

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1009

2005 HOUSE APPROPRIATIONS

HB 1009

January 7, 2005

assisting, but that the expertise of the enforcement actions may cause their agency to seek counsel outside of the Attorney General's office. NB 1009

Agriculture - testifying was Roger Johnson (meter Tape #2, # 4.4)

Mr Johnson reviewed handout #4-8 (attached) highlighting the significant issues listed on pages 1-2 of handout. **Rep. Mike Timm, Vice Chairman** asked if they were asking for a fully funded SafeSend project or only to restore what was cut from appropriations last biennium. **Mr Johnson** answered that they were requesting \$680,000 to restore what was cut because they have had to use their special funds to cover the loss and the program has run badly because of the loss. **Rep. Tom Brusegaard** asked if ND had applied for any Section 18 labels. **Mr Johnson** responded yes and said that most requests have been approved. **Rep. Al Carlson** asked if the federal grants were coming from the Homeland Security project. **Mr Johnson** answered that all grants are federal funds coming from USDA and most are Homeland dollars while a couple are from Disease Control. **Rep. Al Carlson** asked what authority they were given to spend these funds. **Mr Johnson** said he did not have specific figures available.

Rep. Al Carlson asked if the FTE's realize their jobs may end if these funds end. **Mr Johnson** answered that they were all aware. (meter Tape #2, #11.1)

Mr Jeff Weispfenning reviewed the Analysis of the variances within the handout (#4-8 page 3) and mentioned that the crop harmonization appropriation was a duplicate and is unnecessary appropriation because the Minor Use Fund has a continuing appropriation. **Rep. Ken Svedjan, Chairman** asked that the performance measurement section should be read by the representatives and any questions on these could be

brought to the hearing. **Rep. Bob Skarphol** asked if the reductions listed were just a shift in budget categories. **Mr Weispfenning** answered that the State Water Bank program is responsible for the decrease in leases since there is no state funding and the professional services decrease would be in specialized contracting. **Rep. Al Carlson** asked if anyone in this department recieved a raise in the last biennium. **Mr Weispfenning** answered yes, but mostly through workload adjustments. **Rep. Al Carlson** asked that the details of this and the authority to do this spending be brought to the hearings on this budget. **Mr Weispfenning** discussed the Minor Use Fund, The Honey Promotion Fund, and the Turkey Fund. **Rep. Jeff Delzer** asked if the Minor Use Fund is within the Crop Harmonization Board. **Mr Weispfenning** discussed the distinctions of the two line items, but **Rep. Jeff Delzer** asked that this confusion be looked at and clarified in hearing.

copy end *HB 1016*

Insurance Commisioner - testifying was Jim Poolman (meter Tape #2 #24.3)

Mr Poolman distributed handout #4-9 (attached) and mentioned that the major adjustment to this year's budget request was the fact that the Perscription Connection program was created in the last biennium but that their were insufficient fund to run it so they are asking for an increase in this budget. **Mr Poolman** assured the committee that they have built in enough of an increase to fully staff the program so that there would be an increase in the amount of one to one help with filling out the forms needed for eligibility since each pharmisceutical company has different rules.

Emergency Management - testifying was Doug Friez (meter Tape #2, #37.6)

HB 1024

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Monday, January 17, 2005

Tape Number	Side A	Side B	Meter #
1		X	6-5295
2	X		00-2427

Committee Clerk Signature



Minutes:

Chairman Carlisle called to order Hearing HB 1009 regarding the Department of Agriculture.

Mr. Roger Johnson, Commissioner of Agriculture, submitted two handouts to supplement his testimony: Handout #1 which includes a Testimony list, 8 attachments, and written testimony from Mr. Gary Knutson, Executive Director, Dept. of Agriculture; and Handout #2 entitled *Budget Presentation for the 2005-2007 Biennium (H2)*.

He began by introducing the following people: Jeff Weispenning, Deputy Commission; Wayne Carlson, Program Manager, Livestock Services; Jeff Olson, Program Manager, Plant Industries; Ken Junkert, Program Manager, Executive Services; Dr. Susan Keller, State Veterinarian; Dr. Andrea Grondahl, Director, State Meat Inspection Program; Lynette Baumiller, Accounting; and Phil Mastrangelo, State Director, Wildlife Services USDA.

Ag. Comm. Johnson began his testimony with Attachment 0 (H1), a public information tool used in classrooms. His testimony continued from the *Budget Presentation* (H2), the introduction, overview, and various executive services. He referred to graphs on p. 6 (H2) which show the growing number of Farmers' Markets, Pride of Dakota Memberships, and sales on the Department's web site, Shopnd.com. When he talked about Pride of Dakota, he referred to Attachment #1 (H1); Agriculture in the Classroom, Attachment #2 (H1); and Ag Mediation, Attachment #3 (H1). He noted that the number of AMS clients has been down in recent years; staffing and costs have gone down accordingly, which are reflected in the budget details. **Ag. Comm. Johnson** pointed out that Agreement Rates (See p. 7 H2), one of the ways of measuring the success of the program, are historically high at 83-90% for the past two fiscal years.

Ag. Comm. Johnson said that the executive services budget comparisons (See p. 8 H2) indicate that the FTE's remain constant. **Chairman Carlisle** requested a memo for any equity raises.

Comm. Weispenning said he would do this. [See Memo dated 1/19/05]

Ag. Comm. Johnson discussed the two variances in the executive services budget (See p. 8 H2), one for Pride of Dakota and the other for Agriculture in the Classroom.

With regard to livestock services (See p 9-12, H2), **Ag. Comm. Johnson** called the Committee's attention to the pie chart regarding funding sources and pointed out that the largest piece of the pie represents federal funds.

Rep. Timm voiced concerns for smaller dairy operations and the fact that buyers don't want to go out and pick up milk any more. **Ag. Comm. Johnson** said that is one of the reasons the Ag. Dept. has put so much effort into rebuilding the dairy industry. Declining dairy farms is a phenomenon occurring throughout the Midwest. As farms dwindle, it's no longer economical for

milk processors to go out and pick up the milk. The Dept. has been working hard to arrest the decline.

With regard to state meat inspection in addition to the testimony in the *Budget Presentation*, **Ag. Comm. Johnson** referred to Attachment #4 (H1). **Rep. Timm** asked for clarification among the various classifications. **Dr. Grondahl** explained that a new plant may choose which inspection classification they prefer: federally, state, or custom-exempt. If they are federally or state inspected, they have to meet the facility regulatory and sanitation requirements. Overall, it's more difficult to achieve federal standards. If a plant wants to sell or ship out of state, they need the federally inspected classification. The exception to that is bison or elk, which can be under state inspection. The benefit under state inspection is there are no inspection fees associated with that. **Comm. Johnson** interjected that custom-exempt plants are processing plants where the consumer brings the animal in and it is processed, but not for resale.

In reference to Wildlife Services (See p. 11, H2 and Attachment #5 H1), **Comm. Johnson** pointed out that the Dept. put together a coalition and requested a \$400,000 increase in federal funding from the Congressional delegation. This increase did not come through. The Dept. expects to maintain existing levels of service through the end of the current federal fiscal year, October 2005, and after that there will be significant cuts. The Committee should look for a \$550,000 transfer Game & Fish which provided for these activities in the current biennium and is projected to continue for the next.

Chairman Carlisle asked if the Dept. added \$150,000 from Game & Fish to the Animal Board of Health and whether or not that was the same as last session. **Comm. Johnson** stated it is the same.

Rep. Timm asked whom people should call with regard to the beaver problem. **Comm. Johnson** said in the current budget, the Dept. of Ag. provides money to Wildlife Services, which is an agency of the USDA. He referred further questions to the program head, **Dir. Mastrangelo**. The Director said beaver complaints should be directed to his department.

Comm. Johnson referred to the variances in livestock services discussed on p. 12, Handout 2.

Chairman Carlisle asked if the Commissioner felt confident the federal dollars were coming.

Comm. Johnson said most of the federal dollars are relatively new and generally focused on bioterrorism or animal I.D. The Commissioner pointed out that a number of the FTE's are 100% federally funded. Those hired are aware that if the funding is cut, so is the job.

Rep. Kempenich referring to the Governor's Budget, asked for confirmation: one position is in the recommendation and the other two are optional. **Ms. Paulson, OMB**, clarified that one is an Emergency Commission request that came through and was approved. The Governor added a new veterinarian position and an assistant. The Dept. included those in their optional request and then the Governor funded the three positions and added \$180,000 in general funds.

Comm. Johnson continued to review information regarding plant industries (See pp. 13-16 H2).

When talking about Project Safe Send, he referred the Committee to pp. 6-7, Attachment #6 (H1), which provides a summary of collection events. The Commissioner pointed out the project is fully funded by the pesticide registration fees paid by participating companies. **Chairman**

Carlisle noted the fund was reduced last budget cycle, but during the interim more federal funds came in. He wanted to know if that FTE is still on budget. **Comm. Johnson** explained that the Dept. does not hire anyone with those dollars. Judy Carlson runs those funds and it done through contract management. **Chairman Carlisle** wanted to know if federal funds would be there for

the next biennium. **Comm. Johnson** said no. The funds of \$150,000 from EPA 319 were a one-time deal. **Rep. Kempenich** said that Rinsate drew a lot of criticism last session. **Comm. Johnson** said that Rinsate is largely a non-issue now and represents about 2% of total collections.

