

2001 HOUSE APPROPRIATIONS

HB 1009

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 9, 2001

Tape Number	Side A	Side B	Meter #
01-09-01 tape #1	0 - 6238	0-3485	
Committee Clerk Signature <i>Kurt Wick Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1009, the appropriations budget for the Agriculture Commissioner.

Roger Johnson, Agriculture Commissioner: Handed out prepared written testimony, labeled Budget Presentation of the 2001-2003 Biennium. The written testimony, pages 1 through 4, cover an introduction of the North Dakota Department of Agriculture (NDDA). The Department 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. Agriculture is a driving force in ND's economy, employing nearly ¼ of the work force in production and ag-related businesses and accounting. Agriculture has generated more than \$3 billion in cash receipts last year. The two largest agriculture industries, wheat and cattle, have brought low and negative returns to producers in recent years. The department is working to build animal agriculture in the state

through new dairy initiatives, the state meat inspection program, and new alternative marketing opportunities, working to harmonize pesticide use, regulation, and enforcement, disposing of unusable and unsafe pesticides, using the Internet, assisting businesses and individuals in the state to apply for federal funding, working with commodity groups, educating new generations about agriculture, providing negotiation and mediation services, and working with weed boards, partners and landowners to control the spread of weeds.

The Department has four areas, Executive Services, Agricultural Mediation, Livestock Services, and Plant Industries. Page 4 of the written testimony shows an organizational chart of the department. Pages 5 and 6 of the written testimony pertain to the Executive Services area that provides administration, coordination, and support to all department program areas, including administration, accounting, agriculture in the classroom, policy and communications, computer services, marketing services, and reception services. Page 5 shows a chart of revenue sources. The Agriculture Commissioner serves on a number of boards and commissions around the state, listed on page 5. Marketing Services helps ND companies obtain federal grants. Pride of Dakota is the centerpiece of Marketing Services activities. The program assists ND companies through trade show subsidies, retail and wholesale trade show organization, trade missions, seminars, cooperative advertising and promotions, one on one counseling and business opportunities. Pride of Dakota has grown over the years. The membership has grown from 20 members to 315 members in 15 years. Marketing Services has developed an Internet mail address, providing Pride of Dakota companies an opportunity to reach out of state customers at a low cost. Agriculture in the Classroom fosters a greater awareness by school students of the importance of agriculture. Activities include training, classes, a traveling classroom and

computer activities. There is an Executive Services budget comparison for last biennium and the requested biennium on page 6.

Pages 7, 8 and 9 pertain to Agricultural Mediation. A chart on page 7 shows revenue sources. Ag Mediation offers negotiation and mediation services to resolve differences among creditors, farmers and others. Mediation is a voluntary process for farmers and private creditors, but mandatory with FSA and FCS and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Negotiators help ranchers and farmers with financial problems, loan restructuring, and loan applications. Most AMS field staff (negotiators and mediators) are temporary employees who are paid hourly wages, and receive no benefits. The number of AMS FTE's and non FTE's has decreased over the last two years. On page 8 of the written testimony there are other activities listed that the AMS was involved in. Page 9 of the written testimony shows the Mediation budget comparisons.

Livestock Services is discussed in the written testimony on pages 10, 11, and 12.

Livestock Services is comprised of Livestock Licensing Section, Dairy/Poultry Section, State Board of Animal Health, and State Meat Inspection and Wildlife Services. The main focus of the program is regulating ND's livestock industry. Page 10 shows the funding sources. Livestock Licensing Section protects the livestock industry by licensing livestock dealers and auction markets. Field investigations are routinely conducted to uncover unlicensed dealers. The dairy section protects, encourages, promotes and enhances the marketability of ND dairy and poultry resources by assisting the industry in complying with statutes and regulations. The section is administered by a director, one clerical staff person, and three inspectors. The state has 12 dairy processing plants and nine milk transfer stations, inspected four or more times annually.

Distribution facilities, farm bulk trucks and sampler/haulers are also inspected. One inspector

surveys/audits the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, five plants, and four transfer/receiving stations. This same inspector performs USDA inspections of 12 manufacturing grade plants under a contractual agreement. The field staff also conducted 150 inspections of non-traditional livestock for the state veterinarian's office this year.

Chairman Byerly: You license livestock dealers, and the PSC licenses auctioneers. Why the overlap?

Response: The Department licenses the business, the PSC licenses the people.

Chairman Byerly: How many grade A processors?

Response: 3 grade A plants are processing milk.

Roger Johnson (continuing): The State Board of Animal Health became a division of the Department in 1995. There are two veterinarians and two support staff. The board consists of seven members, appointed by the governor. The Board is charged with protecting the health of domestic animals and nontraditional livestock of the state. The State Board of Animal Health and the ND Game and Fish Department have a cooperative agreement to regulate nontraditional livestock. The 1999 legislature authorized development of a North Dakota State Meat Inspection Program. The program was approved as "equal to federal" by the US Food Safety and Inspection Service (FSIS) on October 19, 2000. As part of the cooperative agreement between FSIS and NDDA, FSIS provides a 50% match for all inspection activity expenditures, excluding inspection of any non-amenable species, such as bison or elk. The program is administered by the director and a supervisor/compliance officer and two field inspectors. The Wildlife Services division of the US Department of Agriculture Animal and Plant Health Inspection Service works in partnership with the NDDA and ND Game and Fish Department to minimize the negative

impacts wildlife has on the lives of residents. It helps manage predator damage. On page 12 of the written testimony there is a budget comparison of the Livestock Services department.

Rep. Skarphol: On the issue of "equal to federal" approval of meat inspections, why would a facility do both state and federal approval. Why not use the federal inspectors moneys?

Response: The hope is that the state inspectors are more friendly and state programs will provide for more businesses to get off the ground. The state inspectors are more available and offer more advice.

Rep. Skarphol: I agree, but if the facility meets the federal standards, shouldn't the state focus be to move to the federal program.

Response: The state program is more available to the small producers, the federal program may not take on small producers, but the state does work closely with USDA and hopefully we could move in that direction.

Chairman Byerly: I remember the small producers saying that they were having problems getting the federal inspectors out to them.

Burton Pflieger, food inspector: The state regulations cannot be more restrictive than the federal.

Rep. Koppelman: I remember that the hope last session was for more producers to emerge, has that happened?

Response: There is some new growth and excitement among producers.

Rep. Carlisle: Is there cooperation between the elk operation and nontraditional producers?

Response: This is more the Board of Animal Health, and not the Agriculture Department activity. There does seem to be good cooperation and no conflicts have developed that he know of.

Roger Johnson (continuing): The main focus of Plant Industries Program area is crop production, comprised of the sections of pesticides, registration, plant productions, noxious weeds and apiary, covered on pages 13 through 16 of the written testimony. On page 13 there is a graph of funding sources. Pesticides is 85% federal funding. The section also administers the Minor Use pesticide grant program through the Pesticide Control Board. The committee may hear more about this in the session. The pesticide section has been active in pesticide harmonization efforts, enforces state and federal laws regarding the use of pesticides, and continues the development of initiatives mandated by the US Environmental Protection Agency. The section also administers the Project Safe Send program, that helps residents dispose of unusable and old pesticides. There is a registration section that is responsible for enforcing the provisions of the ND Insecticides, Fungicides, and Rodenticides Act (Ch 19-18), Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1).

Chairman Byerly: Do the persons who drop off pesticides pay fees?

Response: No. It has been discussed before, but no because of the pesticide procedures involvement.

Roger Johnson (continuing): The plant protection section issues certificates to facilitate export of North Dakota commodities. It also certifies nurseries, and is responsible for plant pest prevention, detection, evaluation, and suppression programs. The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. This section works closely with county weed boards and administers several programs. There is a need for a budget increase to take care of Canada thistle.. There has been a big increase lately. and is a major concern. The chart on page 15 shows the county matching funds. This section

also includes the water bank program and the apiary section. Page 16 shows the budget comparisons for the Plant Industries division.

At page 17 of the written testimony there are items he wants to draw the committee's attention to. These are concerns of the department this session. This is the list of enhancements requested over and above the recommended governor's budget. They include requests from Pride of Dakota user fee change, Ag in the Classroom funding, Wildlife Services additional funding, more funding to control Canada thistle, and a transfer into the Minor Use Fund, that will require some separate language not yet prepared.

Rep. Glassheim: Given the decline in agriculture production and activity in the state lately, has the department been active in biotech and foreign markets, and new nontraditional products. Is the department aggressive enough?

Response: We could spend more money to move into new area. They do have opportunities in marketing and the department works hard and long. Pride of Dakota is an example.

Rep. Thoreson: On page 14 you show a jump in pesticide registration. Why?

Response: There has been a substantial increase in pesticide products registration, more for lawn/house care, not really agricultural products.

Rep. Skarphol: The registration is due every 2 years. Is this state or federal regulation?

Response: Yes, the registration is every 2 years, and that is state regulations.

Chairman Byerly: I notice that there is a significant shift from general funds to special funds.

Bonnie Selvig, Pride of Dakota: She appears and testifies on behalf of Pride of Dakota. Her product is moving nationally because of this program, and she feels Pride of Dakota is wonderful for persons like herself.

Karen Brandt, Pride of Dakota: She appears and testifies on behalf of Pride of Dakota. She requests that the membership dues stay in the program and not be sent to the general fund.

LeAnn Harner, Ag in the Classroom Council: She is a landowner in Oliver County, about 25 miles NW of Bismarck. I represent the Ag Coalition on the Ag in the Classroom Council. Here today to consider changing the spending authority in the line item of the budget to actual state appropriated dollars for 1 FTE. They need someone to help coordinate the programs. The State Council is composed of people from DPI, school superintendents, teachers, other groups like FFA, 4-H and commodity groups. No one on the council has the time to make Ag in the Classroom their #1 priority. She explains what Ag in the Classroom does, and the workshops it provides. She explains the trailer classroom.

Chairman Byerly: States that he has no problem with the program, but that he is concerned that there is an extension service that has a charge of doing these very similar things. He thinks that when the University budget comes along, we will have to do some discussion with them on this matter.

Response, LeAnn Harner: She can appreciate that comment, the extension has been helpful in providing them information and in doing the Ag Mag, but the overall coordination and getting the information into the schools, the extension service does not work directly into the schools, and that's where they need to be to be effective.

Karl Limvere: Pastor of Zion United Church of Christ in Medina, ND, and chair of the Rural Life Committee of North Dakota Conference of Churches. He handed out written testimony. Supports the Ag Mediation Service, and believes it is an essential key to in the network in the services for people in distressed conditions in rural America. Ag Mediation program serves as the care package they can provide to those persons distressed. It sends a

message that the State of North Dakota cares about the future of family farmers and ranchers. As Pastors of churches they feel that they can refer people to the program with confidence.

Charles McCay: He represents Farm Credit Services. He had written testimony. Supports funding for Ag Mediation services. Farm Credit Services has been working the program since its inception. In fact, federal law requires us to cooperation with the state mediation program. We think that the Ag Mediation program does what it is supposed to do and does it well in North Dakota. It is well managed and effective and realistic. On going training programs seem to keep the mediators on a more long term basis and well trained. They support funding of this program.

John Long: Has a cow/calf program and heifer development program. He had written testimony handed out. He supports Ag Mediation. He gave a personal story of what Ag Mediation did for him, and how well it worked. He believes farmers/ranchers need Ag Mediation to continue assistance to keep them in business.

Chairman Byerly: Did you ever go directly to the head of FSA, instead of through Ag Mediation? Sounds to me like you had problems with bureaucracy and red tape.

Response, John Long: We were so concerned about not causing any trouble, that they went directly to Ag Mediation for help.

Richard Zollinger: Represents the NDSU Extension Service, as the State Wheat Specialist. He had written testimony and handed it out. In support of the minor use fund, and the registration position held between the dept of agriculture. He explained the IR-4 program, whose goal is to register pesticides of minor crops. North Dakota grows a lot of minor crops, and because major chemical companies are not interested in minor crops, therefore IR-4 program is really an arm to help in the registration of that program. Bottom of page 3 of his handout lists

the ongoing projects of IR-4 and how they are helping to register and support registration of products on the minor crops listed. Supports the committee's further funding of the minor use fund.

Gary Knutson: Executive Director of the ND Agricultural Association. He had written testimony that he handed out. His is an organization of 400 members across the region who are dealers, manufacturers and distributors and service providers of seed, equipment, crop protection and plant food products. Support of the Plant Industries Division. We have a good relationship with the department. He noted that there has been some work on getting more crop inspectors in the state. They have worked jointly with the department in regard to safety and education. They would like to look at where there are fees collected, whether it be in the fertilizer area or the crop protection area, they would like to see those funds utilized for the direct benefit of the industry and the farming and agriculture programs.

Jerome Peerboom: Vice President of the ND Wheat Association. Here to assure the committee that the ND Wheat Control Association is in full agreement and support of the proposed budget for the control of Canada thistle. This is a big deal, and has a direct correlation to the economics of the state. The reason these extra moneys are needed is because the other weeds are there, but the acreage concerned with Canada thistle causes an increased need to cover all the noxious weeds.

Rep. Skarphol: How is the federal government going to play into this with their waterfowl production areas and things like that?

Response: There is a problem with permeable soils, but we are beginning to make some headway. Seems like its really hard working with the government.

Response, Jeff Olson: Program manager, we are working more and more closely with the government land managers, federal and state. We are also looking at and starting to implement more research in the bio-control aspect. We are also getting them to use more chemical on these lands. There are some areas where it is more restrictive in controlling the weeds, which why the increase in bio-control. Do have some new chemicals that are safe around water and woody plants. Are always looking ahead, and working more with the land managers in the weed control effort.

Fred Eagleson: He and his family own and operate Dakota Country Meats in Jamestown. He is here to support the funding for the state meat inspection. We are a federal plant, but what he envisions is that once interstate shipments of meat becomes a reality the FSIS will have the small plants transferred to state inspections. He believes it is necessary to have a strong state program and that there is no question that they have strong leadership in Dr. Grondahl, and he is satisfied that she is running a good program. He commented on why the state needs a program different from the federal program. In working with lamb producers they could not depend on the federal inspectors, that communication with the federal inspectors was frustrating, and they do not have these problems with the state inspectors, mostly with exotic animals.

Rep. Skarphol: Does the North Dakota inspector have authority to inspect exotic animals?

Response: Yes.

Burton Pfliger: President of the ND Lamb and Wool producers, and speaks on the \$1.5 million of damage caused by predation each year. Supports the budget for predation needs. He does not want a shift to Game Management, because they do not have the same focus, and asks that the program be left in the Department of Agriculture. Also requests to restore budget provisions for wildlife services from general funds. Please also consider the addition of \$50,000

in general fund dollars for the enhancement program to aid in the hiring of 1 additional badly needed pilot, to offset rising fuel costs, maintenance and airtime.

Wade Moszer: North Dakota Stockman's Association. Supports the Board of Animal Health, Meat Inspection, Livestock Division, Wildlife Services, Noxious Weeds, and everything else. Supports all factions of the bill.

Woody Barth: Credit Review Board, signed the registration sheet in support of the bill.

Richard Schlosser: North Dakota Farmers Union, signed the registration sheet in support of the bill.

The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
01-17-01 tape #1	-	2490-6206	
Committee Clerk Signature <i>Patricia Hall</i>			

Minutes:

The committee was called to order, and committee work on HB 1009, the Agriculture Commissioner's budget appropriation.

Chairman Byerly: Opened the discussion by discussing the agency budget requests, concerns about the amount of funds. They discussed the Hoeven budget changes, an additional \$200,000 from Game and Fish to the Agriculture Commissioner for Wildlife Services.

(The OMB representative explained this change to the committee. There were various comments and discussions in relation to the Game and Fish dollars and the abilities to pay. Some comments were made as to replacing general funds with special funds. They did fund the commented on numbers from the governor's budget book. They discussed the possibility of conflicts with inspections and the Insurance Commissioner's office.

Rep. Carlisle: Asked if there were any one time expenditures in this budget.'

OMB: Noted that there was a \$25,000 meat inspection one time expense, no others.

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Chairman Byerly: Moved the discussion to the topic of Project Safe Send. He questioned whether or not this was as necessary as it once was.

Rep. Carlisle: Questioned what needs, what chemicals, who was involved, when were the chemicals collected, from whom and if there were any cost cuts.

Rep. Huetter: discussed his thoughts as to the project, and had many of the same questions that Rep. Carlisle did.

OMB: suggested that the committee look at the yellow book and various handouts that were presented to the committee during the Agriculture Commissioner's testimony. There was a document presented on the Project Safe Send.

Rep. Huetter: Still puzzled as to who the persons are dropping off the chemicals and the number of participants, and why so much chemicals were still being picked up.

Rep. Byerly: Noted that the committee should ask the Insurance Commissioner is being reimbursed for the inspections that he does. Also, concerned about the Pride of Dakota request to keep their revenue separate.

Rep. Skarphol: Noted that if there was a Commerce Department, being discussed elsewhere, maybe the Pride of Dakota would fit there better.

Rep. Skarphol: Expressed his concerns regarding the overlap of state and federal meat inspector duties. He does not believe that the state should duplicate duties at state expense that the federal inspectors do. He is in favor of getting the meat producers to the level of being federally inspected and keeping them there, rather than funding state inspections.

Rep. Carlisle: Suggested that the history on this from last session be reviewed, that maybe this was discussed before.

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(The committee had some discussion as to the federal/state meat inspection topic, with Rep. Skarphol giving some personal examples).

The chairman closed the committee work on this bill.

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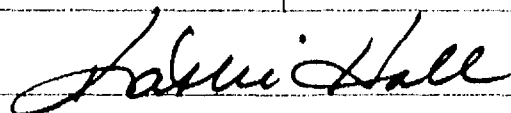
House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
01-18-01 tape #2	-	0 - 825	

Committee Clerk Signature



Minutes:

The committee was called to order, and opened committee work on HB 1009, and specifically Project Safe Send.

Rep. Skarphol: Has some thoughts, concerns, as to the chemicals being turned in, and what was done with these before the project. Why so much left over chemicals, where is it being stored, and who is turning this in.

(The committee had some general discussion as to the persons listed in the handout, and the amounts of the chemicals collected, and what was done before this project was established. The discussion was informal, just going back and forth, with some ideas about the history of the establishment of the project).

Rep. Skarphol: Questioned what the net result would be if the project would be discontinued. Where would people get rid of this.

Rep. Huetter: Stated that this is a questions that will need to be asked.

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(More general discussion as to what is done with the chemicals after the ag department collects it, trucked out of state. Questions as to if it had value, could be recycled, etc. The committee discussed the number of persons using the program, the number of pounds being collected, and the locations/sites around the state utilizing the program. Could ask the department what was picked up, from where, and how often. The calculations were 500 tons, 1 million pounds, and about 330 pounds per person. This is a lot of stuff per person.)

The chairman closed the committee work on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date February 6, 2001

Tape Number	Side A	Side B	Meter #
02-06-01 tape #1	0-10-39		
Committee Clerk Signature <i>Barbara J. Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1009.

Rep. Skarphol: Handed out prepared amendments - 0104. He had two other amendment drafted for himself that he will bring up in full committee. He and Rep. Huether have spent considerable time with the Ag Department. On this amendment, Section 3 is an authorization to use ERP funds for harmonization of crop products standards. In order for the crop harmonization committee to have a potential source of funds, so we may utilize some funds out of the ERP fund for that purpose. That would be separate legislation, but it should be addressed in here. This fund is also used for noxious weed control, etc. They thought a specific reference to harmonization was important. Section 4 of the bill takes the sunset off the increase in registration fees for chemicals that was put in place two years ago. It completely removes the sunset and sets those fees at \$350. It anticipated that it will raise another \$200,000.

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Rep. Huether: The 468 referred to in that line refers back to the old rates on the chemical fee on the registration. Now that we have taken the sunset off, it goes back to the right amount.

Rep. Skarphol: That is in an effort to insure that we have sufficient funds to cover what the program costs. Minor use comes out of here, Safesend comes out of here, and there are several other programs. Section 8 deals with Safesend; what we did was pulled \$100,000 of ERP money back and left it in the ERP fund, and in Section 8 we authorized the Commissioner's office to collect by an advisory committee to establish a practice of collecting fees on select chemicals, up to a maximum of \$100,000. What we have in mind here is the larger dealers who deliver RinseAid. Section 9 deals with the research of potentially recycling products. There may be good chemicals that can be utilized, like 2-4-D.

They unfunded one meat inspector, left the position there, but unfunded it. It is only a savings of 1/2 general funds, the other is federal funds. If they can find the money in their budget, they can have it if they need it. There is the salary adjustment, too.

Rep. Huether: There is also in the Game and Fish department a \$200,000 from the Hoeven budget, putting it back. Transfers from Game and Fish to Wildlife Services. Back on Section 3, dealing with crop harmonization, we discussed how to cap that expense, and we can do that in that bill when it comes.

Rep. Glassheim: None of the enhancements were considered in this amendment, like Ag in the Classroom, Pride of Dakota fees, etc.

Rep. Skarphol: All of the other budget changes that were proposed in the governor's budget remain. The Ag in the Classroom, and others may be addressed by my personal amendments in full committee.

Rep. Skarphol moves to adopt amendment .0104. Rep. Heuther seconded.

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Vote on the motion to amend: 7 yes, 0 no. Amendment is adopted.

Rep. Skarphol: Explains that he has personal amendments drafted that would move Pride of Dakota from the Ag Department to ED&F. The second amendment is to move Ag in the Classroom to NDSU Extension.

Rep. Skarphol: Moves DO PASS AS AMENDED. Rep. Huether seconded.

Vote on Do Pass as Amended: 7 yes, 0 no. Bill passes.

Rep. Skarphol is assigned to carry this bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB1009**

House Appropriations Committee

Conference Committee

Hearing Date **February 7, 2001**

Tape Number	Side A	Side B	Meter #
1		x	615 - 4771
Committee Clerk Signature <i>LZ Gouben</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON HB1009.

Rep. Skarphol: If you will look in your books you will see that there is three amendments, and two of them were prepared for me by legislative council and we will talk about them after we talk about the initial amendment. The initial amendment to this bill, and if you look at amendment .0104 and in section 3 we amended section 3 of the Century Code to allow for the use of Environmental Range Land Protection Funds for purposes of chemical harmonization. There are other bills that are in the works that potentially could have a need for funds for chemical harmonization and we took care of amending the century code to make that an acceptable use of the EARP fund in section 3. In section 4. There appears to be a lot of changes and basically what they have done is that have removed the sunset that was applied to the chemical registration fees two years ago, and two years ago they increased the fees by \$50.00 and that would set up to where that would sense that and revert back to the previous fee level.

And in discussions with some of the people involved in that two years ago, it was concluded by our committee that it was an appropriate thing to do to retain that \$350 fee on chemical registrations in order to insure adequate funding in the EARP fund all the projects they were trying to fund. Sections 8 & 9 in the amendment are new additions to the code with regard to the "Safe Send" program and what we did in Safe Send, that they had a budget request of I believe it was for \$599,369 out of the EARP fund, and we felt in looking at the chemicals that were being turned into Safe Send if there was some need to consider some changes in that program and in discussions with the Ag. Dept. What we did was leave \$100,000 of EARP funds in the fund and we authorized the Ag. Commissioner's Office to establish a fee schedule for selected chemicals. In other words what were trying to get them to do is to take a hard look at as an example the "Rinse Aid" that's returned under this program. It amounts to tens of thousands of pounds that ultimately is taken to a hazardous waste site and disposed of, and we would like them to take a hard look at potentially charging for this in an effort to get the chemical distributors to more properly utilize the program. We think that they have kind felt that they can deliver whatever they wish they can deliver and were going to deal with it. And in discussions with the advisory committee that oversees this program they have had discussions about this, but have never really been pushed to accomplish this. Section 8. Allows the Ag Commissioner's Office and the Advisory Committee to kind of raise \$100,000 through the collections process on select chemicals. Section 9. Also instructs the Ag. Commissioner's office and the Advisory Board to try to research the potential for recycling some of this. It appeared that there was perfectly good product being brought in that somebody could utilize, a political subdivision, or somebody and we just felt it was appropriate for them to put more effort into potentially to try and find more ways to recycling rather than dispose of it. If you look on the last page or at least on the bottom

of Page 3 & 4 the actual change to this budget would be salary adjustments that were made by Legislative Council, we also removed the funding for one (1) meat inspector in the Meat Inspection Program, and ½ of that is general fund dollars which amounts to \$80,212 and the other half is federal dollars that they just won't utilize. There not lost, they just don't have a need for them. And the last page and in summary the \$200,000 figure that's listed as less estimated income is actually a change in funding source for the wildlife services program. We increased the funding from Game and Fish From \$200,000 to \$400,000 in the wildlife services budget, which leaves \$200,000 in general funds available. With that I would move amendment .0104. Seconded by Rep. Heuther to adopt amendment .0104 dated February 5.

Rep. Wald: Is that correct Rep. Skarphol? Response was YES. Any discussion?

Rep. Kerzman: On these registration fees, I see where you increased them by \$50.00. Are they required to have a registration fee if they sell over the Internet?

Rep. Skarphol: I would assume were not collecting a fee for those sold over the Internet, however, I would believe you would have to have a presence in the state in order to pay these fees. The legally sold chemicals would indeed have a registration fee.

Rep. Heuther: We had a lot of discussion on this Safe Send and the amount of chemical that is being returned and getting a definition on whether or not it's usable chemicals, because there is some of that which can be reused or recycled again. Some of the problems that you run into is liability, we discussed that, but potentially we have the flexibility for the Ag. Department to probably be used in the experiment stations where they could eliminate a lot of the liability hazard that we would have.

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Bill/Resolution Number HBI009

Hearing Date February 7, 2001

Rep. Aarsvold: I have a lot of problems with the suggestions that are made here with regard to the EAR fund. I was involved with the first bill regarding "Safe Send" and it was a result of negotiations and good faith dealings between the state and chemical companies across the country and we reached a compromise position whereby they provided registration fees to the State of North Dakota to carry out the Safe Send project, to remove those products from the sheds and pantries across the state that potentially had some hazardous effect if they were not dealt with, and here were adding a funding for chemical harmonization which in some cases is going to be contrary to the best interest of the chemical companies. I can't imagine that they are going to fund a state enterprise that may well have a negative financial impact on them and I think we would lose that relationship that we have had with those chemical companies carrying out this very valuable function of eliminating chemicals that are unusable or hazardous from our environment, so I have a problem with that, and secondly I have concerns about exploring a fee schedule, it certainly will discourage people from taking advantage of the program, now there is no liability, and the citizen carry's the product to central collecting sites and they are disposed of in a safe fashion and they are removed from the State of North Dakota to an incinerator where they are taken care of at a cost that is much less than if the individual customer were to try and have those products incinerated either in state or out of state. So I have a lot of problems with what is being suggested as far as the Safe Send project, I think its counter to the understanding that we have come to with the chemical companies and with the users of agricultural chemicals in the North Dakota.

Rep. Skarphol: In our discussions with the Ag. Dept. they pointed out to us that the chemical registration fees that we charge in North Dakota are substantially less than in some other states as well. We realize that there is some ground here that needs to be negotiated, but it was strongly

indicated that it was not our intent to charge fees for everything that is delivered, its simply to charge fees for selected things that the advisory committee is going to try to work on getting some control over.

Rep. Aarsvold: This in my judgment not good policy and we have struck a chord with a valuable component in our Agriculture sector in our state and I think were going back on our word, granted our registration fees are modest compared to most states and I think the chemical companies appreciate that certainly, and they are getting wonderful results from the registration fees with regard to eliminating of those unusable chemicals from our environment, and I certainly encourage the committee to reject that portion of the amendment. I have no problem with the rest of it, but I certainly have some real concerns with what were doing with the EARP and Safe Send efforts.

