no box.)	Answer Here		
	YES	NO	
1. Did you milk cows on your farming operation on January 1, 1998? (If yes, proceed to Item #2; If no, continue.)	100	101	
a. Did you quit milking cows in the previous two years (since January 1, 1996)? (If yes, please complete back page; if no, this concludes the interview. Thank You!)	102	103	
b. In January 1, 1998, what was the total number of dairy cattle on hand? (Include all milking and dry cows, replacement heifers, calves, and bulls)	104 Head		
3. Are you planning to liquidate your dairy herd during 1998?	105	106	107
4. Are you planning to expand your dairy herd during 1998?	108	109	110
a. If yes, what is the peak number of head you plan to milk during 1998?	111 Head		
5. Would you be in favor of donating an additional cent per hundredweight for a North Dakota Dairy Development and Education Program?	112	113	114
6. Do you feel the current federal marketing orders should be eliminated?	115	116	117
7. Do you feel the federal government should maintain a minimum price support system?	118	119	120
8. Do you feel North Dakota should try to attract new dairies from out of state?	121	122	123
a. Do you feel North Dakota should help young farmers start in the dairy business?	124	125	126
10. Do you feel North Dakota should help current dairy farmers expand their operations?	127	128	129
11. If you produce feed, do you keep separate cost of production records on each of your individual feed production enterprises? (Example: hay, corn)	130	131	132

12. Please rate the following conditions on how you feel they effect the North Dakota dairy industry. (Circle the best response.)

	Very Positive	Positive	Neutral	Negative	Very Negative
Prices . . . . . (132)	5	4	3	2	1
Regulations . . . . . (134)	5	4	3	2	1
c. Feed Availability . . . . . (135)	5	4	3	2	1
d. Weather . . . . . (136)	5	4	3	2	1
e. Markets . . . . . (137)	5	4	3	2	1
f. Production . . . . . (138)	5	4	3	2	1
g. Lifestyle . . . . . (139)	5	4	3	2	1
h. Transportation . . . . . (140)	5	4	3	2	1
i. Financing . . . . . (141)	5	4	3	2	1

13. How satisfied are you with the North Dakota Department of Agriculture inspection process? (Circle your response.)

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
a. Consistency . . . . . (142)	5	4	3	2	1
b. Fairness . . . . . (143)	5	4	3	2	1
c. Inspector Professionalism . . . . . (144)	5	4	3	2	1
Accuracy . . . . . (145)	5	4	3	2	1
e. Appropriateness . . . . . (146)	5	4	3	2	1
f. Farmer Friendliness . . . . . (147)	5	4	3	2	1

This concludes the interview. *Thank you for your time and cooperation.*

Please comment on any areas where you feel the North Dakota Department of Agriculture could improve service to the dairy industry.

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Name: \_\_\_\_\_

Phone: \_\_\_\_\_

SB 2009  
Dr. Schuler

4/10/99

#1

REVISED 4-6-99

### BOVINE TUBERCULOSIS REQUEST

Total Appraisal, Fried Herd	\$134,746
(minus)	
Federal Indemnity	(74,146)
Salvage value	(15,566)
<b>Indemnity Request for Tom Fried's Herd</b>	<b>\$45,034</b>
<b>Milk indemnity payment, Tom Fried</b>	
<b>(15 day X 220/ day)</b>	<b>\$ 3,300</b>
Appraisal, 30 cows(900/cow)	\$27,000
(minus)	
Federal Indemnity(450/cow)	(13,500)
Salvage value estimated (300/cow)	(9,000)
<b>Indemnity request, 30 cows</b>	<b>\$4,500</b>
3 actual Suspects as of 3-6-99 (appraised value)	\$3230
(minus)	
Federal Indemnity(450/cow)	(\$1350)
No salvage value	0
<b>Indemnity request, 3 cows</b>	<b>\$1880</b>
Estimated Suspect Appraisal for 7 cow(900/cow)	\$6,300
(Minus)	
Federal Indemnity (450/cow)	(3150)
Salvage value (300/cow)	0
<b>Indemnity request for suspects</b>	<b>\$3150</b>

Bovine  
TB

Board of Animal Health Operating Costs

Overtime and part time help	\$10000	
Mileage Motor Pool	\$ 4000	
Material and Vet supplies	\$ 2000	
Rental for equipment (chutes & other)	\$ 1500	
<b>Total Operating</b>		<b>\$ 17,500</b>
<b>Total request</b>		<b>\$75,364</b>

LEGISLATIVE COUNCIL LIBRARY HAS A COPY OR  
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**North Dakota Department  
of Agriculture**

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**Report to the 1999 Legislature**

Waste Pesticide collection and Recycling of Pesticide  
Containers



Pesticides

**TRANSFER.** The office of management and budget shall transfer \$160,000 from the environment and rangeland protection fund to the minor use pesticide fund, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SB2009 amendment

EPA CODE LISTING

	<u>Crop</u>	<u>Livestock</u>	<u>Other Ag &amp; Non-Ag Uses</u>
05 Fungicide			169
11 Insecticide		200	2,403
12 Herbicide	100		569
13 Disinfectant/Detergent		300	1,007
14 Plant Growth Regulator	50		12
15 Algaecide/Slimicide		100	372
16 Rodenticide	50	61	87
17 Vertebrate Pesticide			27
18 Parasiticide/Nematocide			28
19 Preservative			169
20 Fumigant	10		6
21 Larvacide	8		10
22 Nitrogen Stabilizer	1		
23 Dessicant/Defoliant	3		
24 Hybridizing Agent	2		
25 Other			15
26 Repellents (Dog,Cat,Deer)		35	41
27 Slugicides			4
28 Bactericide		10	16
41 Industrial Insecticide	30	40	34
42 Industrial Herbicide	10		20
43 Industrial Sanitizer		212	249
45 Industrial Fungicide	10	10	21
50 Industrial Fumigant		2	
51 Industrial Larvacide			2
53 Industrial Dessicant			2



55	Industrial Algicides			62
61	Ag Insecticide	456	24	
62	Ag Herbicide	521		
64	Ag Plant Growth	26		
65	Ag Fungicide	247		
66	Ag Rodenticide			3
67	Ag Vertebrate	0		
68	Ag Parasiticide		7	
69	Ag Preservative			1
70	Ag Fumigant	26		
71	Ag Larvacide		5	
72	Ag Nitrogen Stabilizer	1		
73	Ag Dessicant/Defoliant	8		
74	Ag Hybridizing Agent	1		
75	Other			1
81	Technical Formulations	7	6	
	TOTALS	1,567	1,012	5,330

Rough estimate of pesticide registrations, broken down into crop, livestock, and other ag and non-ag uses. Prepared for SB 2009 Conference Committee, Senator Solberg, Chairman.

April 8, 1999

  
Garry W. Wagner



4023 State Street  
Bismarck, ND 58501-0690 USA  
Phone: 701-328-5100  
FAX: 701-328-5101  
[www.sunflowernsa.com](http://www.sunflowernsa.com)

#### Minor Use Fund and the Pesticide Control Board

The National Sunflower Association was able to utilize the first grant from this fund created by the last Legislature. The Fund paid for residue work required by EPA. It allowed FMC, the manufacturer of Authority, to pursue a label on sunflower much earlier than previously anticipated. We hope to have a Section 18 label on this product for the 1999 season. Farmers will be able to control a number of broad leaf weeds with this product that cannot be controlled any other way. The NSA has already applied to the Fund to accelerate the labeling of two additional herbicides. NSA surveys indicate that farmers can increase yields by 30 percent with adequate weed control. This Minor Use Fund is an excellent example of public and private cooperation.

#### Wildlife Services:

Sunflower producers lose about \$15 million annually to blackbird damage in North Dakota. Wildlife Services is now using an avicide called DRC 1339 to control blackbirds that are doing damage. The product must be applied by Wildlife Service personnel. This is time consuming process. Wildlife Services is asking for additional personnel to work on this and other projects and the NSA is very supportive of that request.

Larry Kleingartner  
National Sunflower Association

## WILDLIFE SERVICES

The mission of Wildlife Services is to provide federal leadership in managing problems caused by wildlife to protect Agriculture and Public Health and Safety. Wildlife Services recognizes that wildlife is a significant public resource greatly valued by the people of North Dakota. By its very nature, however, wildlife is a highly dynamic and mobile resource that can damage agriculture, property, pose risks to human health and safety, and affect natural and man-made resources. The Wildlife Services program carries out the federal responsibility in cooperation with the State to manage problems that occur when human activity and wildlife are in conflict.

Coyote depredation on livestock, particularly calves and lambs accounts for the majority of predator related complaints received by Wildlife Services. Wildlife Services manages predator damage through the use of aerial and ground hunting, snares, traps, M-44's, and by providing technical assistance when appropriate.

Blackbirds annually cause an estimated \$20-30 million damage to sunflower corn and small grain crops in North Dakota. Wildlife Services manages blackbird depredation through reduction of habitat, particularly dense cattail stands, baiting projects, and technical assistance. Additionally, Wildlife Services research expends \$350,000 annually to refine and develop new methods to manage blackbird damage problems.

In 1994 Wildlife Services responded to 26 rabies in wildlife threat requests. By 1998 the number of requests had increased to 153. Additionally in 1998, Wildlife Services provided protection of timber resources, pasture land and road structures from beaver damage, after verifying \$331,328 in damages.

The proposed budget including the additional funding request will allow North Dakota Wildlife Services to continue to protect agriculture, natural resources, property, and to safeguard public health and safety. Wildlife Services is requesting a funding increase of \$115,831 to handle urban wildlife problems and assist with the increased effort of managing blackbird damage on sunflower, corn and small grains.

Wildlife Services in North Dakota has traditionally been a partnership of cooperative, State and Federal funding. Cooperative sources include cities, airport authorities, counties, water resource districts, other federal agencies and individuals and other private entities. Wildlife Services takes an integrated approach to both the funding and solving of a variety of human/wildlife conflicts in a manner which protects resources, without significant impacts on wildlife.



DOWNTOWN BUSINESS &amp; PROFESSIONAL ASSOCIATION

122 SOUTH MAIN • MINOT, ND • PHONE &amp; FAX: 701-852-8874

789 P01

MAR 10 '99 11:34

**FAX**

Fax to number:

857-4769

Attention:

Leo Bruner

Date:

3-10-99

From:

Elizabeth Flemming

# The *Heart* of Minot **DOWNTOWN**

Shop the Heart of Minot and Park **FREE** In the Park and Shop Lots!

Letter to : Education &amp; Environmental Committee

Re: Senate Bill 2009, Commission of Agriculture

Main Street Minot and surrounding areas are plagued with birds. The birds pose an enormous health hazard, they carry many diseases. The birds roost on roof tops where the birds and/or their feces is pulled into the heating and air conditioning units, exposing the employces and patrons to many unknown health hazards. The cost of cleaning and repairs to these units in our area in the past few years are thousands.

The unique and historic buildings in our area have birds roosting on ledges over hanging the streets. Bird feces on the sidewalks create a special problem when it rains, the sidewalks become slick as if covered with oil, people fall and are injured. The damage done to the old buildings from the birds is immeasurable in cost, bird feces is like acid eating away at the buildings. Due to damages caused by the pigeons the overall appearance of our area is much like ~~the inner city~~.