Mr. Jeff Olson, Program Manager, Plant Industries, referred the Committee to p. 9, Attachment #6 (H1). The bottom of the chart indicates that a total of 1901 pounds has been collected, at \$1 a pound, and those funds were deposited in the EARP fund.

In reference to the discussion on noxious weeds, **Comm. Johnson** referred to Committee to Attachment #7 (H1), a map of Ward County weeds. The map is generated using a GPS unit which is used in cooperation with participating counties. **Chairman Carlisle** brought up the problem of saltcedar for the benefit of new members. **Comm. Johnson** explained that it's a nasty weed that was just discovered in N.D. in 2001 and last session the Dept. was given an additional \$250,000 for saltcedar. It's spread by ducks, geese, and ornamental seeds in towns. It has been found in ½ the counties in the State. It was introduced to the Inter Mountain West a few hundred years ago for bank stabilization. For small infestations, the plant is pulled up, tied in a bag, and buried or burned. It can't be burned on location because it will grow again. He pointed that a dozen different agencies are cooperating with this project. Funding has not been continued in the Governor's Budget. The Dept. is hoping the legislature will restore these funds.

Comm. Johnson discussed the variances in the plant industries budget, p. 16 (H2) and finished with the summary, p 17 (H2).

Rep. Kempenich asked about the large change in the Board of Animal Health. There are federal funds of \$708,000 and then a decrease of \$147,000. He asked about the decrease in special funds.

Comm. Johnson referred the question to **Comm. Weispenning** the decrease in special funds is for John's Disease work. The Dept. had projected a carry over of \$150,000 from the biennium before that and those funds have all been used.

Ms. Beth Bakke Stenehjem, Executive Dir. N.D. FFA Foundation, asked for the Committee's consideration to grant optional funds for the Ag in the Classroom program. She submitted written testimony (See Handout #3). **Rep. Timm** asked about the cost and **Dir. Stenehjem** said that last year the program was granted \$5,000 and this year \$10,000. **Comm. Johnson** further clarified these funds are part of the Ag in the Classroom, an optional package which is not funded in the Governor's Budget. The Dept. Is asking for \$85,000. He referred the Committee to p. 6 (H2) which describes last session's appropriation and the contracts with seven programs to conduct program activities. FFA is one of those. **Chairman Carlisle** referred to the agency green sheet and asked why the amount is \$95,000. The Commissioner responded that that represents spending authority only.

Melissa Maasjo, Minot, Co-owner, Gifts Dakota Style, testified in favor of the Pride of Dakota program. She submitted written testimony and a brochure "Gifts Dakota Style, 2005-2005" (See Handout #4). She made two points in support of the program: networking producers and getting the word out that P.O.D. members sell high quality products.

Mr. Brian Krammer, N.D. Farm Bureau, testified in support of Wildlife Services, Project Safe Send, the Noxious Weed appropriation, and Ag in the Classroom. He stated that all of these programs are vital to N.D. farmers.

Chuck Weiser, Ward County Weed Board member, read his testimony in support of the weed control portion of HB 1009 into the record (See Handout #5).

Rep. Timm referenced a letter from Gary Knutson, Executive Director, ND Agricultural Association. Recently, he spoke to someone from the Ag Coalition. He wanted to know the difference between these two programs. **Comm. Johnson** said the Ag Association has been around for a long time. It's a trade association of fertilizer and chemical dealers, Cenex, farm supply, etc. The Ag Coalition is a member-based coalition of all different ag organizations that want to join.

(Meter #789)

Mr. Eric Bartsch, N.D. Dry Pea & Lentil Association, submitted written testimony in support of HB 1009 with regard to the marketing and plant industries. He read that testimony into the record.

Rep. Kempenich asked about trade with Cuba. **Mr. Bartsch** responded that trade has become tougher. It's cash only. The Cuban pesos are sent to France, switched to Francs, switched to Euros which are finally switched to U.S. dollars and returned to the U.S. **Rep. Kempenich** requested further clarification. **Comm. Johnson** said that up until this summer, the peas would arrive at the port in Havana and the Cubans would inspect them. Once the order was confirmed, they'd issue the request for payment. Then the process Mr. Bartsch described takes place. Once the seller receives the money, then the port in Cuba can unload the boat. This past summer the Government prohibited the bank in the U.S. from transferring the money they received from Cuba to the account of the seller of the peas. The money just sat in the bank and the seller couldn't confirm that he'd received the money so the peas would remain on the ship. The process is complicated and part of the reason is that Cuba is one of five companies in the world that

doesn't have formal diplomatic relations. It's much more labor intensive on the part of the State to access that market.

Rep. Kempenich asked what N.D. does in lieu of a foreign trade representative. **Comm.**

Johnson explained that the products sold here are mostly sold through a third party like P.S.

International, a North Carolina-based contractor, which acts like a broker. N.D. Pea processors sell peas to PSI and then PSI handles the paper work.

(Meter #789)

Mr. Woody Barth, N.D. Farmer's Union, testified in support of the Ag Department and their budget proposals, in particular to the following programs: N.D. Mediation Service, Project Safe Send, and Pride of Dakota which helps N.D.

Mr. Wade Moser, N.D. Stockmen's Association, testified in support of the following Ag Dept. programs: noxious weed control, the Wildlife Services Division, State Meat Inspection Program, livestock licensing and regulation, and the Board of Animal Health.

Mr. Terry Moszer, part owner of M & M Sausage and Meats, Bismarck, in support of the Ag Department's meat inspections, which are very important to business owners and consumers.

Rep. Kempenich asked Mr. Moszer if he paid any fees and **Mr. Moszer** responded that because he is currently custom-exempt, he pays no fees. He has been in business for 18 months and is in the process of becoming state inspected.

(Meter #1904)

Mr. Nathan Boehm, representing the dairy industry on N.D. Board of Animal Health, testified in support the funding of the additional positions to the Board of Animal Health in HB 1009. There isn't enough manpower in that office to follow up on what the Board has set forth in

previous years. For example, with the imports of certain vaccinates, the Board doesn't know if the cattle in question have been handled correctly as prescribed by the Board.

Mr. Bob Fiest, farmer, Bismarck, read his testimony in support of HB 1009, specifically with regard to the funding for USDA/Wildlife Services, into the record (See Handout #7). His primary concern is beaver deprivation. **Dr. Phil Mastrangelo** informed the Committee that the Game & Fish tracks beavers in the State. The population increases during wet years and decreases during dry cycles. They move to the water. A fur-bearer's license is required for those who trap to sell pelts, which aren't worth much currently. A landowner can shoot or trap if the beaver is causing damage.

(Meter #2427)

Ms. Merry Hoff, farmer, from southwestern N.D., testified in support of the Ag Mediation Program, which was very helpful in helping them opt out of farming.

Meeting Adjourned.

*Govt
Operations*

Ms. Paulson agreed to research last session to find out if any money had been taken from the Rail Trust Fund for the rail rate case. Chairman Svedjan advised the Committee to evaluate the case and come to the Full Committee with a their best recommendation. Chairman Svedjan voiced concern as to whether of not BNSF would take any negotiations seriously unless the money is on the table.

Re: HB 1009, Agriculture Department

At issue are three FTE's, 2 for the Animal Board of Health staff (a vet and support staff) and 1 for a meat inspector.

Also at issue is the request for \$250,000 for the saltcedar problem. There's a miss in EARP which is unobligated. The Dept. might be able to use that.

The request for \$85,000 for the Ag in the Classroom which is an optional request.

The request for the Pride of Dakota program. Ms. Paulson informed the Committee that this program has always been off budget or it's an on-going program. The program can only spend whatever it brings in.

Re: HB 1010, Insurance Commission

Firefighters want a larger portion of the premium money. The cap is 2.6 million. The Committee is drawing up an amendment to allow them \$1 million more per year out of that fund, which currently has \$4 million. The increased appropriation will bump the cap to 3.6 million.

Re: HB 1018, Game & Fish

Moving the flora from \$10-15 million to deal with problems: Sweet Briar dam is leaking, carp at D.L., & a road into Graham's Island that's going under water. The Director is not interested in buying that ranch.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Friday, January 28, 2005

Tape Number	Side A	Side B	Meter #
1	X		53.1-end
1		X	00-36 approx.

Committee Clerk Signature



Minutes:

Chairman Carlisle called the Committee back to order to work on HB 1009 regarding the Department of Agriculture budget. **Mr. Jeff Weispfenning, Deputy Commissioner, N.D.**

Department of Agriculture, and Lynette Baumiller, Accounting, assisted the Committee with their work.

Rep. Kempenich asked about the funds in EARP, about \$283,000. **Deputy Weispfenning** said that was the projection of \$283.441 as of the end of the next biennium, June 30, 2007. **Rep.**

Kempenich proposed that \$250,000 of that fund be used to fund the saltcedar. **Chairman**

Carlisle asked if that amount was in the Governor's budget, and **Rep. Kempenich** stated it was, but it wasn't funded. **Rep. Kroeber** asked if there were programs for saltcedar eradication in the next biennium if the optional request was not funded. **Deputy Weispfenning** explained that if

that were not funded, the Dept. would take resources away from other areas, such as Canada thistle or leafy spurge control. It would detract from the overall weed control effort.

Rep. Kempenich brought up the \$85,000 optional request for Ag in the Classroom funding. He suggested taking \$30,000 from the EARP funds and \$70,000 from Safesend to fund Ag in the Classroom. **Chairman Carlisle** noted that would be \$100,000 rather than the \$85,000 requested.