Rep. Warner: There is a bill floating around which would remove all liability for negligence and damage caused by chemical spills as long as they were reported, we seem to be moving in a contrary direction, we seem to be moving in a way which will discourage people from putting chemicals into Safe Send and at the same time remove all liability for spills or negligence as long as we call in, so instead of sending it to Safe Send and spending money on it, they will dump it by the roadside they call in and say "OOP's". I'm reasonably sure that the bill is around and maybe someone on the committee could inform me better.

Rep. Wald: It happens to be the bill I introduced and it was heard Monday in I B & L and the bill your referring to would prohibit civil and criminal prosecution who come forward on an environmentally damaging product that could be Oil, Ag. Chemical, It could be a whole lot of things. It's right out of the Colorado code and the bill is still in I B & L, and they have not acted on it to my knowledge.

Rep. Timm: We have a motion to amend the bill, or adopt the amendments, any other discussion?

Rep. Delzer: When you discussed project Safe Send, are they still going out there every year and what kind of numbers do they have coming in from the farmer as compared to coming in from dealers? Did they give you any kind of information on that?

Rep. Skarphol: Yes they did give us a breakdown, and there is somewhere between 25 and 30 sites that they collect at every year, and its getting close to 200,000 lb. of product each year, and the cost breakdown on the Safe Send contract is about \$300,000 for the contract services, the actual physical collection of the product and they another \$300,000 for the disposal side of the issue, and they are talking about 91 cents a pound, and I can't get those numbers to work out based on how it seems to breakdown in the detail in the budget, but the volume of product that seems to be delivered is climbing gradually and I think at the beginning of Safe Send was to clean out the DDT an Arsenic, and I don't think it was anticipated that we would be dealing with Rinse Aid and the volume of fluid that's involved.

Rep. Delzer: I took a run at this in 1997, and I have real problem in us going out there to set up a program that we do every year when I think were making people dependent on us to do this and I don't think we should, I don't think they are doing their job as they should, and in '97" I tried to get this cut to 1 year of the biennium program, to start weaning people off and I had some research done and apparently it got put back in on the senate side.

Rep. Wald: It seems to me, and I'm confused here, but when this program first started, farmers and other people were cleaning out their garages and other buildings with left over stuff of DDT, Arsenic, and whatever, and you would think that this thing would be decreasing every year rather than increasing.

Rep. Skarphol: It appears that the biggest volume is coming from the rinsed, they records that they collect when they get this in are real difficult at times to read as they are not real legible and they are not real consistent on how they are written out and your guessing at what it really means, but for example there are chemicals like "Curtail" that they brought in like 140 lb. and I haven't bought "Curtail" for awhile but I guess it would be up in the \$75 to \$100 a gallon range, and I can't image people hauling this in and giving it away. And that's why we tried to make the point that someone should be utilizing this, its a high dollar product. 24D the 30 gallon drum was brought in, 24D can freeze several times and if you just shake it up and get it warm, and get the salt back into solution its a perfectly useable chemical and if you have this stuff segregated to where the chemicals collected are designed for purposes of killing broad leaf weeds they could be utilized in the spoil banks in our abandoned coal mines where we have a problem with noxious weeds. I think it would be an appropriate job of the Ag. Dept. And the advisory committee to try to find a use for this product rather than just haul it to a hazardous waste site.

Rep. Aarsvold: I hate to belabor the point but it is a big concern, at least in our area particularly, there has been reference this morning to what most people think should be a reduction in the volume of chemical, that is not the real world folks, every year we add literally hundreds of new labels, not only for Ag. Use but for lots of other purposes as well, Industrial, and household and so on, and certainly the example given by Rep. Wald was a good one that we have removed a lot of those outdated and outmoded and dangerous chemicals from the environment across the state, but we add new labels every year and the volume is increasing every year and that will not change, that's the private sector at work. The volume will not go down.

Rep. Timm: Any other discussion on the amendments?

Rep. Glassheim: Rep. Aarsvold seemed to want to get a vote on, I think section 8, procedurally how do we do that?

Rep. Timm: We adopt the amendments and then he can move that we remove section 8. From that amendment. Rep. Aarsvold indicated that section 8. Would be his primary concern. All those in favor of adopting these amendments say AYE. Voice vote. Motion carried the amendments are adopted.

Rep. Aarsvold: I move to further amend and that section 8. As proposed by the amended bill be removed. Seconded by Rep. Glassheim. I would encourage to adopt the amendment of the removal of section 8.

Rep. Timm: Let me get this straight, this section allows fees to be collected from the people bringing in the chemicals, the farmers?

Rep. Skarphol: That's correct if you read it, but I was a little concerned about how it was written but I decided it was fine, and it says "shall charge a fee for select chemicals during the biennium, and in other words the Ag. Commissioner's office and the advisory board can determine which select chemicals they want to anticipate charging a fee for. I the idea is to get some pressure on the industry to find a solution to the volume of product being delivered as Rinse Aid, and maybe it means that the industry in this state needs to get together and develop a means of getting the water out of it and still disposing of the chemical. They need to find a solution to the volume.

Rep. Aarsvold: I would also like to address in my amendment section 3 having to do with the new language to address issues harmonizing the crop protection product standards, I would like to have that responsibility removed from the EARP fund. Rep. Timm said that this would be taken up separately after the section 8. Removal amendment.

Rep. Timm: Any other discussion of Rep. Aarsvold motion to amend and remove section 8 out of the amendments? All those in favor of that motion say AYE. Voice Vote. Motion failed.

Rep. Aarsvold: I would further move to amend section 3 to remove the language with regard to the new language to address issues relating to the harmonization of crop protection product standards, that particular sentence and phrase. Seconded by Rep. Gulleason.

Rep. Timm: Any other discussion? All those in favor of adopting that amendment say AYE. Voice vote. Motion failed. We have the original amendments in front of us and those have been approved. Any other proposed amendments?

Rep. Skarphol: I think if you look in your books you will find that there is a couple more amendments .0102, I had these amendments prepared for me so I could bring them to the full committee, and what amendment .0102 does is it moves the Pride of Dakota Program from the Ag. Dept. To the Department of Economic Development and Finance, it moves the funding for that program and ½ FTE, an Ag. Marketing Specialist. And the reason for proposing this amendment is that, while I think Pride of Dakota is an admirable program but it seems to have become rather stagnant where it's at and I think if it is going to be fully utilized and flourish, it needs some new direction and I think the Dept. of Economic & Finance could give it that new direction and hopefully put some new emphasis on it and really get it doing what it's supposed to be doing and then get out there and do the marketing that the North Dakota producers need. And with that I would move amendment .0102. Seconded by Rep. Wald.

Rep. Gulleason: I certainly am going to resist that move, I think that the Pride of Dakota was implemented with the intention and mission of course of adding value and alternative uses for ag. Products as well as other commodities and its been very well done, and it is certainly high profile, highly identifiable, and I think if membership has just remained stable, that's probably a

really shows good work by the Ag. Dept. Because the population in our rural areas has declined tremendously and they have been able to hold there own on that and that's not a bad sign, it could have gone the other way, I'm going to resist this amendment.

Rep. Byerly: In the Pride of Dakota they have 315 members and over half of them are not related to agriculture, they are not in any way shape or form agriculture.

Rep. Gulleason: I would counter that with the fact that 1/2 of that membership still does remain Agricultural, and in the bigger scope of that argument, as goes the Agriculture sector of the economy so goes the whole economy in North Dakota, so I don't see that as being to different.

Rep. Glassheim: I had thought this was going to come up on Friday, I didn't know we were going to get to it today, I wanted to spend more time at Pride of Dakota to see if this is a reasonable argument to move it into E D & F or not and to see what they do provide that might be lost, but I would prefer to wait two days, but If were going to move ahead, but from my sense and the testimony of the people who showed up, there is a great deal of enthusiasm among the members, and you might lose that by incorporating it into a larger organization.

Rep. Aarsvold: Realizing this is becoming more political than it should be, I hesitate to respond but, 1st of all if in fact the relationship to agriculture is the criteria by which we determine the association with the Ag. Dept. Then certainly by that same standard we should put Ag. Products Utilization back into the Ag. Dept., because it is agricultural.

Rep. Thum: Any other discussion? We have a motion to adopt the amendment .0102. All those in favor or adopting that amendment say AYE. Voice Vote. Could not be determined. Roll Call vote on the amendment. (9) YES (11) NO (1) Absent. Motion to adopt amendment has failed.

Page 11
House Appropriations Committee
Bill/Resolution Number HB1009
Hearing Date February 7, 2001

I would move HB1009 as amended (Rep. Skarphol) Seconded by Rep. Heuther. Call the Roll on a DO PASS (14) YES (6) NO (1) Absent. Motion passes. Rep. Skarphol will carry the bill to the floor.

End of action by the committee on HB1009. (tape 1 side b at 4771)

FISCAL NOTE
 Requested by Legislative Council
 12/14/2000

Bill/Resolution No.: HB 1009

Amondment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$6,860		\$9,190	
Appropriations			\$6,860		\$9,190	

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This fiscal note addresses the fiscal impact of Section 2 of HB1009, relating to the Agriculture Commissioner's salary. The increase will affect expenditures and appropriations by the amounts indicated. The 2003-2005 amount is greater than the 2001-2003 amount because the salary increase is in effect for the entire biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Jeff Welspfenning	Agency: Commissioner of Agriculture
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Phone Number: 328-2231

Date Prepared: 12/29/2000

Office of Management and Budget
January 10, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 2, line 2, change "\$4,640,283" to "\$4,440,283"

Page 2, line 21, change "\$468,000" to "\$668,000"

Renumber accordingly

Statement of purpose of amendment:

This is Governor Hoeven's change from Governor Schafer's budget recommendations for the Department of Agriculture. This proposed amendment replaces \$200,000 of general funds with ND Game and Fish funds for the Wildlife Services line item. The total amount from the Game & Fish fund for the Wildlife Services line item is \$400,000.

February 5, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, after the semicolon insert "to provide project safe send user fees;"; replace "section" with "sectlons", and after "4-01-21" insert ", 19-18-02.1, and 19-18-04"

Page 1, line 3, after "commissioner" insert ", uses of the environment and rangeland protection fund, and pesticide registration fees"

Page 1, line 11, replace "3,519,782" with "3,513,495"

Page 1, line 18, replace "711,964" with "631,750"

Page 1, line 24, replace "11,278,574" with "11,192,073"

Page 2, line 1, replace "6,638,291" with "6,798,184"

Page 2, line 2, replace "4,640,283" with "4,393,889"

Page 2, after line 9, insert:

"SECTION 3. AMENDMENT. Section 19-18-02.1 of the North Dakota Century Code is amended and reenacted as follows:

19-18-02.1. Environment and rangeland protection fund. The environment and rangeland protection fund is a special fund in the state treasury. The moneys in this fund may be used for rangeland improvement projects and to address issues relating to harmonization of crop protection product standards. These rangeland improvement projects include noxious weed control; ground water testing, analysis, protection, and improvement; analysis of food products for residues of pesticides and other materials; and analysis and disposal of unusable pesticides and pesticide containers.

SECTION 4. AMENDMENT. Section 19-18-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

~~19-18-04. (Effective through June 30, 2001) 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:~~

~~a. Give the name and address of each manufacturer or distributor.~~

~~b. Give the name and brand of each product registered.~~

~~c. Be accompanied by a current label of each product so registered.~~

~~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.~~

- 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.~~

~~(Effective July 1, 2001) 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 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. 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 21, replace "\$468,000" with "\$668,000"

Page 2, after line 24, insert:

"SECTION 8. SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - USER FEES. The agriculture commissioner, in consultation with the advisory board for the safe send pesticide and pesticide container disposal program, shall charge a fee for collection of select chemicals during the biennium beginning July 1, 2001, and ending June 30, 2003. The fees shall be established at a level that will generate an estimated \$100,000 for the biennium beginning July 1, 2001, and ending June 30, 2003. Collections from this fee must be deposited in the environment and rangeland protection fund.

SECTION 9. SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - RECYCLING. The agriculture commissioner, in consultation with the advisory board for the safe send pesticide and pesticide container disposal program, shall research the potential of recycling select products collected during the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,519,782	(\$6,287)	\$3,513,495
Operating expenses	1,361,357		1,361,357
Equipment	30,400		30,400
Grants	161,700		161,700
Board of Animal Health	538,614		538,614
Ag mediation	1,075,808		1,075,808
Ag in the classroom	96,000		96,000
State meat inspection	711,964	(80,214)	631,750
Waterbank program	900,000		900,000
Pride of Dakota	157,050		157,050
Wildlife services	779,694		779,694
Safe Send	599,369		599,369
Noxious weeds	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	(\$86,501)	\$11,192,073
Less estimated income	<u>6,638,291</u>	<u>159,893</u>	<u>6,798,184</u>
General fund	\$4,640,283	(\$246,394)	\$4,393,889
FF	55 50	0 00	55 50

Dept. 602 - Department of Agriculture - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE ¹	UNFUND FTE MEAT INSPECTOR POSITION	FUNDING SOURCE CHANGE ²	TOTAL HOUSE CHANGES
Salaries and wages	(\$6,287)			(\$6,287)
Operating expenses				
Equipment				
Grants				
Board of Animal Health				
Ag mediation				
Ag in the classroom				
State meat inspection		(\$80,214)		(\$80,214)
Waterbank program				
Pride of Dakota				
Wildlife services				
Safe Send				
Noxious weeds				
Total all funds	(\$6,287)	(\$80,214)	\$0	(\$86,501)
Less estimated income		(40,107)	200,000	159,893
General fund	(\$6,287)	(\$40,107)	(\$200,000)	(\$246,394)
FTE	0 00	0 00	0 00	0 00

¹ This amendment reduces, from \$12,969 to \$6,682, the amount provided for a market equity salary increase for the commissioner and deputy commissioner. The amount included in the bill will provide for a monthly increase of \$166.25 for the commissioner and \$151.67 for the deputy commissioner and related fringe benefits for the last 18 months of the biennium.

² This is Governor Hoeven's recommended change from Governor Schafer's budget recommendation for the Department of Agriculture. This proposed amendment replaces \$200,000 of general fund moneys with game and fish funds for the wildlife services line item. The total amount from the game and fish fund for the wildlife services line item is \$400,000.

A section is added authorizing funds from the environment and rangeland protection fund to be used for harmonization of crop protection product standards.

A section is added continuing the \$350 biennial pesticide product registration fee. Under current law, the fee would have reverted on July 1, 2001.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to establish fees for collection of select chemicals. The fees are to be established at a level sufficient to generate \$100,000 during the 2001-03 biennium, to be deposited in the environment and rangeland protection fund, to defray the costs of Project Safe Send.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to research the potential of recycling selected products collected under Project Safe Send.

Date: 2-6-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1009

House Appropriations - Government Operations Division Committee

Subcommittee on Government Operations
or
 Conference Committee

Legislative Council Amendment Number 18809.0104

Action Taken to adopt amendment.

Motion Made By Rep. Skarphol Seconded By Rep. Huether.

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment

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

amends

Date: 2-6-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1009

House Appropriations - Government Operations Division Committee

Subcommittee on Government Operations
or
 Conference Committee

Legislative Council Amendment Number 18009.0104

Action Taken DO PASS AS AMENDED

Motion Made By Rep. Skarphol Seconded By Rep. Huether.

Representatives	Yes	No	Representatives	Yes	No
Rep. Rex R. Byerly - Chairman	✓		Rep. Eliot Glassheim	✓	
Rep. Ron Carlisle - Vice Chairman	✓		Rep. Robert Huether	✓	
Rep. Kim Koppelman	✓				
Rep. Bob Skarphol	✓				
Rep. Blair Thoreson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep Skarphol.

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

Date: 02-07-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1009

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken ADOPTING AMENDMENT ~~XXXXXXXXXX~~ ^{.0102} By SKARPHOL

Motion Made By SKARPHOL Seconded By WALD

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold		✓	Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson		✓
Rep - Byerly	✓		Rep - Monson		✓
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glassheim		✓	Rep - Thoreson	✓	
Rep - Gulleeson		✓	Rep - Warner		✓
Rep - Huether		✓	Rep - Wentz		✓
Rep - Kempenich	✓				
Rep - Kerzman		✓			
Rep - Kliniske		✓			

Total (Yes) 9 No 11

Absent 1

Floor Assignment _____

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

MOTION TO ADOPT AMENDMENT FAILED.

Date: 02-07-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1009

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By SKARPHOL Seconded By HUETHER

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman		✓			
Rep - Aarsvold		✓	Rep - Koppelman	✓	
Rep - Boehm		✓	Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glassheim		✓	Rep - Thoreson		
Rep - Gulleson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman		✓			
Rep - Kliniske	✓				

Total (Yes) 14 No 6

Absent 1

Floor Assignment SKARPHOL

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

YEAS: Aarsvold, Bellow, Belfer, Berg, Boucher, Brandenburg, Brekke, Carlisle, Cleary, DeKrey, Deimore, Devlin, Disrud, Dosch, Droydal, Eckre, Ekstrom, Fairfield, Froelich, Froseth, Grosz, Grumbo, Gulieson, Gunter, Hanson, Hawken, Herbel, Huether, Hunskor, Jensen, Johnson, D., Johnson, N., Kasper, Kelsch, R., Kelsch, S., Kerzman, Kingsbury, Klein, M., Kliniske, Koppang, Koppelman, Kretschmar, Kroeber, Lemieux, Mahoney, Maragos, Maranson, Meier, Metcalf, Mueller, Nelson, Nicholas, Niemeier, Nottestad, Onstad, Pietsch, Pollert, Porter, Price, Ruby, Sandvig, Schmidt, Solberg, Thoreson, B., Thoreson, L., Tieman, Weiler, Weisz, Wentz, Wikenheiser, Winnich, Speaker Bernstein

NAYS: Boehm, Brusegaard, Byerly, Carlson, Clark, Delzer, Galvin, Glassheim, Grande, Haas, Keiser, Kempenich, Klein, F., Klein, Klyck, Monson, Renner, Rennerfeldt, Skarphol, Svedjan, Thorpe, Timm, Wald, Warner, Wrangham

ABSENT AND NOT VOTING: Severson

Engrossed HB 1378 passed and the title was agreed to.

MOTION

REP. GRANDE MOVED that the vote by which HB 1228 passed be reconsidered and the motion to reconsider be laid on the table, which motion failed.

SECOND READING OF HOUSE BILL

HB 1413: A BILL for an Act to create and enact a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to credits allowed on the short-form income tax return; to amend and reenact subsection 4 of section 57-38.5-01 and sections 57-38.5-02, 57-38.5-03, and 57-38.5-05 of the North Dakota Century Code, relating to the seed capital investment tax credit; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold, Bellow, Belfer, Berg, Boehm, Boucher, Brandenburg, Brekke, Brusegaard, Carlisle, Carlson, Clark, Cleary, DeKrey, Deimore, Devlin, Disrud, Dosch, Eckre, Ekstrom, Fairfield, Froelich, Froseth, Galvin, Glassheim, Grande, Grosz, Grumbo, Gulieson, Gunter, Haas, Hanson, Hawken, Herbel, Huether, Hunskor, Jensen, Johnson, D., Johnson, N., Kasper, Keiser, Kelsch, R., Kelsch, S., Kempenich, Kerzman, Kingsbury, Klein, F., Klein, M., Klein, Kliniske, Koppang, Koppelman, Kretschmar, Kroeber, Lemieux, Lloyd, Mahoney, Maragos, Maranson, Meier, Metcalf, Monson, Mueller, Nelson, Nicholas, Niemeier, Nottestad, Onstad, Pietsch, Pollert, Porter, Price, Renner, Rennerfeldt, Ruby, Sandvig, Schmidt, Skarphol, Solberg, Svedjan, Thoreson, B., Thoreson, L., Thorpe, Tieman, Timm, Wald, Warner, Weiler, Weisz, Wentz, Wikenheiser, Winnich, Wrangham, Speaker Bernstein

NAYS: Byerly, Delzer, Droydal

ABSENT AND NOT VOTING: Severson

Engrossed HB 1413 passed and the title was agreed to.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK) MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed HB 1092 and HB 1180.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY) MR. SPEAKER: The President has appointed as a new conference committee to act with a like committee from the House on

HCR3003 Sens. Dever, Wardner, T. Mathom

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY) MR. SPEAKER: The Senate has passed and your favorable consideration is requested on SB 2115, SB 2251, SB 2302, SB 2307, SB 2326, SB 2328, SB 2340, SB 2341, SB 2366, SB 2370, SB 2381, SB 2396, SB 2412, SB 2440, SB 2443, SCR 4017, SCR 4021.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK) MR. PRESIDENT: The House has passed, the emergency clause carried, and your favorable consideration is requested on HB 1089, HB 1216, HB 1452.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK) MR. PRESIDENT: The House has passed and your favorable consideration is requested on HB 1170, HB 1181, HB 1193, HB 1237, HB 1244, HB 1251, HB 1276, HB 1284, HB 1304, HB 1341, HB 1346, HB 1405, HB 1448, HB 1457, HB 1475, HCR 3001, HCR 3015, HCR 3017, HCR 3023.

REPORT OF STANDING COMMITTEE

HB 1008: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (19 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1008 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "4,755,198" with "4,634,173"

Page 1, line 12, replace "1,182,662" with "1,185,662"

Page 1, line 16, replace "9,732,463" with "9,514,438"

Page 1, line 17, replace "5,842,274" with "5,724,433"

Page 1, line 18, replace "3,890,189" with "3,890,005"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - House Action

Table with columns: EXECUTIVE BUDGET, HOUSE CHANGES, HOUSE VERSION. Rows include Salaries and wages, Operating expenses, Equipment, Utilities, AMF contractual services, Total all funds, etc.

Dept. 408 - Public Service Commission - Detail of House Changes

Table with columns: ACQUISITION, REMOVE, ADD, REDUCE, etc. Rows include Salaries and wages, Operating expenses, Equipment, Utilities, AMF contractual services, Total all funds, etc.

The proposed changes from \$11,720,000 to \$11,000,000 are the result of the following changes: Salaries and wages, \$1,720,000; Operating expenses, \$1,000,000; Equipment, \$30,000; Utilities, \$25,000; AMF contractual services, \$25,000.

REPORT OF STANDING COMMITTEE

HB 1009: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1009 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide project safe send user fees"; replace "section" with "sections", and after "4-01-21" insert ", 19-18-02.1, and 19-18-04"

Page 1, line 3, after "commissioner" insert ", uses of the environment and rangeland protection fund, and pesticide registration fees"

Page 1, line 11, replace "3,519,782" with "3,513,495"

Page 1, line 18, replace "711,964" with "631,750"

Page 1, line 24, replace "11,278,574" with "11,192,073"

Page 2, line 1, replace "6,636,291" with "6,798,124"

Page 2, line 2, replace "4,640,283" with "4,393,689"

Page 2, after line 9, insert:

"SECTION 3. AMENDMENT. Section 19-18-02.1 of the North Dakota Century Code is amended and reenacted as follows:

19-18-02.1. Environment and rangeland protection fund. The environment and rangeland protection fund is a special fund in the state treasury. The moneys in this fund may be used for rangeland improvement projects and to address issues relating to harmonization of crop protection product standards. ~~These~~ The rangeland improvement projects may include noxious weed control; ground water testing, analysis, protection, and improvement; analysis of food products for residues of pesticides and other materials; and analysis and disposal of unusable pesticides and pesticide containers.

SECTION 4. AMENDMENT. Section 19-18-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

19-18-04. (Effective through June 30, 2001) 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:~~

- a. ~~Give the name and address of each manufacturer or distributor.~~
- b. ~~Give the name and brand of each product registered.~~
- c. ~~Be accompanied by a current label of each product so registered.~~
- 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.~~
- e. ~~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 ending December thirty-first of the following year. A certificate of registration may not be issued to 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 or before January thirty-first following the expiration date. 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.~~

(Effective July 1, 2001) 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 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 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 ending 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 21, replace "\$468,000" with "\$668,000"

Page 2, after line 24, insert:

"SECTION 8. SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - USER FEES. The agriculture commissioner, in consultation with the advisory board for the safe send pesticide and pesticide container disposal program, shall charge a fee for collection of select chemicals during the biennium beginning July 1, 2001, and ending June 30, 2003. The fees must be established at a level that will generate an estimated \$100,000 for the biennium beginning July 1, 2001, and ending June 30, 2003. Collections from this fee must be deposited in the environment and rangeland protection fund.

SECTION 9. SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - RECYCLING. The agriculture commissioner, in consultation with the advisory board for the safe send pesticide and pesticide container disposal program, shall research the potential of recycling select products collected during the biennium beginning July 1, 2001, and ending June 30, 2003.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,519,782	(\$6,267)	\$3,513,515
Operating expenses	1,361,357		1,361,357
Equipment	30,400		30,400
Grants	161,700		161,700
Board of Animal Health	538,114		538,114
Ag mediator	1,075,608		1,075,608
Ag in the Classroom	96,000		96,000
State meat inspection	111,994	60,214	172,208
Waterbank program	500,300		500,300
State of Dakota	157,254		157,254
Wildlife services	779,894		779,894
Safe Send	599,364		599,364
Various needs	1,346,896		1,346,896
Total all funds	\$11,270,574	(\$66,501)	\$11,192,073
Less estimated income	6,634,291	159,891	6,794,182
General fund	\$4,640,283	(\$246,394)	\$4,393,889
FTE	55.90	0.00	55.90

Dept. 602 - Department of Agriculture - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE 1	UNFUND 1 FTE MEAT INSPECTOR POSITION	FUNDING SOURCE CHANGE 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$6,267)			(\$6,267)
Operating expenses				
Equipment				
Grants				
Board of Animal Health				
Ag mediator				
Ag in the Classroom				
State meat inspection		\$60,214		\$60,214
Waterbank program				
State of Dakota				
Wildlife services				
Safe Send				
Various needs				
Total all funds	(\$6,267)	\$60,214	\$6	(\$66,501)
Less estimated income		\$0,167	206,500	206,667
General fund	(\$6,267)	(\$40,107)	(\$230,000)	(\$276,394)
FTE	0.00	1.00	0.00	0.00

1. This amendment reduces, from \$12,560 to \$6,267, the amount provided for a market equity salary increase for the commissioner and deputy commissioner. The amount included in the bill will provide for a monthly increase of \$166.25 for the commissioner and \$151.67 for the deputy commissioner and related fringe benefits for the last 18 months of the biennium.

2. This is Governor Hoeven's recommended change from Governor Schake's budget recommendation for the Department of Agriculture. This proposed amendment replaces \$200,000 of general fund moneys with game and fish funds for the wildlife services line item. The total amount from the game and fish fund for the wildlife services line item is \$400,000.

A section is added authorizing funds from the environment and rangeland protection fund to be used for harmonization of crop protection product standards.

A section is added continuing the \$350 biennial pesticide product registration fee. Under current law, the fee would have reverted on July 1, 2001.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to establish fees for collection of select chemicals. The fees are to be established at a level sufficient to generate \$100,000 during the 2001-03 biennium, to be deposited in the environment and rangeland protection fund, to defray the costs of Project Safe Send.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to research the potential of recycling selected products collected under Project Safe Send.

REPORT OF STANDING COMMITTEE

HB 1022: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1022 was placed on the Sixth order on the calendar.

Page 1, line 2, after "department" insert "1" to create and enact a new section to chapter 54-34.4 of the North Dakota Century Code, relating to copyright and trademark; to amend and reenact section 54-34.4-04 of the North Dakota Century Code, relating to the motion picture advisory board, to provide legislative intent, and to declare an emergency.