In the past private contractors were hired to control the birds. Due to public pressure to control the birds in the most humane way (cost was also a factor) the wild life services were consulted. The cost is an enormous expense to the many small businesses. The cost of control is financed by a few small businesses, however because of the growing problem, the businesses cannot continue to finance the pigeon control alone. The problem is city wide and the benefits are reaped by the city as a whole.

Please consider all factors of this bill, the economic and human impact this will have on our communities

Elizabeth Flemming  
Director,  
Downtown Business and Professional Association



**SB - 2009**

**House Appropriations  
Education & Environment Section**

**Rep. J. Wentz, Chairman  
Rep. E. Lloyd, Vice Chairman**

**9:00 a.m.  
March 11, 1999  
Rough Rider Room**

I am Gary R. Ness, Executive Director of the North Dakota Aeronautics Commission. I am entering this written testimony in support of the Agriculture Department's Appropriation Bill.

In particular, we in the aviation industry support the wildlife services section of the budget. These services have played a big role in our larger airports with wildlife control. Wildlife can be a hazard on airports and for many years the airports in the state did not have anywhere to go for the expertise that John Paulson and his staff provides to the problem. We highly support the continued support by the legislature for the program.

John can provide you with the necessary facts on this particular section during his part of the discussion in committee on SB 2009.

Thank you for your time and consideration.

# MINOT PARK DISTRICT

Administration  
857-4136  
FAX: 857-4769  
Zoo/GMZS  
857-4166  
Pro Shop  
857-4189

Box 538  
Minot, North Dakota  
58702

March 11, 1999

Park Maintenance  
Forestry  
Horticulture  
857-4178  
SVGC  
Maintenance  
857-4188

## House of Representatives Education and Environmental Committee

### Senate Bill 2009

I am here today asking for your support of the *USDA/APHIS/WILDLIFE SERVICES* enhancement package of \$116,000.00 for the purpose of addressing the increasing Urban wildlife problems.

While a healthy wildlife population can and often times adds to a communities quality of experiences it can also create many problems. There are laws and rules of conduct that prohibit the ordinary urban citizen from solving problems arising from the encroachment of wildlife in to a community or conversely the encroachment of the communities into wildlife areas.

In a rural setting if you have a problem with a skunk, fox, mink, or badger the logical solution is to dispatch the offending animal. In an urban setting this is not practical, nor do most urbanites have the equipment or the expertise to eliminate the problem without putting their fellow citizens in danger.

Two years ago I testified before the Senate Agriculture Committee in support of similar legislation on behalf of the Minot Park District, and I am doing so again today.

The Minot Park District uses the services of the USDA many times a year. The usual request is for the removal of Beaver in Oak and Roosevelt Parks. This usually occurs twice a year, in the spring of the year when the adults are moving to find new quarters and in the fall when the young have left their parents dens and are out looking for winter quarters.

I can not give you an estimate of the cost of replacing the young trees that have been removed by beaver in these two parks, but it is considerable. I can relate to you the costs of replacing animals lost in Roosevelt Park Zoo to Mink. In two nights a mink killed a flamingo \$2,500 to \$5,000.00, an Ibis \$200 - \$300 and an Egret at \$100. On another occasion a mink killed all the chickens in the children's zoo in one night. We have had problems with Herring Gulls in our penguin exhibit. Part of the penguins diet is smelt, herring and Capland. The smelt attract the Gulls, which are very brave and really do not care what deterrents you place in front of them as long as they can get to the smelt.

This would seem like a simple problem, but, the Gulls are a protected bird and therefore we can not take care of the problem in a logical manner, we have to call on the services of individuals that have the authority to deal with wildlife problems.

The problems that we have had to ask for assistance with, range from the above mentioned beaver and mink problems to gopher control on a soccer and softball field.

I must mention that the arrangement between the USDA Wildlife Services and the Park District are very good and we do provide special services and equipment to the service when needed in the form of large animal capture equipment.

I have been asked also to deliver a letter of support from the Minot Downtown Business and Professional Association.

Sincerely,

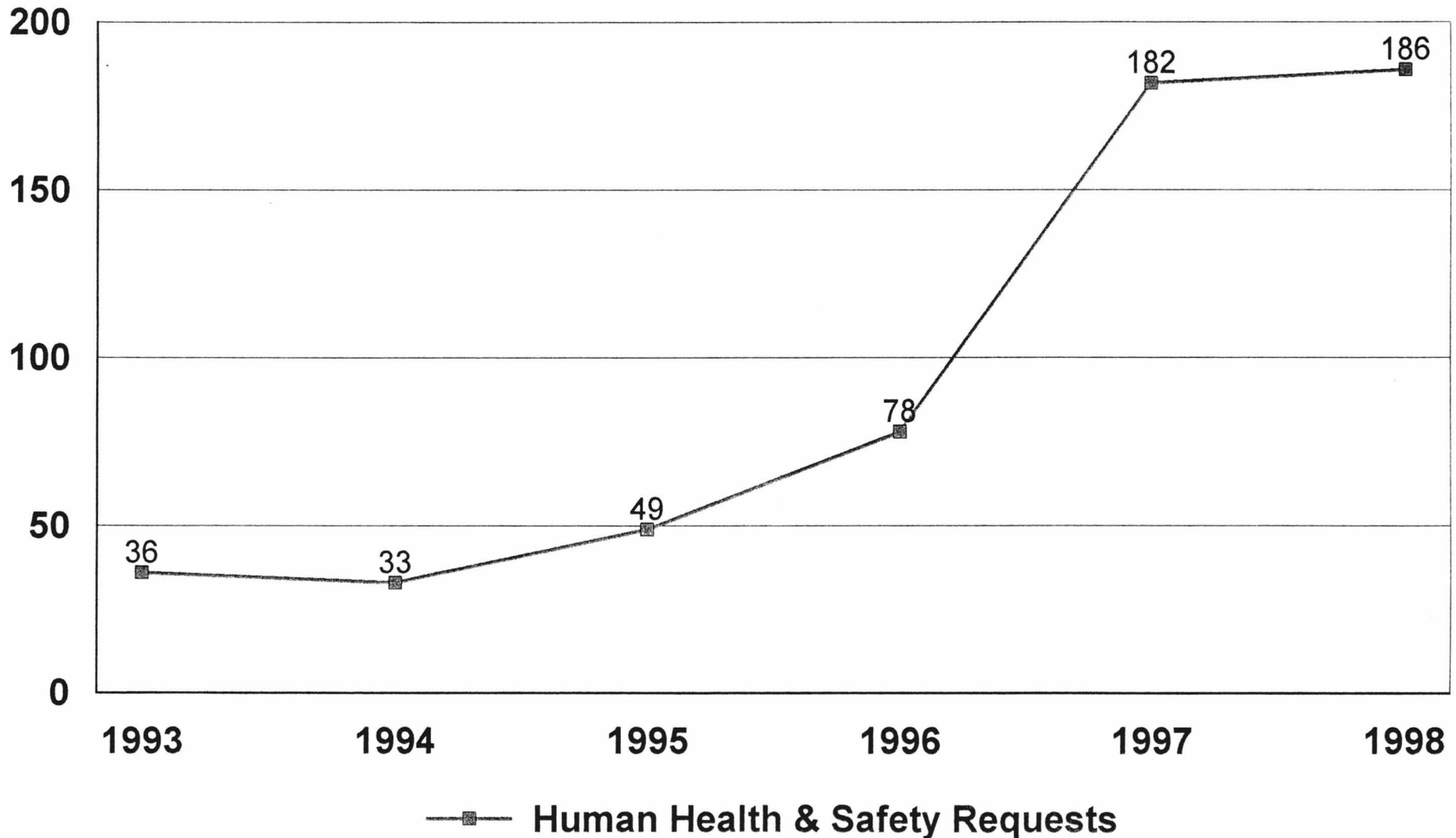


Leo D. Brunner  
Director of Parks  
Minot park District.

# Wildlife Services

## Human Health and Safety Requests

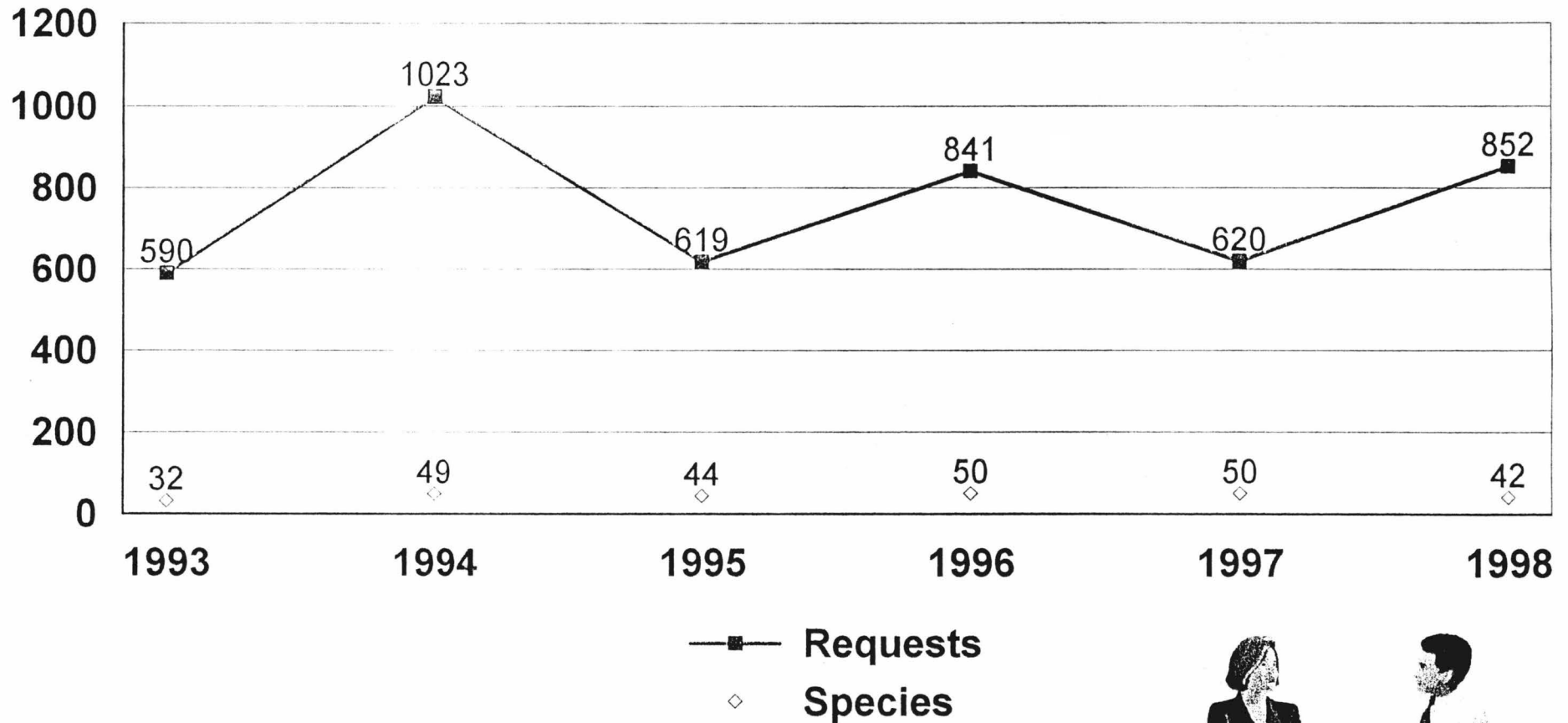
(Aviation/Airports, Rabies Threat, Other Disease, etc.)