Rep. Kempenich brought up the wildlife issue and noted that the Dept. projects \$205,000 of \$800,000 and asked if that were realistic for the next biennium. **Deputy Weispfenning** said the Wildlife Services budget has been relatively flat for a number of bienniums. The Dept. has retained \$760,000 for approximately eight years. There was a slight increase last biennium. **Rep. Kroeber** brought up the Game & Fish funding and **Deputy Weispfenning** said the amount in the budget is \$810,000 and Game & Fish contributed \$550,000. In the prior biennium there was \$150,000 contributed by Game & Fish to Wildlife Services.

Rep. Kempenich brought up the coyote & beaver problems. **Rep. Kroeber** asked who sets the priority on what is done. **Deputy Weispfenning** referred the Committee to the attachments to the Memo dated January 21, 2005 (See Handout #1). After the Session is over, the Dept. meets with Game & Fish and determines what needs to be done for Game & Fish and a service agreement is drafted. This is also done with regard to Wildlife Services. If the Legislature wants to identify priorities, that is taken into consideration. **Deputy Weispfenning** said the beaver problems coincide with the high water in the 1990's. It's not just a rural problem. Many calls come from urban areas. The coyotes have been very aggressive in expanding their range, so that problem is widespread. His recommendation is to allow flexibility for the two departments in determining

how to do the best job. **Chairman Carlisle** submitted a letter to the Committee from the N.D. Lamb & Wool Producers. (See Handout #2)

Rep. Kroeber asked for clarification regarding the \$800,000 for Wildlife Services and if Game & Fish contributes \$550,000, where the other \$300,000 came from. **Deputy Weispfenning** said that would be general fund money; the State's share is less than half of the Wildlife Services program, which is an unusual arrangement for the Dept. Usually, the Dept. has arrangements with federal agencies and they pay the Dept. In this case the Dept. is contracting with a federal agency to do the work. The Dept. reimburses Wildlife Services mainly for the time and operating costs of the 10 federal trappers. There's a pilot in there as well. **Rep. Kroeber** summarized: \$550,000 is Game & Fish special funds and \$250,000 is general funds. He asked if there's any federal money in Wildlife Services. **Deputy Weispfenning** said the federal funding is another piece of the pie. Federal funding goes to internal office and a portion of the salaries of the trappers. **Chairman Carlisle** referred the Committee to p. 12, Budget Presentation for the 2005-2007 Biennium (See Handout #2, minutes for 1/17/05). Last session the general funds were decreased and the amount of special funds was increased to come up with the \$550,000. **Deputy Weispfenning** estimated the total Wildlife Services budget is close to \$2 million, which includes the federal and State share.

Rep. Kempenich wanted to know what the Service can provide or not provide with the current funding. **Deputy Weispfenning** said that it wouldn't get out of any type of business, but would shift from sending out trappers to providing technical services. The on-the-ground control work is the most expensive. The Dept. can teach people how to trap, so they can do that themselves.

Rep. Kempenich asked if they plan to send farmers out with dynamite. **Deputy Weispenning** confirmed that only those trained would handle dynamite.

Rep. Kempenich mentioned the bounty program in South Dakota which is funded by Wildlife Services and the Ag Dept. **Chairman Carlisle** asked how the trapper gets his bounty. **Deputy Weispenning** said he had no experience with this.

Rep. Kempenich also brought up the space problem in the Ag. Department with regard to the Board of Animal Health. **Rep. Kroeber** visited with Pam Sharpe and found out that the general fund agencies in the tower do not pay rent, but if there's a combination, general fund and special fund agency, the special fund part does pay some rent. To use money wisely, they try to find space for special fund agencies outside the capitol. He asked whether the Dept. pays any rent or not. **Deputy Weispenning** said the overall agency is about 1/3 general fund and 2/3 federal/special fund. The Dept. has worked with Facility Management to come up with space especially with regard to the Board of Animal Health, which has 4 federally funded positions. **Chairman Carlisle** asked if they're paying rent now and **Deputy Weispenning** said not now, but if they move away from the capitol, they will pay rent.

Chairman Carlisle summarized what needs to be done:

- Take \$250,000 out of EARP of the \$283,441 to fund saltcedar
- Take \$30,000 out of EARP and \$70,000 from Safesend for a total of \$100,000 to be used for Ag in the Classroom

Rep. Kroeber asked about the rent and **Deputy Weispenning** said that the Dept. is in a "hold" mode for six months. Facility Management has suggested using some space on the 14th floor, but

an architect needs to be contacted. He offered to come up with some pricing units to give the Committee some sense of costs.

Chairman Carlisle suggested that **Rep. Kempenich** get these ideas to Legislative Council so an amendment could be ready for consideration Monday. He also asked if **Deputy Weispenning** would give them a walking tour of the Department and **Deputy Weispenning** said whenever they wanted, he would do this.

Meeting adjourned.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

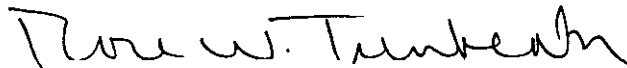
House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Monday, January 31, 2005

Tape Number	Side A	Side B	Meter #
1		X	47-End
2	X		00-15.7

Committee Clerk Signature



Minutes:

Chairman Carlisle opened discussion on HB 1009 regarding the Agriculture Budget and Amendment .0102. He asked **Ms. Roxanne Woeste, Legislative Council**, to review the Amendment. **Ms. Woeste** stated there are three changes:

- Added funding of \$250,000 from the Environment and Range Protection, EARP, fund for the saltcedar project
- Adds \$100,000 for Ag in the Classroom; that funding also comes from the EARP fund
- Redirect appropriated money for Project Safesend from the EARP; this decreases Safesend by \$70,000 to cover the appropriation for Ag in the Classroom

Rep. Kempenich asked about the repeal of registration fees. **Ms. Sandy Paulson, OMB**, said that was in the Governor's recommendation and that removes the sunset clause on the additional \$50 for pesticides. **Chairman Carlisle** said in other words, making it permanent.

(End of Tape 1, Side B)

(Beginning of Tape 2, Side A)

Chairman Carlisle also said they will keep paying the fees. **Rep. Kempenich** said they could add another sunset clause.

Rep. Kroeber asked what remains in the EARP fund. **Ms. Paulson** said the fund is down to the end. **Rep. Kroeber** wanted to know if any consideration was given regarding using other funds and whether or not Ag in the Classroom is the number one priority of the EARP fund. **Rep.**

Kempenich replied that when Safesend was initiated it was targeted to restricted use chemicals, such as DDT which were pulled from the market for environmental reasons. It's pretty easy to dispose of. Farmers can get rid of it without going through an incinerator. The purpose of the fund is broader now than when it was first introduced. The reason for the sunset is because after a while there won't be a lot of those chemicals out there. He didn't look at any other funds.

Chairman Carlisle brought up the space issues. **Rep. Kempenich** said the Board of Animal Health is very crowded. Their mission statement is different. Up until five years ago, they were separate from the Ag. Department.

Chairman Carlisle referred to Committee to the green agency sheet and asked if there was any discussion on item #7 regarding the meat inspector and item #8 regarding the dairy and livestock operations. He referred the Committee to p. 9 (See Handout #2, 1/17/05). He asked if Ms. Woeste or Ms. Paulson had any comments on the dairy. **Ms. Paulson** noted that it's partially funded by federal funds. OMB went by the number of sites; OMB felt it had to be there.

Chairman Carlisle asked for clarification and **Ms. Paulson** said that regards the meat inspector.

Chairman Carlisle commented that the Committee should watch the figure referenced in item #10 on the green agency sheet, regarding the game and fish, to make sure that figure doesn't change. A deal's a deal. (Meter #8.0)

Rep. Kempenich noted that most of their money is coming from special fund; the biggest general fund increase is the Board of Animal Health. He asked about the \$42,000 repair item in the operating costs. **Rep. Kroeber** referred the Committee to the Memo from Mr. Jeff Weispfenning, Deputy Commissioner, N.D. Dept. of Agriculture, dated 1/21/05 (See Handout #1, 1/28/05) and the language in item 2: "I'm afraid that we have to plead too many bifocals involved in developing the budget. The submitted budget requests \$42,000 in the 'repairs' object; this amount should have been requested in the intermediate object code 3018--professional services."

Chairman Carlisle returned the discussion to the Amendment .0102 and asked for a motion.

Rep. Kempenich so moved; seconded by **Rep. Thoreson**. **Chairman Carlisle** called for any further discussion. **Rep. Williams** asked why the Committee is designating which programs are going to be funded at so many dollars. **Rep. Kempenich** said Ag is the Classroom is an optional request that wasn't funded. So, if it gets funded, the Committee needs to say where the money is coming from. Same with the saltcedar.

Chairman Carlisle called for Roll Call Vote #3. Motion passed 6-0.

Rep. Kempenich asked about another amendment that would put the sunset clause back in.

Chairman Carlisle directed **Mr. Allen Knudson, Legislative Council**, to HB 1009, Section 10, page 4, line 8, 19-18-04. He asked how to remove the sunset clause correctly. **Mr. Knudson** said to remove those two sections. The only concern would be less money. **Rep. Kempenich**

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Government Operations Division

Bill/Resolution Number HB 1009

Hearing Date Monday, January 31, 2005

suggested just changing the date to 2007. To sum up, **Mr. Knudson** said the language should read: pesticide registration fee would remain at \$350 through June 30, 2007. Afterwards it would revert to \$300. **Chairman Carlisle** asked for a motion to that effect. **Rep. Kempenich** so moved; **Rep. Thoreson** seconded. **Chairman Carlisle** asked for any further discussion.