Page 1, line 10, replace "3,220,437" with "3,250,437"

Page 1, remove line 12

Page 1, line 13, replace "655,663" with "1,405,663"

Page 1, line 14, replace "4,960,778" with "5,710,778"

Page 1, line 16, replace "4,597,778" with "5,347,778"

Page 1, after line 16, insert:

SECTION 2. LEGISLATIVE INTENT. It is the intent of the fifty-seventh legislative assembly that for the purpose of preparing a budget request for the 2003-05 biennium, the base budget request for the department of tourism not include the \$750,000 appropriation provided by the fifty-seventh legislative assembly, for additional marketing relating to the Lewis and Clark bicentennial.

SECTION 3. AMENDMENT. Section 54-34.4-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.4-04. North Dakota motion picture development office - Advisory board. The North Dakota motion picture development office is a part of the tourism department. The office shall promote North Dakota as a location for shooting films, television shows, documentaries, and commercials, and shall provide technical expertise to persons desiring to use the state as a filming location. The director of the tourism department shall appoint staff necessary to fulfill the functions and duties of the office and shall may appoint an advisory board of no more than ten members to assist in advising the office and to provide technical expertise to offer prospective film companies seeking locations and advice. The board shall serve without compensation, except reimbursement for actual and necessary expenses at the same rate as allowed other state officers to be paid from funds available to the office within the limits of legislative appropriations.

SECTION 4. A new section to chapter 54-34.4 of the North Dakota Century Code is created and enacted as follows:

Copyright and trademark. The director of the tourism department may obtain copyright or trademark protection for anything that may be used to promote the policies listed in section 54-34.4-03. The director may license and charge a fee for photographs and logos and anything with copyright or trademark protection.

SECTION 5. EMERGENCY. Section 4 of this Act is declared to be an emergency measure.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Department of Tourism - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$1,229,130		\$1,229,130
Operating expenses	3,220,437	\$20,000	3,240,437
Equipment	11,700		11,700
Grants	607,768		607,768
Leaves and Cash Equivalent	607,768		607,768
Total all funds	\$4,960,778	\$20,000	\$4,980,778
Less estimated income	3,513,515		3,513,515
General fund	\$4,980,778	\$150,000	\$5,130,778
FTE	11.00	0.00	11.00

Dept. 740 - Department of Tourism - Detail of House Changes

	ADJUST MARKET EQUITY SALARY INCREASE 1	UNFUND 1 FTE POSITION	FUNDING SOURCE CHANGE 2	TOTAL HOUSE CHANGES
Salaries and wages				
Operating expenses				
Equipment				
Grants				
Leaves and Cash Equivalent				
Total all funds				
Less estimated income				
General fund				
FTE				

2001 SENATE APPROPRIATIONS

HB 1009


2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

Senate Appropriations Committee

Conference Committee

Hearing Date February 15, 2001

Tape Number	Side A	Side B	Meter #
2	X		13.2-46.7
Committee Clerk Signature 			

Minutes:

Senator Solberg opened the hearing on HB 1009, Department of Agriculture.

Roger Johnson, Commissioner, Department of Agriculture, testified on the bill (testimony/overview attached) on services and budget issues. The bill passed the House Appropriation with amendments and I am asking the committee to add those deletions back into the bill. This will be discussed with the Subcommittee.

Senator Solberg: SB 2216 is in Appropriations; the fiscal impact appropriation in that bill is in your budget?

Roger Johnson: Yes.

Bonnie Selvig, POD Member, Fargo, ND, stating she is a small business owner. She started marketing barbecue sauce with her company since 1998 and that is when she joined Pride of Dakota (POD) and is now looking at exporting her product. With POD it is easier to market and sell products with an online web site and seminars to sell a safe quality product.

Page 2

Senate Appropriations Committee

Bill/Resolution Number HB 1009

Hearing Date February 15, 2001

Alan Julison, POD member, Hope, ND, testified (testimony attached), in favor of the bill.

LeAnn Harner, Ag in the classroom Council and Ag Magazine Volunteer, stated Farm and Ranch prints 15,000 magazines for schools; Integrated curriculum, encourages teachers living AG in the classrooms and AG site trailer for mobile classroom. Spend with authorized dollars now; actual dollars coordinator helps with volunteers.

Fred Eagleson, Meat Inspection advisory board member, supports meat inspection program in the Ag Department; gives merit to Dr. Grondahl.

Senator Robinson: Do you process bison in your facility?

Fred Eagleson: Yes, we process very actively.

Wade Moser, ND Stockmen's Association, supporting the five programs in the bill.

Brian Kramer, ND Farm Bureau, testified supporting Safe Send Project. Has two concerns with the House amendments, mainly user fees there will be less participation in the program, disposing products will go up. And secondly, support wildlife program, needs to keep viable to producers.

Mark Sitz, ND Farmers Union, testified (testimony attached), in favor of the bill.

Senator Grindberg: With China, is ND strategy to sell commodities and products to their country, is anything going on with this effort.

Roger Johnson: Marketing program with Commerce Department and Wheat Commission with clear strategy products.

Senator Grindberg: Is there willingness to work with state and various entities to promote ND products?

Roger Johnson: Speaking for agency, I would like a role working as a partnership. I am working with USDA and working with others makes sense.

Page 3

Senate Appropriations Committee

Bill/Resolution Number HB 1009

Hearing Date February 15, 2001

Senator Thune: Is there a big national corporations in Chicago and partners marketing ND commodities and are they important players?

Mark Sitz: I'm not sure and have no facts with their interest in China.

Senator Tomac: Do you still publish Export Guide?

Mark Sitz: Yes we do.

Bonnie Selyig: The department has exporting directory and is categorized; commodities are checked each year.

Senator Lindaas: Pride of Dakota, fee amount?

Bonnie Selyig: Fees \$24,300 per year; minimum \$50, maximum \$250, depends on number of employees, it goes to the general fund.

With no opposition to the bill, the hearing was closed. Tape #, Side A, meter 46.7.

4-02-01 Full Committee Action (Tape #3, Side A, Meter # 0.0 - 3.3)

Senator Nething reopened the hearing on HB1009 - Ag Commissioner

Senator Bowman, Subcommittee Chair reviewed the bill, the Subcommittee's findings and presented an amendment # 18009.0201 as a recommendation to the full Committee.

Discussion on the amendment; Senator Bowman moved the amendments, Senator Solberg seconded. Discussion; call for the vote; voice vote; amendments adopted.

Discussion on the bill. Senator Bowman moved a DO PASS AS AMENDED; seconded by Senator Tomac. seconded the motion. Discussion; call for the vote: Roll Call Vote: 14 yes; 0 no; 0 absent and not voting.

Senator Tomac accepted the floor assignment.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 14, replace "1,361.357" with "1,238.864"

Page 2, line 2, replace "11,192.073" with "11,169.580"

Page 2, line 4, replace "4,393.889" with "4,371.396"

Page 2, line 23, remove the overstrike over "~~(Effective through June 30,~~", after "2001" insert "2003", and remove the overstrike over "~~)-Registration - Fees:~~"

Page 2, remove the overstrike over lines 24 through 31

Page 3, remove the overstrike over lines 1 through 25

Page 3, line 26, remove the overstrike over "~~(Effective July 1,~~", after "2001" insert "2003", and remove the overstrike over the closing parenthesis

Page 4, line 1, remove "fifty"

Page 5, line 12, remove "during the biennium beginning July 1, 2001, and ending June 30, 2003"

Page 5, remove line 13

Page 5, line 14, remove "biennium beginning July 1, 2001, and ending June 30, 2003."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,519,782	\$3,513,495		\$3,513,495
Operating expenses	1,361,357	1,361,357	(\$22,493)	1,338,864
Equipment	30,400	30,400		30,400
Grants	161,700	161,700		161,700
Board of Animal Health	538,614	538,614		538,614
Aq mediation	1,075,808	1,075,808		1,075,808
Aq in the classroom	96,000	96,000		96,000
State meat inspection	711,964	631,750		631,750
Waterbank program	900,000	900,000		900,000
Pride of Dakota	157,050	157,050		157,050
Wildlife services	779,694	779,694		779,694
Safe Send	599,369	599,369		599,369
Noxious weeds	<u>1,346,836</u>	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	\$11,192,073	(\$22,493)	\$11,169,580
Less estimated income	<u>5,638,291</u>	<u>5,798,184</u>		<u>5,798,184</u>
General fund	\$4,640,283	\$4,393,889	(\$22,493)	\$4,371,396

Dept. 602 - Department of Agriculture - Detail of Senate Changes

	Proposed OPERATIONAL	TOTAL SENATE OPERATIONAL
Salaries and wages		
Operating expenses	(\$22,493)	(\$22,493)
Equipment		
Grants		
Board of Animal Health		
Ag in the classroom		
State meal inspection		
Waterbank program		
Prdu of Dakota		
Wildlife services		
Safe Send		
Noxious weeds		
Total all funds	(\$22,493)	(\$22,493)
Less estimated income		
General fund	(\$22,493)	(\$22,493)
FTE	0.00	0.00

* Adjustment to reflect increases in travel authorized in the executive recommendation. Reduces the \$72,493 increase in travel for administration to \$50,000.

The amendment extends the sunset clause on the \$350 pesticide product registration fee until June 30, 2003. The product registration fee will revert to \$300 for each product registered after June 30, 2003.

The amendment removes the requirement for the Department of Agriculture to generate \$100,000 revenues from collections of pesticides under Project Safe Send. It does maintain the requirement of establishing a fee schedule for the collection of select chemicals.

Date: 4-2-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1009

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number 18009.0201

Action Taken As passed by President

Motion Made By Senator Bowman Seconded By Senator Tomac

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment Senator Tomac

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

REPORT OF STANDING COMMITTEE

HB 1009, as engrossed: 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). Engrossed HB 1009 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "1,361,357" with "1,338,864"

Page 2, line 2, replace "11,192,073" with "11,169,580"

Page 2, line 4, replace "4,393,889" with "4,371,396"

Page 2, line 23, remove the overstrike over "~~(Effective through June 30,~~", after "2001" insert "2003", and remove the overstrike over "~~)-Registration-Fees,~~"

Page 2, remove the overstrike over lines 24 through 31

Page 3, remove the overstrike over lines 1 through 25

Page 3, line 26, remove the overstrike over "~~(Effective July 1,~~", after "2001" insert "2003", and remove the overstrike over the closing parenthesis

Page 4, line 1, remove "fifty"

Page 5, line 12, remove "during the biennium beginning July 1, 2001, and ending June 30, 2003"

Page 5, remove line 13

Page 5, line 14, remove "biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,519,782	\$3,513,495		\$3,513,495
Operating expenses	1,361,357	1,361,357	(\$22,493)	1,338,864
Equipment	30,400	30,400		30,400
Grants	161,700	161,700		161,700
Board of Animal Health	538,614	538,614		538,614
Ag mediation	1,075,808	1,075,808		1,075,808
Ag in the classroom	96,000	96,000		96,000
State meat inspection	711,964	631,750		631,750
Waterbank program	900,000	900,000		900,000
Pride of Dakota	157,050	157,050		157,050
Wildlife services	779,694	779,694		779,694
Safe Send	599,369	599,369		599,369
Noxious weeds	<u>1,346,836</u>	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	\$11,192,073	(\$22,493)	\$11,169,580
Less estimated income	<u>6,638,291</u>	<u>6,798,184</u>		<u>6,798,184</u>
General fund	\$4,640,283	\$4,393,889	(\$22,493)	\$4,371,396
FTE	55.50	55.50	0.00	55.50

Dept. 602 - Department of Agriculture - Detail of Senate Changes

	REDUCE OPERATING ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses	(\$22,493)	(\$22,493)
Equipment		
Grants		
Board of Animal Health		
Ag mediation		
Ag in the classroom		
State meat inspection		
Waterbank program		
Pride of Dakota		
Wildlife services		
Safe Send		
Noxious woods		
Total all funds	(\$22,493)	(\$22,493)
Less estimated income		
General fund	(\$22,493)	(\$22,493)
FTE	0.00	0.00

¹ Adjustment to reflect increases in travel authorized in the executive recommendation. Reduces the \$72,493 increase in travel for administration to \$50,000.

The amendment extends the sunset clause on the \$350 pesticide product registration fee until June 30, 2003. The product registration fee will revert to \$300 for each product registered after June 30, 2003. The amendment removes the requirement for the Department of Agriculture to generate \$100,000 revenues from collections of pesticides under Project Safe Send. It does maintain the requirement of establishing a fee schedule for the collection of select chemicals.

2001 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

1009

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1009

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date April 10, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	Starting at 4190	x	50
Committee Clerk Signature <i>Judith Schenk</i>			

Minutes:

Representatives Skarpol, Thorson, Huether, Senators Solberg, Tomac, and Bowman.

Rep Skarpol opens the meeting and asks for guidance on last portion of the engrossed on fees. Senator Bowman, and Senator Tomac explain. Rep Skarpol discusses what was the House intentions. There is a misunderstanding with the House and Senate as to what the House sent to the Senate. Discussion follows about fees and where the 100,000 went or came from. Senator Solberg, (4975) notes section 8 sent from the House, and nothing said about the reduction. Rep Skarphol apologizes if it didn't get properly reflected. The committee feels they are all wanting the same thing it is just getting the language correct. Senator Tomac is not so sure there should be a cut, and explains. Discussion on considering 24,000 dollars to market Pride of Dakota, which was requested from Director of Marketing.(5860) Rep Skarpol adjourns the meeting.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1009

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date April 12, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	Starting at 263		2,585
Committee Clerk Signature <i>Judith Debeck</i>			

Minutes:

Representatives Skarphol, Thorson, Huether, Senators Solberg, Tomac, Bowman.

Rep Skarphol presents amendment 18009.0202 for the committee to consider. Legislative Council goes through the amendment with the committee. Discussion by the committee on the intentions. The committee feels they are all going in the same direction, it is a matter of getting the language correct. Rep Skarphol introduces, and explains amendment 18009.0204. (1550) These are what would be amendments to HB1328, a chemical harmonization bill. Discussion by the committee on a majority and minority put on the board. We will have Legislative Council work on the amendment. Meeting is adjourned.

2001 HOUSE CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date April 16, 2001

Tape Number	Side A	Side B	Meter #
04-16-01 tape #1	0 - 1867	0 - 1275	
Committee Clerk Signature <i>Kelli Hall</i>			

Minutes:

The conference committee was called to order. Roll call was taken.

Rep. Skarphol: Lets deal with the rinsate issue first. He handed out amendment 18009.0206. Thinks the real essence of this amendment appears on page 5 of the bill. That's the language we had discussed previously and agreed to.

Sen. Solberg: That pretty well covers the rinsate situation. And takes care of the added cost we were concerned about.

Sen. Tomac: It satisfies what has been discussed. Trying to follow the rest of the amendment.

Rep. Skarphol: They are the same otherwise, as the Senate sent them out.

Sen. Solberg: Moves to adopt the amendment .0206. Seconded by Rep. Thoreson.

Vote on Motion : 6 yes, 0 no, 0 absent and not voting. Motion passes.

Rep. Skarphol: The other issue we had discussion over was the conditional amendment that dealt with HB 1328, and the composition of the chemical harmonization board. Hands out amendment 19009.0205 (not 19009.0207). States that in his conversations with leadership they were not interested in adding members to this board; they thought it would be short lived. Hopefully we can get this harmonization problem resolved. That's the hopes of leadership. This amendment basically allows designees from the ag commissioner and the chairmen of the two ag committees. It does not add any additional members. (To Sen. Thane, to bring him up to speed because he was sitting in today for Sen. Bowman, there have been several amendments proposed, some of which didn't allow for a designee. It was thought appropriate to do that, to have a designee).

Sen. Tomac: Hopes that the amendment would be resisted. One of the problems with the harmonization committee last session was the fact that we waited until the conference committee, something didn't get done, etc. If this is going to be fixed, it needs to be fixed up. Upset that the House didn't try to fix this up when they had that bill. Nothing is germane to these two bills, except that the fact that the commissioner of agriculture sits on the board. He resists the amendment.

Rep. Skarphol: From his perspective, he doesn't see that this is a major change to the board, except that they would allow designees.

Sen. Tomac: There is a major change in these amendments, on page 2, subsection 5. there is a very major change. They deleted the commodity groups that are established in the act. It is a significant change.

(Sen. Tomac explains his understanding of the change. There was discussion relating to the overstrike of "established under this title". The committee directed questions to Don of L.C., and he looked for some explanations.)

Rep. Skarphol: Explained that "under this title" is Title 4 of the Century Code, Agriculture. There is a list of 40 or so groups listed in the Title. The change that that makes does have some significance, like Sen. Tomac says. The change was requested after the bill was passed out of the Senate by Sen. Wanzek. It is a new issue and is a change from what was passed out of the Senate and what passed the House. This is verified by John Bjornson, who drafted the amendment. Based on that, I would like to discuss this with others before we proceed.

Sen. Solberg: Agrees that another meeting is probably necessary.

The chairman closed the meeting on this bill.

Later in the day, April 16, 2001

Rep. Skarphol: If we include the overstrike discussed earlier today, only commodity groups are eligible to participate. Commodity groups by law have a difficult time lobbying, and therefore it would do away with any time of really that the board could accomplish.

Sen. Solberg: He also understands that without the overstrike some of those would be eliminated. Some groups not named in that chapter would be eliminated and not eligible to participate.

Rep. Skarphol: This was a compromise the leadership was hoping to establish and have happen. Explains what they had hoped it to be. He thinks that once harmonization is

accomplished it should not have to be an ongoing thing. Once you get the Canadian and American system parallel so you don't have to have separate registration standards.

Sen. Solberg: Thinks they are close to settling this. Was quite surprised by the overstrike, but does understand why it is there. They do have a safeguard in place with the sunset clause. It will be revisited in two years.

Sen. Tomac: Still does not see the germaneness between this amendment and the ag commissioner's budget bill. The amendments proposed will actually change the version of the bill passed by the Senate, passed by the very people that now want to change it again. Still opposes the amendment.

Rep. Skarphol: After our discussions in conference committee this morning, I had a conversation with Sen. Wanzek. He says that this was an oversight that he didn't take care of this in the bill when it was in the Senate. It got to the House and it was sent out of the House before he got it addressed over there. He said it was an "oops".

Sen. Tomac: Begs to differ. He was in the Senate, and saw what happened. He voted for this and supported it in his committee. Then when it got to the floor he didn't get it changed, and what happened that the leadership told him that if it comes back they would kill the bill. That doesn't change the germaneness issue. It's still not germane to this bill.

Rep. Skarphol: Gave his perspective that he thinks it is germane.

Sen. Tomac: Thinks its pretty poor precedent to take something this ungermane to this bill and attach it to it.

Rep. B. Thoreson: Moves to adopt amendment 18009.0205. Seconded by Sen. Solberg.

Vote on Motion, 4 yes, 2 no, 0 absent and not voting. Motion passes.

Sen. Tomac: There was the issue on the table regarding the Pride of Dakota user fees being reappropriated or continued for marketing.

Sen. Bowman: I had brought this up because I was asked to do so by the department. That was one of my first requests that this be part of the discussion

Rep. Skarphol: You can make whatever motions you want. The House had some reservations about that. But it can be discussed.

Rep. Bowman: If the House rejected it, and had a vote on it, but it was my understanding that there was no vote, that it was just an oversight.

Rep. Skarphol: There was not a vote in the full House.

Sen. Tomac: Asks Jeff in the audience what the amount was.

Jeff?: \$24,000 per year.

Sen. Tomac: So it's a \$48,000 continuing appropriation of other funds. If the other is germane, this is certainly germane.

Sen. Solberg: would be interested in giving them \$24,000 which was the amount he was told, but not really excited about \$48,000.

(Some general discussion on this issue. Jeff from OMB explains).

Sen. Bowman: Moves to adopt the amendment of \$48,000. Seconded by Sen. Tomac.

Vote on Motion, 3 yes, 3 no, 0 absent and not voting. Motion fails due to the fact that there were not 2 votes in favor by both Houses.

Sen. Solberg: Moves that the Senate recede from their amendment and that they further amend. Seconded by Rep. Thoreson.

Vote on Motion, 4 yes, 2 no, 0 absent and not voting. Motion passes.

Rep. Skarphol will carry the report to the floor.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 5, line 12, replace "select chemicals" with "rinsate"

Page 5, replace line 13 with "The agriculture commissioner shall establish the fee at a level that will generate \$100,000 for the"

Page 5, line 14, after the period insert "If the agriculture commissioner determines that fee collections will be less than \$100,000, the agriculture commissioner shall reduce the volume of rinsate collected during the 2001-03 biennium as compared to the volume collected during the 1999-2001 biennium by the same percentage that the fee collections are estimated to be less than \$100,000."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Conference Committee Action

This amendment requires the Department of Agriculture to either collect \$100,000 from fees relating to the collection of rinsate or reduce the volume of rinsate collected by the percentage that the fee collections are less than the \$100,000.

April 12, 2001

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 3, after "Code" insert "and to amend and reenact the new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly"

Page 1, line 4, after the first comma insert "the membership of the crop protection product harmonization and registration board."

Page 2, after line 11, insert:

"SECTION 3. AMENDMENT. The new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

Crop protection product harmonization and registration board - Duties - Grants.

1. The crop protection product harmonization and registration board consists of:
 - a. ~~the~~ The governor or the governor's designee; ;
 - b. ~~the~~ The agriculture commissioner; or the commissioner's designee;
 - c. ~~the~~ The chairman of the house agriculture committee; or the chairman's designee;
 - d. ~~the~~ The chairman of the senate agriculture committee; one crop protection product manufacturing industry representative appointed by the chairman of the legislative council; and two consumers or the chairman's designee;
 - e. A crop protection product dealer in the state appointed by the governor from a list of three nominees submitted by the North Dakota agricultural association;
 - f. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota grain growers association;
 - g. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota oilseed council;
 - h. A representative of the crop protection product manufacturing industry appointed by the chairman of the legislative council; and

- i. The director of the North Dakota state university agricultural experiment station.
2. The representative of the crop protection product manufacturing industry and the director of the agricultural experiment station shall serve as nonvoting members. The governor or the governor's designee shall serve as chairman of the board.
3. The board shall:
 - a. Identify and prioritize crop protection product labeling needs;
 - b. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act [7 U.S.C. 136a];
 - c. Identify the data necessary to enable registration of a use to occur in a timely manner;
 - d. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section;
 - e. Request the agriculture commissioner to pursue specific research funding options from public and private sources;
 - f. Request the North Dakota state university agricultural experiment station to pursue specific research to coordinate registration efforts; and
 - g. Pursue any opportunities to make more crop protection product options available to agricultural producers in this state through any means the board determines advisable.
- 2: 4. The board may contract with a consultant to conduct studies or provide research or information regarding crop protection product registration and labeling needs.
- 3: 5. ~~The board may administer a grant program through which agriculture commodity groups established under this title~~ may apply for funds to be used by the groups to address issues related to the registration of crop protection products. To be eligible for receipt of a grant, an applicant must submit an application to the board which requests a specific amount of funds, specifies the exact purposes for which the grant would be used, and provides a detailed timetable for the use of the grant funds. The board may impose any additional conditions it determines appropriate for grant recipients, including requiring periodic reports and furnishing of matching funds. The board may terminate funding of a previously approved grant at any time if the board is dissatisfied with the performance of the grant recipient.
- 4: 6. The board may use not more than fifteen percent of the funds under its supervision for administrative purposes, including the cost of contracting for administrative services and reimbursement of board member expenses. The members of the board who are members of the legislative assembly are entitled to compensation from the legislative council for attendance at board meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.
- 6: 7. The board may adopt rules to implement this section."

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 14, replace "1,361,357" with "1,338,864"

Page 2, line 2, replace "11,192,073" with "11,169,580"

Page 2, line 4, replace "4,393,889" with "4,371,396"

Page 2, line 23, remove the overstrike over "~~(Effective through June 30,~~", after "2001" insert "2003", and remove the overstrike over "~~) Registration Fees.~~"

Page 2, remove the overstrike over lines 24 through 31

Page 3, remove the overstrike over lines 1 through 25

Page 3, line 26, remove the overstrike over "~~(Effective July 1,~~", after "2001" insert "2003", and remove the overstrike over the closing parenthesis

Page 4, line 1, remove "fifty"

Page 5, line 12, replace "select chemicals" with "rinsate"

Page 5, line 13, replace "an estimated \$100,000" with "enough revenues to cover the cost of disposal associated with the rinsate collected"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$3,519,782	\$3,513,495		\$3,513,495
Operating expenses	1,361,357	1,361,357	(\$22,493)	1,338,864
Equipment	30,400	30,400		30,400
Grants	161,700	161,700		161,700
Board of Animal Health	538,614	538,614		538,614
Ag mediation	1,075,808	1,075,808		1,075,808
Ag in the classroom	96,000	96,000		96,000
State meat inspection	711,964	631,750		631,750
Waterbank program	900,000	900,000		900,000
Pride of Dakota	157,050	157,050		157,050
Wildlife services	779,694	779,694		779,694
Safe Seed	599,369	599,369		599,369
Noxious weeds	<u>1,346,836</u>	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	\$11,192,073	(\$22,493)	\$11,169,580

Less estimated income	<u>6,638,291</u>	<u>6,798,184</u>		<u>6,798,184</u>
General fund	\$4,640,283	\$4,393,889	(\$22,493)	\$4,371,396
FTE	55.50	55.50	0.00	55.50

Dept. 602 - Department of Agriculture - Detail of Conference Committee Changes

	REDUCE OPERATING ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses	(\$22,493)	(\$22,493)
Equipment		
Grants		
Board of Animal Health		
Ag mediation		
Ag in the classroom		
State meat inspection		
Waterbank program		
Pride of Dakota		
Wildlife services		
Safe Land		
Noxious weeds		
Total all funds	(\$22,493)	(\$22,493)
Less estimated income		
General fund	(\$22,493)	(\$22,493)
FTE	0.00	0.00

¹ Adjustment to reflect increases in travel authorized in the executive recommendation. Reduces the \$72,493 increase in travel for administration to \$50,000.

The amendment extends the sunset clause on the \$350 pesticide product registration fee until June 30, 2003. The product registration fee will revert to \$300 for each product registered after June 30, 2003. The Conference Committee did not change the Senate language.

The Conference Committee changed the Senate requirement for fees for collection of select chemicals to fees for the collection of rinsate sufficient to cover the cost of disposal associated with the rinsate collected.

Date: 4-16-01
Roll Call Vote # 01

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1009

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 15009.0206

Action Taken to adopt amendment

Motion Made By Sen Salberg Seconded By Rep Hanson

Representatives	Yes	No	SENATORS	Yes	No
Rep Skarphol	✓		Senator Salberg	✓	
Rep Thoren B	✓		Senator Amundson	✓	
Rep. Hovner	✓		Senator Bergman		
			Phare	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

deals w/ revenue

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 3, after "Code" insert "and to amend and reenact the new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly"

Page 1, line 4, after the first comma insert "the membership of the crop protection product harmonization and registration board,"

Page 2, after line 11, insert:

"SECTION 3. AMENDMENT. The new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

Crop protection product harmonization and registration board - Duties - Grants.