# WILDLIFE SERVICES

## Request for Technical Assistance to Manage Wildlife Damage

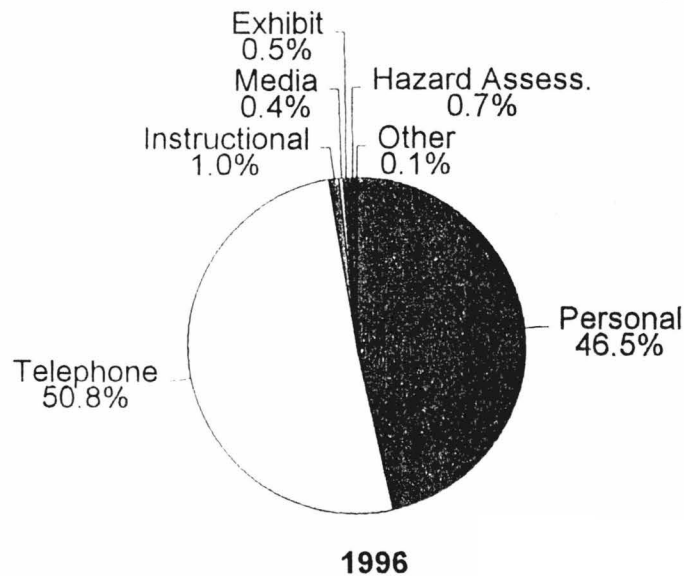
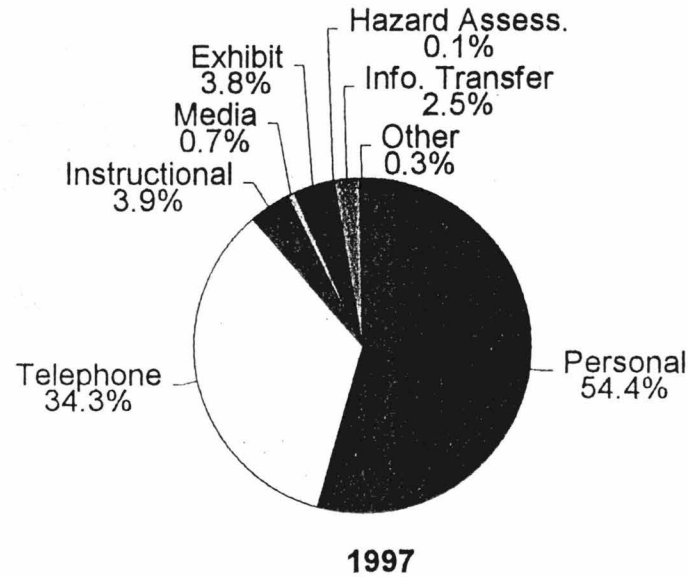
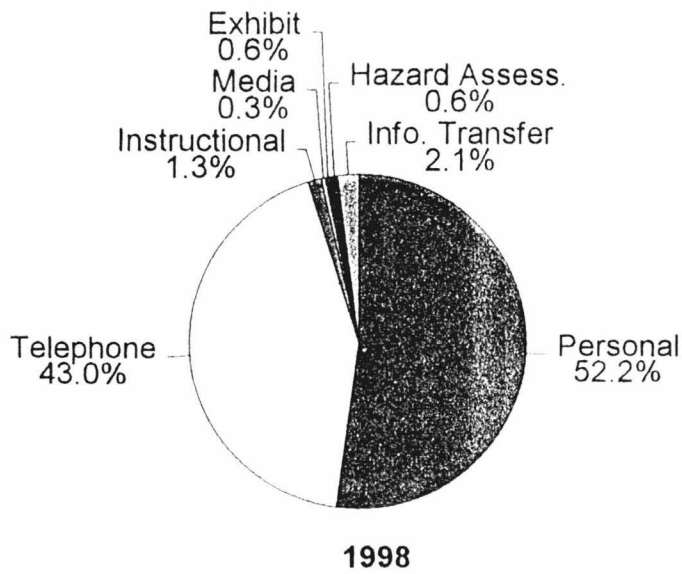


Number of Technical Assistance Projects



# WILDLIFE SERVICES

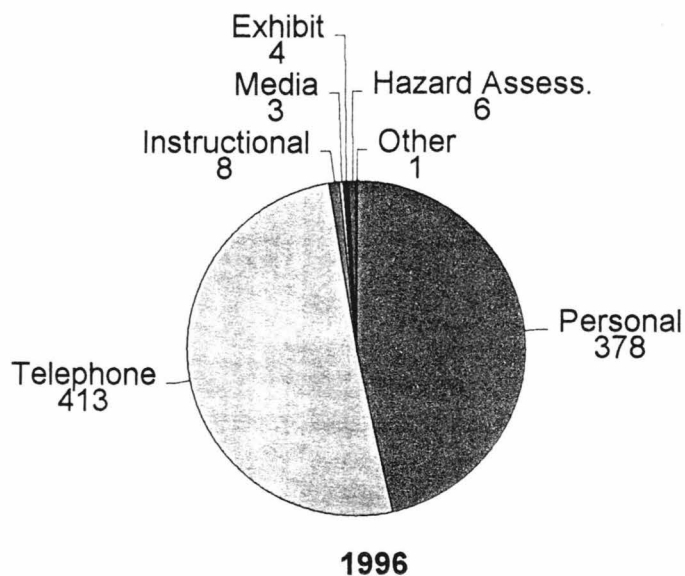
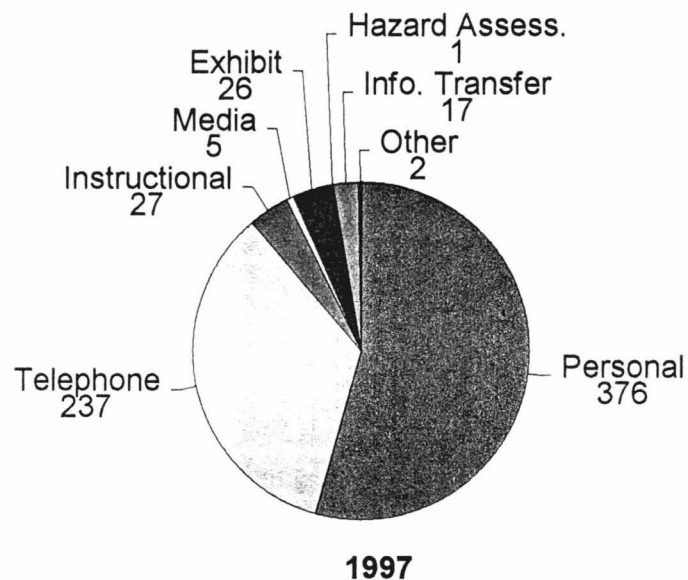
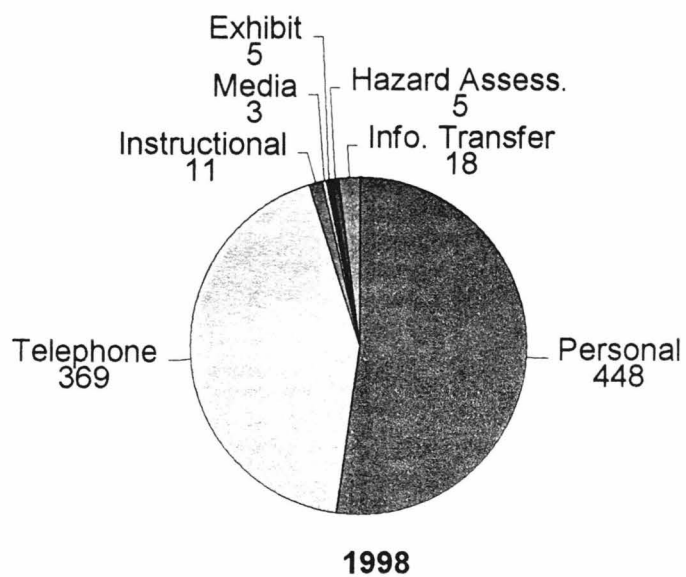
## Request for Technical Assistance to Manage Wildlife Damage 1996-1998



- Personal
- Telephone
- Instructional
- Media
- Exhibit
- Hazard Assess.
- Info. Transfer
- Other

# WILDLIFE SERVICES

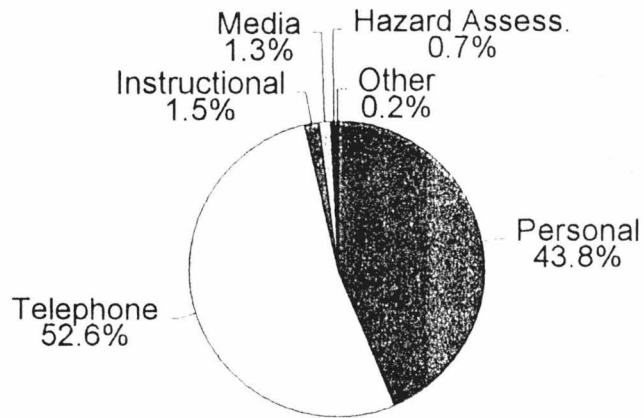
## Request for Technical Assistance to Manage Wildlife Damage 1996-1998



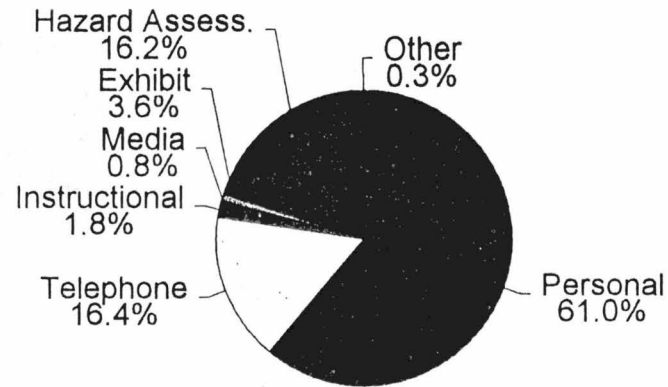
- Personal
- Telephone
- Instructional
- Media
- Exhibit
- Hazard Assess.
- Info. Transfer
- Other

# WILDLIFE SERVICES

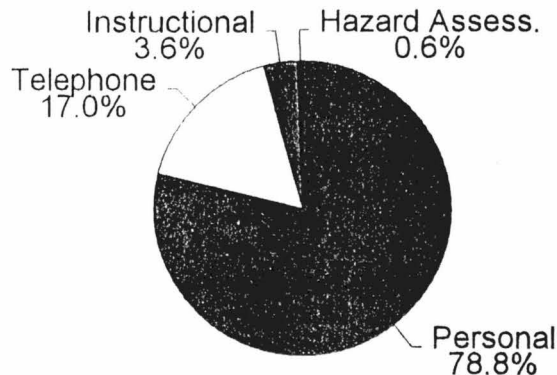
## Request for Technical Assistance to Manage Wildlife Damage 1993-1995