Rep. Kroeber asked for clarification. **Mr. Knudson** said that if no legislative action is taken next legislative session, the fee will revert to \$300. The way the bill is now it stays at \$350. **Rep. Kempenich** said it's another discussion two years from now.

Chairman Carlisle called for Roll Call Vote #4. Motion passed 6-0.

Chairman Carlisle directed Mr. Knudson to draft the amendment change and adjourned committee work on HB 1009.

(Meter #15.7)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Wednesday, February 2, 2005

Tape Number	Side A	Side B	Meter #
1	X		10.9-14.4

Committee Clerk Signature

Theresa W. Trumble

Minutes:

Chairman Carlisle opened discussion on HB 1009 regarding the Agriculture Budget and Amendment .0103 which includes the overstrikes on the EARP fund and changing the date to 2007.

Rep. Kempenich mentioned that members from the Ag in the Classroom Council would like to put some language in that the Commissioner would abide by the Council's directions. He said he will continue to look into this issue.

Ms. Paulson said she learned that if these amendments go through, the EARP fund will have a negative balance. **Chairman Carlisle** pointed out that's due to a Senate Bill. That will have to be worked out in the process.

Page 2

Government Operations Division

Bill/Resolution Number HB 1009

Hearing Date Wednesday, February 2, 2005

Chairman Carlisle asked for a motion to approve Amendment .0103 to HB 1009 and **Rep.**

Kempenich so moved; **Rep. Thoreson** seconded. **Chairman Carlisle** called for discussion and

Rep. Kempenich reviewed the changes:

- Adding two people to the Board of Health
- Adding a meat inspector
- Overstrikes regard the sunset clause
- Ag in the Classroom funding

Chairman Carlisle called Roll Call Vote #3 on a motion to pass the Amendment .0103 to HB 1009. Motion passed 6-0.

Chairman Carlisle ended discussion on HB 1009.

(Meter #14.4)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

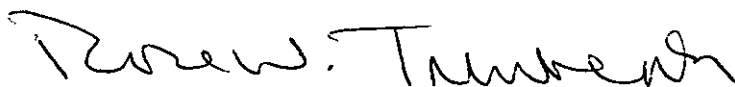
House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Thursday, February 10, 2005

Tape Number	Side A	Side B	Meter #
1	X		21.3-35.7

Committee Clerk Signature



Minutes:

Chairman Carlisle opened discussion on HB 1009 concerning the budget for the Department of Agriculture.

Rep. Timm moved to amend HB 1009 to remove \$435,561 from the budget as follows:

- \$182,403 from the Pride of Dakota program
- \$61,495 designated for the extra meat inspector FTE
- \$191,663 designated for the 2 Board of Animal Health FTE's

Rep. Thoreson seconded. **Chairman Carlisle** called for discussion. **Rep. Williams** asked if these were special funds or general funds. **Rep. Timm** said these were general fund dollars. The positions will be left, so they can be filled if the Agency can find dollars elsewhere. **Rep.**

Kroeber asked if anyone had spoken to Jeff. **Chairman Carlisle** responded that he'd spoken to the people at Safesend, but otherwise, no. **Rep. Kroeber** asked if this were in response to some

Page 2

Government Operations Division

Bill/Resolution Number HB 1009

Hearing Date Thursday, February 10, 2005

new projection. **Chairman Carlisle** responded that yesterday the Stabilization Fund was passed, which in effect has taken out \$60 million. **Chairman Carlisle** said that he will talk to the Agriculture Department.

Ms Sandy Paulson, OMB, stated that the Pride of Dakota program is funded from a statewide conference fund. This amount will not result in any savings to the general fund. If the appropriation is removed, the funds will return to the conference fund.

Chairman Carlisle called for a roll call vote (#1) and the motion carried 3-2-0.

Chairman Carlisle told **Rep. Kroeber** that he's listening, but he has a job to do. **Rep. Kroeber** said it's pretty obvious which one is the democratic office.

Rep. Timm said it's a savings of \$253,158 and that the leadership has not targeted the Ag. Department.

Chairman Carlisle ended discussion on HB 1009.

(Meter #35.7)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

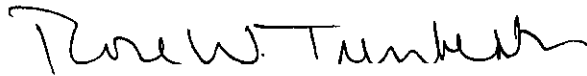
House Appropriations Committee
Government Operations Division

☐ Conference Committee

Hearing Date Friday, February 11, 2005

Tape Number	Side A	Side B	Meter #
1	X		41.3-end

Committee Clerk Signature



Minutes:

Chairman Carlisle opened discussion on HB 1009 and Amendment .0104 concerning the Agriculture Department.

Mr. Donald Wolf, Legislative Council, reviewed the following changes:

- adds \$250,000 from the EARP Fund for the saltcedar program
- adds \$100,000 from the EARP Fund for the Ag in the Classroom program
- reduces Safesend Program by \$70,000
- reduces funding for the Pride of Dakota Fund by \$182,403 from the general fund
- decreases funding for the meat inspector FTE by \$61,495 for salaries & operating expenses from the general fund
- reduces the funding for two FTE's for the Bd. of Animal Health by \$191,663
- retains all 3 FTE's in the budget

- adjusts for compensation changes
- p. 1, lines 3,4,5 relate the Ag. Commissioner's salary
- p. 1, last two lines regarding the pesticides extends the sunset clause for another two years

Chairman Carlisle asked **Ms. Sandy Paulson, OMB**, to explain the effect this amendment has on the Pride of Dakota Program. She explained that this is off budget statewide conference fund.

It's a continuing program through the executive budget. The Governor's budget increased the appropriation, but the program will need to put collections into the fund by the same amount.

Chairman Carlisle stated that the fund is a wash and **Ms. Paulson** confirmed. In reference to **Rep. Kroeber's** question, **Ms. Paulson** said the program will continue; it will just run through the statewide conference fund.

Rep. Kempenich moved to approve the Amendment .0104; seconded by **Rep. Thoreson**. As part of the discussion, **Chairman Carlisle** handed out a Memo from **Dr. Andrea Grondahl, ND Department of Agriculture**, dated 2/10/05 for the Committee's information (See Handout #1).

Rep. Kroeber asked about the meat inspector FTE. **Rep. Kempenich** said there are five inspectors now and the Department wants to add another to reduce the work load. **Rep. Kroeber** also asked about the Board of Animal Health positions and **Rep. Kempenich** stated there are three vets in the office now and the request is to help with the work load.

Hearing no further discussion, **Chairman Carlisle** called for a roll call vote (#1). Motion passed, 4-2-0.

Rep. Thoreson moved a DO PASS on HB 1009 as amended; **Rep. Kempenich** seconded.

Hearing no discussion, **Chairman Carlisle** called for a roll call vote (#2). Motion passed, 6-0-0.

(end of Side A)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1009
Department of Agriculture

House Appropriations Full Committee

☐ Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
5	X		#47.7 - # end
5		X	#0 - #4.0

Committee Clerk Signature



Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on HB1009.

Rep. Keith Kempenich explained that there are amendments for this bill. The budget changes included the reduction of the compensation package. And, we removed the requested increase for the Pride of Dakota, 2 FTE positions in the Board of Animal Health and a request for an increase for the Meat Inspector, for a total reduction of \$450,118. We added southfeeder funding for \$250,000 that comes from ERP money, and we added \$100,000 for Ag in the Classroom and this comes from ERP money as well.

Rep. Keith Kempenich moved to adopt amendment #0104 to HB1009.

Rep. Ron Carlisle seconded.

Rep. Joe Kroeber commented that he would resist these amendments because the Pride of Dakota is not saving general funds, it is simply a shift. Also the Meat inspection program is a 48% federal fund project for \$58,000 that we aren't going to get. The 2 FTEs in the Board of

Animal Health are for mad cow disease worries and we won't be getting those federal funds for this program either. We are not saving any great amounts here but are instead losing important positions in Agriculture.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0104 to HB1009. Motion carried.

Rep. Keith Kempenich explained that amendment #0101 deals with the self conservation districts. They wanted an increase in the cap for meetings per diem. This will change to a cap of \$62.50 for regular meetings.

Rep. Keith Kempenich moved to adopt amendment #0101 to HB1009.

Rep. Francis J. Wald seconded

Rep. Tom Brusegaard asked how often these districts meet. (meter Tape #5, side A, #54.3)

Rep. Keith Kempenich answered once a month.

Rep. Tom Brusegaard commented that these budgets are funded by local property tax dollars and they don't have to drive that far or stay that long so it is unclear why they would need the extra money.

Rep. Ole Aarsvold commented that the language in section 1 here "Supervisor term of office vacancies" is 35 year old language that deals with setting up the districts initially, and the hope is that we can update this language while we have this before us. (meter Tape #5, side B, #0.7)

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0101 to HB1009. Motion carried.

Rep. Keith Kempenich explained that amendment #0105 clarifies the Ag in the Classroom council. The language has been changed to allow the council to enter into agreements and gives them some authority to use the moneys that are appropriated for this program.

Rep. Keith Kempenich moved to adopt amendment #0105 to HB1009.

Rep. Ron Carlisle seconded.

Rep. Pam Gulleon asked if there were any challenges or problems that they were facing now

Rep. Keith Kempenich answered that they requested the language change from "shall" to "may" so that they didn't have to go through the Ag Commissioner every time to get things done.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0105 to HB1009. Motion carried.