1. The crop protection product harmonization and registration board consists of:
 - a. ~~the~~ The governor or the governor's designee;
 - b. ~~the~~ The agriculture commissioner; or the commissioner's designee;
 - c. ~~the~~ The chairman of the house agriculture committee; or the chairman's designee;
 - d. ~~the~~ The chairman of the senate agriculture committee; ~~one crop protection product manufacturing industry representative appointed by the chairman of the legislative council, and two consumers~~ or the chairman's designee;
 - e. A member of the house or senate agriculture committee who is not a member of the faction in which the committee chairman is a member, appointed by the legislative council chairman;
 - f. A crop protection product dealer in the state appointed by the governor from a list of three nominees submitted by the North Dakota agricultural association;
 - g. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota grain growers association;
 - h. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota oilseed council;

- i. A representative of the crop protection product manufacturing industry appointed by the chairman of the legislative council; and
 - j. The director of the North Dakota state university agricultural experiment station.
2. The representative of the crop protection product manufacturing industry and the director of the agricultural experiment station shall serve as nonvoting members. The governor or the governor's designee shall serve as chairman of the board.
3. The board shall:
- a. Identify and prioritize crop protection product labeling needs;
 - b. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act [7 U.S.C. 136a];
 - c. Identify the data necessary to enable registration of a use to occur in a timely manner;
 - d. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section;
 - e. Request the agriculture commissioner to pursue specific research funding options from public and private sources;
 - f. Request the North Dakota state university agricultural experiment station to pursue specific research to coordinate registration efforts; and
 - g. Pursue any opportunities to make more crop protection product options available to agricultural producers in this state through any means the board determines advisable.
2. 4. The board may contract with a consultant to conduct studies or provide research or information regarding crop protection product registration and labeling needs.
3. 5. The board may administer a grant program through which agriculture commodity groups ~~established under this title~~ may apply for funds to be used by the groups to address issues related to the registration of crop protection products. To be eligible for receipt of a grant, an applicant must submit an application to the board which requests a specific amount of funds, specifies the exact purposes for which the grant would be used, and provides a detailed timetable for the use of the grant funds. The board may impose any additional conditions it determines appropriate for grant recipients, including requiring periodic reports and furnishing of matching funds. The board may terminate funding of a previously approved grant at any time if the board is dissatisfied with the performance of the grant recipient.
4. 6. The board may use not more than fifteen percent of the funds under its supervision for administrative purposes, including the cost of contracting for administrative services and reimbursement of board member expenses. The members of the board who are members of the legislative assembly are entitled to compensation from the legislative council for attendance at board meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to

reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

~~6.~~ 7. The board may adopt rules to implement this section."

Renumber accordingly

Date: 4-16-01
 Roll Call Vote # 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1009

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 18009 .0705

Action Taken to adopt amendment

Motion Made By Rep Thoreson Seconded By Sen Salberg

Representatives	Yes	No	SENATORS	Yes	No
<u>Rep Skarphol</u>	<u>✓</u>		<u>Senator Salberg</u>	<u>✓</u>	
<u>Rep Thoreson</u>	<u>✓</u>		<u>Senator Tomme</u>		<u>✓</u>
<u>Rep. Heather</u>		<u>✓</u>	<u>Senator Bremer</u>	<u>✓</u>	

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

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

Date: 4-16-01
Roll Call Vote # 3

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1009

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken to accept amendment

Motion Made By Sen Bowman Seconded By Sen. Tomac

Representatives	Yes	No	SENATORS	Yes	No
Rep. Stangor		✓	Sen. Solberg		✓
Rep. Hineson		✓	Sen. Tomac	✓	
Rep. Hetherington	✓		Sen. Bowman	✓	

Total (Yes) 3 No 3

Absent 0

Floor Assignment _____ fails

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

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 3, after "Code" insert "and to amend and reenact the new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly"

Page 1, line 4, after the first comma insert "the membership of the crop protection product harmonization and registration board,"

Page 1, line 14, replace "1,361,357" with "1,338,864"

Page 2, line 2, replace "11,192,073" with "11,169,580"

Page 2, line 4, replace "4,393,889" with "4,371,396"

Page 2, after line 11, insert:

"SECTION 3. AMENDMENT. The new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

Crop protection product harmonization and registration board - Duties - Grants.

1. The crop protection product harmonization and registration board consists of:
 - a. ~~the~~ The governor or the governor's designee;
 - b. ~~the~~ The agriculture commissioner; or the commissioner's designee;
 - c. ~~the~~ The chairman of the house agriculture committee; or the chairman's designee;
 - d. ~~the~~ The chairman of the senate agriculture committee; ~~one crop protection product manufacturing industry representative appointed by the chairman of the legislative council, and two consumers~~ or the chairman's designee;
 - e. A member of the house or senate agriculture committee who is not a member of the faction in which the committee chairman is a member, appointed by the legislative council chairman;
 - f. A crop protection product dealer in the state appointed by the governor from a list of three nominees submitted by the North Dakota agricultural association;

- g. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota grain growers association;
 - h. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota oilseed council;
 - i. A representative of the crop protection product manufacturing industry appointed by the chairman of the legislative council; and
 - j. The director of the North Dakota state university agricultural experiment station.
2. The representative of the crop protection product manufacturing industry and the director of the agricultural experiment station shall serve as nonvoting members. The governor or the governor's designee shall serve as chairman of the board.
3. The board shall:
- a. Identify and prioritize crop protection product labeling needs;
 - b. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act [7 U.S.C. 136a];
 - c. Identify the data necessary to enable registration of a use to occur in a timely manner;
 - d. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section;
 - e. Request the agriculture commissioner to pursue specific research funding options from public and private sources;
 - f. Request the North Dakota state university agricultural experiment station to pursue specific research to coordinate registration efforts; and
 - g. Pursue any opportunities to make more crop protection product options available to agricultural producers in this state through any means the board determines advisable.
- ~~2.~~ 4. The board may contract with a consultant to conduct studies or provide research or information regarding crop protection product registration and labeling needs.
- ~~3.~~ 5. The board may administer a grant program through which agriculture commodity groups ~~established under this title~~ may apply for funds to be used by the groups to address issues related to the registration of crop protection products. To be eligible for receipt of a grant, an applicant must submit an application to the board which requests a specific amount of funds, specifies the exact purposes for which the grant would be used, and provides a detailed timetable for the use of the grant funds. The board may impose any additional conditions it determines appropriate for grant recipients, including requiring periodic reports and furnishing of matching funds. The board may terminate funding of a previously approved grant at any time if the board is dissatisfied with the performance of the grant recipient.

4. 6. The board may use not more than fifteen percent of the funds under its supervision for administrative purposes, including the cost of contracting for administrative services and reimbursement of board member expenses. The members of the board who are members of the legislative assembly are entitled to compensation from the legislative council for attendance at board meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

5. 7. The board may adopt rules to implement this section."

Page 2, line 23, remove the overstrike over "~~(Effective through June 30,~~", after "2001" insert "2003", and remove the overstrike over "~~) Registration Fees.~~"

Page 2, remove the overstrike over lines 24 through 31

Page 3, remove the overstrike over lines 1 through 25

Page 3, line 26, remove the overstrike over "~~(Effective July 1,~~", after "2001" insert "2003", and remove the overstrike over the closing parenthesis

Page 4, line 1, remove "fifty"

Page 5, line 12, replace "select chemicals" with "rinsate"

Page 5, line 13, replace "an estimated \$100,000" with "enough revenues to cover the cost of disposal associated with the rinsate collected"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$3,519,782	\$3,513,495		\$3,513,495
Operating expenses	1,381,357	1,361,357	(\$22,493)	1,338,864
Equipment	30,400	30,400		30,400
Grants	161,700	161,700		161,700
Board of Animal Health	538,614	538,614		538,614
Ag mediation	1,075,808	1,075,808		1,075,808
Ag in the classroom	86,000	86,000		86,000
State meat inspection	711,964	631,750		631,750
Waterbank program	900,000	900,000		900,000
Pride of Dakota	157,050	157,050		157,050
Wildlife services	779,694	779,694		779,694
Safe Sand	599,369	599,369		599,369
Noxious weeds	<u>1,346,836</u>	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	\$11,192,073	(\$22,493)	\$11,169,580
Less estimated income	<u>6,638,291</u>	<u>6,798,184</u>		<u>6,798,184</u>
General fund	\$4,640,283	\$4,383,889	(\$22,493)	\$4,371,396
FTE	55 50	55 50	0 00	55 50

Dept. 602 - Department of Agriculture - Detail of Conference Committee Changes

	REDUCE OPERATING ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses	(\$22,493)	(\$22,493)
Equipment		
Grants		
Board of Animal Health		
Ag mediation		
Ag in the classroom		
State meal inspection		
Waterbank program		
Pride of Dakota		
Wildlife services		
Safe Seed		
Noxious weeds		
Total all funds	(\$22,493)	(\$22,493)
Less estimated income		
General fund	(\$22,493)	(\$22,493)
FTE	0.00	0.00

¹ Adjustment to reflect increases in travel authorized in the executive recommendation. Reduces the \$72,493 increase in travel for administration to \$50,000.

The amendment extends the sunset clause on the \$350 pesticide product registration fee until June 30, 2003. The product registration fee will revert to \$300 for each product registered after June 30, 2003. The Conference Committee did not change the Senate language.

The Conference Committee changed the Senate requirement for fees for collection of select chemicals to fees for the collection of rinsate sufficient to cover the cost of disposal associated with the rinsate collected.

The Conference Committee added a section to amend a section created in House Bill No. 1328 relating to the membership of the Crop Protection Product Harmonization and Registration Board.

Date: 4-16-01
Roll Call Vote # 4

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1009

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 18009.0201 18009.0208 adopting 0201 0208

Action Taken sen recede; further amend

Motion Made By Sen Salberg Seconded By Rep Thoreson

Representatives	Yes	No	SENATORS	Yes	No
<u>Rep Skarpohl</u>	<input checked="" type="checkbox"/>		<u>Senator Salberg</u>	<input checked="" type="checkbox"/>	
<u>Rep Thoreson</u>	<input checked="" type="checkbox"/>		<u>Senator Tamm</u>		<input checked="" type="checkbox"/>
<u>Rep Heather</u>		<input checked="" type="checkbox"/>	<u>Senator Bowman</u>	<input checked="" type="checkbox"/>	

Total (Yes) 4 No 2

Absent 0

Floor Assignment Rep. Skarpohl

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

REPORT OF CONFERENCE COMMITTEE

HB 1009, as engrossed: Your conference committee (Sens. Solberg, Tomac, Bowman and Reps. Skarphol, B. Thoreson, Huether) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1291-1292, adopt further amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1291 and 1292 of the House Journal and pages 1129 and 1130 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 3, after "Code" insert "and to amend and reenact the new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly"

Page 1, line 4, after the first comma insert "the membership of the crop protection product harmonization and registration board."

Page 1, line 14, replace "1,361,357" with "1,338,864"

Page 2, line 2, replace "11,192,073" with "11,169,580"

Page 2, line 4, replace "4,393,889" with "4,371,396"

Page 2, after line 11, insert:

"SECTION 3. AMENDMENT. The new section to chapter 4-35 of the North Dakota Century Code as created by section 3 of House Bill No. 1328, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

Crop protection product harmonization and registration board - Duties - Grants.

1. The crop protection product harmonization and registration board consists of:
 - a. ~~the~~ The governor or the governor's designee;
 - b. ~~the~~ The agriculture commissioner; or the commissioner's designee;
 - c. ~~the~~ The chairman of the house agriculture committee; or the chairman's designee;
 - d. ~~the~~ The chairman of the senate agriculture committee; one crop protection product manufacturing industry representative appointed by the chairman of the legislative council; and two consumers or the chairman's designee;
 - e. A member of the house or senate agriculture committee who is not a member of the faction in which the committee chairman is a member, appointed by the legislative council chairman;
 - f. A crop protection product dealer in the state appointed by the governor from a list of three nominees submitted by the North Dakota agricultural association;

- g. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota grain growers association;
 - h. A consumer of crop protection products appointed by the governor from a list of three nominees submitted by the North Dakota oilseed council;
 - i. A representative of the crop protection product manufacturing industry appointed by the chairman of the legislative council; and
 - j. The director of the North Dakota state university agricultural experiment station.
 2. The representative of the crop protection product manufacturing industry and the director of the agricultural experiment station shall serve as nonvoting members. The governor or the governor's designee shall serve as chairman of the board.
 3. The board shall:
 - a. Identify and prioritize crop protection product labeling needs;
 - b. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act [7 U.S.C. 136a];
 - c. Identify the data necessary to enable registration of a use to occur in a timely manner;
 - d. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section;
 - e. Request the agriculture commissioner to pursue specific research funding options from public and private sources;
 - f. Request the North Dakota state university agricultural experiment station to pursue specific research to coordinate registration efforts; and
 - g. Pursue any opportunities to make more crop protection product options available to agricultural producers in this state through any means the board determines advisable.
 - ~~2-~~ 4. The board may contract with a consultant to conduct studies or provide research or information regarding crop protection product registration and labeling needs.
 - ~~3-~~ 5. The board may administer a grant program through which agriculture commodity groups ~~established under this title~~ may apply for funds to be used by the groups to address issues related to the registration of crop protection products. To be eligible for receipt of a grant, an applicant must submit an application to the board which requests a specific amount of funds, specifies the exact purposes for which the grant would be used, and provides a detailed timetable for the use of the grant funds. The board may impose any additional conditions it determines appropriate for grant recipients, including requiring periodic reports and furnishing of matching funds. The board may terminate funding of a previously approved grant at

any time if the board is dissatisfied with the performance of the grant recipient.

4. ~~6.~~ The board may use not more than fifteen percent of the funds under its supervision for administrative purposes, including the cost of contracting for administrative services and reimbursement of board member expenses. The members of the board who are members of the legislative assembly are entitled to compensation from the legislative council for attendance at board meetings at the rate provided for members of the legislative assembly for attendance at interim committee meetings and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

~~5.~~ 7. The board may adopt rules to implement this section."

Page 2, line 23, remove the overstrike over "~~(Effective through June 30,~~", after "**2001**" insert "2003", and remove the overstrike over "~~) Registration Fees.~~"

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Page 3, line 26, remove the overstrike over "~~(Effective July 1,~~", after "**2001**" insert "2003", and remove the overstrike over the closing parenthesis

Page 4, line 1, remove "fifty"

Page 5, line 12, replace "select chemicals" with "rinsate"

Page 5, line 13, replace "an estimated \$100,000" with "enough revenues to cover the cost of disposal associated with the rinsate collected"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$3,519,782	\$3,513,495		\$3,513,495
Operating expenses	1,361,357	1,361,357	(\$22,493)	1,338,864
Equipment	30,400	30,400		30,400
Grants	161,700	161,700		161,700
Board of Animal Health	538,614	538,614		538,614
Ag mediation	1,075,808	1,075,808		1,075,808
Ag in the classroom	96,000	96,000		96,000
State meat inspection	711,964	631,750		631,750
Waterbank program	900,000	900,000		900,000
Pride of Dakota	157,050	157,050		157,050
Wildlife services	779,694	779,694		779,694
Soil Seed	599,369	599,369		599,369
Noxious weeds	<u>1,346,836</u>	<u>1,346,836</u>		<u>1,346,836</u>
Total all funds	\$11,278,574	\$11,192,073	(\$22,493)	\$11,169,580
Less estimated income	<u>6,638,291</u>	<u>6,798,184</u>		<u>6,798,184</u>
General fund	\$4,640,283	\$4,393,889	(\$22,493)	\$4,371,396
FTE	55.50	55.50	0.00	55.50

Dept. 602 - Department of Agriculture - Detail of Conference Committee Changes

	REDUCE OPERATING ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses	(\$22,493)	(\$22,493)
Equipment		
Grants		
Board of Animal Health		
Ag mediation		
Ag in the classroom		
State meat inspection		
Waterbank program		
Pride of Dakota		
Wildlife services		
Safe Seed		
Toxic weeds		
Total all funds	(\$22,493)	(\$22,493)
Less estimated income		
General fund	(\$22,493)	(\$22,493)
FTE	0.00	0.00

¹ Adjustment to reflect increases in travel authorized in the executive recommendation. Reduces the \$72,493 increase in travel for administration to \$50,000.

The amendment extends the sunset clause on the \$350 pesticide product registration fee until June 30, 2003. The product registration fee will revert to \$300 for each product registered after June 30, 2003. The Conference Committee did not change the Senate language. The Conference Committee changed the Senate requirement for fees for collection of select chemicals to fees for the collection of rinsate sufficient to cover the cost of disposal associated with the rinsate collected.

The Conference Committee added a section to amend a section created in House Bill No. 1328 relating to the membership of the Crop Protection Product Harmonization and Registration Board.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

2001 TESTIMONY

HB 1009

Department 602 - Agriculture Department
 House Bill No. 1009

	FTE Positions	General Fund	Other Funds	Total
2001-03 Executive Budget	55.50	\$4,640,283	\$6,638,291	\$11,278,574
1999-2001 Legislative Appropriations	55.50	4,479,271	4,596,441	9,075,712
Increase (Decrease)	0.00	\$161,012	\$2,041,850	\$2,202,862

The 1999-2001 appropriation amounts include \$27,134, \$17,909 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees. The 1999-2001 appropriation amounts do not include \$462,825 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Items Affecting Agriculture Department Budget

	General Fund	Other Funds	Total
1 Provides funding for salary equity adjustments effective January 1, 2002 based on the Central Personnel Division's salary market study. The proposed increase is \$166.26 per month for the commissioner and \$151.67 per month for the deputy commissioner. The total increase required for the biennium, including benefits, is \$6,682 or \$6,287 less than the executive recommendation.	\$12,969		\$12,969
2 Replaces general fund moneys with special funds from the environment and rangeland protection fund for the noxious weed program. The following schedule presents the total funding recommended for agriculture programs from the ERP fund.	(\$1,400)	\$80,000	\$0
Noxious weeds	\$1,404,602		
Pesticide	314,620		
Pesticide disposal (Safe Send)	596,842		
Compensation package	25,751		
Total	<u>\$2,341,815</u>		
3 Replaces general fund moneys with special funds from the anhydrous ammonia storage inspection fund for the Pesticide Anhydrous Division.	(\$25,000)	\$25,000	\$0
4 Replaces general fund moneys with special funds from the game and fish fund for wildlife services (\$200,000) and Board of Animal Health (\$23,000). The following schedule presents the total funding recommended for the game and fish fund:	(\$223,000)	\$223,000	\$0
Wildlife services	\$200,000		
Waterbank program	200,000		
Board of Animal Health	68,000		
Total	<u>\$468,000</u>		
5 Increases funding for the waterbank program from the game and fish fund.		\$200,000	\$200,000
6 Restores funding for the meat inspection program which was removed in the hold-even budget and increases the funding by \$257,964 from the 1999-2001 level (including salaries and benefits package).	\$340,882	\$371,882	\$711,064
7 Adds funding from the environment and rangeland protection fund to the noxious weed line item for control of Canada thistle.		\$170,000	\$170,000

Major Legislation Affecting the Agriculture Department

Section 2 of House Bill No. 1009 includes the statutory changes necessary to increase the Agriculture Commissioner's salary, as follows:

Annual salary authorized by the 1999 Legislative Assembly

July 1, 1999	\$58,267
July 1, 2000	\$59,428
January 1, 2001	\$64,569

Proposed annual salary recommended in the 2001-03 executive budget

July 1, 2001	\$66,509
January 1, 2002	\$68,504
July 1, 2002	\$69,874

House Bill No. 1009 includes estimated income to the Agriculture Department from the following funds:

Environment and rangeland protection fund	\$2,341,815
Anhydrous ammonia storage inspection fund	\$139,775
Gamut and fish fund	\$468,000

House Bill No. 1052 provides a sales and use tax exemption for used farm machinery, farm machinery repair parts, and used irrigation equipment, used exclusively for agriculture purposes.

Senate Bill No. 2109 provides for continuing education requirements and annual license requirement and fee for meat processing and slaughtering establishments.

Senate Bill No. 2110 continues the agriculture pesticide and pesticide container disposal program (Safe Sand) through July 31, 2003.

Department 602 - Agriculture Department
House Bill No. 1009

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	55.50	\$4,640,283	\$6,638,291	\$11,278,574
1999-2001 Legislative Appropriations	55.50	4,479,271	4,596,441	9,075,712 ¹
Increase (Decrease)	0.00	\$181,012	\$2,041,850	\$2,202,862

2001-03 Hoeven Executive Budget	55.50	\$4,440,283	\$6,838,291	\$11,278,574
Hoeven Increase (Decrease) to Schafer	0.00	(\$200,000)	\$200,000	\$0

¹ The 1999-2001 appropriation amounts include \$27,134, \$17,909 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees. The 1999-2001 appropriation amounts do not include \$462,825 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Schafer Recommendations Affecting Agriculture Department Budget

	General Fund	Other Funds	Total
1. Provides funding for salary equity adjustments effective January 1, 2002 based on the Central Personnel Division's salary market study. The proposed increase is \$166.26 per month for the commissioner and \$151.67 per month for the deputy commissioner. The total increase required for the biennium, including benefits, is \$6,682 or \$6,287 less than the executive recommendation.	\$12,969		\$12,969
2. Replaces general fund moneys with special funds from the environment and rangeland protection fund for the noxious weed program. The following schedule presents the total funding recommended for agriculture programs from the ERP fund:	(\$80,000)	\$80,000	\$0
Noxious weeds			\$1,404,1102
Pesticide			314,620
Pesticide disposal (Safe Send)			596,842
Compensation package			25,751
Total			<u>\$2,341,815</u>
3. Replaces general fund moneys with special funds from the anhydrous ammonia storage inspection fund for the Pesticide Anhydrous Division.	(\$25,000)	\$25,000	\$0
4. Replaces general fund moneys with special funds from the game and fish fund for wildlife services (\$200,000) and Board of Animal Health (\$23,000). The following schedule presents the total funding recommended for the game and fish fund:	(\$223,000)	\$223,000	\$0
Wildlife services			\$200,000
Waterbank program			200,000
Board of Animal Health			68,000
Total			<u>\$468,000</u>
5. Increases funding for the waterbank program from the game and fish fund.		\$200,000	\$200,000
6. Restores funding for the meat inspection program which was removed in the hold-even budget and increases the funding by \$257,964 from the 1999-2001 level (including salaries and benefits package).	\$340,082	\$371,882	\$711,964
7. Adds funding from the environment and rangeland protection fund to the noxious weed line item for control of Canada thistle.		\$170,000	\$170,000

**Major Hoeven Recommendations Affecting Agriculture Department 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Replaces general fund moneys with special funds from the game and fish fund for wildlife services. The total amount from the game and fish fund for wildlife services is \$400,000.	(\$200,000)	\$200,000	\$0

Major Legislation Affecting the Agriculture Department

Section 2 of House Bill No. 1009 includes the statutory changes necessary to increase the Agriculture Commissioner's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$64,569

Proposed annual salary recommended in the 2001-03 executive budget:

July 1, 2001	\$66,509
January 1, 2002	\$68,504
July 1, 2002	\$69,874

House Bill No. 1009 includes estimated income to the Agriculture Department from the following funds:

Environment and rangeland protection fund	\$2,341,815
Anhydrous ammonia storage inspection fund	\$139,775
Game and fish fund	\$468,000

House Bill No. 1052 provides a sales and use tax exemption for used farm machinery, farm machinery repair parts, and used irrigation equipment used exclusively for agriculture purposes.

Senate Bill No. 2109 provides for continuing education requirements and annual license requirement and fee for meat processing and slaughtering establishments.

Senate Bill No. 2110 continues the agriculture pesticide and pesticide container disposal program (Safe Send) through July 31, 2003.

Department 602 - Agriculture Department
 House Bill No. 1008

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	55.50	\$4,640,283	\$6,638,291	\$11,278,574
1999-2001 Legislative Appropriations	55.50	4,479,271	4,596,441	9,075,712
Increase (Decrease)	0.00	\$161,012	\$2,041,850	\$2,202,862

2001-03 Hoeven Executive Budget	55.50	\$4,440,283	\$6,838,291	\$11,278,574
Hoeven Increase (Decrease) to Schafer	0.00	(\$200,000)	\$200,000	\$0

The 1999-2001 appropriation amounts include \$27,134, \$17,909 of which is from the general fund, for the agency's share of the \$6.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees. The 1999-2001 appropriation amounts do not include \$462,825 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Schafer Recommendations Affecting Agriculture Department Budget

	General Fund	Other Funds	Total
1. Provides funding for salary equity adjustments effective January 1, 2002 based on the Central Personnel Division's salary market study. The proposed increase is \$166.26 per month for the commissioner and \$151.67 per month for the deputy commissioner. The total increase required for the biennium, including benefits, is \$6,682 or \$6,287 less than the executive recommendation. (The House reduced this amount by \$6,287 for the market equity adjustment.)	\$12,969		\$12,969
2. Replaces general fund moneys with special funds from the environment and rangeland protection fund for the noxious weed program. The following schedule presents the total funding recommended for agriculture programs from the ERP fund:	(\$80,000)	\$80,000	\$0
Noxious weeds	\$1,404,602		
Pesticide	314,620		
Pesticide disposal (Safe Send)	596,842		
Compensation package	25,751		
Total	<u>\$2,341,815</u>		
3. Replaces general fund moneys with special funds from the anhydrous ammonia storage inspection fund for the Pesticide Anhydrous Division.	(\$25,000)	\$25,000	\$0
4. Replaces general fund moneys with special funds from the game and fish fund for wildlife services (\$200,000) and Board of Animal Health (\$23,000). The following schedule presents the total funding recommended for the game and fish fund:	(\$223,000)	\$223,000	\$0
Wildlife services	\$200,000		
Waterbank program	200,000		
Board of Animal Health	68,000		
Total	<u>\$468,000</u>		
5. Increases funding for the waterbank program from the game and fish fund.		\$200,000	\$200,000
6. Restores funding for the meat inspection program which was removed in the hold-even budget and increases the funding by \$257,964 from the 1999-2001 level (including salaries and benefits package). (The House removed funding of \$80,214 for one meat inspector position.)	\$340,082	\$371,882	\$711,964
7. Adds funding from the environment and rangeland protection fund to the noxious weed line item for control of Canada thistle.		\$170,000	\$170,000

**Major Hoeven Recommendations Affecting Agriculture Department 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Replace general fund moneys with special funds from the game and fish fund for wildlife services. The total amount from the game and fish fund for wildlife services is \$400,000. (The House authorized the replacement of \$200,000 of general fund moneys with game and fish funds.)	\$200,000	\$200,000	\$400,000

Major Legislation Affecting the Agriculture Department

Section 2 of House Bill No. 1009 includes the statutory changes necessary to increase the Agriculture Commissioner's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$64,669

Proposed annual salary recommended in the 2001-03 executive budget:

July 1, 2001	\$66,509
January 1, 2002	\$68,604
July 1, 2002	\$69,874

House Bill No. 1009 includes estimated income to the Agriculture Department from the following funds:

Environment and rangeland protection fund	\$2,341,815
Anhydrous ammonia storage inspection fund	\$139,775
Game and fish fund	\$468,000

House Bill No. 1052 provides a sales and use tax exemption for used farm machinery, farm machinery repair parts, and used irrigation equipment used exclusively for agriculture purposes. (This bill has passed the House.)

House Bill No. 1286 provides a continuing appropriation of certain inspection fee revenues to the Agriculture Department for agricultural product inspections.

House Bill No. 1349 provides a general fund appropriation of \$150,000 to the Agriculture Commissioner for expanding and developing agriculture in the classroom criteria.

House Bill No. 1445 provides a continuing appropriation to the Agriculture Commissioner of moneys in the chemical and rebate equity fund to give rebates to persons who apply pesticides.

Senate Bill No. 2109 provides for continuing education requirements and annual license requirement and fee for meat processing and slaughtering establishments.

Senate Bill No. 2110 continues the agriculture pesticide and pesticide container disposal program (Safe Send) through July 31, 2003. (This bill has passed the Senate.)