1995



1994



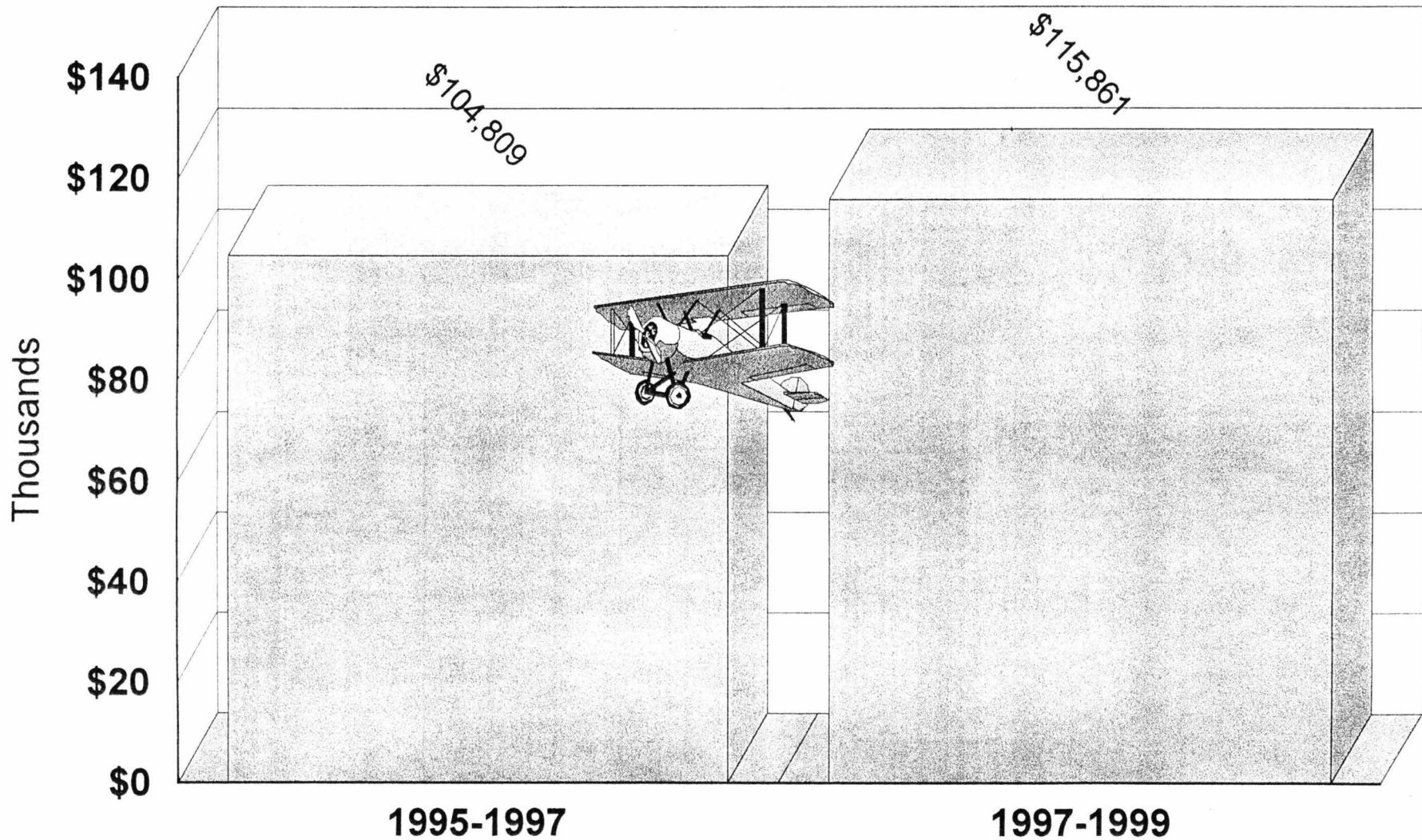
1993

- Personal
- Telephone
- Instructional
- Media
- Exhibit
- Hazard Assess.
- Info. Transfer
- Other