Rep. Keith Kempenich moved a Do Pass As Amended motion for HB1009.

Rep. Ron Carlisle seconded.

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion on HB1009. Motion carried with a vote of 15 yeas, 8 neas, and 0 absences. Rep Kempenich will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on HB1009.

January 31, 2005

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 2, line 8, replace "1,424,225" with "1,674,225"

Page 2, line 13, replace "(308,870)" with "(378,870)"

Page 2, line 16, replace "(45,000)" with "55,000"

Page 2, line 17, replace "1,701,598" with "1,981,598"

Page 2, line 18, replace "1,049,165" with "1,329,165"

Page 2, line 26, replace "4,358,278" with "4,388,278"

Page 2, line 28, replace "1,524,225" with "1,774,225"

Page 2, line 31, replace "14,253,972" with "14,533,972"

Page 3, line 1, replace "9,368,014" with "9,648,014"

Page 3, line 5, replace "\$2,725,077" with "\$2,805,077"

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	\$5,766,637		\$5,766,637
Operating expenses	4,358,278	\$30,000	4,388,278
Capital assets	5,000		5,000
Grants	1,524,225	250,000	1,774,225
Board of Animal Health	2,374,832		2,374,832
Crop Harmonization Board	<u>225,000</u>		<u>225,000</u>
Total all funds	\$14,253,972	\$280,000	\$14,533,972
Less estimated income	<u>9,368,014</u>	<u>280,000</u>	<u>9,648,014</u>
General fund	\$4,885,958	\$0	\$4,885,958
FTE	61.00	0.00	61.00

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

	ADDS FUNDING FOR SALT CEDAR ¹	ADDS FUNDING FOR AGRICULTURE IN THE CLASSROOM ²	DECREASES FUNDING FOR PROJECT SAFE SEND ³	TOTAL HOUSE CHANGES
Salaries and wages				
Operating expenses		\$100,000	(\$70,000)	\$30,000
Capital assets				
Grants	\$250,000			250,000
Board of Animal Health				
Crop Harmonization Board				
Total all funds	\$250,000	\$100,000	(\$70,000)	\$280,000
Less estimated income	<u>250,000</u>	<u>100,000</u>	<u>(70,000)</u>	<u>280,000</u>
General fund	\$0	\$0	\$0	\$0

FTE

0.00

0.00

0.00

0.00

- 1 This amendment adds \$250,000 from the environment and rangeland protection fund for saltcedar surveys and eradication.
- 2 This amendment adds funding from the environment and rangeland protection fund for the Agriculture in the Classroom program.
- 3 This amendment decreases the funding for Project Safe Send by \$70,000. The funding source for this reduction is from the environment and rangeland protection fund.

Date: *Monday Jan 28, 2006*
Roll Call Vote #: *8*

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1009*

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number *58032.0102*

Action Taken *Do pass amendment*

Motion Made By *Rep. Kempenich* Seconded By *Rep. Thoreson*

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) *6* No *0*

Absent

Floor Assignment

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

Date: *mm Jan 28, 2005*
Roll Call Vote #: *23*

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1009*

House *House Appropriations Government Operations*

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Amend HB1009 to read pesticide registration fee would remain at \$350 through 6/30/07.*

Motion Made By

Seconded By

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) *6*

No *0*

Absent

Floor Assignment

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

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 2, line 6, replace "998,453" with "1,028,453"

Page 2, line 8, replace "1,424,225" with "1,674,225"

Page 2, line 17, replace "\$1,701,598" with "\$1,981,598"

Page 2, line 18, replace "1,049,165" with "1,329,165"

Page 2, line 26, replace "4,358,278" with "4,388,278"

Page 2, line 28, replace "1,524,225" with "1,774,225"

Page 2, line 31, replace "\$14,253,972" with "\$14,533,972"

Page 3, line 1, replace "9,368,014" with "9,648,014"

Page 3, line 5, replace "\$2,725,077" with "\$2,805,077"

Page 4, line 8, remove the overstrike over "(Effctive through Junc 30," after "2005" insert "2007", and remove the overstrike over the overstruck closing parenthesis

Page 5, line 10, remove the overstrike over "(Effctive July 1," after "2005" insert "2007", remove the overstrike over the overstruck closing parenthesis, and remove the overstrike over "Registration Fccc. Any person bcforc colling or offering for"

Page 5, remove the overstrike over lines 11 through 31

Page 6, remove the overstrike over lines 1 through 6

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	\$5,766,637		\$5,766,637
Operating expenses	4,358,278	\$30,000	4,388,278
Capital assets	5,000		5,000
Grants	1,524,225	250,000	1,774,225
Board of Animal Health	2,374,832		2,374,832
Crop Harmonization Board	<u>225,000</u>		<u>225,000</u>
Total all funds	\$14,253,972	\$280,000	\$14,533,972
Less estimated income	<u>9,368,014</u>	<u>280,000</u>	<u>9,648,014</u>

General fund	\$4,885,958	\$0	\$4,885,958
FTE	61.00	0.00	61.00

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

	ADDS FUNDING FOR SALT CEDAR ¹	ADDS FUNDING FOR AGRICULTURE IN THE CLASSROOM ²	DECREASES FUNDING FOR PROJECT SAFE SEND ³	TOTAL HOUSE CHANGES
Salaries and wages		\$100,000	(\$70,000)	\$30,000
Operating expenses				
Capital assets				
Grants	\$250,000			250,000
Board of Animal Health				
Crop Harmonization Board				
Total all funds	\$250,000	\$100,000	(\$70,000)	\$280,000
Less estimated income	<u>250,000</u>	<u>100,000</u>	<u>(70,000)</u>	<u>280,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ This amendment adds \$250,000 from the environment and rangeland protection fund for saltcedar surveys and eradication.

² This amendment adds funding from the environment and rangeland protection fund for the Agriculture in the Classroom program.

³ This amendment decreases the funding for Project Safe Send by \$70,000. The funding source for this reduction is from the environment and rangeland protection fund.

Date: 2/2/05
Roll Call Vote #: 3

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1009 (HB)

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58 032 . 0103

Action Taken Do pass Amendment . 0103 to HB 1009.

Motion Made By Rep. Kempenich Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes)

6

No

0

Absent

Floor Assignment

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

Date: 2/10/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1009

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken to amend HB 1009 to remove
\$ 435,561 from the general fund budget
Motion Made By Rep. Timm Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber		✓
Rep. Timm	✓		Rep. Williams		✓
Rep. Kempenich					
Rep. Thoreson	✓				

Total (Yes)

3

No

2

Absent

0

Floor Assignment

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

February 11, 2005

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 2, line 5, replace "1,271,667" with "1,211,582"

Page 2, line 6, replace "998,453" with "822,550"

Page 2, line 8, replace "1,424,225" with "1,674,225"

Page 2, line 9, replace "1,505,368" with "1,310,099"

Page 2, line 17, replace "1,701,598" with "1,520,341"

Page 2, line 18, replace "1,049,165" with "1,318,026"

Page 2, line 19, replace "652,433" with "202,315"

Page 2, line 25, replace "5,766,637" with "5,706,552"

Page 2, line 26, replace "4,358,278" with "4,182,375"

Page 2, line 28, replace "1,524,225" with "1,774,225"

Page 2, line 29, replace "2,374,832" with "2,179,563"

Page 2, line 31, replace "14,253,972" with "14,072,715"

Page 3, line 1, replace "9,368,014" with "9,636,875"

Page 3, line 2, replace "4,885,958" with "4,435,840"

Page 3, line 5, replace "\$2,725,077" with "\$2,805,077"

Page 4, line 3, replace "seventy-two" with "seventy-one", replace "six" with "nine", and replace "sixty-nine" with "seventy"

Page 4, line 4, replace "may not exceed seventy-five" with "seventy-four" and replace "five" with "eight"

Page 4, line 5, replace "seventy-six" with "forty-nine"

Page 4, line 8, remove the overstrike over "(~~Effctivc through Junc 30,~~", after "2005" insert "2007", and remove the overstrike over the overstruck closing parenthesis

Page 5, line 10, remove the overstrike over "(~~Effctivc July 1,~~", after "2005" insert "2007", remove the overstrike over the overstruck closing parenthesis, and remove the overstrike over "Registration Fccs. Any person before selling or offering for"

Page 5, remove the overstrike over lines 11 through 31

Page 6, remove the overstrike over lines 1 through 6

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	\$5,766,637	(\$60,085)	\$5,706,552
Operating expenses	4,358,278	(175,903)	4,182,375
Capital assets	5,000		5,000
Grants	1,524,225	250,000	1,774,225
Board of Animal Health	2,374,832	(195,269)	2,179,563
Crop Harmonization Board	<u>225,000</u>		<u>225,000</u>
Total all funds	\$14,253,972	(\$181,257)	\$14,072,715
Less estimated income	<u>9,368,014</u>	<u>268,861</u>	<u>9,636,875</u>
General fund	\$4,885,958	(\$450,118)	\$4,435,840
FTE	61.00	0.00	61.00

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

	ADDS FUNDING FOR SALT CEDAR ¹	ADDS FUNDING FOR AGRICULTURE IN THE CLASSROOM ²	DECREASES FUNDING FOR PROJECT SAFE SEND ³	DECREASES FUNDING FOR PRIDE OF DAKOTA PROGRAM ⁴	DECREASES FUNDING FOR MEAT INSPECTION PROGRAM ⁵	DECREASES FUNDING FOR BOARD OF ANIMAL HEALTH ⁶
Salaries and wages					(\$37,995)	
Operating expenses		\$100,000	(\$70,000)	(\$182,403)	(23,500)	
Capital assets						
Grants	\$250,000					
Board of Animal Health						(\$191,663)
Crop Harmonization Board						
Total all funds	\$250,000	\$100,000	(\$70,000)	(\$182,403)	(\$61,495)	(\$191,663)
Less estimated income	<u>250,000</u>	<u>100,000</u>	<u>(70,000)</u>			
General fund	\$0	\$0	\$0	(\$182,403)	(\$61,495)	(\$191,663)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL HOUSE CHANGES				
Salaries and wages	(\$22,090)	(\$60,085)				
Operating expenses		(175,903)				
Capital assets						
Grants		250,000				
Board of Animal Health	(3,606)	(195,269)				
Crop Harmonization Board						
Total all funds	(\$25,696)	(\$181,257)				
Less estimated income	<u>(11,139)</u>	<u>268,861</u>				
General fund	(\$14,557)	(\$450,118)				
FTE	0.00	0.00				

¹ This amendment adds \$250,000 from the environment and rangeland protection fund for saltcedar surveys and eradication.