Senate Bill No. 2216 eliminates the sunset provisions for the agriculture mediation service program.

Summary of Legislative Changes Resulting From First House Action

See Statement of Purpose of Amendment (attached).

STATEMENT OF PURPOSE OF AMENDMENT

House Bill No. 1009 - Funding Summary

	Executive Budget	House Changes	House Version
Department of Agriculture			
Salaries and wages	\$3,519,782	(\$6,287)	\$3,513,495
Operating expenses	1,361,357		1,361,357
Equipment	30,400		30,400
Grants	161,700		161,700
Board of animal health	538,614		538,614
Ag mediation	1,075,808		1,075,808
Ag in the classroom	96,000		96,000
State meat inspection	711,964	(80,214)	631,750
Waterbank program	900,000		900,000
Pride of Dakota	157,050		157,050
Wildlife services	779,694		779,694
Safe send	599,369		599,369
Noxious weeds	1,346,836		1,346,836
Total all funds	\$11,278,574	(\$86,501)	\$11,192,073
Less estimated income	6,638,291	159,893	6,798,184
General fund	\$4,640,283	(\$246,394)	\$4,393,889
FTE	55.50	0.00	55.50
Bill total			
Total all funds	\$11,278,574	(\$86,501)	\$11,192,073
Less estimated income	6,638,291	159,893	6,798,184
General fund	\$4,640,283	(\$246,394)	\$4,393,889
FTE	55.50	0.00	55.50

House Bill No. 1009 - Department Of Agriculture - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,519,782	(\$6,287)	\$3,513,495
Operating expenses	1,361,357		1,361,357
Equipment	30,400		30,400
Grants	161,700		161,700
Board of animal health	538,614		538,614
Ag mediation	1,075,808		1,075,808
Ag in the classroom	96,000		96,000
State meat inspection	711,964	(80,214)	631,750
Waterbank program	900,000		900,000
Pride of Dakota	157,050		157,050
Wildlife services	779,694		779,694
Safe send	599,369		599,369
Noxious weeds	1,346,836		1,346,836
Total all funds	\$11,278,574	(\$86,501)	\$11,192,073
Less estimated income	6,638,291	159,893	6,798,184
General fund	\$4,640,283	(\$246,394)	\$4,393,889
FTE	55.50	0.00	55.50

Department No. 602 - Department Of Agriculture - Detail of House Changes

	Adjust Market Equity Salary Increase ¹	Unfund FTE Meat Inspector Position	Funding Source Change ²	Total House Changes
Salaries and wages	(\$6,287)			(\$6,287)
Operating expenses				
Equipment				
Grants				
Board of animal health				
Ag mediation				
Ag in the classroom				
State meat inspection		(80,214)		(80,214)
Waterbank program				
Pride of Dakota				
Wildlife services				
Safe send				
Noxious weeds				
Total all funds	(\$6,287)	(\$80,214)	\$0	(\$86,501)
Less estimated income	0	(10,107)	200,000	159,893
General fund	(\$6,287)	(\$40,107)	(\$200,000)	(\$246,394)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces, from \$12,969 to \$6,682, the amount provided for a market equity salary increase for the commissioner and deputy commissioner. The amount included in the bill will provide for a monthly increase of \$166.25 for the commissioner and \$151.67 for the deputy commissioner and related fringe benefits for the last 18 months of the biennium.

² This is Governor Hoeven's recommended change from Governor Schafer's budget recommendation for the Department of Agriculture. This proposed amendment replaces \$200,000 of general fund moneys with North Dakota game and fish funds for the wildlife services line item. The total amount from the game and fish fund for the wildlife services line item is \$400,000.

A section is added authorizing funds from the environment and rangeland protection fund to be used for harmonization of crop protection product standards.

A section is added continuing the \$350 biennial pesticide product registration fee. Under current law, the fee would have reverted to \$300 on July 31, 2001.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to establish fees for collection of select chemicals. The fees are to be established at a level sufficient to generate \$100,000 during the 2001-03 biennium, to be deposited in the environment and rangeland protection fund, to defray the costs of Project Safe Send.

A section is added requiring the Agriculture Commissioner, in consultation with the advisory board for the Safe Send program, to research the potential of recycling selected products collected under Project Safe Send.



NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

BUDGET PRESENTATION

FOR THE

2001-2003 BIENNIUM

January 9, 2001

NORTH DAKOTA HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

THE HON. MIKE TIMM, CHAIRMAN

GOVERNMENT OPERATIONS SUBCOMMITTEE

THE HON. REX R. BYERLY, CHAIRMAN

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The Department's Vision . . .

To 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 . . .

The 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, animal depredation, insects and diseases.
- Ensuring the quality and availability 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

Agriculture is a driving force in North Dakota's economy, employing nearly one-quarter of our work force in both production agriculture and ag-related businesses and accounting for a significant portion of our state's economic base. Agriculture generated more than \$3 billion in cash receipts last year.

North Dakota is home to some of the most productive agricultural land on earth, and we are known around the world as the producers of high quality foodstuffs, produced by hard working, high quality people. We lead the nation in the production of durum and spring wheat, barley, sunflowers, pinto beans, dry edible beans, flaxseed and canola. Unfortunately, production without adequate prices does not create profitable opportunities in agriculture.

Our two largest agricultural industries – wheat and cattle – have brought low and negative returns to producers in recent years. The average net return per acre of wheat has been negative for three years in a row.

The sustained period of low prices across most agricultural commodities has been in addition to a rash of natural disasters that have plagued North Dakota farmers in the past several years. Congress approved economic disaster assistance each of the past three years to address disasters and bolster farm income. North Dakota farmers and ranchers will have received \$1 billion in disaster assistance for the 1998, 1999, and 2000 crop years.

The North Dakota Department of Agriculture's (NDDA) vision for the future is "to 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."

We're working to build animal agriculture in the state through new dairy initiatives, the state meat inspection program, and new, alternative marketing opportunities.

We're working to harmonize pesticide use, regulations, and enforcement across international borders.

We're disposing of unusable and unsafe pesticides – more than 500 tons since 1992.

We're using the Internet and World Wide Web to help Pride of Dakota

companies market North Dakota products directly to customers around the world through www.shopnd.com.

We're assisting businesses and individuals in our state in applying for federal funding through such programs as the Market Access Program (MAP) and the Federal-State Marketing Improvement Program (FSMIP).

We're working in cooperation with commodity groups to better the agricultural economy of our state.

We're educating a new generation about agriculture and food from family farms through the Ag in the Classroom Program.

We're providing negotiation and mediation services to farmers and ranchers with financial problems and assisting with loan restructuring and applications.

We're working with local weed boards, partners, and landowners to control the spread of noxious weeds - millions of flea beetles were collected and distributed last year to control leafy spurge throughout the state.

The four program areas of the North Dakota Department of Agriculture - Executive Services, Agricultural Mediation, Livestock Services, and Plant Industries - are committed to providing assistance and services to agricultural producers.

**Agriculture Commissioner
Roger Johnson**

Deputy Commissioner
Jeff Weispfenning

Assistant to the Commissioner
Joanne Beckman

Executive Services
Ken Junkert

- Accounting
Lynnette Baumiller
Jet Collins
- Marketing Services
Shannen Bornsen
Sara Wagner-Budeau
Bobbi Fortier Talmadge
- Policy & Communications
Patrice Eblen Ted Quanrud
- Data Coordinator
Roberta Tjaden
- Administrative Secretary
Bonnie Sundby

Plant Industries
Jeff Olson

- Plant Protection
David Nelson Phillip Mason
- Pesticide
Jim Gray Jerry Thompson
Dave Harsche Brad Meckle
Pat O'Neil Joel Owen
Julie Tronson Garry Wagner
Dan Sleiten Doug Johnston
- Noxious Weeds
John Leppert Ken Erasas
- Apiary/Safe Sand/Waterbank
Judy Carlson
- Administrative Assistants
Elaine Saylor Cindy Wooldridge

Livestock Services
Wayne Carlson

- Dairy/Poultry
Director (vacant)
Iris Stenarson John Ringsrud
Orville Payne Tracey Walth
Gary Molstad Jason Wirtz
- State Veterinarian
Dr. Larry Schuler Dr. Susan Keller
- Meat Inspection
Dr. Andrea Grondahl Jordan Woodbury
Corey Schornack David Slack
- Wildlife Services
Philip Mastrangelo Kirby Morgenstern*
Joseph Carpenter* Russell Schmidt*
Michael Duncan* Jerald Shoemaker*
Scott Evens* Gregory Simonson*
Joseph Grimson* Mark Zaun*
Joel Lyons* Gary Larson*
- Administrative Secretary
Tammy Celley
- Office Assistant
Becky Gietzen

Agricultural Mediation
Jeff Knudson

- Coordinator
Tom Silbernagel
- Negotiators
Tony Wixo Patsy Otto
Jim Bredwick
- Administrative Assistant
Betty Nelson
- Non-FTE Negotiators and Mediators
Joe Dekker Paul Overby
Clarence Farber Kevin Rime
Herman Haas Kenneth Rogers
Ken Kadrmas Larry Smith
Don Kuhn Ronald Willardsen
James Mathiason

* Federal employees paid with state funds.

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
- Policy & Communications • Computer Services
- Marketing Services • Reception Services

Agriculture Commissioner

In addition to overseeing the programs and activities of the Department of Agriculture, the Agriculture Commissioner 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
- State Board of Agricultural Research and Education

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.

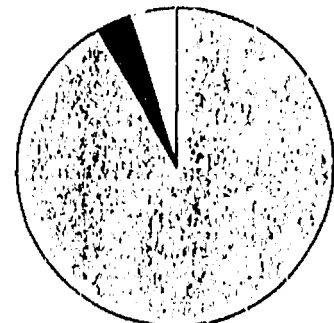
Marketing Services helps North Dakota companies obtain federal grants. The Department is a member of the Mid-America International Agri-Trade Council (MIATCO). Through MIATCO, North Dakota food and ag businesses can apply for reimbursement of export promotion expenses. Also, USDA's Federal-State Marketing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

During this biennium North Dakota companies have received more than \$60,000 in FSMIP grants and more than \$199,720 through MIATCO.

Pride of Dakota is the centerpiece of Marketing Services activities. Former Commissioner of Agriculture Kent Jones created the program in 1985 to

KEN JUNKERT
PROGRAM MANAGER

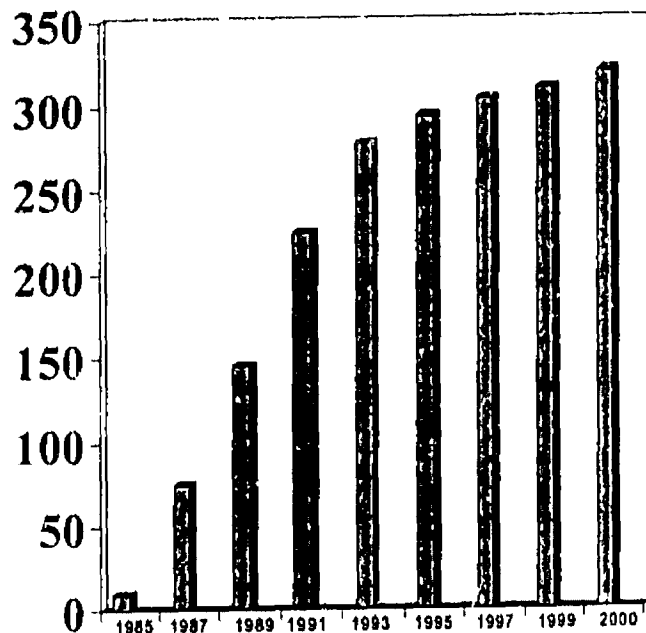
2001-2003
Governor's Budget
Funding Sources



□ General	\$1,711,229
■ Federal	\$61,700
▨ Special	\$96,000

provide North Dakota companies with a recognizable state "brand," as well as the opportunity to grow through joint marketing efforts by member companies.

POD Membership



The program assists North Dakota companies through trade show subsidies, retail and wholesale trade show organization, trade missions, seminars, cooperative advertising and promotions, one-on-one counseling and business opportunities.

The program assists North Dakota companies through trade show subsidies, retail and wholesale trade show organization, trade missions, seminars, cooperative advertising and promotions, one-on-one counseling and business opportunities.

Pride of Dakota has grown increasingly strong over the years. The membership has increased from 20 members in 1985 to more than 315 current members.

Marketing Services has developed an Internet mall - www.shopnd.com - 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 USDA.

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 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.

Executive Services Budget Comparisons

	1999-2001	2001-2003
Salaries	\$1,172,736	\$1,287,998
Operating	236,368	257,481
Equipment	8,700	8,700
Pride of Dakota	151,516	157,050
Ag in the Classroom	96,000	96,000
<u>Grants</u>	<u>61,700</u>	<u>61,700</u>
	\$1,727,020	\$1,868,929
FTEs	13	13

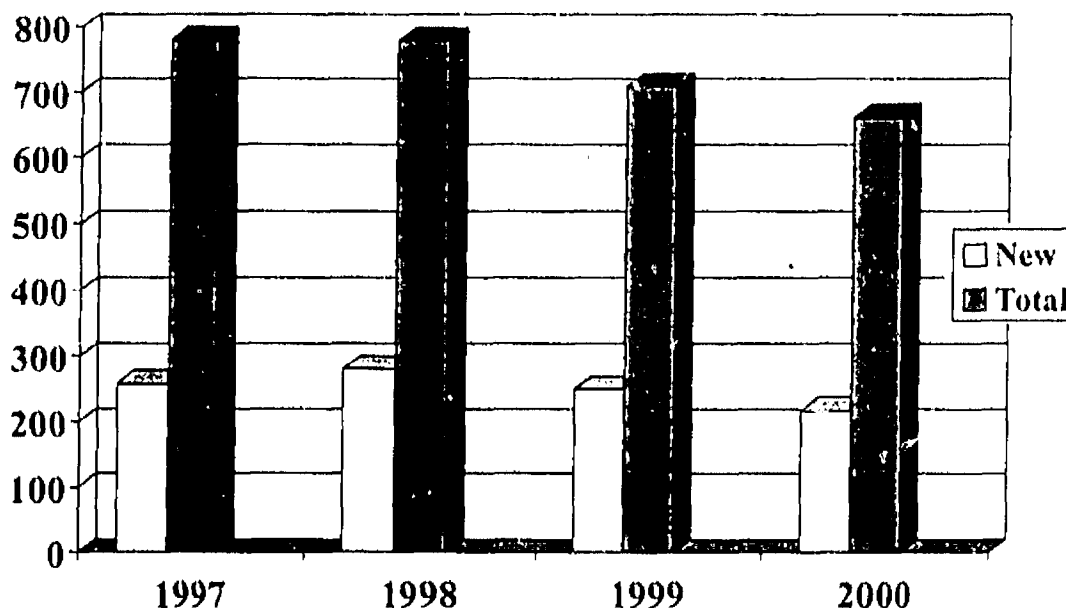
AGRICULTURAL MEDIATION

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

Mediation is a voluntary process for farmers and private creditors, but 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 who 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.

JEFF KNUDSON
PROGRAM MANAGER

AMS CLIENTS

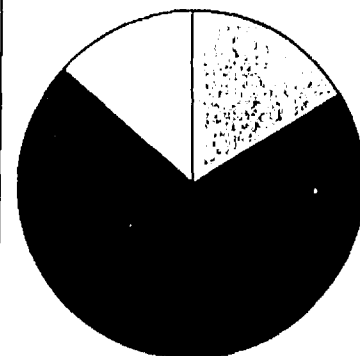


Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators also assist farmers in preparing information for solving non-credit disputes. Negotiators worked with 662 farmers in the last fiscal year (see chart above).

With the total of government and insurance payments exceeding net farm income, it is evident that much of what happens to the farm economy and the demand for AMS services is subject to future changes in federal farm policy, continued federal disaster assistance and livestock/commodity prices.

Although most AMS field staff (negotiators and mediators) have worked

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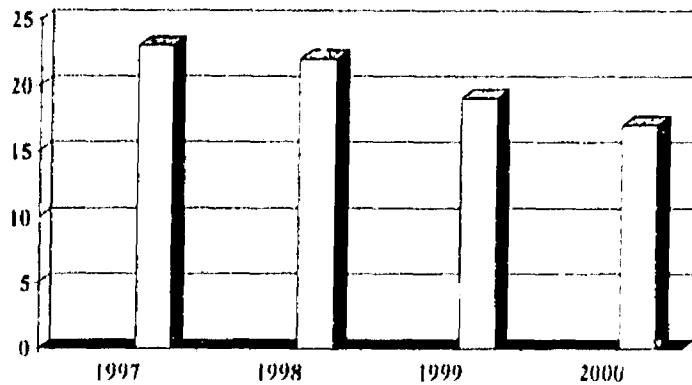


General	\$178,233
Federal	\$750,851
Special	\$146,724

for NDDA for many years, they are temporary employees who are paid hourly wages and receive no benefits.

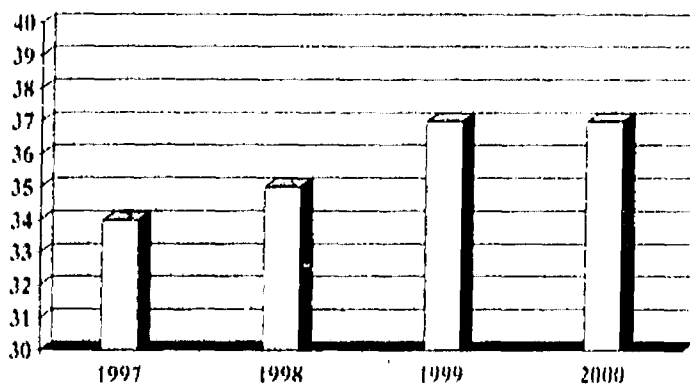
The following chart shows that the number of AMS employees (FTEs and non-FTEs) has decreased to 17 in the past two years.

AMS Employees



The AMS client caseload has declined slightly over the past several years. Staff levels have been reduced and administrative duties streamlined to ensure that client needs are met in the most cost-effective manner possible.

Clients per AMS Employee



Other activities

In February 2000, Job Service North Dakota contracted AMS to help inform and refer eligible persons to the Survival 2000 program, which provides re-employment and retraining services to eligible farm/ranch operators, family members, and farm/ranch employees.

AMS continues as an active member of the North Dakota Rural Survival Task Force (RSTF), an *ad hoc* group comprised of numerous public and nonprofit entities, as well as individuals interested in rural affairs.

The AMS actively supports and informs its farm family clients of Healthy Steps, the Children's Health Insurance Program (CHIP).

In February 2000, AMS hosted North Dakota Community Action district representatives at its training seminar. Personnel from both agencies identified needs, barriers and ideas to close service gaps for rural families in need of support.

The Rural Support Project, a response of Catholic Family Services to the rural crisis, provided financial assistance and support to AMS and many of its limited resource clients.

AMS continues to work with Lutheran Social Services/Lutheran Rural Response on a variety of initiatives, including referrals and cooperative casework.

In response to the flooding in central and eastern North Dakota, AMS personnel staffed a series of Federal Emergency Management Agency Disaster Recovery Centers. AMS provided information regarding agricultural financial issues and programs to those visiting the recovery centers.

These activities and others continue to make significant progress in the establishment and maintenance of a network of public, private and nonprofit resources for farmers and rural North Dakotans. Many cooperative working relationships have been established, leading to better awareness of and referrals to appropriate resources.

In addition to the local benefits of the AMS, certified state mediation programs are recognized for saving significant taxpayer dollars through federal government savings. The 106th Congress passed and the president signed legislation extending the sunset of the USDA Mediation Grants

Program until 2005. The bipartisan support of this federal legislation is a strong endorsement of state mediation programs as a cost-saving means of dispute resolution.

The following excerpt from the national Farm Service Agency News recognizes the cost savings of disputes resolved through mediation versus formal administrative appeals.

The successful program is continually growing for a good reason – it works. The number of mediation clients increased from 4,140 in FY 1999 to over 4,673 in FY 2000. And the number of agreements or resolutions increased from 2,898 in FY 1999 to over 3,411 in FY 2000. Not to mention,

dollars were saved: Mediation, at \$400 to \$750 per case, offers significant savings over national level administrative hearings, which cost around \$3,500 per case.

Summary

Mediation resolves disputes faster, is more cost effective, and provides greater satisfaction for the involved parties than other more formal methods of dispute resolution, such as appeals or litigation. As a proven, cost-effective common sense approach to resolving problems, the North Dakota AMS helps streamline government by keeping decision-making as local as possible.

Mediation Budget Comparisons

	1999-2001	2001-2003
Salaries	\$726,288	\$827,038
Operating	\$205,030	\$243,770
Equipment	<u>\$ 364</u>	<u>\$5,000</u>
	\$931,682*	\$1,075,808

* Includes \$130,000 in additional Emergency Commission federal authority.

LIVESTOCK SERVICES

Livestock Services is comprised of the Livestock Licensing Section, Dairy/Poultry Section, State Board of Animal Health, State Meat Inspection and Wildlife Services. The main focus of the program area is regulating North Dakota's livestock industry.

Livestock Licensing

The livestock industry traditionally ranks as one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.92 million cattle, 134,000 sheep and 205,000 hogs with a total value of approximately \$1.27 billion.

The Livestock Licensing Section protects this industry by licensing livestock dealers and auction markets. Approximately 160 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.

Dairy Section

The Dairy Section protects, encourages, promotes, and enhances the marketability of North Dakota's dairy and poultry resources by assisting the industry in complying with statutes and regulations.

The section is administered by the director of dairy/poultry services with one staff/clerical person located in Bismarck. Three dairy inspectors visit the state's 640 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.

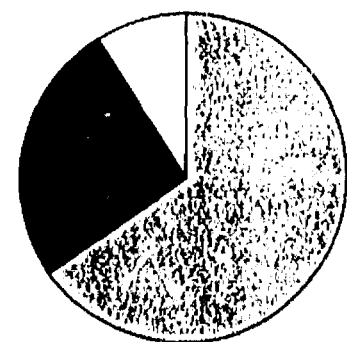
The state's 12 dairy processing plants and nine milk transfer stations are inspected four or more times annually. Distribution facilities, farm bulk trucks and samplers/haulers are also inspected.

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.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy section. The field staff also conducted 150 inspections of non-traditional livestock

WAYNE CARLSON
PROGRAM MANAGER

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□ General	\$21,342
■ Federal	\$891,369
□ Special	\$318,000

for the state veterinarian's office this year.

Dairy Pollution Prevention Program

The Department of Agriculture received a \$675,000 grant from the Environmental Protection Agency for the Dairy Pollution Prevention Program (DP3). The three-year program provides dairy producers with financial, technical and educational assistance to help them identify, reduce or eliminate releases of livestock waste into surface or groundwater. A cost-share program, DP3 is voluntary and entirely non-regulatory. The program pays 60 percent of approved expenses, and the producer pays 40 percent.

Poultry Services

Dairy section personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. 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 two support staff. The board consists of seven members, appointed by the governor, 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 state's domestic animals and nontraditional livestock. 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 State Board of Animal Health and the North Dakota Game and Fish Department have a cooperative agreement to regulate non-traditional livestock. Game and Fish provided \$45,000 last biennium for these activities.

Voluntary programs help producers eliminate diseases from their herds. Voluntary disease control programs provide recognition for and certification of these efforts. The board has recently approved a voluntary Johne's Disease Herd Status Program for the state.

Free trade agreements have greatly increased the movement of animals and animal products. Consequently, the potential for an emerging disease outbreak is greater. The state has developed an animal health emergency management plan to assure a quick and decisive response to such an outbreak.

Meat Inspection

The 1999 North Dakota Legislature authorized development of a North Dakota State Meat Inspection Program. The program was approved as "equal to federal" by the U.S. Food Safety and Inspection Service (FSIS) on Oct. 19, 2000.

As part of the cooperative agreement between FSIS and NDDA, FSIS provides a 50 percent match for all inspection activity expenditures, excluding inspection of any non-amenable species, such as bison or elk.

The program ensures the quality and safety of meat products while providing opportunities to small livestock producers and meat processors to market their products locally.

The program is administered by the director of state meat inspection with a supervisor/compliance officer located in Bismarck. The supervisor and two field inspectors visit the state's 96 custom exempt plants at least four times per year. Each plant is inspected for sanitation of facilities and equipment.

The two field inspectors also regularly visit official state establishments. As of Jan. 31, 2001, there will be four official state establishments. Inspectors also monitor slaughter and/or processing activities on a daily or weekly basis.

In addition to regular inspection duties, the meat inspection staff participates in educational activities. Inspectors are continually offering education and consultation to plant owners when visiting.

Wildlife Services

The Wildlife Services division of United States

Department of Agriculture Animal and Plant Health Inspection Service works in partnership with the North Dakota Department of Agriculture and the North Dakota Game and Fish Department to minimize the negative impacts wildlife has on the lives and livelihood of North Dakotans.

Wildlife Services helps manage predator damage to livestock, blackbird damage to sunflower and other grain crops, beaver damage to trees and roadways, waterfowl damage to crops, urban wildlife problems, and wildlife hazards at airports. Each year blackbirds are responsible for \$3-5 million in losses to sunflowers and other grain crops. Predation on livestock, along with waterfowl and beaver damage, accounts for an additional \$1.5 million in losses each year. Disease transmission and encounters between aircraft and wildlife also threaten human health and safety.

Livestock Services Budget Comparisons

	1999-2001	2001-2003
Salaries	\$609,710	\$743,890
Operating	213,979	648,431
Equipment	1,700	5,200
Board of Animal Health	504,603	538,614
Meat Inspection	454,000	711,964
Wildlife Services	<u>779,694</u>	<u>779,694</u>
	\$2,563,686	\$3,427,793
FTEs	18.5	18.5

PLANT INDUSTRIES

The main focus of the Plant Industries Program Area is crop production. The program area is comprised of the following sections: Pesticide, Registration, Plant Protection, Noxious Weeds and Apiary.

JEFF OLSON
PROGRAM MANAGER

Pesticide

The Pesticide Section is 85 percent funded by federal grants.

Minor Use Fund

The section administers the Minor Use pesticide grant program through the Pesticide Control Board. Prior to the 1999-2001 biennium, five projects were funded from the Minor Use Fund. The total expenditure for the first biennium was \$35,276.09. The reason for the low number of projects was the time needed for the start-up process of the fund and the limitations of eligible projects.

During the 1999-2001 biennium, the Legislature expanded the eligibility qualifications of projects for the Minor Use Fund. The 1999-2001 Minor Use Fund budget was \$599,723. To date, 12 projects have been funded at a cost of \$547,106.23. Of these project requests, eight were from NDSU research personnel and four were from private entities.

Harmonization

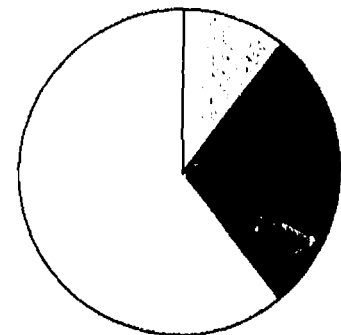
The pesticide section has been very active in pesticide harmonization efforts. Representatives have participated in NAFTA Technical Working Group meetings. The section has actively worked with the EPA to draft federal legislation that would allow import of Canadian pesticides.

The section attended meetings sponsored by the Legislative Harmonization Committee in October 1999 in Minot, March 2000 in Washington, DC; June 2000 in Northwood, and September 2000 in Bismarck. The section supplied reports to the Committee on the Department's participation in activities regarding pesticide harmonization.

Enforcement

The pesticide section 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.