# WILDLIFE SERVICES

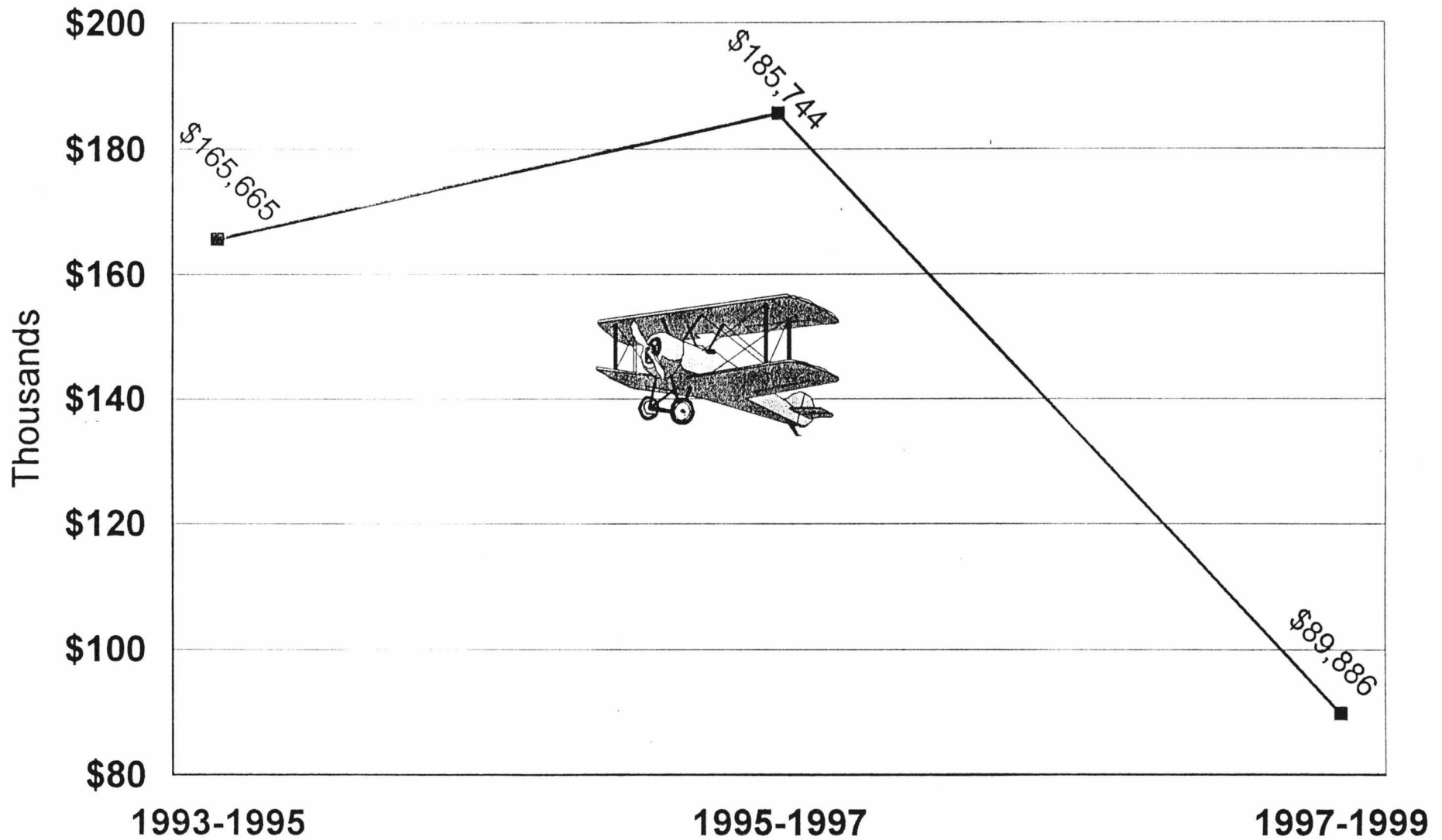
## State Funds

### Expended on Aerial Hunting



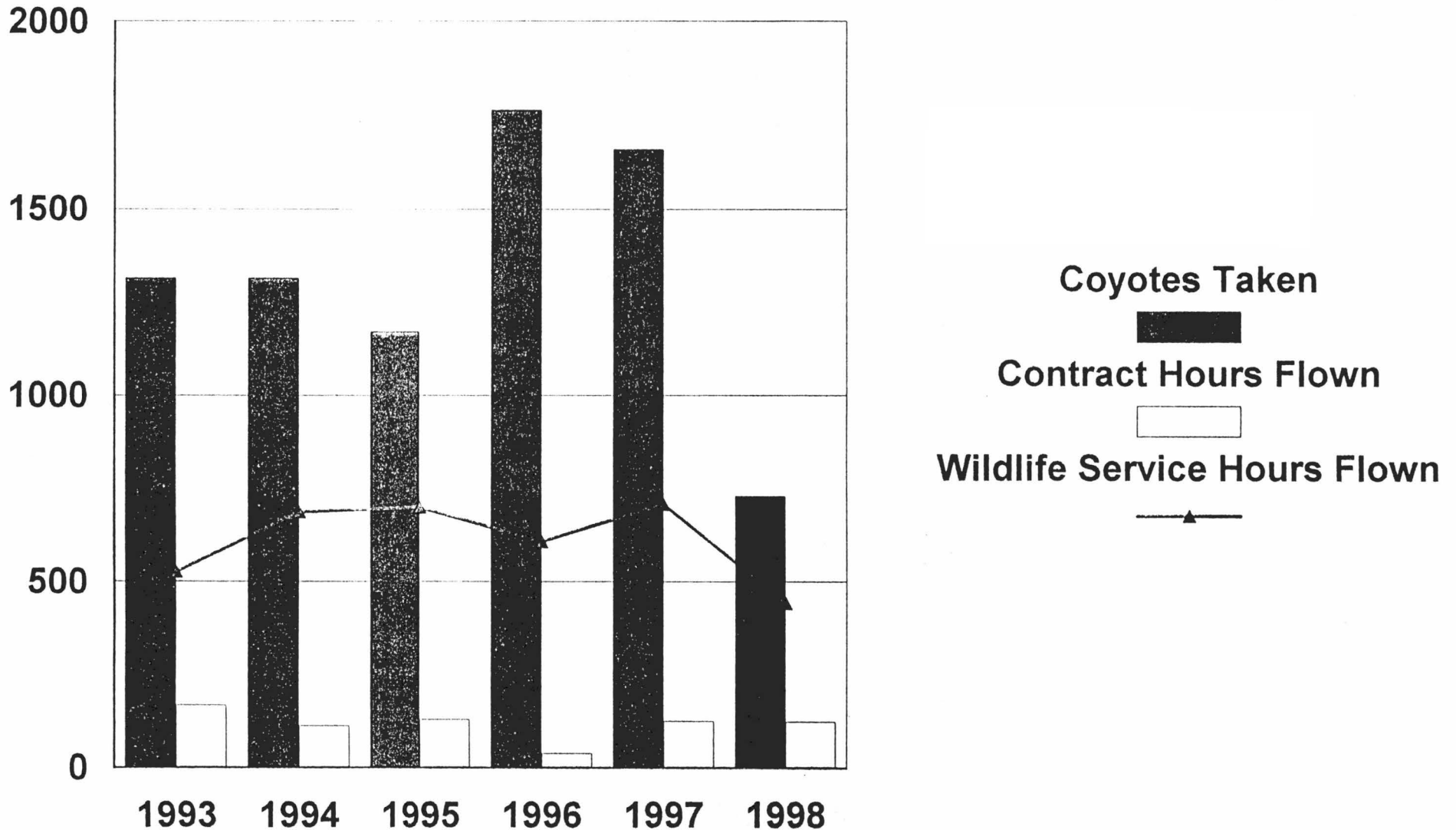
# WILDLIFE SERVICES

## Federal and State Funds Expended on Aerial Hunting



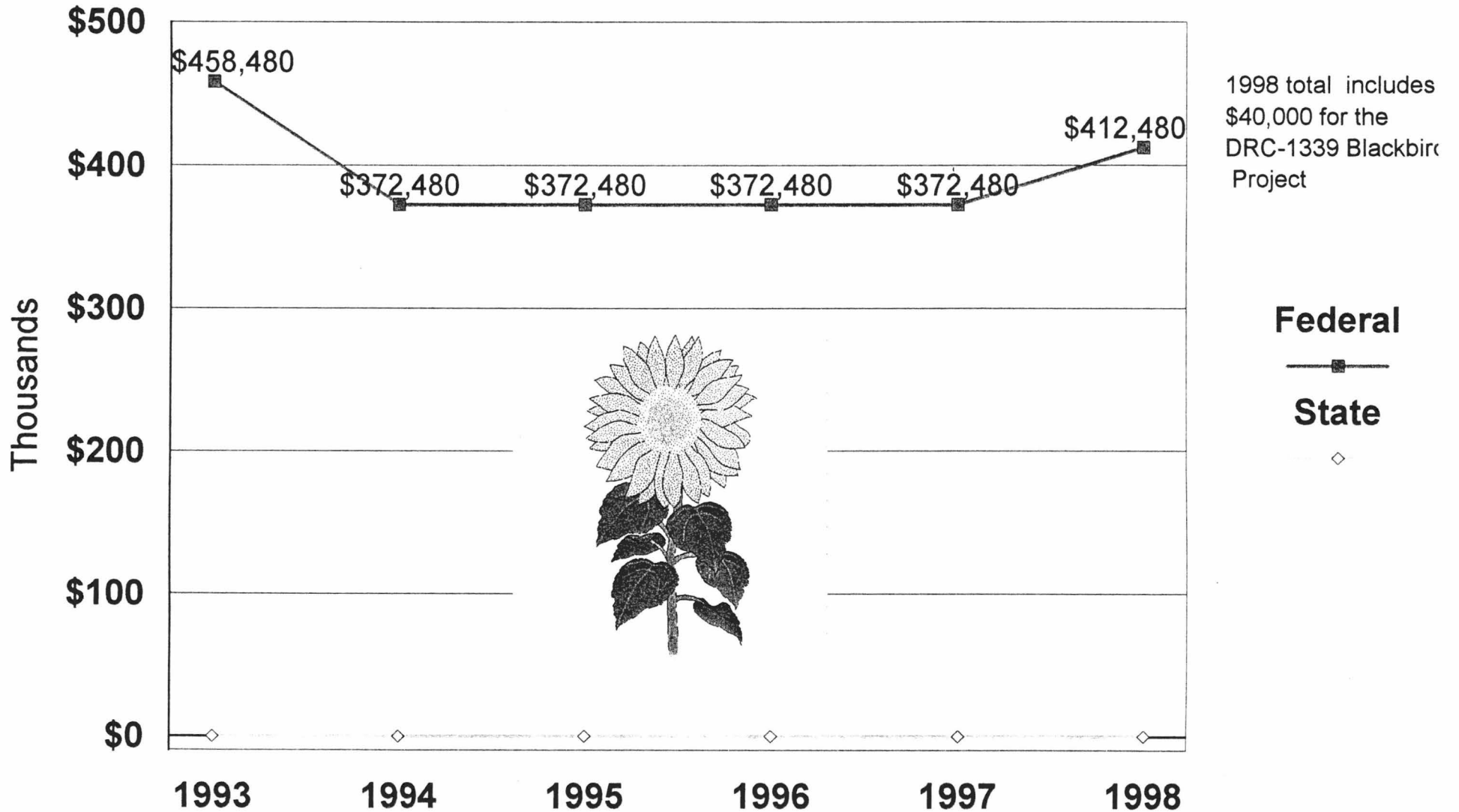
# Wildlife Services

## Coyotes Taken with Aircraft in North Dakota



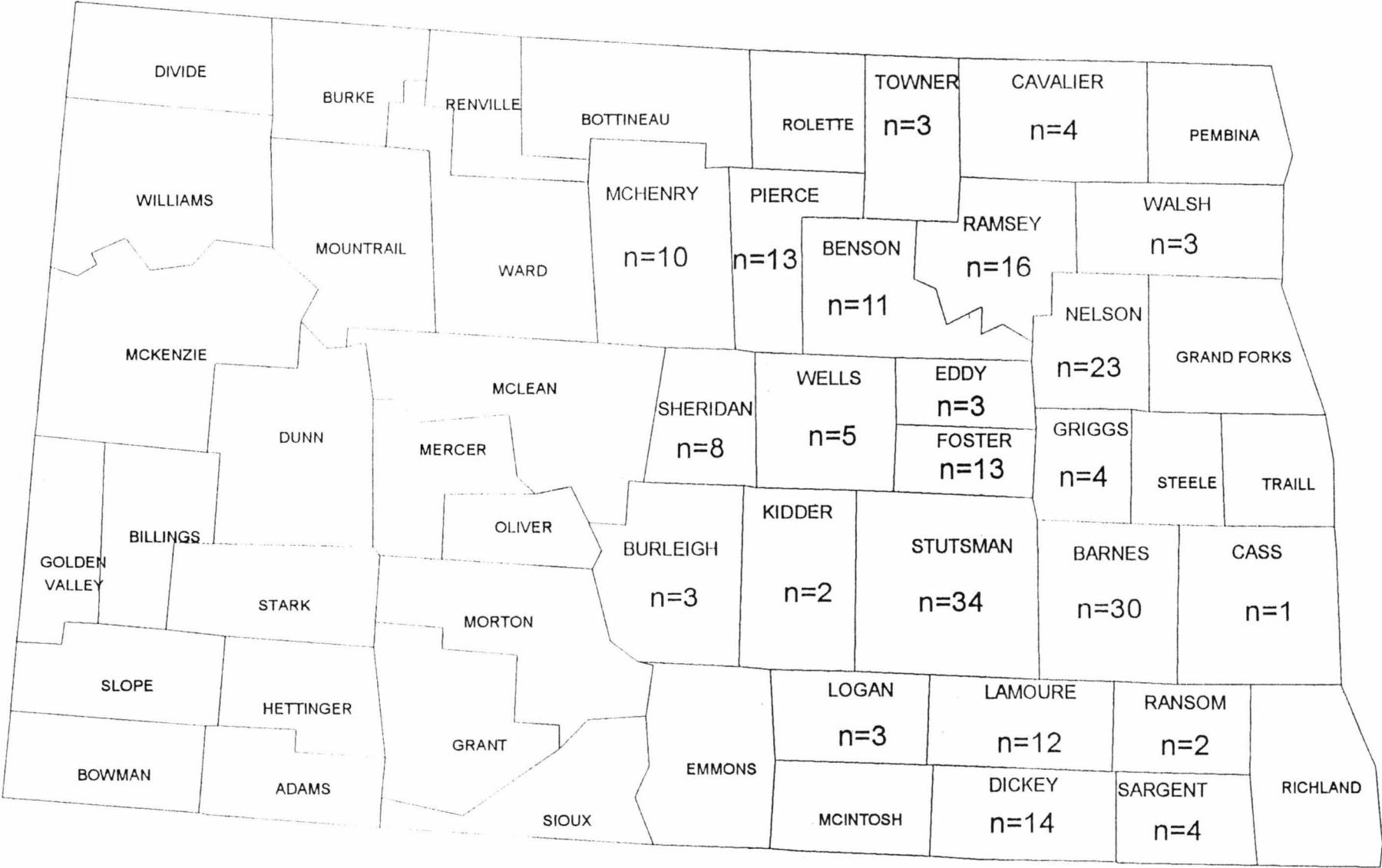
# WILDLIFE SERVICES

## Federal Congressional Directive and State Dollars Spent on Blackbird Management in North Dakota



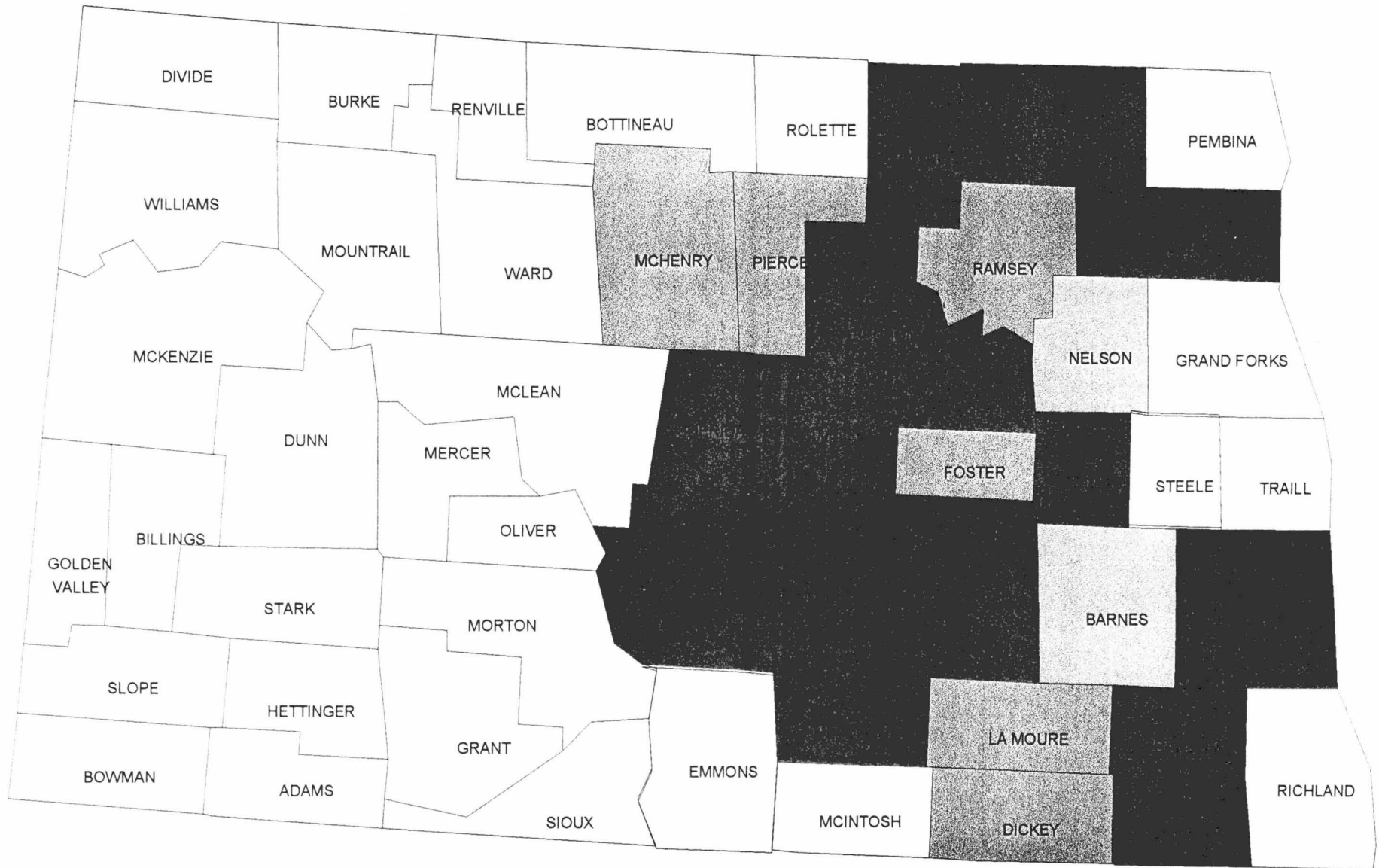


# Sunflower Producers Assisted During Fall 1998 DRC-1339 Baiting Project



Total Sunflower Producers Assisted = 221

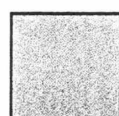
# Fall 1998 DRC-1339 Baiting Snaps Per County in North Dakota



1-20



21-40



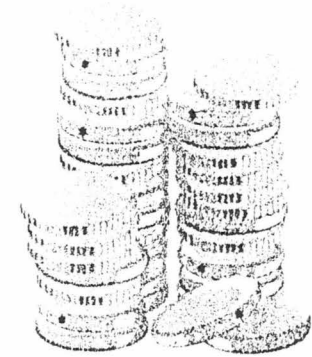
41-60



61-80+

# WILDLIFE SERVICES

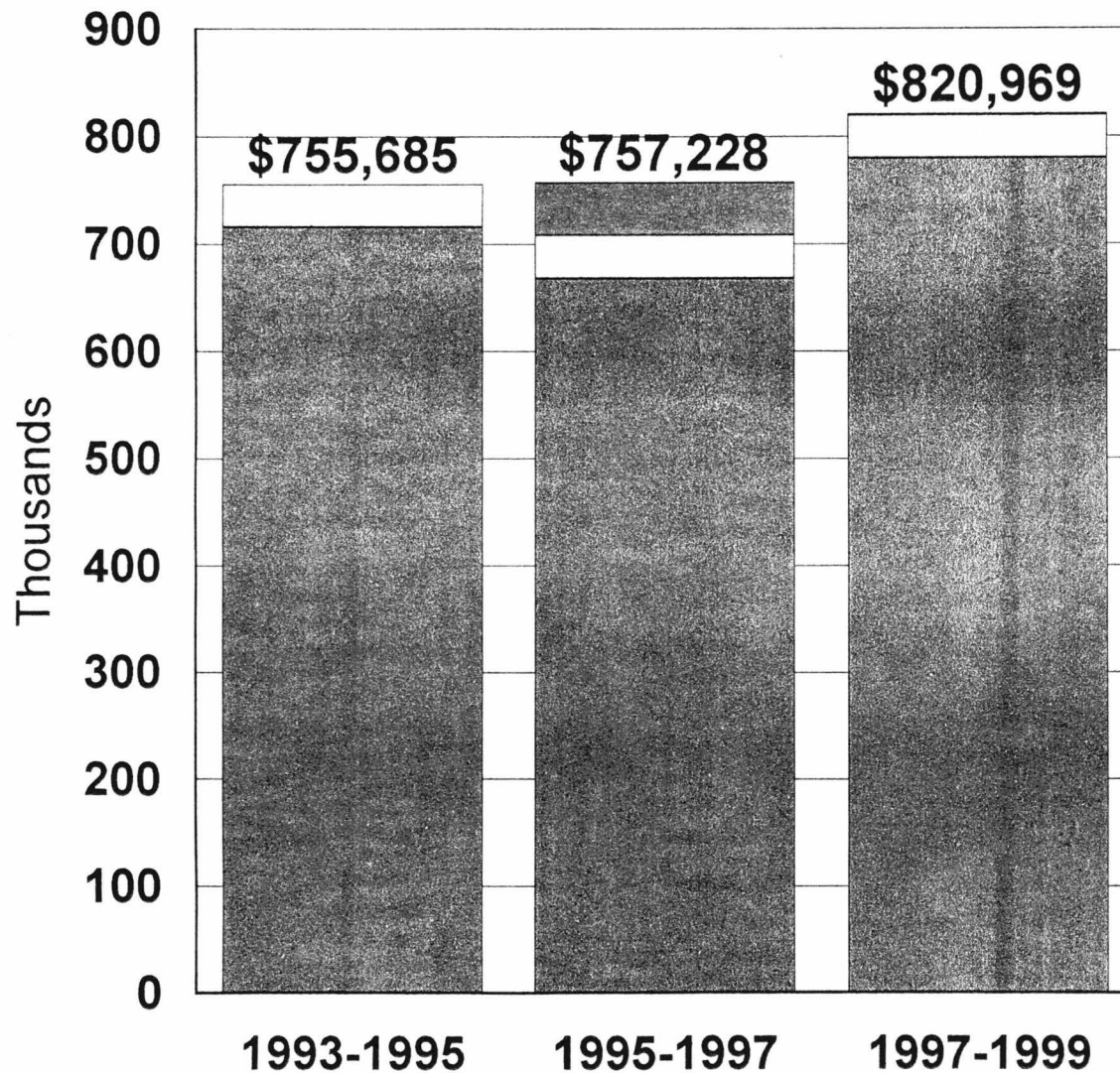