² This amendment adds funding from the environment and rangeland protection fund for the Agriculture in the Classroom program.

³ This amendment decreases the funding for Project Safe Send by \$70,000. The funding source for this reduction is from the environment and rangeland protection fund.

⁴ This amendment decreases funding for the Pride of Dakota program. The general fund appropriation associated with general fund revenue collections from Pride of Dakota events.

⁵ This amendment removes general fund moneys for a meat inspector position and related operating expenses. The meat inspector FTE positions are not removed.

⁶ This amendment removes the general fund moneys for 2 new FTE positions for the Board of Animal Health. The FTE positions are not removed.

Date: 2/11/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1009

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58032.0104

Action Taken Approv. Amendment . 0104

Motion Made By Rep. Kempenich Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber		✓
Rep. Timm	✓		Rep. Williams		✓
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes)

4

No

2

Absent

0

Floor Assignment

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

Date: 2/11/05
Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1009

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 58032.0104

Action Taken DO PASS AS Amended

Motion Made By Rep. Thoreson Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich	✓				
Rep. Thoreson	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Kempenich

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

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, after the second comma insert "4-37-03, 4-37-04,"

Page 1, line 4, after the comma insert "the agriculture in the classroom program,"

Page 4, after line 5, insert:

"SECTION 10. AMENDMENT. Section 4-37-03 of the North Dakota Century Code is amended and reenacted as follows:

4-37-03. Purpose - Powers and duties. The agriculture in the classroom council ~~shall~~ may provide grants and contracts to individuals and organizations that ~~conduct~~ contract with any person for the provision of an agriculture in the classroom program ~~to develop~~, the development of agricultural curriculum activities ~~and train~~ applicable to students from kindergarten through grade twelve, and the training of teachers in ~~these~~ agricultural curriculum activities for grades kindergarten through twelve in this state's public school system. The council shall work with all educators, ~~including teachers~~, the superintendent of public instruction, the department of career and technical education, the United States department of agriculture, and the state agriculture commissioner in accomplishing ~~its~~ this purpose. The council shall render services consistent with this purpose which include may:

1. Consultation: Consult with the state superintendent of public instruction, the department of career and technical education, the state agriculture commissioner, and the United States department of agriculture.
2. Preparation of Prepare instructional, informational, and reference publications on the North Dakota agricultural economy and rural lifestyles.
3. Provide training programs for public school teachers in ~~developed~~ agricultural curriculum activities.
4. Encourage research on and identification of new instructional, informational, and reference publications relating to this state's agricultural economy and rural lifestyles.
5. Monitor the quality and condition of the agriculture in the classroom program.

SECTION 11. AMENDMENT. Section 4-37-04 of the North Dakota Century Code is amended and reenacted as follows:

4-37-04. Gifts and grants. In order to carry out its duties under this chapter, ~~the~~ The agriculture in the classroom council may contract for and accept and expend private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources. Additional income must be spent. The council shall expend any moneys received under this section for the designated purpose designated, if any, ~~in~~ if a purpose is included as a condition of the gift, grant, or donation. The funds must be used to contract with individuals or organizations that conduct an agriculture in the classroom program council may use all other moneys received under this section to carry out the purposes of this chapter."

Renumber accordingly

Date: **February 15, 2005**
Roll Call Vote #: **1**

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1009

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number **58032.0106**

Action Taken **DO PASS AS AMENDED**

Motion Made By **Rep Kempenich** Seconded By **Rep Carlisle**

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim		X
Rep. Tom Brusegaard	X		Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew		X
Rep. Ole Aarsvold		X	Rep. Alon C. Wieland	X	
Rep. Pam Gulleason		X	Rep. James Kerzman		X
Rep. Ron Carlisle	X		Rep. Ralph Metcalf		X
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber		X			
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes **15** No **8**

Absent **0**

Floor Assignment **Rep Kempenich**

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

REPORT OF STANDING COMMITTEE

HB 1009: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). HB 1009 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second comma insert "4-22-22, 4-37-03, 4-37-04,"

Page 1, line 4, after the comma insert "compensation of supervisors of soil conservation districts, the agriculture in the classroom program,"

Page 2, line 5, replace "1,271,667" with "1,211,582"

Page 2, line 6, replace "998,453" with "822,550"

Page 2, line 8, replace "1,424,225" with "1,674,225"

Page 2, line 9, replace "1,505,368" with "1,310,099"

Page 2, line 17, replace "1,701,598" with "1,520,341"

Page 2, line 18, replace "1,049,165" with "1,318,026"

Page 2, line 19, replace "652,433" with "202,315"

Page 2, line 25, replace "5,766,637" with "5,706,552"

Page 2, line 26, replace "4,358,278" with "4,182,375"

Page 2, line 28, replace "1,524,225" with "1,774,225"

Page 2, line 29, replace "2,374,832" with "2,179,563"

Page 2, line 31, replace "14,253,972" with "14,072,715"

Page 3, line 1, replace "9,368,014" with "9,636,875"

Page 3, line 2, replace "4,885,958" with "4,435,840"

Page 3, line 5, replace "\$2,725,077" with "\$2,805,077"

Page 4, line 3, replace "seventy-two" with "seventy-one", replace "six" with "nine", and replace "sixty-nine" with "seventy"

Page 4, line 4, replace "may not exceed seventy-five" with "seventy-four", remove the overstrike over "eight", and remove "five"

Page 4, line 5, replace "seventy-six" with "forty-nine"

Page 4, after line 5, insert:

"SECTION 10. AMENDMENT. Section 4-22-22 of the North Dakota Century Code is amended and reenacted as follows:

4-22-22. Supervisors - Terms of office - Vacancies - Removal - Compensation - Expenses. At the general election to be held in 1972, three district supervisors must be elected. The candidate receiving the largest number of votes is

elected for a six-year term; the candidate receiving the second highest number of votes is elected for a four-year term; and the candidate receiving the third highest number of votes is elected for a two-year term. At each succeeding general election, one supervisor must be elected for a term of six years, or until the successor is duly elected and qualified, to each expiring or vacant term. In newly formed districts, three supervisors must be elected at the first general election following the district's organization. The candidate receiving the largest number of votes is elected for a six-year term; the candidate receiving the second highest number of votes is elected for a four-year term; and the candidate receiving the third highest number of votes is elected for a two-year term. At each succeeding general election, one supervisor must be elected for a term of six years, or until the successor is duly elected and qualified, to each expiring or vacant term. The county auditor of the county or counties in which the district lies shall return to the secretary of state before four p.m. on the tenth day following any general election a certified abstract of the votes cast in the county at the election for each candidate for district supervisor. The secretary of state shall canvass the returns and issue certificates of election under chapter 16.1-15.

In order to be eligible for election to the office of supervisor, candidates must be land occupiers and physically living in the district. Candidates must be elected on a nonpartisan ballot. In case the office of any supervisor, for any reason, becomes vacant, the remaining members of the board of supervisors shall, with the advice and consent of the committee, fill the vacancy by appointment. If vacancies occur in the office of two supervisors, the remaining supervisor and the committee shall fill the vacancy; and in case the offices of all supervisors of a district become vacant, the committee shall fill the vacancies by appointment. A supervisor appointed to fill a vacancy holds office until the next general election. A supervisor elected to fill a vacancy serves the balance of the unexpired term in which the vacancy occurred.

Any soil conservation district, upon resolution of the three elected supervisors, may appoint two additional supervisors who shall serve for a term of one year from and after the date of their appointment. Such supervisors must be appointed by a majority of the three elected supervisors and have all the powers, voting privileges, duties, and responsibilities of elected supervisors, except that the expense allowances of the appointed supervisors must be paid by the local soil conservation district concerned. As far as possible, the appointed supervisors shall represent interests within the district which are not represented by the elected supervisors.

Any supervisor of a soil conservation district may, after notice given and hearing held in accordance with chapter 28-32, be removed from office by the committee.

The supervisors of soil conservation districts are entitled to receive, upon a majority vote of the supervisors, up to ~~twenty-five~~ sixty-two dollars and fifty cents for attending each regular or special meeting or for attending other meetings or events in the performance of their official duties as compensation for their services. Supervisors of soil conservation districts are entitled to receive travel and subsistence expenses necessarily incurred in attending district, state, or other meetings. The compensation and all other expenses including travel incurred by district supervisors while transacting district business must be paid from district funds.