2001-2003
Governor's Budget
Funding Sources



□ General	\$532,397
■ Federal	\$1,392,057
□ Special	\$2,981,590

The section continues the development of initiatives mandated by the U.S. Environmental Protection Agency. These include:

- The Endangered Species Pesticide Management Program,
- The Groundwater Protection Strategy for Pesticides,
- The Worker Protection Program.

The section prepares Emergency Exemption (Section 18) requests to the EPA for pesticides to address weed, disease, and insect out-breaks in the state. In 1999 and 2000, the EPA approved 53 of 56 requests. These pesticides were used on crops consisting of durum, barley, sunflowers, canola, flax, dry beans, sugarbeets, and hard red spring wheat. This section also is responsible for approving Special Local Needs (24c) registrations.

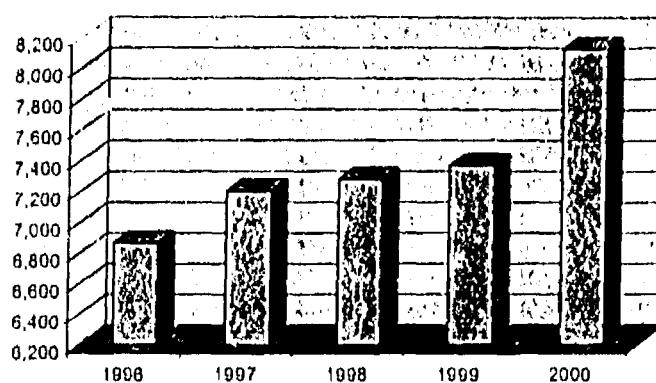
Project Safe Send

The section administers the Project Safe Send program that helps farmers and others to dispose of unusable, and old pesticides. Project Safe Send has collected more than 500 tons of hazardous and unusable chemicals from over 3,000 participants since its inception in 1992. The division also coordinates the disposal of empty pesticide containers.

Registration

The registration section is responsible for enforcing the provisions of the North Dakota Insecticides, Fungicides, and Rodenticides Act (Ch. 19-18), Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1).

PESTICIDE REGISTRATION 1996-2000
NUMBER OF APPLICANTS



Approximately 8,250 pesticides, ranging from household/residential products to industrial and agricultural products are registered in the state.

Nearly 900 feed samples were collected this biennium for analysis. An estimated 3,155 pet foods and 6,513 commercial feeds are registered in the state. Licenses have been issued to nearly 275 feed manufacturers and 295 feed dealers.

There are 1,289 registered livestock medicines in the state of North Dakota.

The registration section is responsible for enforcing the anhydrous ammonia safety inspection program for the state.

The registration section has registered approximately 1,560 various types of fertilizers for agricultural and residential use and has also issued 375 anhydrous ammonia licenses for the 1999-2001 biennium. Approximately 500 fertilizer distributors are licensed to sell agricultural fertilizers. The department analyzes between 800-900 fertilizer samples annually.

Plant Protection

The plant protection section issues phytosanitary export certificates to facilitate export of North Dakota agricultural commodities.

CERTIFICATES ISSUED

	1967	1998	1999	2000
Phytosanitary Certificates to support export of agricultural commodities to foreign countries	823	898	1,834	1,358
In-transit certificates to allow rail shipments of wheat and barley through Canada to U.S. destinations	---	---	752	703
Cereal leaf beetles certificates to allow shipments of wheat and barley to California	---	---	---	496
Corn borer compliance agreements to support movement of grain corn to the west coast	60	66	66	70

The section also inspects and certifies nurseries to prevent the spread of plant pests and to facilitate export of nursery stock.

NURSERY PROGRAM

	1997	1998	1999	2000
Nursery growers inspected & licensed	42	46	45	41
Nursery dealers inspected & licensed	125	127	133	133

Finally, the section is responsible for plant pest prevention, detection, evaluation and suppression programs to protect North Dakota agriculture and to support the export of agricultural products. Surveys are conducted under a cooperative agreement with USDA-APHIS.

PEST SURVEYS CONDUCTED

Pest/Disease	Crop Affected
Karnal bunt	Wheat
Dwarf bunt	Wheat
Flag smut	Wheat
Golden nematode	Potatoes
Soybean cyst nematode	Soybeans, dry beans
Cereal leaf beetle	Small grains
Khapra beetle	Stored products
Small hive beetle	Honeybees
Gypsy moth	Trees

Noxious Weeds

The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. The section works closely with county weed boards and administers several programs.

In 1999, a portion of the state cost share for the Landowner Assistance Program was dedicated to the control of Canada thistle in response to dramatic increases in infested acres. County weed boards heavily utilized the program, depleting the available funds. The heavy participation emphasizes the need for a program to address the problem.

NOXIOUS WEED PROGRAMS

Program		Count, Expenditure 1999-2000	Anticipated State Expenditure 1999-2001
Landowner Assistance Program	General LAP	\$1,843,006	\$731,359
	Biocontrol	102,906	\$102,906
New Invasives	...	\$31,764	\$37,430
Canada Thistle	...	\$433,139	\$157,079
Weed Innovation Network	...	---	\$96,022
Other costs	...	---	\$50,000
Grand Total	...	---	\$1,174,696

The section assists counties in enforcing the Noxious Weed Law (NDCC Ch. 63) and serves as a resource and liaison among county weed boards, state and federal land managers.

The section established a weed-free forage certification program in 2000. To date, 19 producers have been inspected and certified.

Waterbank

A cooperative effort of several state and federal agencies, the state Waterbank Program gives landowners financial incentives to preserve wetlands. The program is popular with landowners because it provides short-term leases that compensate them for the loss of agricultural acreage enrolled in the program.

Twenty agreements have been finalized. These

total 1,889 acres, including 13 acres of restored wetlands, 588 acres of wetlands, and 1,288 acres of uplands.

Apiary

The apiary section is responsible for the following services to the beekeeping industry:

- Annual licensing of beekeepers,
- Registration of bee yards,
- Inspection for diseases and parasites.

Approximately one-third of North Dakota bees overwinter in Texas where migratory movement inspections are required. Beehives are inspected on request. Department personnel respond to complaints by landowners, the public, and commercial pesticide applicators regarding placement of bee yards.

Plant Industries Budget Comparisons

	1999-2001	2001-2003
Salaries	\$1,371,459	\$1,487,894
Operating	351,131	455,445
Equipment	12,500	16,500
Waterbank	854,303	900,000
Safe Send	573,907	599,369
Anhydrous	8,154	0
Grants	100,000	100,000
Noxious Weeds	<u>1,174,696</u>	<u>1,346,836</u>
	\$4,446,150	\$4,906,044
FTEs	18	18

ENHANCEMENTS TO THE GOVERNOR'S RECOMMENDED BUDGET

- 1. Pride of Dakota user fees.** Pride of Dakota members pay an annual membership fee to derive the benefits of Pride of Dakota programs. Membership fees should be channeled back into Pride of Dakota rather than to the general fund. We expect that stand-alone legislation to do this will be introduced.
- 2. Ag in the Classroom.** The Ag in the Classroom budget contains no state funds. Rather, the Ag in the Classroom Council is allowed spending authority to raise funds to support ongoing programs. Legislation to provide general fund support of \$150,000 is likely to be introduced.
- 3. Wildlife Services.** The current Wildlife Services budget does not provide the level of aerial hunting that is necessary to protect livestock from coyote depredation. An additional \$50,000 would enable contract pilots to maintain an adequate level of service.
- 4. Canada thistle.** The current budget recommendation includes \$170,000 for Canada thistle control. We estimate that an additional \$130,000 is required to deal with this expanding weed problem.
- 5. Minor Use Fund.** The current budget contains no mechanism to transfer funds into the Minor Use Fund in order to expand pesticide products available to farmers. Based on current demands, we estimate \$500,000 would be needed for the 2001-2003 biennium.

SUPPLEMENTAL INFORMATION

The following items were distributed during the 2001-2003 Budget Presentation of the North Dakota Department of Agriculture to provide members of the Legislature with additional information about the Department's programs.

- 2000 Pride of Dakota Membership Directory
- Ag Mediation: Solving Problems; Resolving Disputes
- North Dakota Dairy Pollution Prevention Program
- Managing Wildlife Damage: The Mission of APHIS' Wildlife Services Program
- Project Safe Send: Report to the 2001 Legislature
- North Dakota agMag
- North Dakota Meat Safety Regulations
- shopnd.com postcard/mailer
- shopnd.com bookmark



NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

BUDGET PRESENTATION

FOR THE

2001-2003 BIENNIUM

*Missing pages
were identical
to corresponding
pages on
January 9, 2001
Testimony*

February 14, 2001

NORTH DAKOTA SENATE

COMMITTEE ON APPROPRIATIONS
THE HON. DAVID NETHING, CHAIRMAN

BUDGET ISSUES

House Amendments

- ♦ **Pesticide registration fee**

Increases pesticide registration fees from \$300 to \$350.

- ♦ **Project Safe Send user fees**

Replaces \$100,000 from the EARP Fund with \$100,000 in user fees. We are concerned that this will negatively affect participation in the program.

- ♦ **Meat Inspection Program budget cut**

Cuts \$80,214 for one inspector position. We ask that you reconsider this so that the meat inspection program can meet the demand we are seeing for this service.

Other Issues

- ♦ **Pride of Dakota user fees**

Pride of Dakota user fees should be channeled back into the program rather than to the general fund.

- ♦ **Wildlife Services contract pilot**

A \$50,000 appropriation is requested to fund a contract pilot for predator control.

Other Legislation

- ♦ **HB1349 Agriculture in the Classroom**

Appropriates \$150,000 to the North Dakota Agriculture in the Classroom Council for program support.

- ♦ **HB1249 Johne's Disease**

Appropriates \$177,500 to the North Dakota State Board of Animal Health for operating expenses associated with the control of Johne's Disease.

- ♦ **HB1467 Minor Use fund**

Transfers \$500,000 from the EARP Fund to the Minor Use Fund.

- ♦ **SB2216 Ag Mediation sunset**

Reauthorizes the North Dakota Agricultural Mediation Service.

- ♦ **SB2110 Project Safe Send sunset**

Provides for the continuation of an agricultural pesticide and pesticide container program and provides an expiration date.

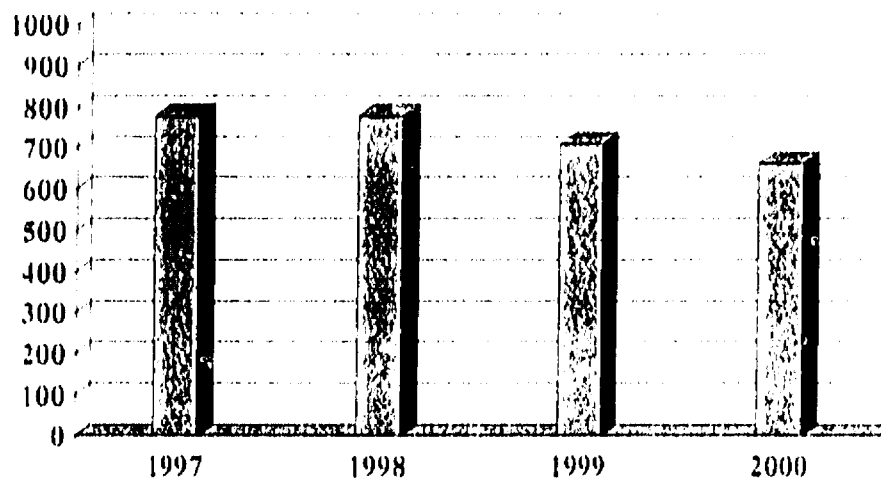
AGRICULTURAL MEDIATION

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

Mediation is a voluntary process for farmers and private creditors, but 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 who 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.

JEFF KNUDSON
PROGRAM MANAGER

AMS Clients

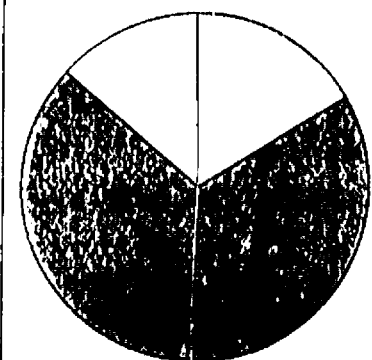


Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators also assist farmers in preparing information for solving non-credit disputes. Negotiators worked with 662 farmers in the last fiscal year (see chart above).

With the total of government and insurance payments exceeding net farm income, it is evident that much of what happens to the farm economy and the demand for AMS services is subject to future changes in federal farm policy, continued federal disaster assistance and live-stock/commodity prices.

Although most AMS field staff (negotiators and mediators) have worked for NDDA for many years, they are temporary employees who are paid hourly wages and receive no benefits.

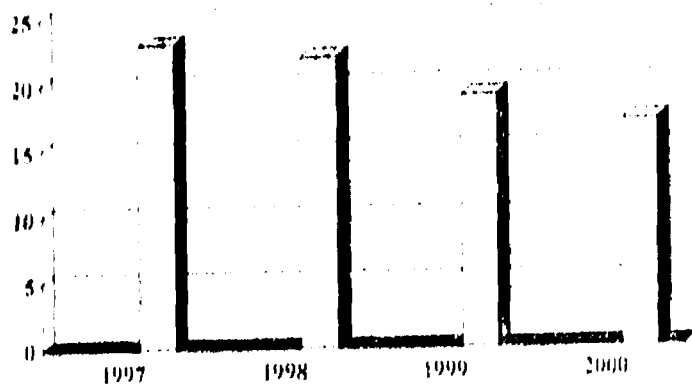
2001-2003 Governor's Budget Funding Sources



□ General	\$178,233
▨ Federal	\$750,851
□ Special	\$146,724

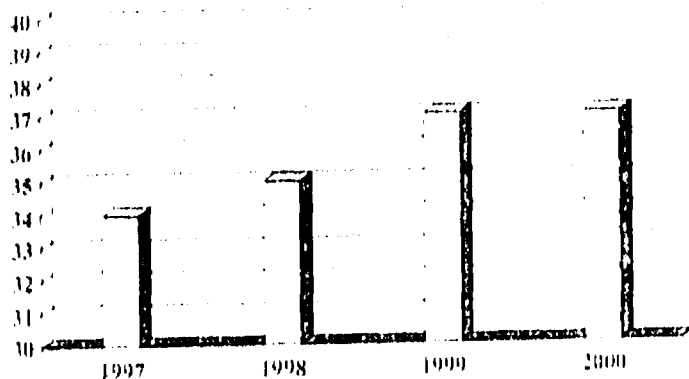
The following chart shows that the number of AMS employees (FTEs and non-FTEs) has decreased to 17 in the past two years.

AMS Employees



The AMS client caseload has declined slightly over the past several years. Staff levels have been reduced and administrative duties streamlined to ensure that client needs are met in the most cost-effective manner possible.

Clients per AMS Employee



Other activities

Job Service contracted AMS to help inform and refer eligible persons to the Survival 2000 program, which provides re-employment and re-training services to eligible farm/ranch operators, family members, and farm/ranch employees.

AMS is an active member of the North Dakota Rural Survival Task Force, an *ad hoc* group of numerous public and nonprofit entities, as well as individuals interested in rural affairs.

The AMS actively supports and informs its farm family clients of Healthy Steps, the Children's

Health Insurance Program (CHIP).

In February 2000, AMS hosted North Dakota Community Action district representatives at its training seminar. Personnel from both agencies identified needs, barriers and ideas to close service gaps for rural families in need of support.

The Rural Support Project of Catholic Family Services provided financial assistance and support to AMS and many of its limited resource clients. AMS continues to work with Lutheran Social Services/Lutheran Rural Response on a variety of initiatives, including referrals and cooperative casework.

In response to the flooding in central and eastern North Dakota, AMS personnel staffed a series of Federal Emergency Management Agency Disaster Recovery Centers. AMS provided information regarding agricultural financial issues and programs to those visiting the recovery centers.

These activities and others continue to make significant progress in the establishment and maintenance of a network of public, private and nonprofit resources for farmers and rural North Dakotans. Many cooperative working relationships have been established, leading to better awareness of and referrals to appropriate resources.

In addition to the local benefits of the AMS, certified state mediation programs are recognized for saving significant taxpayer dollars through federal government savings. The 106th Congress passed, and the president signed legislation extending the sunset of the USDA Mediation Grants Program until 2005. The bipartisan support of this federal legislation is a strong endorsement of state mediation programs as a cost-saving means of dispute resolution.

The following excerpt from the national FARM SERVICE AGENCY NEWS recognizes the cost savings of disputes resolved through mediation versus formal administrative appeals.

The successful program is continually growing for a good reason - it works. The number of mediation clients increased from 4,140 in FY 1999 to over 4,673 in FY 2000. And the number of agreements or resolutions increased from 2,898 in FY 1999 to over 3,411 in FY 2000. Not to mention, dollars were saved: Mediation, at \$400 to \$750 per case, offers significant savings over national level administrative hearings, which cost around \$3,500 per case.

Summary

Mediation resolves disputes faster, is more cost effective, and provides greater satisfaction for the involved parties than other more formal methods of dispute resolution, such as appeals or litigation. As a proven, cost-effective common sense approach to resolving problems, the North Dakota AMS helps streamline government by keeping decision-making as local as possible.

Mediation Budget Comparisons

	1999-2001	2001-2003
Salaries	\$726,288	\$827,038
Operating	\$205,030	\$243,770
Equipment	<u>\$ 364</u>	<u>\$5,000</u>
	\$931,682*	\$1,075,808

* Includes \$130,000 in additional Emergency Commission federal authority

LIVESTOCK SERVICES

Livestock Services is comprised of the Livestock Licensing Section, Dairy/Poultry Section, State Board of Animal Health, State Meat Inspection and Wildlife Services. The main focus of the program area is regulating North Dakota's livestock industry.

Livestock Licensing

The livestock industry traditionally ranks as one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.92 million cattle, 134,000 sheep and 205,000 hogs with a total value of approximately \$1.27 billion.

The Livestock Licensing Section protects this industry by licensing livestock dealers and auction markets. Approximately 160 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.

Dairy Section

The Dairy Section protects, encourages, promotes, and enhances the marketability of North Dakota's dairy and poultry resources by assisting the industry in complying with statutes and regulations.

The section is administered by the director of dairy/poultry services with one staff/clerical person located in Bismarck. Three dairy inspectors visit the state's 640 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.

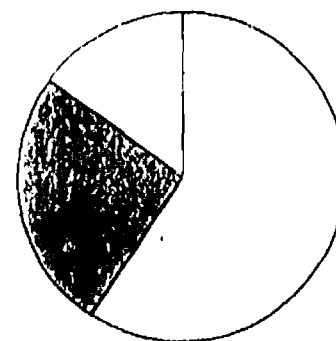
The state's 12 dairy processing plants and nine milk transfer stations are inspected four or more times annually. Distribution facilities, farm bulk trucks and samplers/haulers are also inspected.

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.

Efforts to ensure a milk supply free of chemical/drug residues continue to occupy a large amount of time and resources of the dairy section. The field staff also conducted 150 inspections of non-traditional livestock

WAYNE CARLSON
PROGRAM MANAGER

2001-2003
Governor's Budget
Funding Sources



□ General	\$2018,424
▨ Federal	\$891,369
■ Special	\$518,000

for the state veterinarian's office this year.

Dairy Pollution Prevention Program

The Department of Agriculture received a \$675,000 grant from the Environmental Protection Agency for the Dairy Pollution Prevention Program (DP3). The three-year program provides dairy producers with financial, technical and educational assistance to help them identify, reduce or eliminate releases of livestock waste into surface or groundwater. A cost-share program, DP3 is voluntary and entirely non-regulatory. The program pays 60 percent of approved expenses, and the producer pays 40 percent.

Poultry Services

Dairy section personnel carry out all poultry division responsibilities. North Dakota currently has 12 licensed commercial egg producers that are inspected once a year. 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 two support staff. The board consists of seven members, appointed by the governor, 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 state's domestic animals and nontraditional livestock. 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 State Board of Animal Health and the North Dakota Game and Fish Department have a cooperative agreement to regulate non-traditional livestock. Game and Fish provided \$45,000 last biennium for these activities.

Voluntary programs help producers eliminate diseases from their herds. Voluntary disease control programs provide recognition for and certification of these efforts. The board has recently approved a voluntary John's Disease Herd Status Program for the state.

Free trade agreements have greatly increased the movement of animals and animal products. Consequently, the potential for an emerging disease outbreak has increased. The state has developed an animal health emergency management plan to assure a quick and decisive response to such an outbreak.

Meat Inspection

The 1999 North Dakota Legislature authorized development of a North Dakota State Meat Inspection Program. The program was approved as "equal to federal" by the U.S. Food Safety and Inspection Service (FSIS) on Oct. 19, 2000.

Although the laws and regulations of state or federal programs are very similar, there are many benefits in operating a state program. State programs can deal with small businesses more effectively and efficiently than the large federal system can. A state program is better able to offer more technical support and guidance, and disputes are handled at the state and local level. The program also making it easier

for small livestock producers and processors to sell directly to consumers, thereby capturing more of the consumer dollar.

As part of the cooperative agreement between FSIS and NDDA, FSIS provides a 50 percent match for all inspection activity expenditures, excluding inspection of any non-amenable species, such as bison or elk.

The program is administered by the director of state meat inspection with a supervisor/compliance officer located in Bismarck. The supervisor and two field inspectors visit the state's 96 custom exempt plants at least four times per year. Each plant is inspected for sanitation of facilities and equipment.

The two field inspectors also regularly visit official state establishments. As of this writing, there is one official state establishment with several others in the process of obtaining official status. Inspectors also monitor slaughter and/or processing activities on a daily or weekly basis.

In addition to regular inspection duties, the meat inspection staff participates in educational

activities. Inspectors are continually offering education and consultation to plant owners when visiting.

Wildlife Services

The Wildlife Services division of United States Department of Agriculture Animal and Plant Health Inspection Service works in partnership with the North Dakota Department of Agriculture and the North Dakota Game and Fish Department to minimize the negative impacts wildlife has on the lives and livelihood of North Dakotans.

Wildlife Services helps manage predator damage to livestock, blackbird damage to sunflower and other grain crops, beaver damage to trees and roadways, waterfowl damage to crops, urban wildlife problems, and wildlife hazards at airports. Blackbirds annually cause \$3-5 million in losses to sunflowers and other crops. Predation on livestock, along with waterfowl and beaver damage, accounts for an additional \$1.5 million in losses each year. Disease transmission and encounters between aircraft and wildlife also threaten human health and safety.

Livestock Services Budget Comparisons

	1999-2001	2001-2003
Salaries	\$609,710	\$743,890
Operating	213,979	648,431
Equipment	1,700	5,200
Board of Animal Health	504,603	538,614
Meat Inspection	454,000	711,964
Wildlife Services	<u>779,694</u>	<u>779,694</u>
	\$2,563,686	\$3,427,793
FTEs	18.5	18.5

SUPPLEMENTAL INFORMATION

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- ♦ North Dakota Dairy Pollution Prevention Program
- ♦ Managing Wildlife Damage: The Mission of APHIS' Wildlife Services Program
- ♦ Project Safe Send: Report to the 2001 Legislature
- ♦ North Dakota AgMag
- ♦ North Dakota Agriculture in the Classroom
1999-2000 Annual Report
- ♦ North Dakota Meat Safety Regulations
- ♦ Memo regarding the impact of meat inspection cuts.

1901
HB 1009

TESTIMONY
HOUSE BILL 1009
HOUSE APPROPRIATIONS COMMITTEE
JANUARY 9, 2001

Submitted by Charles McCay for Farm Credit Services

Mr. Chairman and Members of House Appropriations Committee:

My purpose is to express Farm Credit Services' support for the ND Ag Mediation Service and their funding request.

FCS has worked with the Ag Mediation Service since its inception. In fact, since early 1988 we have been required to cooperate with state mediation programs by federal law. We do have experience with the program and consider it to be well run, realistic and effective.

We believe that the effectiveness of the mediation program is due in a large part to well trained and experienced staff and supervisors.

Each type of financial institution has its own regulatory requirement for dealing with distressed loans. FCS is different than credit unions, they are not the same as banks, and the FSA has an entirely different set of regulations than the other lenders.

Each farmer client has different needs and concerns and not all of these needs can be measured in dollars or put on a balance sheet.

The experienced negotiators and mediators are more able to sort out and reconcile all of these different requirements and perspectives. They are more able to help the parties find solutions acceptable to all.

The Ag Mediation Service needs adequate funding to retain experienced staff and to continue their training programs. The general fund portion of their budget is small, but provides leverage for other funds that are necessary to make staff retention and training possible.

1-9-01
11:10:07

Appropriations Hearing, January 9, 2001
N.D. Department of Agriculture
Ag Mediation Services

MR. CHAIRMAN:

My name is Karl Limvøre. I am the pastor of the Zion United Church of Christ of Medina. I am the chairperson of the Rural Life Committee of the North Dakota Conference of Churches, and am representing the conference and the committee today.

The Rural Life Committee of the North Dakota Conference of Churches was established in 1986, and is the successor to other efforts by the Conference of Churches dating back to 1974. We have the responsibility of developing proactive, ecumenical responses to rural life issues in the state. This past year we have given particular emphasis to economic justice issues facing rural America.

The Rural Life Committee envisions and supports the development of a rural society that promotes the greatest potential number of diversified family farming/ranching opportunities possible. We support a widely-dispersed structure of agricultural production with broad-based ownership that is dominated by resident, owner-operated, family farms and ranches.

We recognize that rural America and its family farms and ranches have faced overwhelming difficulties in the last number of years, involving both natural and man-made catastrophes. In trying to respond to these catastrophes, one of the most effective infrastructures we have had is the North Dakota Ag Mediation Service.

At a time when family farmers and ranchers often feel alone and abandoned in their struggles to survive, the North Dakota Ag Mediation Service is a "CARE" package that is on the frontlines of meeting the needs of those who have become victims of the continuing economic distress in agriculture.

The Ag Mediation Service is often the entry point for distressed farm and ranch families into a network of assistance and services. Most importantly, the Ag Mediation Service is an essential key in that network, because it provides the assistance that is needed so that family is able to make appropriate decisions about their current situation, and work to rebuild their futures.

The Ag Mediation Service is the one program that sends a clear message that the State of North Dakota cares about the future of its family farmers and ranchers, and that it cares enough to provide the best available expertise to them when they need help. As pastors and local churches, this is a referral that we can make with confidence and with hope.

In our adopted statement of goals and objectives, the North Dakota Conference of Churches clearly states, "Public policy must provide infrastructures, such as the Ag Mediation Service, to assist family farmers and ranchers in meeting economic challenges and to assist new families to enter agriculture. Such programs should be strengthened and expanded."

The Conference reminds us that "one of the themes of our Biblical heritage is the responsibility of the remnants of a society that has been devastated by calamities to come together and commit themselves to the common good of rebuilding and securing justice for their society."

We believe it is no longer sufficient simply to save and preserve what is remaining in rural America. But instead rural America must be rebuilt and justice must be a primary building block for that future.

The North Dakota Ag Mediation Service can and must be a key player in our state's efforts to rebuild family agriculture, particularly in efforts to help put new, younger farmers on the land.

To be honest, we don't have enough tools in our toolbox right now, either at the state or federal level, to rebuild the kind of family-based agricultural system that will once again make rural America a land of hope and opportunity, but that is the subject for other hearings. What I want to emphasize today simply is that the Ag Mediation Service is an essential tool both for the immediate task of survival and the long-term task of rebuilding rural America. And, at the moment, it is the best CARE package that the state provides for farm and ranch families in distress.

Thank you.