## Federal Funding



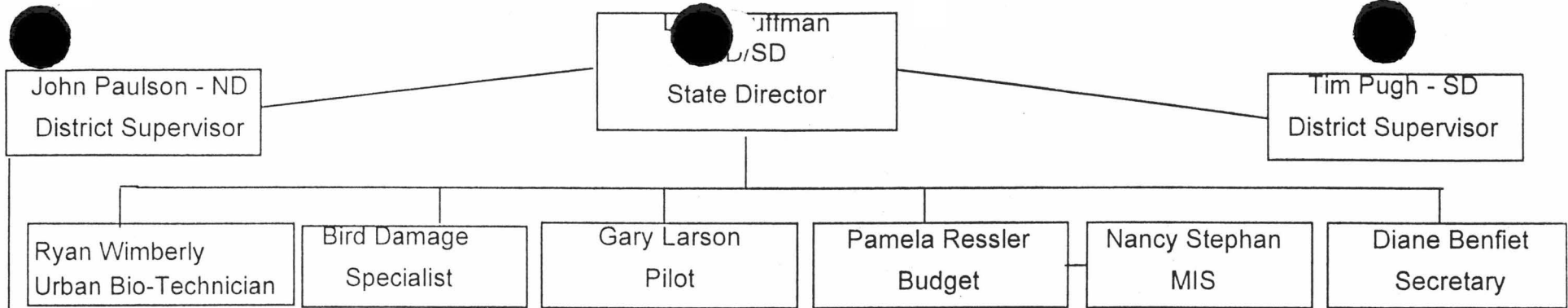
YEAR	BASE	BLACKBIRD	OTHER AGENCIES	TOTALS
1993	360,683	458,480		819,163
1994	379,551	372,480	1367.09	753,398
1995	376,241	372,480		748,721
1996	375,782	372,480	6307.19	754,569
1997	374,375	372,480		746,855
1998	363,388	412,480		775,868

# WILDLIFE SERVICES

## Non-Federal Funding



- Counties/WRD/Other
- ND Game & Fish
- ND Dept. Agriculture



District 1 - Greg Simonson  
Specialist - Alexander 828-3425

District 2 - Jerry Shoemaker  
Specialist - Stanley 628-2773

District 3 - Scott Evens  
Specialist - Granville 728-6623

District 4 - Mike Duncan  
Specialist - Devils Lake 662-8873

District 5 - Kirby Morgenstern  
Specialist - Beulah 873-7780

District 6 - Mark Zaun  
Specialist - Carrington 652-2830

District 7 - John Plaggemeyer  
Specialist - New England 579-4411

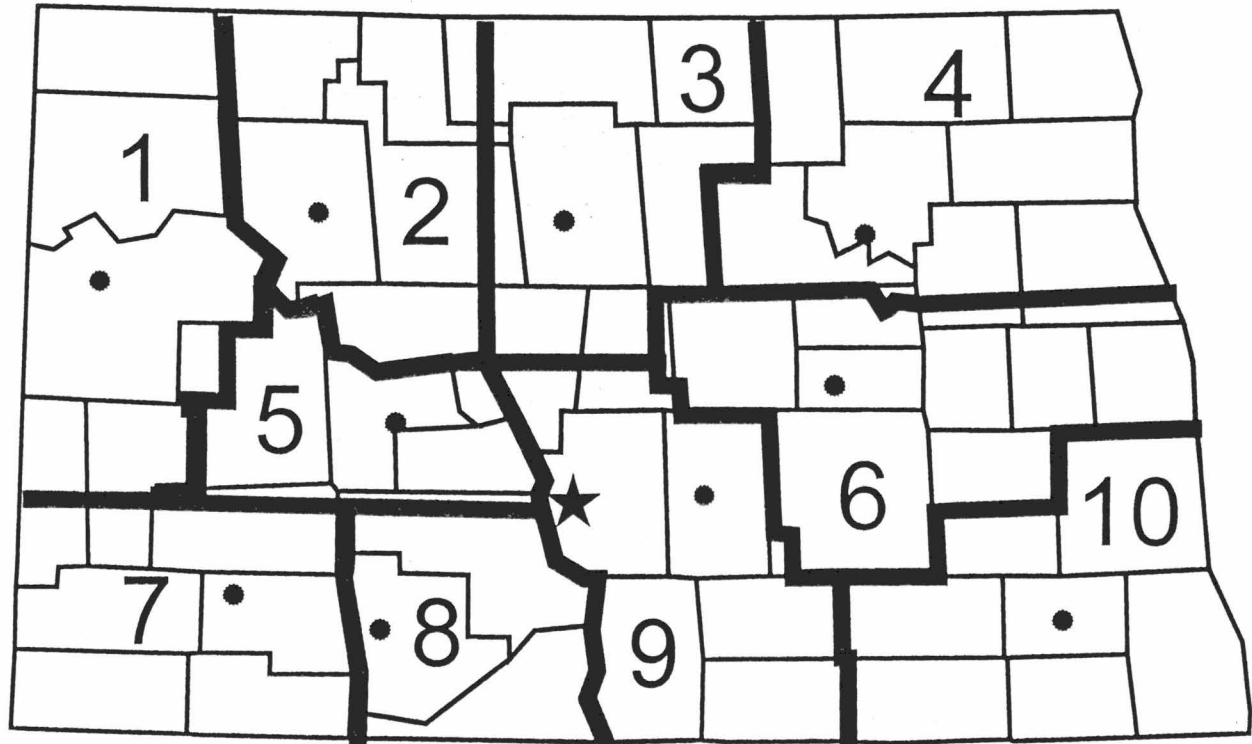
District 8 - Joe Grimson  
Specialist - Elgin 584-2804