SECTION 11. AMENDMENT. Section 4-37-03 of the North Dakota Century Code is amended and reenacted as follows:

4-37-03. Purpose - Powers and duties. The agriculture in the classroom council ~~shall~~ may provide grants and ~~contracts~~ to individuals and organizations that ~~conduct~~ contract with any person for the provision of an agriculture in the classroom program ~~to develop~~, the development of agricultural curriculum activities ~~and train~~

applicable to students from kindergarten through grade twelve, and the training of teachers in ~~these~~ agricultural curriculum activities for grades kindergarten through twelve in this state's public school system. The council shall work with all educators, ~~including teachers,~~ the superintendent of public instruction, the department of career and technical education, the United States department of agriculture, and the state agriculture commissioner in accomplishing ~~its~~ this purpose. The council shall render services consistent with this purpose which include may:

1. Consultations Consult with the state superintendent of public instruction, the department of career and technical education, the state agriculture commissioner, and the United States department of agriculture.
2. Preparation of Prepare instructional, informational, and reference publications on the North Dakota agricultural economy and rural lifestyles.
3. Provide training programs for public school teachers in ~~developed~~ agricultural curriculum activities.
4. Encourage research on and identification of new instructional, informational, and reference publications relating to this state's agricultural economy and rural lifestyles.
5. Monitor the quality and condition of the agriculture in the classroom program.

SECTION 12. AMENDMENT. Section 4-37-04 of the North Dakota Century Code is amended and reenacted as follows:

4-37-04. Gifts and grants. In order to carry out its duties under this chapter, ~~the~~ The agriculture in the classroom council may contract for and accept and expend private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources. Additional income must be spent. The council shall expend any moneys received under this section for the ~~designated~~ designated purposes, ~~if any, in~~ if a purpose is included as a condition of the gift, grant, or donation. The funds must be used to contract with individuals or organizations that conduct an agriculture in the classroom program council may use all other moneys received under this section to carry out the purposes of this chapter."

Page 4, line 8, remove the overstrike over "(Effective through June 30," after "2005" insert "2007", and remove the overstrike over the overstruck closing parenthesis

Page 5, line 10, remove the overstrike over "(Effective July 1," after "2005" insert "2007", remove the overstrike over the overstruck closing parenthesis, and remove the overstrike over "Registration Fees. Any person before selling or offering for"

Page 5, remove the overstrike over lines 11 through 31

Page 6, remove the overstrike over lines 1 through 6

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	BUDGET	CHANGES	VERSION
Salaries and wages	\$5,766,637	(\$60,085)	\$5,706,552
Operating expenses	4,358,278	(175,903)	4,182,375
Capital assets	5,000		5,000
Grants	1,524,225	250,000	1,774,225
Board of Animal Health	2,374,832	(195,269)	2,179,563
Crop Harmonization Board	<u>225,000</u>		<u>225,000</u>
Total all funds	\$14,253,972	(\$181,257)	\$14,072,715
Less estimated income	<u>9,368,014</u>	<u>268,861</u>	<u>9,636,875</u>
General fund	\$4,885,958	(\$450,118)	\$4,435,840
FTE	61.00	0.00	61.00

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

	ADDS FUNDING FOR SALT CEDAR ¹	ADDS FUNDING FOR AGRICULTURE IN THE CLASSROOM ²	DECREASES FUNDING FOR PROJECT SAFE SEND ³	DECREASES FUNDING FOR PRIDE OF DAKOTA PROGRAM ⁴	DECREASES FUNDING FOR MEAT INSPECTION PROGRAM ⁵	DECREASES FUNDING FOR BOARD OF ANIMAL HEALTH ⁶
Salaries and wages					(\$37,995)	
Operating expenses		\$100,000	(\$70,000)	(\$182,403)	(23,500)	
Capital assets						
Grants	\$250,000					
Board of Animal Health						(\$191,663)
Crop Harmonization Board						
Total all funds	\$250,000	\$100,000	(\$70,000)	(\$182,403)	(\$61,495)	(\$191,663)
Less estimated income	<u>250,000</u>	<u>100,000</u>	<u>(70,000)</u>			
General fund	\$0	\$0	\$0	(\$182,403)	(\$61,495)	(\$191,663)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL HOUSE CHANGES				
Salaries and wages	(\$22,090)	(\$60,085)				
Operating expenses		(175,903)				
Capital assets						
Grants		250,000				
Board of Animal Health	(3,606)	(195,269)				
Crop Harmonization Board						
Total all funds	(\$25,696)	(\$181,257)				
Less estimated income	<u>(11,139)</u>	<u>268,861</u>				
General fund	(\$14,557)	(\$450,118)				
FTE	0.00	0.00				

¹ This amendment adds \$250,000 from the environment and rangeland protection fund for saltcedar surveys and eradication.

² This amendment adds funding from the environment and rangeland protection fund for the Agriculture in the Classroom program.

³ This amendment decreases the funding for Project Safe Send by \$70,000. The funding source for this reduction is from the environment and rangeland protection fund.

⁴ This amendment decreases funding for the Pride of Dakota program. The general fund appropriation associated with general fund revenue collections is from Pride of Dakota events.

⁵ This amendment removes general fund moneys for a meat inspector position and related operating expenses. The meat inspector FTE positions are not removed.

⁶ This amendment removes the general fund moneys for 2 new FTE positions for the Board of Animal Health. The FTE positions were not removed.

This amendment adjusts the compensation of supervisors of soil conservation districts for attending meetings or events related to their duties.

This amendment makes statutory changes relating to the duties and responsibilities of the Agriculture in the Classroom Council.

2005 SENATE APPROPRIATIONS

HB 1009

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

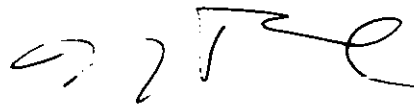
Senate Appropriations Committee

☐ Conference Committee

Hearing Date 02/28/05

Tape Number	Side A	Side B	Meter #
1		x	1319-end
2	x		0-1910

Committee Clerk Signature



Minutes: **Chairman Holmberg** opened meeting on HB 1009.

Roger Johnson, Ag Commissioner appeared in support of HB 1009. He provided the committee with written testimony, see appendix I. He spoke of Critical Issues such as meat inspection, full funding for project safe send, raises for state employees, board of animal health staff, animal identification, farmers markets, pride of Dakota, and special event income.

Sen. Christmann: Wildlife services, who decided that the beaver program was going to be cut?

Commissioner Johnson: The primary person who worked in the beaver program had passed away, and they have really no money to fund it so they decided to cut it.

Phill Mestrangelo USDA Wildlife Services answered Sen. Christmann's question stating that the reason is because it is very labor and time extensive, and since they had no one to work on removing beavers, they felt that it was time for the cut.

Sen. Fischer: As a water managers, this is being done with little or nothing, could we pay for the removal, would that be an option?

Mr. Mestrangelo :It would cost \$175,000 / year to control the beaver population.

Sen. Christmann: Regarding EPA approval, there are 2 bee keepers, 1 lost 405 to mites and the other lost 70% or more,. They tell me that they can use a spray, but it has not been approved, why not?

Commissioner Johnson: That is an illegal product, a hydrogen sulfide gas, and it will never be registered.

Questions were asked of Commissioner Johnson regarding Meat inspection and fees to sustain the program.

Andrea Fondall, Ag Department stated that they don not have fee's collected, but they had at one time looked into licensing fees. Stating that they cannot charge for inspection because of their federal grant.

Larry Coon, Edgley Meat Processing, appeared in support of HB 1009. Written testimony was provided, see appendix II. Mr. Coon also provided the committee with testimony from other meat processors, they are attached with Mr. Coon's testimony. Mr. Coon stated that more meat inspectors for the state.

Sen. Mathern: What does a meat inspector do?

Mr. Coon: They inspect equipment and meat preparation.

Chuck Weiser, ND Weed Association, Minot appeared in support of HB 1009. Written testimony was provided see appendix III.

Beth Bakke Stenhjem, FF. appeared in support of HB 1009. Especially supports Ag in the class room.

Terry Dommal, Rolling Hills Grommet appeared in support of HB 1009. Especially supports pride of Dakota marketing. Mr. Dommal provided the committee with samples of beef products, he also provided the committee with written testimony see appendix IV.

Bonnie munch, Bismarck, ND appeared in support of HB 1009. Ms. Munch provided to committee with written testimony, see appendix V. Ms. Munch read her testimony verbatim.

Woody Barth, Solen ND Farmers Union appeared in support of HB 1009.

Brian Kramer, ND Farm Bureau appeared in support of HB 1009. Written testimony was provided, see appendix VI. No questions were asked of MR. Kramer.

Wade Moser, ND Stockmen Association appeared in support of HB 1009. Ms. Moser discussed 5 areas of the budget. They included, live stock, board of animal health, state meat inspection program, and noxious weeds, i.e. Salt cedar.

Bob Fiest, Bismarck Farmer appeared in support of HB 1009. Mr. Fiest provided written testimony see appendix VII. Stating the importance of the beaver program.

Burton Plieger, Livestock producer, Bismarck, ND appeared in support of HB 1009.

Especially the Animal ID program. Sating that most importantly on the personal contact on this issue in the case of depopulation, it is important to have this person that we can call on, right now ND is very fortunate that we do have someone we can call on.

Sen. Andrist: Would it be possible, to establish a fee schedule to support it, the additional veterinarian

Mr. Plieger: Who will fund this program, is heavily debated. It is not fair to put the costs back on the producers.