John
Lynn

1-9-01
143 1007

Mr. Chairman, Members of the committee:

Since the end of Oct. we have fed over 836 tons of feed to cattle that we are backgrounding for owners in Nebraska and Illinois. These are cattle that were bought here in N.D. or eastern Montana. To me this is value added, when we use local corn, distiller's grains, beet pulp and locally grown hay to feed cattle and then ship them out, rather than send the cattle out and ship the commodities after them. If it were not for Ag. Mediation this would not have happened.

Three years ago we sold our dairy and have been trying to build a custom feeding business along with a small beef herd. Our F.S.A. supervisor at that time said we needed a five year transition period but we would set it up for three so it can be adjusted to see where we need to go from there. During this time the supervisor was changed.

In Feb. we filled out our farm plan, with the help of Adult Farm Management, our bookkeeping program for the past 20 years. The new supervisor would not accept our plan nor would she accept anything Farm Management did. So we re-submitted our farm plan the supervisor's way, but she would still not accept it and she would change it to where it was no longer our farm plan at all and it would not cash flow her way. We were then offered mediation but she informed us "You won't need it since it isn't going to help you." When a producer receives that registered inch thick packet, you can't really understand it. The mediation person sat down with us and said, "You don't need this or that". She started to make sense out of that packet. When we did go to mediation, one of the loan officer's first problems was us to how many credit cards we had. We told her and she brought up the credit report that we had paid for but never seen. According to the report it showed we had one more than what we had said. One credit card company had bought out another company and both were carrying a balance. This was never brought to us until we were in mediation.

With the help of Ag. Mediation, we were able to straighten everything out and get our plan put together the way we had hoped to do things last February. We need the Ag. Mediation program, to help keep farmers on the land and produce products that will bring value back to N.D. Ag. Mediation is our only recourse or protection when we feel we cannot trust what a supervisor is trying to do to our farm plan. Since 1974 we have never had trouble with a loan officer. We were always honest with them and they were the same with us. But when you get a loan officer that will not work with you, what are you going to do. Thank heaven for Ag. Mediation because they have people that understand what a 1952-S is. As producers, we focus on how we can increase our production, the rate of gain on an animal, how to keep calves healthy, how to generate more income with our commodities. We need Ag. Mediation to keep up on the constant changing regulations and to help producers to understand their rights and options so they can achieve their goals. I would encourage you to continue to fund and support Ag. Mediation.

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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North Dakota
Agriculture
in the
Classroom



Contact Ag Dept for copy

North Dakota

Agriculture in the Classroom Council

1999-
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North Dakota

agMag

Fall 2000

A Magazine about Agriculture for North Dakota Students

North Dakota's Oilseeds

What do you think of when you hear the word *oil*? Maybe the fluid that is in your car? How about the liquid in the can that stops squeaks? And what about the ingredient that goes in cakes or in the skillet to make stir-fry?

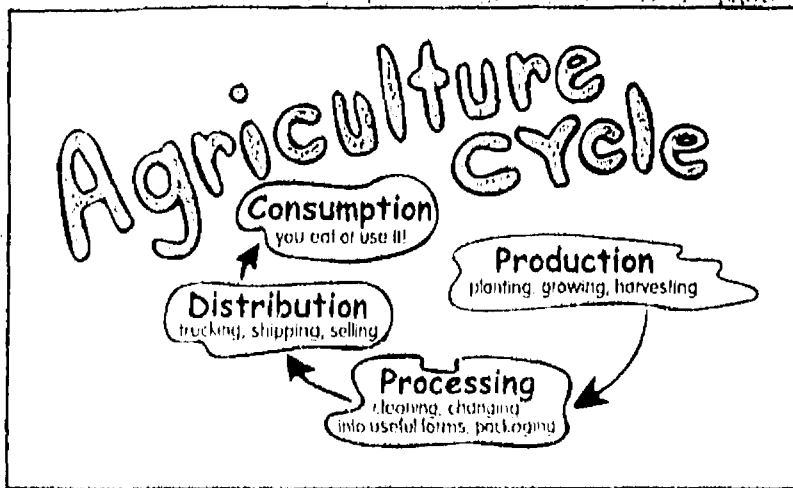
Many oils come from crops grown in North Dakota. Some are edible oils (oils that people and animals can eat), and some are inedible oils (used for lubrication). These crops are called oilseeds because their major purpose is to produce oil.

What different kinds of vegetable oils have you seen on grocery store shelves?

We're #1

North Dakota ranks #1 in the nation in the production of nine crops. Go to the North Dakota Agricultural Statistics Service Website at <http://www.nass.usda.gov/nd/marcnk.htm> and list these nine crops.

Agriculture!



It's farming and ranching and much, much more. It's the production, processing, distribution and consumption of our food, fiber and forestry products.

What do you think about it?

For more information on agriculture, visit the website at <http://www.nd.gov/agriculture>. You can also find information on the Internet at <http://www.nd.gov/agriculture>.

Think about the agriculture cycle in your area of North Dakota.

Find the "Printed with Soy Ink" logo on this Ag Mag. What other publications can you find printed with soy ink?

Pride of Dakota

Dear members of the Senate Appropriations committee:

My name is Alan Juliuson I am from Hope N.D. I farm at Hope and am an owner of a small business as well. I want to take a few minutes and tell you how important the POD program is to the state of N.D. and to the success of many small and large business owners across the state.

The POD program was started in 1985 by then commissioner of Agriculture Kent Jones. It started off slowly, I remember it well as I joined in 1987, but soon growth took place and now today the program boasts 323 members. Membership growth has slowed down compared to those earlier ramp-up years, but, that is to be expected. What has not slowed down or gone stagnant is the information highway that is available from the marketing division of the POD program. A new company starting up in N.D. has, through the POD program, access to trade shows, trade missions, marketing assistance and much more, on both domestic and international levels of business.

What is nice about the POD program is the structure in which it operates within. If I am in the food business they have help for me, if I want to sell sweaters or wood crafts or hand lotions or stationery or whatever I may have for a business the program has help just for me.

I personally have done two trade missions, one to Mexico and one to Brazil. These missions would not have been possible without the help of the POD and the marketing division, all the details were worked out in advance and contacts made so that when we arrived at our destination we could get down to business. My company currently does business in these countries.

I am proud to say that I am a current member of the POD Advisory Council. It is very rewarding to see what is being done on what I would call very limited funding-these people are masters at making a dollar go a long way.

In closing, the next time you see someone associated with the POD program or marketing division, shake his or her hand and tell them job well done, they have helped everyone of the 323 members at some point in time and this is truly a massive job!

Thank-you

PRIDE OF DAKOTA PROGRAMS

In-State Programs:

Pride of Dakota Month
Pride of Dakota Day-State Fair Grounds
Holiday Showcase- Minot, Fargo and Bismarck
Taste of Dakota Grocery Promotion
Marketing Seminars
KFYR Agri-International KMOT Ag-Expo
Farmers Market Guide
School Foodservice Show
Market Connection Newsletter

Domestic Programs

Minneapolis Gift Mart
www.shopnd.com Internet site
Denver Stock Show
U.S. Export Showcase-Chicago
Wholesale Show-Bismarck
Market Assistance Program
Membership Directory
Media Kit

International Programs

Trade Seminars
Alimentaria Trade Show-Barcelona Spain
ANUGA Trade Show-Cologne Germany
BIOFACH Trade Show-Cologne Germany
Dry Bean Trade Missions-Mexico & Brazil
Canada Trade Mission-Edmonton, Alberta
MIATCO
USLGE
Export Directory



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And while you're at shopnd.com, we also invite you to shop around and discover hundreds of hard-to-find western wonders right at your fingertips! Take home the best of the prairie right through the Internet!

So what are you waiting for!?

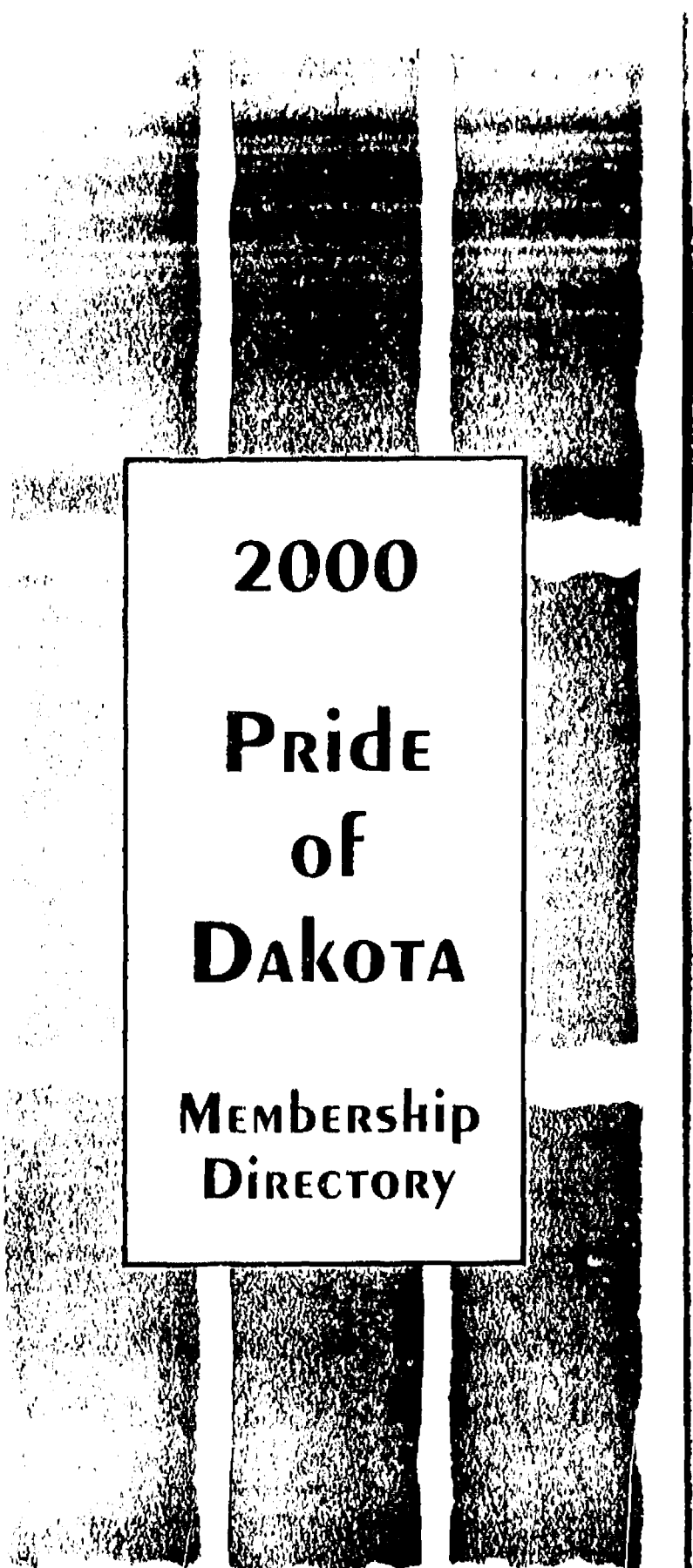
boot up. shopnd.com

*Visit shopnd.com for promotion details. No purchase necessary to register for the ranch vacation. Drawing to be held January 31, 2001. Vacation may be taken any time in 2001.

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2000
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DAKOTA
MEMBERSHIP
DIRECTORY

MARK SITZ

HB 1009

Testimony regarding amendments to HB 1009

The North Dakota Farmers Union is opposed to the proposed amendment, dealing with Project Safe Send that would be inserted on page 2, after line 24, that would create a new section 8.

In studying the issue, the Project Safe Send Board has the following concerns with the process of charging for the collection of pesticides:

Charging for collection, would necessitate the preregistration of materials. When tried in the past, this created a lot of unnecessary paper work, extra work and less chemicals collected.

The disposal contractor, Onyx Environmental Services stated in a letter dated February 9, that they have seen the participation rate drop significantly when participants are assessed a charge. They further stated that if volume is significantly reduced by the State's changing of the program criteria, they would need to adjust the price charge to the State accordingly.

What would you use for your basis for determining the charge and at what point would the charge occur? If assessed at the point of collection, how would you handle the person that did not have any money with them? If billed after the delivery of the product, how would you handle the bad debts that might occur?

The intent of the Project Safe Send program is to get unusable and banned pesticides collected and avoid the potential harm to the environment that could result from the spillage or leaking of the chemical.

The money for the program comes from a fee assessed suppliers of the chemicals. If you begin charging these suppliers to dispose of the chemicals, you are in essence charging them twice.

Pesticides and Fertilizers

Based on these concerns, the Project Safe Send Advisory Board, at their February 12 meeting unanimously adopted the following statement:

The Project Safe Send advisory board has studied the issue and believes that charging for products brought in under Project Safe Send would be detrimental to the program and would result in less hazardous materials being collected. Suppliers and distributors are already being charged a chemical registration fee, which would mean a double charge to these suppliers and distributors. Our disposal contractor has also stated that his bid is based on a projected volume of hazardous waste and if the volume is not collected, the cost per pound would be increased.

The Project Safe Send Program has been very successful. Since its inception, over 8 million pounds of pesticides have been collected. Costs per pound have dropped from \$5.17 per pound the first biennium of the program to only \$1.76 per pound during the current biennium.

The North Dakota Farmers Union feels the Project Safe Send Advisory Board has done a good job in monitoring the program and agree with them in their opposition to the proposed amendment.

LEGISLATIVE COUNCIL LIBRARY HAS COPY OR
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**North Dakota Department
of Agriculture**

Report to the 2001 Legislature

Project Safe Send and Recycling of Pesticide
Containers

1-9-01
HB 1009

**North Dakota Agricultural Association
415 38th Street SW Suite C
Fargo, ND 58103**

Telephone-701-282-9432 Fax-701-282-6623 E-mail-gary@ndag.org

January 9, 2001

Mr. Chairman:

Members of the appropriations committee. My name is Gary Knutson. I serve as Executive Director of the North Dakota Agricultural Association. We are an organization of nearly 400 members from across this region who are dealers, manufacturers and distributors and service providers of seed, equipment, crop protection, and plant food products.

I am here today to comment briefly in support of the work done by the pesticide and fertilizer departments of the Plant Industries Division. We appreciate the attitude to "train and educate" demonstrated by the field staff and department administration and the methodology utilized to work with our dealers and pesticide applicators.

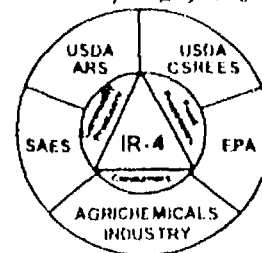
We have worked with the Department in the past to develop realized economics such as more cross training of staff to "one stop" inspect as much as possible, the pesticide and fertilizer functions of our dealerships. This effort is beneficial to both the agency and our dealers.

We have worked jointly in programs to educate and train dealers in NH3 application safety, pesticide handling regulation, disposing of unusable pesticide and other related areas.

Each year the Department selects along with our sponsorship and support the Outstanding Pesticide Applicator and Dealer of the Year which we feel very much promotes the right practices of application effectiveness and environmental stewardship.

Again in brief, it is my observation that industry members and the Department need to continue to work together and that we have a good communications base established for implementing and carrying out important programs we have highlighted.

1-9-01
1783 1009



IR-4 REPORTS

A National Agricultural Program to Clear Safe and Effective Pest Control Agents for Minor Uses



Contact: Dr. Robert Holm, Executive Director
IR-4 Project
Center for Minor Crop Pest
Management
Technology Centre of New Jersey
681 U.S. Highway #1 South
North Brunswick, NJ 08902-3390
Phone: 732-932-9575 Ext. 604
FAX: 732-932-8481
E-mail: holm@aesop.rutgers.edu

Since its beginning in 1963, the IR-4 Project has cooperated with researchers, producers, the agricultural industry and federal agencies to secure clearances for pest control products on minor crops or for minor uses on major crops. During this time, IR-4 has assisted with over 4700 clearances including tolerances, exemptions, label expansions, crop groupings, crop definitions, and reregistrations. *Also, we have included IR-4 Ongoing Research/Support in recent years for crops grown in North Dakota in a separate section of this Report Card.*

There is often little public recognition of the contribution of IR-4 to the availability of minor use/crop pest control products because IR-4's role in the clearance process ceases with the establishment of a tolerance or exemption. This report briefly summarizes some of the contributions IR-4 has made to establish tolerances and exemptions on a variety of minor crops since the program's reorganization in 1976. Other accomplishments, such as data to support registrations and label expansions through crop groupings and crop definitions, are not included in this IR-4 Reports.

IR-4 Has Obtained or Supported Tolerances and Exemptions for the Following Crops Grown in North Dakota:

ALFALFA

Aluminum Phosphide
Bacillus thuringiensis
Glyphosate
Magnesium Phosphide
Malathion
Spinosad

CANARYGRASS

2,4-D
Bromoxynil
MCPA

CANOLA

Bifenthrin
Imidacloprid
Parathion
Sethoxydim
Tebufennozide
Trifluralin

CLOVER

2,4-DB
MCPA
Sethoxydim

CRAMBE

Endosulfan
Methyl Parathion
Trifluralin

FIELD CORN

2,4-D
Bacillus thuringiensis
Carbaryl
Chlorpyrifos
Glyphosate
Methomyl
Paraquat

FIELD CORN (Con't)

Propionic Acid
Sodium Chlorate

FIELD PEA

MCPA
MCPB
Paraquat
Pendimethalin
Sethoxydim

FLAX

Carbaryl
Malathion
MCPA
Sethoxydim
Sodium Chlorate
Trifluralin

GARBANZO BEAN = CHICK PEA

Bacillus thuringiensis
Oxyfluorfen
Paraquat
Pyridate
Sodium Chlorate

GARLIC

Bacillus thuringiensis
Bromoxynil
Clethodim
Fluazifop
Glyphosate
Metolachlor
Oxyfluorfen
Pendimethalin

HONEY and BEESWAX

Bacillus thuringiensis
Benzaldehyde
Formic Acid
Menthol
Resmethrin

LENTIL

Bacillus thuringiensis
Carbaryl
Dimethoate
Methomyl
Methyl Parathion
Paraquat
Parathion
Sethoxydim
Sodium Chlorate
Thiabendazole (Sec 18)

LUPINE

Acephate
Dimethoate

LUPINE (Con't)

Linuron
Metolachlor
Paraquat
Pendimethalin
Sethoxydim

MINT

2,4-DB
Acephate
Bacillus thuringiensis
Bentazon
Bromoxynil
Chlorothalonil
Chlorpyrifos
Clopyralid
Glyphosate
Oxamyl
Paraquat
Propiconazole
Quizalofop
Sethoxydim
Tebufenozide
Trifluralin

MUSHROOM

Benomyl
Chlorothalonil
Cinnamaldehyde
DDVP
Diazinon
Diflubenzuron
Naled
Propiconazole
Pseudomonas fluorescens
Resmethrin

ONION (DRY)

Bacillus thuringiensis
Bromoxynil
Chlorothalonil
Chlorpyrifos
Clethodim
Cypermethrin
Fluazifop
Glyphosate
Methyl Bromide
Metolachlor
Oxamyl
Pendimethalin
Permethrin

PASTURE GRASS

Bacillus popilliae
Bacillus thuringiensis
Carbaryl
Diflubenzuron
Glyphosate
Lagenidium giganteum

PASTURE GRASS (Con't)

Malathion
Methomyl

POTATO

2,4-D
Bacillus thuringiensis
Calcium Hypochlorite
Copper Complex
Sethoxydim
Sodium Chlorate
Spinosad
Sulfuric Acid

PROSOMILLET

Atrazine
Carbaryl
Dicamba + 2,4-D
Glyphosate

PUMPKIN

Bacillus thuringiensis
Benomyl
Clomazone
Glyphosate
Metalaxyl + Mancozeb
Oxamyl
Paraquat
Permethrin
Propachlor
Sethoxydim

RAPESEED (Also see Canola)

Endosulfan
Ethyl Parathion
Methyl Parathion
Trifluralin

SAFFLOWER

Aluminum Phosphide
Methidathion
Sodium Chlorate

SOYBEAN

2,4-D
Bacillus thuringiensis
Aluminum Phosphide
Carbaryl
Lagenidium giganteum
Magnesium Phosphide
Sodium Chlorate

STRAWBERRY

2,4-D
Acifluorfen
Captan
Chlorpyrifos
Fenamiphos
Fosetyl Al

STRAWBERRY (Con't)

Gibberellic Acid
 Malathion
 Methyl Bromide
 Terbacil

SUGARBEET

Carbaryl
 Metalaxyl
 Tebufenozide
 Zinc Phosphide

SUNFLOWER

Carbaryl
 Malathion
 Paraquat
 Sodium Chloride

SWEET CORN

2,4-D
Bacillus thuringiensis
 Permethrin
 Propargite

TOMATO

Bacillus thuringiensis
 Glyphosate
 Imidacloprid
 Magnesium Phosphide
 Paraquat

TREFOIL

Azinphos-methyl
 Carbaryl
 Diazinon
 Malathion
 Methyl Parathion
 Pronamide
 Spinosad
 Trichlorfon

Ongoing IR-4 Research/Support for North Dakota Crops:

BORAGE

Sethoxydim

BUCKWHEAT

Sethoxydim

CANOLA

Benomyl
 Clopyralid (Sec. 18)
 Endothall (Sec. 18)
 Ethalfluralin (Sec. 18)
 Glyphosate
 Thifensulfuron

CRAMBE

Clopyralid (Sec. 18)
 Ethalfluralin
 Glyphosate

DRYBEANS

Abamectin
 Eifenthrin
 Cyromazine
 Flumetsulam
 Fomesafen
 Glyphosate
 Halosulfuron
 Imazamox (Sec. 18)
 Imidacloprid
 Methoxyfenozide
 Sulfentrazone
 Thiamethoxam

FLAX

Clethodim
 Clopyralid (Sec. 18)
 Deltamethrin
 Glyphosate
 Quizalofop
 Sulfentrazone

FIELDPEA

Bifenthrin
 Glyphosate
 Imazamox
 MCPA
 Methoxyfenozide
 Paraquat
 Sulfentrazone
 Thiamethoxam

LENTIL

Chlorothalonil
 Clomazone
 Cyfluthrin
 Sulfentrazone

MUSTARDSEED

Quizalofop

POTATO

Dimethenamid
 Ethalfluralin
 Halosulfuron
 Sulfentrazone

SAFFLOWER

Ethalfluralin
 Glyphosate
 Oxyfluorfen
 Paraquat
 Pronamide
 Sethoxydim
 Sulfentrazone
 Thifensulfuron

SUGARBEET

Clethodim
 Clopyralid
 Dimethenamid
 Endothall
 Methoxyfenozide
 Metolachlor
 Spinosad
 Tetraclonizol

SUNFLOWER

Azafenidin
 Azoxystrobin
 Glyphosate
 Imazamox
 Methyl Anthranilate
 Sulfentrazone (Sec. 18)
 Tebuconazole
 Thiophanate Methyl

Please keep the following in mind as you review this information:

- IR-4's role is to petition the U.S. EPA to establish tolerances or exemptions for pest control products on a crop. Some of these tolerances are regionally restricted. Other tolerances have been established as a result of crop groupings. The fact that each tolerance or exemption is published in the 40 Code of Federal Regulations 180 for the raw agricultural commodity **does not necessarily mean** that the pesticide is registered for use. Registration of a specific use is the responsibility of the chemical manufacturer, who is the seller of the product.
- (Sec. 18), which are state(s) specific, makes

reference to the time-limited tolerance established for a Section 18 Emergency Exemption use which is supported by IR-4 data.

- (EUP), which can be regionally restricted, makes reference to the Temporary Tolerance or Exemption for the Experimental Use Permit which is supported by IR-4.
- **This compilation does not constitute a recommendation for use.** The pesticide registrant or Cooperative Extension should be consulted for specific use information.
- IR-4 thanks the North Dakota State Liaison Representative Dr. Richard Zollinger for assistance in preparing this report.