District 9 - Russell Schmidt  
Specialist - Dawson 327-4540

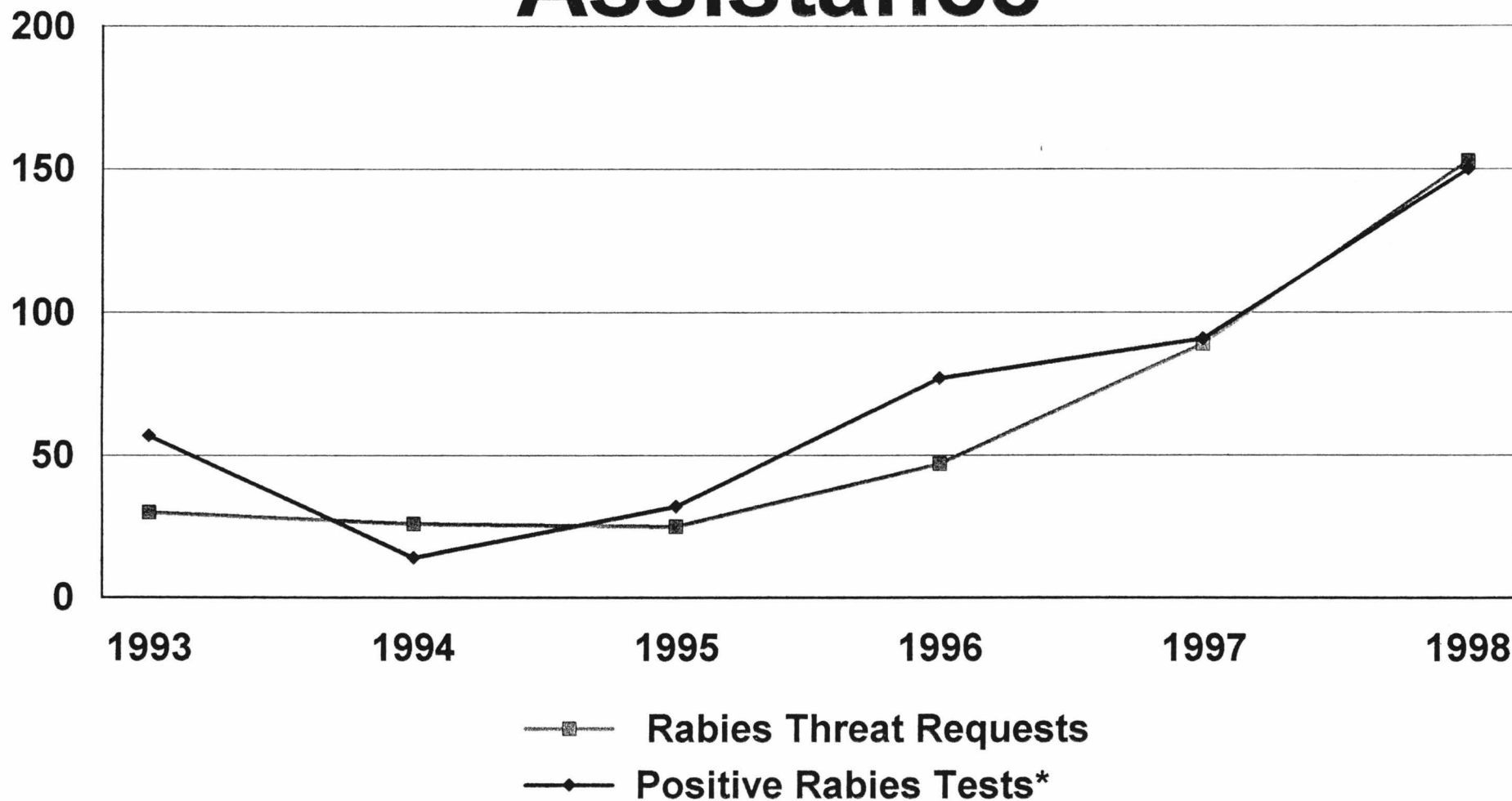
District 10 - Vacant  
Specialist - Lisbon

## NORTH DAKOTA/SOUTH DAKOTA WILDLIFE SERVICES

2110 Miriam Circle, Suite A  
Bismarck, ND 58501  
701-250-4405



# Rabies Threat Requests For Direct Control and Technical Assistance



\*North Dakota Department of Health

# Wildlife Services

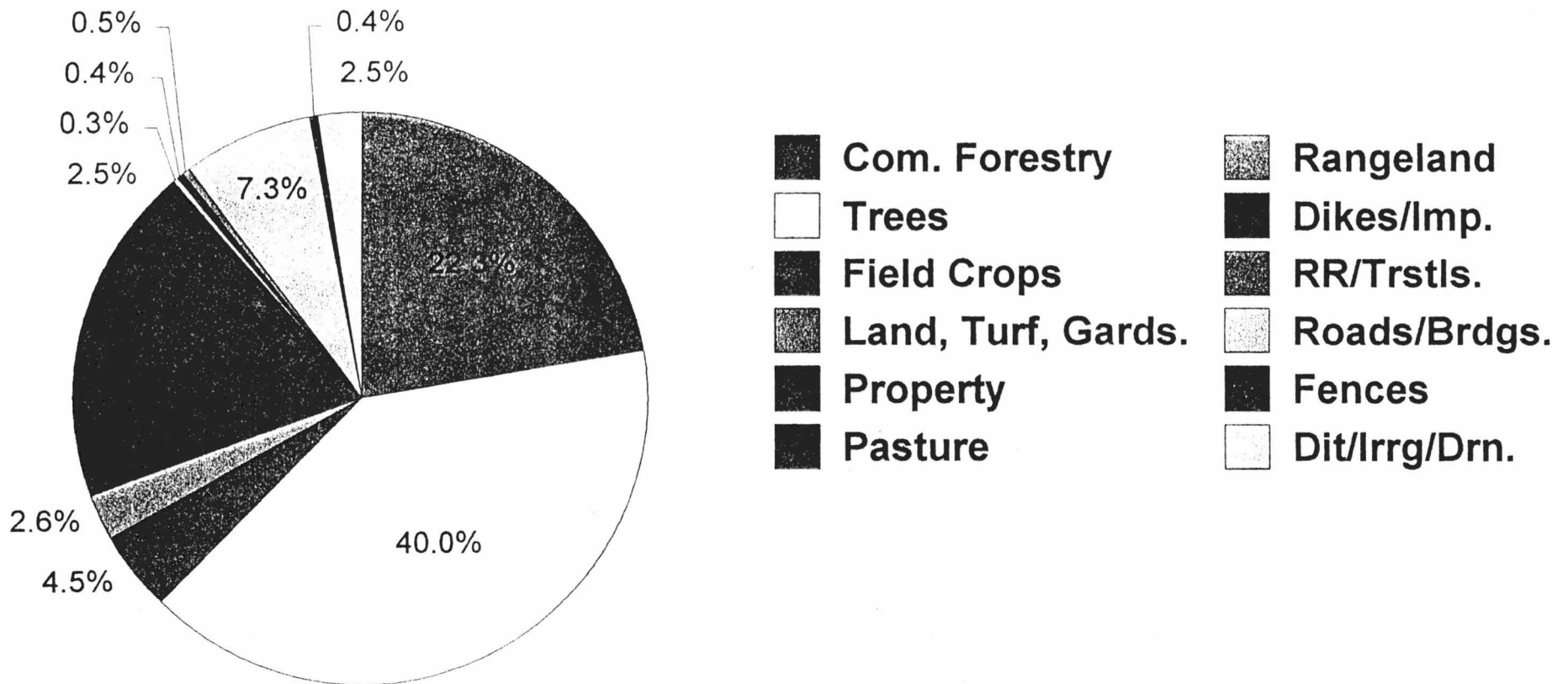
## Rabies Threat Requests by Species

	1993	1994	1995	1996	1997	1998
Bat		5		4	2	2
Cat		2			2	2
Coyote						1
Dog	2		1	1		1
Fox			2		2	
Muskrat						1
Raccoon	1		1	5	1	
Skunk	27	18	20	37	82	146
Weasel		1	1			
<b>Totals</b>	<b>30</b>	<b>26</b>	<b>25</b>	<b>47</b>	<b>89</b>	<b>153</b>

# WILDLIFE SERVICES

## Beaver Damage to Resources

1998

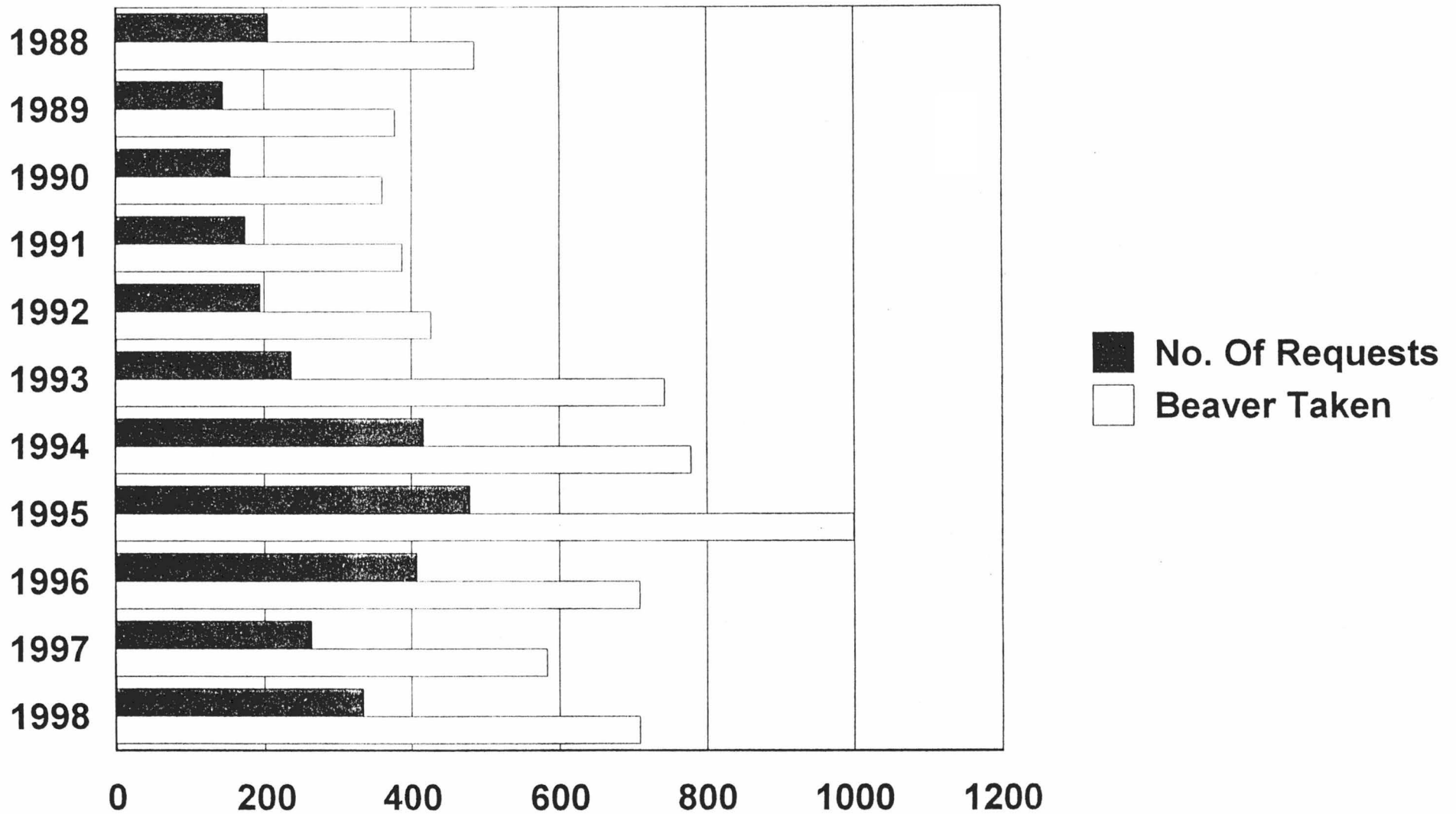




# WILDLIFE SERVICES

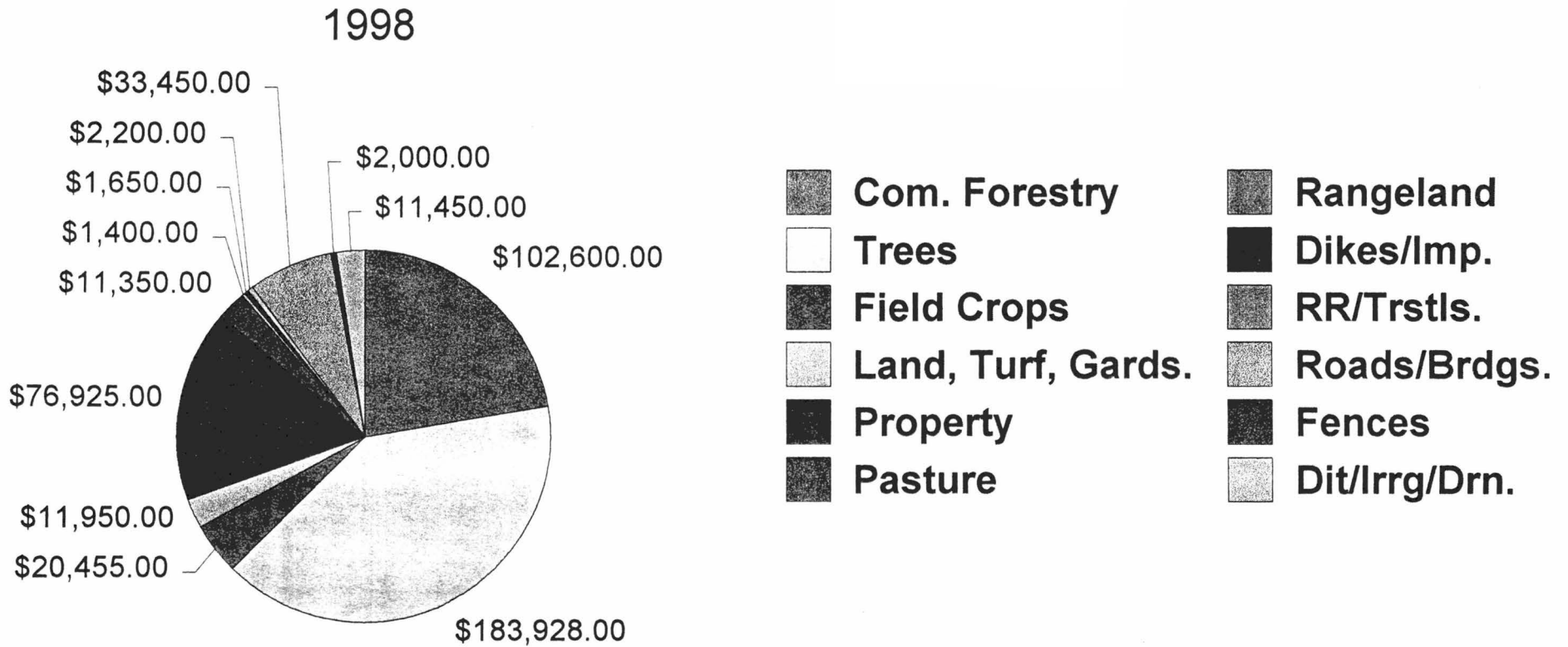
## Number of Requests

### Beaver Taken



# WILDLIFE SERVICES

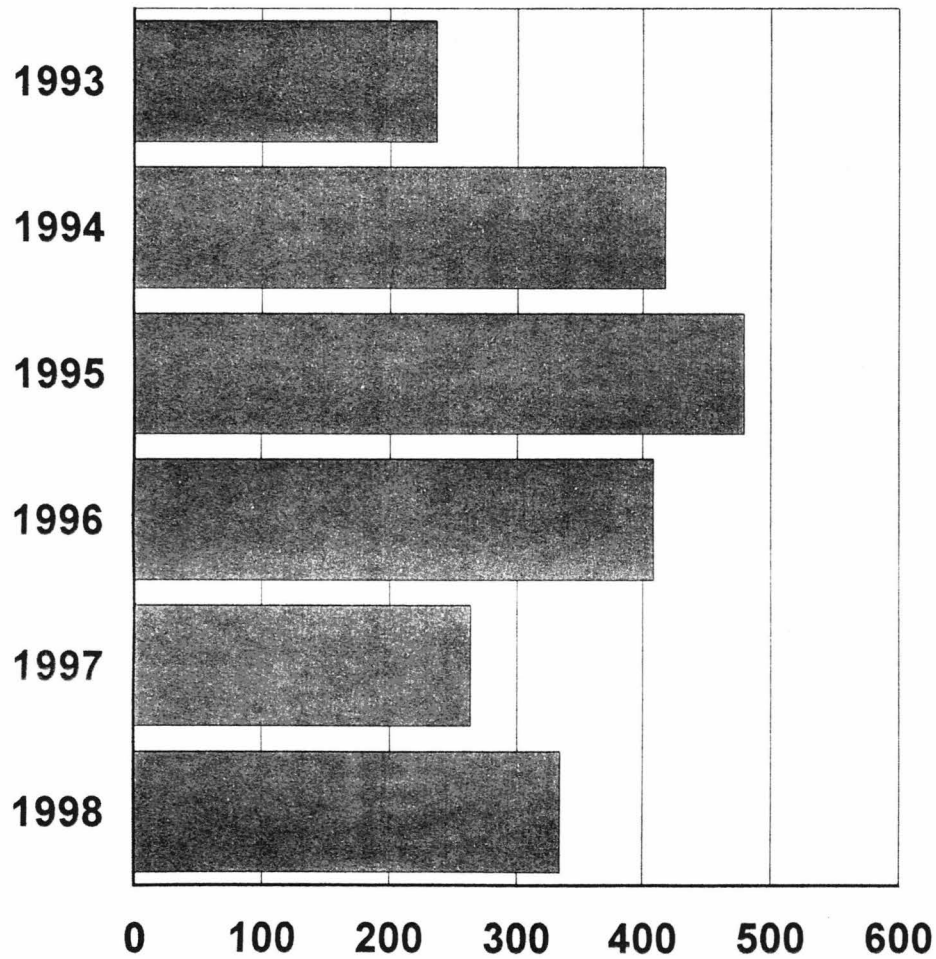
## Beaver Damage to Resources



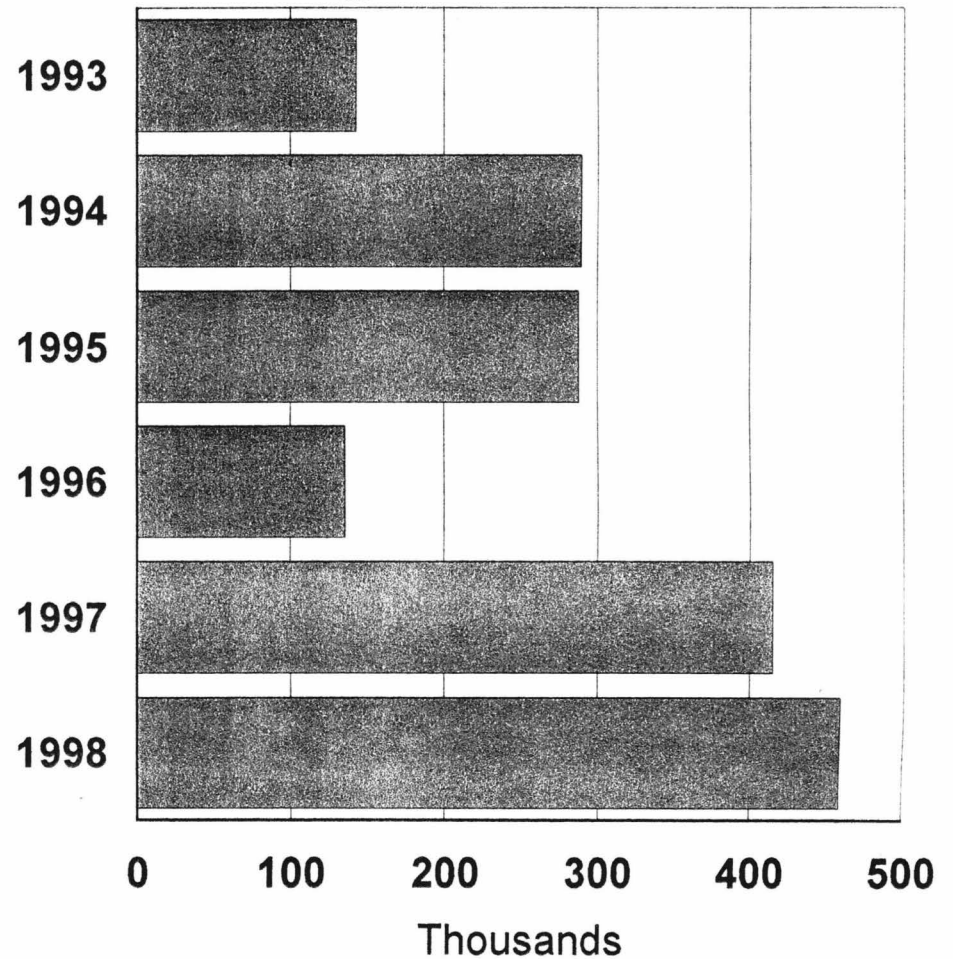
# Beavers

## Number of Requests

## Amount of Damage



■ Requests



■ Amt. of Damage