More information on the IR-4 Minor Use Program is available from the following:

Coordinator, IR-4 Project

Technology Centre of New Jersey
Rutgers, The State University of New Jersey
681 U.S. Highway #1 South
North Brunswick, NJ 08902-3390
Phone: (732) 932-9575 FAX: (732) 932-8481

**Northeast Regional IR-4
Coordinator**

Cornell Analytical Laboratories
Department of Food Science & Technology
NYSAES-Cornell University
Geneva, NY 14456-0462
Phone: (315) 787-2308 FAX: (315) 787-2397

**North Central Regional IR-4
Coordinator**

National Food Safety & Toxicology Center
Michigan State University
East Lansing, MI 48824-1302
Phone: (517) 353-9497 FAX: (517) 432-2098

**IR-4
REPORTS**

IR-4 Project
Technology Centre of NJ
681 U.S. Highway #1 South
North Brunswick, NJ 08902-3390

Western Regional IR-4 Coordinator

Department of Environmental Toxicology
One Shields Avenue
University of California
Davis, CA 95616-8588
Phone: (530) 752-7633 FAX: (530) 752-2866

**Southern Regional IR-4
Coordinator**

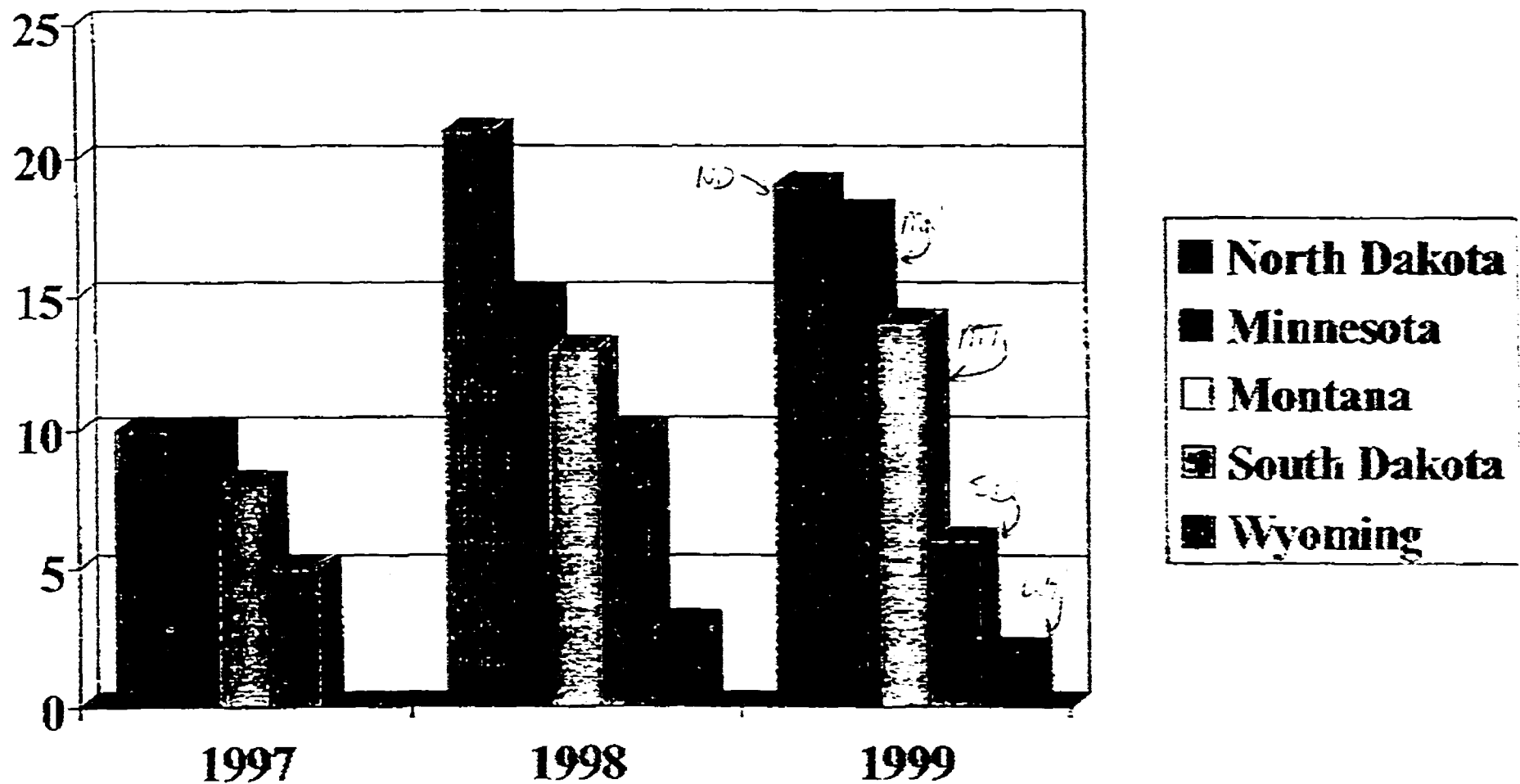
Institute of Food & Agricultural Science
Food & Environmental Toxicology Laboratory
P.O. Box 110720, SW 23rd Drive
University of Florida
Gainesville, FL 32611-0720
Phone: (352) 392-2399 FAX: (352) 392-1988

**United States Department of
Agriculture Coordinator**

ARS/Office of Minor Use Pesticides
BARC-W, NRI, Bldg. 003, Room 325
10300 Baltimore Ave.
Beltsville, MD 20705-2350
Phone: (301) 504-8256 FAX: (301) 504-8142

Section 18 Exemptions

Approved by the EPA

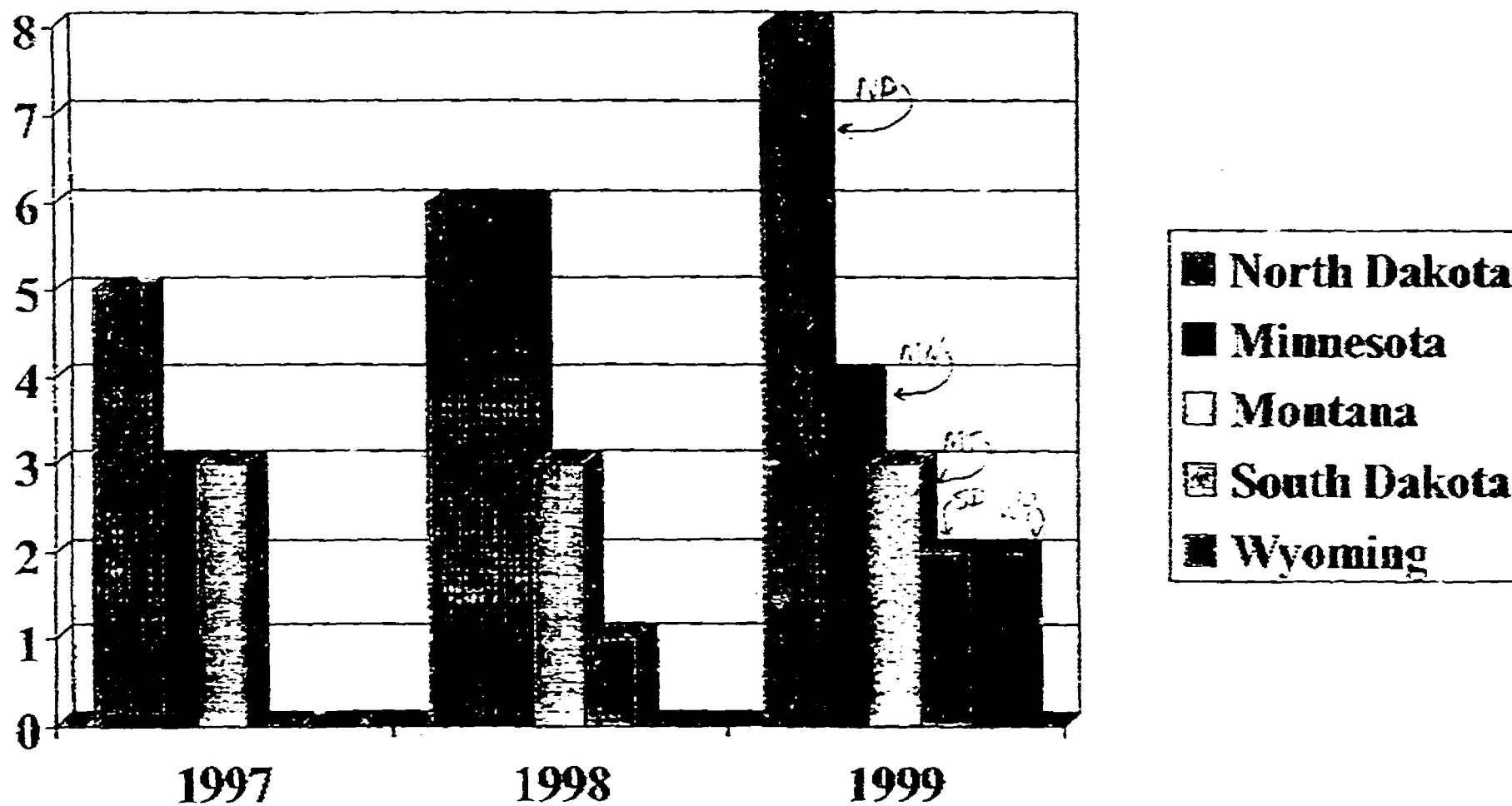


Source: US Environmental Protection Agency 8/1/99

STATE OF MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Crisis Exemptions for Pesticides

Approved by the EPA



Source: US Environmental Protection Agency 8/1/99

Anhydrous Ammonia Inspection Fund (264) Estimated Revenues and Expenditures

Beginning Balance 7-1-00	154,594.00
Projected 1999 Biennium Revenue	<u>140,000.00</u>
Funds Available	294,594.00
Projected 1999 Biennium Expenditures	
Anhydrous regulation	(75,992.00)
Total Expenditures	<u>(75,992.00)</u>
Beginning Balance 7-1-01	218,602.00
Projected 2001 Biennium Revenue	<u>140,000.00</u>
Funds Available	358,602.00
Projected 2001 Biennium Expenditures	
Anhydrous regulation	(109,500.00)
Additional 2001-2003 Biennium Uses	
Replace general funds	(25,000.00)
Salary Comp Package	<u>(5,275.00)</u>
Available Cash Balance	<u>218,827.00</u>

COMMISSIONER OF AGRICULTURE
ROXIER JOHNSON



PHONE (701) 328-2231
(800) 242-7535
FAX (701) 328-4567

DEPARTMENT OF AGRICULTURE
State of North Dakota
600 E. Boulevard Ave. Dept. 602
Bismarck, ND 58505-0020

MEMORANDUM

TO: Wayne Carlson

FROM: Dr. Andrea Grondahl *Andrea Grondahl*
State Meat Inspection Director

DATE: February 13, 2001

SUBJECT: Meat Inspection Staff

It is estimated that within the next year, the state meat inspection program will have at least fifteen Official State Establishments. Each inspector can adequately inspect up to three Official Establishments. The time involved includes mandatory antemortem and postmortem examinations of all animals slaughtered and periodic processing inspections. There is also time involved with travel to and from each establishment. The number of staff needed to cover the projected number of official establishments in the next year is five field inspectors.

In addition to the Official Establishments, there are currently 102 custom exempt plants, which should remain fairly constant over the next two years. Custom plants are inspected four times yearly. These inspections are performed when an inspector has spare time after inspecting their Official Establishments. The number of custom plants assigned to an inspector, therefore, is based upon his or her region and their workload at Official Establishments. The senior meat inspector/compliance officer assists with some of these inspections.

The reduction of the meat inspection budget by the House's approved amendments will not allow the program to service the projected number of Official Establishments. Our goal is to help small producers and processors develop products and expand markets. To fulfill this goal, we need funding similar to the budget submitted by the governor.

*Meat
Inspection*

NORTH DAKOTA
MEAT SAFETY REGULATIONS
DEPARTMENT OF AGRICULTURE - MEAT INSPECTION

MEAT SAFETY REGULATIONS

The State Meat Inspection Program is part of the North Dakota Department of Agriculture. Our mission is to ensure that the meat consumers buy products that are safe to eat and free of contamination. We protect and ensure the quality of the meat supply through registration, inspection, testing, and enforcement activities. The Department also monitors meat package labeling, which helps inform the public about what is being purchased and who processed or distributed the product.

The meat inspection program is part of the livestock division within the Department of Agriculture. Our staff consists of the meat inspection director, a supervisor/compliance officer, and field inspectors. Our staff helps meat slaughtering or processing businesses comply with state and federal rules and laws governing the processing and sale of meat products.

To be absolutely clear about labeling and processing laws that apply to your meat business, we suggest you call our office for guidance (see back page for phone numbers). North Dakota laws and regulations pertaining to meat businesses are available through the Department of Agriculture.

NORTH DAKOTA MEAT LAWS

North Dakota meat laws require that meat or meat food products offered for sale must be safe and wholesome. To prevent

contamination, meat must be prepared under sanitary conditions, and the equipment used must be suitable for the product being sold.

Requirements differ depending on the type and degree of meat slaughtering/processing and sales of products involved. The different types of meat businesses include custom exempt, retail exempt, official slaughtering, official processing establishments, or combinations of these.

CUSTOM/RETAIL EXEMPT

Custom and/or Retail Exempt Establishments must be maintained and operated in accordance with "Facility Requirements" (listed below). However, these operations are exempt from regulations for inspection of the preparation of products.

Custom processing means "slaughtering, eviscerating, dressing, or processing an animal or processing meat products for the owner of the animal or of the meat products, if all meat products derived from the custom operation are returned to the owner of the animal or of the meat products" (NDCC §36-24-01). Custom Exempt operators may not prepare meat products for sale to another retail store or distributor/wholesaler.

Retail Exempt means federal or state inspected and passed product is handled or used in the preparation of any product and sold within the retail store to household

consumers. The assumption is that household consumers who buy meat processed at a retail store are able to judge for themselves the conditions under which the products are processed. Retail Exempt operators may not prepare meat products for sale to another retail store or distributor/wholesaler.

OFFICIAL STATE SLAUGHTER AND/OR PROCESSING

Official Slaughter Establishment means a plant, facility, operation, or premises where animals are slaughtered for human consumption under regulated inspection. Official Processing Establishment means a plant, facility, operation, or premises where meat or meat food products are processed under regulated inspection. These official establishments must comply with "Facility Requirements" (listed below).

Official Establishments must obtain a state or federal Grant of Inspection before operating. A state grant is obtained from the Department of Agriculture, a federal grant from Food Safety and Inspection Services (FSIS), USDA. The appropriate authorities issue a Grant of Inspection after it is determined that the applicant and the establishment meet given eligibility requirements.

Once a grant of Inspection is issued, meat products prepared under inspection will bear the mark of inspection. These products are then eligible for sale to another retail store or distributor/wholesaler. Currently, meat food products inspected and passed under state inspection may be sold within North Dakota. Meat food products inspected and passed under federal

inspection may be sold in interstate commerce, or outside of North Dakota.

WILD GAME/NONTRADITIONAL

In North Dakota, game animals or non-traditional livestock such as elk, deer, bison, ostrich and emu generally have the same requirements as traditional livestock, such as cattle or swine. All meat products offered for sale must be slaughtered and processed under inspection within an official slaughter and/or processing establishment. Custom processing of game animals is the same as listed under "Custom Processing".

One distinction for non-traditional meat products is in the regulations governing inter-state shipment/sales. If non-traditional livestock is slaughtered and processed under inspection, product may be offered for sale across state borders.

FACILITY REQUIREMENTS

All individuals processing any meat product, including custom processors must have their facilities approved prior to operation. Meat processing facilities must meet specific requirements pertaining to construction, lighting, equipment, sanitation, and related items.

- ❑ Your meat processing area must be a room(s) separate from all living and sleeping quarters. Home processing is not allowed. The area must be large enough to allow the handling, preparation, and storage of ingredients, finished products, and packaging materials without danger of contamination from other food-contact surfaces, unprocessed foods, or

ingredients, or the processing environment.

- Walls and ceilings must be built of durable materials, impervious to moisture, and have a smooth, light colored, easy-to-clean surface.
- Floors must be in good condition with adequate drainage. Wood-surfaced floors are unacceptable.
- Walls, floors, ceilings, doors, windows, and other outside openings must be constructed and maintained to prevent the entrance of vermin, such as flies or mice.
- Lighting must be sufficient for the intended purpose. Light bulbs or florescent tubes must be shatterproof or protected with covers to prevent contamination of food in the event of bulb breakage.
- A supply of running water at a suitable temperature and under pressure as needed must be provided in all areas where required. When requested, a water potability certificate must be made available. The certificate must be renewed annually if using a municipal water supply or semi-annually if using a private well.
- Plumbing must meet all state and local codes.
- Sinks must be adequate to wash, rinse, and sanitize utensils and equipment.
- Toilet facilities should include an adequate toilet, hand washing facility, and ventilation fan. The door cannot

open into the food processing area unless there is a vestibule.

- Hand washing facilities with running hot and cold water, soap, paper towels and easy-to-clean waste containers, must be adequate in the establishment as necessary to ensure cleanliness of all persons handling product. Common towels (cloth towels used by more than one person) cannot be used.
- Ventilation, whether natural or mechanical, must be adequate to remove excessive heat, condensation, smoke, or fumes.
- Tables, counters, and other work surfaces must be in good repair and easily cleanable.
- Equipment and utensils used for processing or otherwise handling edible product or ingredients must be of such material and construction so they will not contaminate product. Wood and glassware equipment or utensils are generally unacceptable.
- Storage of your ingredients and finished product must be appropriate for the type of product being processed and must protect the food from contamination. Refrigerated foods must be held at 41°F or less.

LABELING

Food labeling requirements fall under state and federal regulation. All packaged foods need to be labeled.

In general, a packaged product label must list:

- The name of the product
- The name, address, and zip code of the manufacturer, packer, or distributor
- A listing of ingredients in decreasing order of predominance by weight
- A net weight or volume statement
- Nutrition information if required*

*Very small food businesses (including manufacturers, packers, and distributors) are exempt from the required "Nutrition Facts" label if they make no nutrition or health claim, have less than 10 full-time employees, and sell less than 10,000 consumer packages of any specific food item.

ADDITIONAL INFORMATION

If you have questions or need more information, please contact the Department of Agriculture, Meat Inspection.

NORTH DAKOTA STATE MEAT INSPECTION PROGRAM

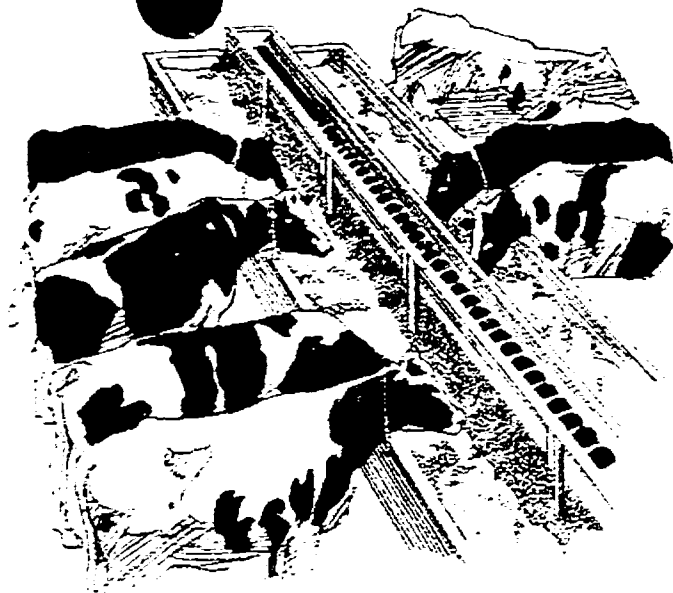
Director: Dr. Andrea Grondahl
Phone: (701) 328-4762
e-mail: agrondah@state.nd.us

Senior Meat Inspector:
Jordan Woodbury Phone: (701) 328-2234
e-mail: jwoodbur@state.nd.us

ND Dept of Agriculture
State Capitol - 6th Floor
600 East Boulevard, Dept. 602
Bismarck, ND 58505
Phone: (701) 328-2231
Toll-free: (800) 242-7535
Fax: (701) 328-4567

Environment & Rangeland Protection Fund (376) Estimated Revenues and Expenditures

Beginning Balance 7-1-99	701,250.00	1999 Biennium Revenue thru 4-11-01	
Projected 1999 Biennium Revenue	2,620,500.00	2,656,175.00	
Additional Revenue thru 4-11-01	35,675.00		
Available Funds	<u>3,357,425.00</u>		
Projected 1999 Biennium Expenditures			
Ag Dept. Minor Use Pesticide	(285,000.00)		
Pesticide Pads	(90,000.00)		
Noxious Weeds	(1,080,524.00)		
SafeSend	(573,907.00)		
Pesticide Programs	(266,467.00)		
Health Department	(200,000.00)		
Total Expenditures	<u>(2,495,898.00)</u>		
Beginning Balance 7-1-01	861,627.00		
Projected 2001 Biennium Revenue	2,083,250.00		
Additional 2001 Biennium Revenue	416,650.00		
Available Funds	<u>3,361,427.00</u>		
		← This is due to extending the sunset clause for registration thru 6-30-03	
Projected 2001 Biennium Expenditures			
Ag Dept. Noxious Weeds	(1,404,602.00)		
SafeSend	(596,842.00)		
Pesticide Programs	(314,620.00)		
Salary Package	(25,751.00)		
Health Department	(200,000.00)		
Total Expenditures	<u>(2,541,815.00)</u>		
Available Cash Balance	<u>819,612.00</u>		
Other Legislative action			
HB1467 Minor use pesticide fund transfer	(500,000.00)		
HB1328 Crop harmonization committee	(250,000.00)	(325,000.00)	senate appn committee, reduced by 75,000
HB1009 House added section to establish fees		100,000.00	senate removed section B from house version
Available Cash Balance	<u>69,612.00</u>		
Effective thru 6-30-03			
\$350 for each pesticide product registered			
\$50.00 General Fund			
\$300.00 ERP Fund			
After 6-30-03 with sunset clause			
\$300 for each pesticide product registered			
\$50.00 General Fund			
\$250.00 ERP Fund			



FOR MORE INFORMATION

If you need more information or want to sign up for DP3, please contact:

Coordinator
Dairy Pollution Prevention Program
North Dakota Department of Agriculture
600 E. Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020
(800) 242-7535
ndda@state.nd.us

The North Dakota Department of Agriculture is the lead sponsor of the North Dakota Dairy Pollution Program. Cooperating agencies and entities include:

- North Dakota Milk Producers Association
- North Dakota Department of Health
- North Dakota Non-Point Source Pollution Program
- U.S. Department of Agriculture/Natural Resources Conservation Service
- All identified watershed districts
- North Dakota State University Cooperative Extension Service

The North Dakota Dairy Pollution Program is funded by a grant from the U.S. Environmental Protection Agency.

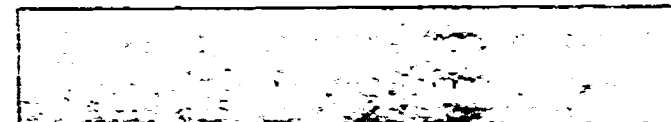


Buy North Dakota Products

North Dakota Dairy Pollution Prevention Program



*Helping dairy producers
improve water quality
through waste management*



INTRODUCTION

Dairy farms produce tons of manure, and dairy producers know that managing that manure can be difficult and expensive.

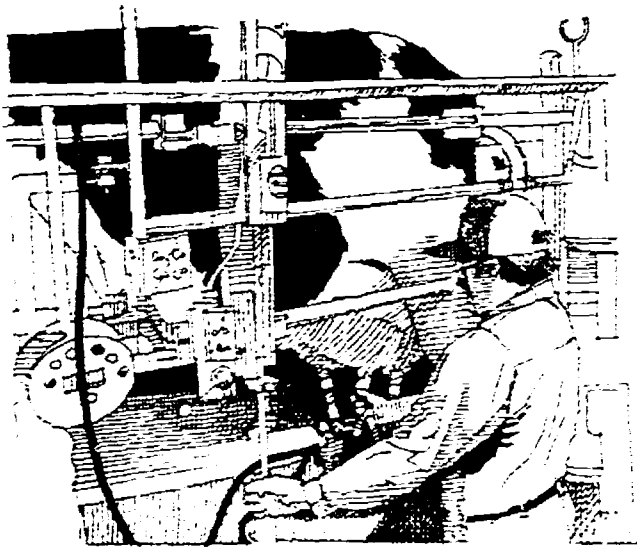
This is especially true in areas where waste runoff and seepage can easily pollute surface and ground water.

Now there's help. It's called the **North Dakota Dairy Pollution Prevention Program** or DP3 for short.

DP3 provides financial, technical and educational assistance to help dairy producers identify, reduce or eliminate releases of livestock waste into surface or groundwater.

DP3 is a voluntary program and entirely non-regulatory.

DP3 is a cost-share program. The program pays 60 percent of approved expenses, and the producer pays 40 percent.



WHAT ARE THE BENEFITS?

Participation in DP3 offers several major benefits, including:

- Controlling or preventing erosion
- Preventing feedlot waste from entering streams, lakes and rivers.
- Using wetlands as a living filter to remove nutrients and sediments from surface and ground waters.
- Preventing or slowing run-off rates during major precipitation events.
- Helping participants develop a system for applying manure as fertilizer in field applications.

HOW DOES DP3 WORK?

- 1 Any dairy producer who is interested in participating in DP3 should contact the North Dakota Department of Agriculture to schedule a meeting with the program coordinator.
- 2 After the initial meeting, the coordinator visits the dairy operation and with the producer evaluates the current situation.
- 3 If the coordinator determines that the operation qualifies for DP3, a contract is drawn up, establishing the goals and responsibilities of the producer and the program. The contract may be for a single year or more.
- 4 The producer then hires an engineer who develops a design to meet the contract specifications. Designs may include:
 - Dairy waste containment systems
 - Drainage systems
 - Sewage systems
 - Fencing
 - Miscellaneous surface and ground water improvements
- 5 After the State Health Department approves the design, construction can begin. The producer's own labor in the construction phase can be credited as part of the producer's cost-share match.
- 6 After the project is completed, a monitoring plan will be established to make sure the new system is operating properly.



North Dakota Wildlife Services Program



Annual Highlights Report - 2000

Cooperating Agencies:

ND Department of Agriculture
ND Game & Fish Department
ND State University, Department of
Zoology
National Wildlife Research Center-
Great Plains Field Station

Additional support provided by:

Bureau of Land Management
Ducks Unlimited
Federal Aviation Administration
National Sunflower Association
ND Aeronautics Commission
ND Department of Health
ND Farm Bureau
ND Farmers Union
ND Lamb and Wool Producers
ND State University Extension
Service
ND Stockmen's Association
U.S. Fish and Wildlife Service
USDA Forest Service
USDA Natural Resources
Conservation Service
USGS, Northern Prairie Wildlife
Research Center

Background

The Wildlife Services division of the USDA/APHIS works in partnership with the North Dakota Department of Agriculture and the North Dakota Game and Fish Department to assist with management of wildlife conflicts that impact the lives and livelihood of North Dakotans. Assistance is provided to livestock producers, farmers, homeowners, civilian and military airports, and public land managers. Management efforts are undertaken to mitigate wildlife damage to agricultural resources, private and publically owned property, human health and safety, wildlife, and other natural resources. Wildlife Services has 18 employees; 14 field representatives and 4 administrative personnel.

Program Highlights

Livestock Protection: Wildlife Services continued to assist livestock producers through its predator damage management program. Wildlife Services responded to 785 occurrences of coyote and fox predation to calves, sheep and lambs, and poultry. Agency personnel documented \$145,000 in livestock losses to predators.

Wildlife Services continued to administer the predator management cost share program that was established with funds provided by the ND Game and Fish Department. This program provides a 50:50 cost share, up to a maximum of \$200 per purchase per year, to landowners who purchase non-lethal control items to protect livestock from predators. Items approved for purchase include guard animals, propane cannons, and electronic frightening devices. In 2000, 22 livestock producers utilized the program to purchase 10 guard dogs, 9 llamas, 2 donkeys, and 1 propane cannon.

Wildlife
Services

Sunflower Protection: Blackbirds cause approximately \$3-5 million in losses to North Dakota sunflower and small grain crops annually. Approximately 3,840 acres of cattail wetlands were identified as blackbird roosting areas and were aerially treated with a glyphosate-based herbicide to reduce blackbird habitat close to crop lands.

Waterfowl Damage Management: Waterfowl damage to grain crops increased by 80% in 2000. Wildlife Services and the ND Game and Fish Department responded to 167 incidences of damage which accounted for \$162,000 in losses. Canada geese were responsible for 96% of the complaints. Propane cannons, frightening flags, and electric fencing were loaned to farmers to prevent additional damage. Wildlife Services and the USDA Natural Resources Conservation Service developed a leaflet explaining the use of vegetative filter strips as barriers to restrict waterfowl movements between wetlands and adjacent crop lands. Landowners interested in establishing vegetative barriers can receive financial assistance through the Conservation Reserve Program.

Beaver Damage Management: Wildlife Services responded to 585 incidents of beaver damage to trees, roadways, and crops which resulted in losses totaling \$878,000. Certified explosive specialists used binary explosives to remove 140 beaver dams in order to restore normal water flow.

Urban Wildlife: Assistance was provided to 212 property owners who reported conflicts with various types of wildlife. Resources damaged included homes, ornamental trees, gardens, lawns, and golf courses. Economic impacts totaled \$112,000.

Protection of Wildlife: In cooperation with the ND Game and Fish Department, U.S. Fish and Wildlife Service, and Ducks Unlimited, Wildlife Services initiated predator damage management programs to protect ducks captured in live traps during annual leg banding projects.

Assistance was also provided to researchers with Ducks Unlimited and Northern Prairie Wildlife Research Center who had initiated a study to determine the impacts of badger predation on nesting waterfowl. Wildlife Services staff live-trapped 34 badgers that were subsequently outfitted with radio transmitters so that researchers could monitor badger movements.

Human Health and Safety: Wildlife Services documented 154 incidents of wildlife threats to human health. Concerns over the threat of rabies transferring from skunks to humans or domestic animals accounted for 53% of the complaints.

Aviation Safety: In cooperation with the Federal Aviation Administration, year-long wildlife hazard assessments were initiated at Bismarek Municipal Airport and Minot International Airport. A similar study was completed at Grand Forks Municipal Airport.

Information Transfer: Wildlife Services continued to conduct an extensive educational program to assist the public with their specific wildlife conflicts. A total of 1,146 personal consultations and 54 instructional sessions were provided for 1,322 individuals. In addition, 4,842 informational leaflets were distributed to the public. Also, 442 pieces of equipment, such as live traps and propane cannons, were loaned free of charge so that individuals could solve their specific problems.

Personnel Actions: Mike Duncan was selected as the winner of the 2000 North Dakota Wildlife Services Excellence Award. Previous winners were Greg Simonson (1999), John Plaggemeyer (1998) and Jerald Shoemaker (1997).

For additional information
contact Wildlife Services at:

USDA/APHIS/Wildlife Services
2110 Miriam Circle, Suite A
Bismarek, ND 58501-2502
701-250-4405



United States
Department of
Agriculture

Animal and
Plant Health
Inspection
Service

Miscellaneous
Publication
No. 1543

Managing Wildlife Damage:

The Mission of APHIS' Wildlife Services Program



CONTACT US JA OR ND AGRICULTURE DEPARTMENT FOR A COPY