Merry Hoff appeared in support of the AG mediation program, and hopes it can continue.

Page 4

Senate Appropriations Committee

Bill/Resolution Number HB 1009

Hearing Date 02/28/05

No questions were asked of Ms. Hoff.

Nathan Boehm, Dairy Farmer Mandan, ND, member ND Board of Animal Health appeared in support of HB 1009. Mr. Boehm reiterated that he supports the funding for a vet, we are worried that we will loose the funding for the vet. Stating that the funding for the FTE is to keep the people they have there and to prevent federal people from coming in.

Vice Chairman Bowman closed meeting on HB 1009.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1009

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 9, 2005

Tape Number

Side A

Side B

Meter #

2

Committee Clerk Signature



Minutes:

Vice Chairman called the subcommittee pre discussion on HB 1009 to order.

Vice Chairman Bowman indicated that he met with Roger after the budget hearing and the most important issue he indicated was the full-time meat inspector and a meat grader which we don't have in North Dakota. A meat grader is someone who can tell you the difference between select, choice, prime and the variables in between. More of the processing plants are coming on line wanting to market meat, a meat grader can make these people big dollars because the difference in the cuts of meats has a huge difference in price. As an example, Bowman is getting a new processing plant and there is no meat grader or inspector. The Board of Animal Health has concerns about their workload and the support staff. They had some funding problems with the help that they had. They want another Vet and an assistant. The ID program was all federal dollars and was not included in the budget. Why it was not included we don't know, and we

need an answer for that. They still have the problem with illness in cattle and scabies in sheep which takes a vet to take care of the problem. The highest priority is the meat inspector.

Senator Tallackson indicated he had a letter from a water district and they are very disappointed that the wildlife services in that department have been cut out. The person that was in our area has died, but there is no coverage in that area now. It takes a professional to catch the beaver, so perhaps we could get that back in there because it is a valuable service.

Senator Fischer discussed the beaver dams and indicated that perhaps there could be a fee established for that, even though it is funded by the state. Right now, farmers pay nothing for having the beaver dams blown up.

Senator Krauter didn't think that funding is a problem because the dollars are there. The person that died wasn't replaced.

Senator Bowman thought that two years ago that funding was increased. This is wildlife that needs to be controlled.

Joe indicated the current biennium has money coming from Game and Fish, passing through the Department of Agriculture, to fund wildlife services and that is what was in the Governor's recommendation and that did stay intact in the House. The federal money that comes direct was either reduced or at risk for being reduced. The money does not come through the state budget at all.

Senator Robinson echoed the concern of meat inspection and grading which is very important. There are processing plants springing up across the state. It is surprising the number of people getting into specialty sausages that are being distributed to people coming from all areas.

Senator Christmann discussed the beaver situation and indicated we need to make sure those positions are there, that there has to be an assessment on the farmers. I would be interested in getting legal information on the trust fund and prohibitive they are in funding certain areas. The information that comes to me is that the meat inspector program isn't that great and it can be done from the federal government and it isn't any more restrictive then ours. I'd like to get a better understanding of it, like can we get a federal meat inspector and do what we do with the state ones.

Senator Andrist indicated when Ken Solberg was on this committee we got the state meat inspection system. Prior to that we used the federal inspectors.

Senator Bowman indicated the problem we ran into was salmonella. When meat is federally inspected it can be sold anyplace, when it is state inspected you can only sell it within the state. The key is there are not enough federal inspectors to go around and there are businesses growing all over and want to expand and grow their business. The problem is that they have to wait too long to get the meat inspected. We can check that out further to get some real detailed information.

Senator Fischer asked that when jerky is processed, does that need to be inspected prior to processing.

Senator Bowman indicated the health department has to inspect the facilities and the state meat inspector inspects the processing of the meat. There is no coordination of the two inspectors as they should be on the same chapter so the report comes out the same from both of them. There is some miscommunications between the Department of Health and Department of Ag.

Page 4

Senate Appropriations Committee

Bill/Resolution Number 1009

Hearing Date March 9, 2005

Senator Krauter brought up three issues; 1) the reduction of \$70,000 for the project safe; 2) the farmers market and the opportunity for the federal grants; 3) the \$200,000 increase in the crop farm board from \$200,000 to \$220,000 to understand why and what that is going to be used for.

Senator Mathern indicated on the beaver situation, there are a lot of subdivisions, not just the farmers that are affected by them.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1009

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 29, 2005

Tape Number

1

Side A

a

Side B

Meter #

3,135 - 5312

Committee Clerk Signature

Minutes:

Chairman Holmberg opened the discussion on HB 1009 with the distribution of amendments.

Senator Bowman moved the amendments be accepted, **Senator Fischer** seconded.

Senator Bowman indicated the big issue in the Department of Agriculture budget is the FTE meat inspector at \$61,495 general fund money was restored. The request for a meat grader was not included in the budget. A survey had been done and showed there was no need for one. The other minor changes involve the ERP money, project safe send resulted in a shift in money, the crop harmonization was taken out of the bill because there is continuing appropriation, the funding from the Game and Fish for reimbursement for wildlife services (the beaver fund) will state "providing the federal dollars aren't available."

Senator Andrist questioned the pesticide regulation fees. The response was this was not looked at.

Senator Andrist asked if legislative authority is needed for a study or it can be done internally.

Page 2

Senate Appropriations Committee

Bill/Resolution Number 1009

Hearing Date March 29, 2005

Additional discussion took place on fee charges, the wildlife budget relating to beaver and coyote, the ERP programs, the use of pesticides.

A voice vote was taken on the amendment. The motion carried.

Senator Bowman moved a DO PASS as AMENDED, Senator Krauter seconded. A roll call vote was taken resulting in 14 yes, 0 no and 1 absent. The motion carried and Senator Krauter will carry the bill.

Chairman Holmberg closed the discussion on HB 1009.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 2, remove "4-01-19,"

Page 1, line 3, remove "pride of Dakota program, the"

Page 1, line 5, after "fees" insert "; to provide a contingent appropriation"

Page 2, line 7, replace "1,211,582" with "1,243,463"

Page 2, line 8, replace "822,550" with "896,050"

Page 2, line 10, replace "1,674,225" with "1,624,225"

Page 2, line 11, replace "1,310,099" with "1,309,224"

Page 2, after line 11, insert:

"Contingent appropriation - wildlife services 130,000"

Page 2, remove line 17

Page 2, line 19, replace "1,520,341" with "1,504,847"

Page 2, line 20, replace "1,318,026" with "1,244,916"

Page 2, line 21, replace "202,315" with "259,931"

Page 2, line 27, replace "5,706,552" with "5,738,433"

Page 2, line 28, replace "4,182,375" with "4,255,875"

Page 2, line 30, replace "1,774,225" with "1,724,225"

Page 2, line 31, replace "2,179,563" with "2,178,688"

Page 2, after line 31, insert:

"Contingent appropriation - wildlife services 130,000"

Page 3, line 1, replace "225,000" with "25,000"

Page 3, line 2, replace "14,072,715" with "14,057,221"

Page 3, line 3, replace "9,636,875" with "9,563,765"

Page 3, line 4, replace "4,435,840" with "4,493,456"

Page 3, remove lines 22 through 30

"SECTION 13. CONTINGENT APPROPRIATION - WILDLIFE SERVICES.

The contingent appropriation - wildlife services contained in section 3 of this Act is a contingent appropriation out of any moneys in the game and fish fund, not otherwise appropriated, to the agriculture commissioner for the wildlife services program. This funding is in addition to the funding identified in section 6 of this Act. If the federal funding for the cooperative wildlife damage management program for North Dakota wildlife services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of the appropriation is available for wildlife service programs and if the same federal funding is less than \$400,000 for federal fiscal year 2007, an additional \$65,000 of the appropriation is available for wildlife service programs."

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	\$5,766,637	\$5,706,552	\$31,881	\$5,738,433
Operating expenses	4,358,278	4,182,375	73,500	4,255,875
Capital assets	5,000	5,000		5,000
Grants	1,524,225	1,774,225	(50,000)	1,724,225
Board of Animal Health	2,374,832	2,179,563	(875)	2,178,688
Crop Harmonization Board	225,000	225,000	(200,000)	25,000
Contingent appropriation			130,000	130,000
Total all funds	\$14,253,972	\$14,072,715	(\$15,494)	\$14,057,221
Less estimated income	9,368,014	9,636,875	(73,110)	9,563,765
General fund	\$4,885,958	\$4,435,840	\$57,616	\$4,493,456
FTE	61.00	61.00	0.00	61.00

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

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REMOVES FUNDING FOR CROP HARMONIZATION BOARD 2	DECREASES FUNDING FOR SALT CEDAR 3	INCREASES FUNDING FOR PROJECT SAFE SEND 4	RESTORES FUNDING FOR MEAT INSPECTION PROGRAM 5	ADDS CONTINGENT FUNDING FOR WILDLIFE SERVICES 6
Salaries and wages	(\$6,114)				\$37,995	
Operating expenses				\$50,000	23,500	
Capital assets						
Grants			(\$50,000)			
Board of Animal Health	(875)					
Crop Harmonization Board		(\$200,000)				
Contingent appropriation						\$130,000
Total all funds	(\$6,989)	(\$200,000)	(\$50,000)	\$50,000	\$61,495	\$130,000
Less estimated income	(3,110)	(200,000)	(50,000)	50,000		130,000
General fund	(\$3,879)	\$0	\$0	\$0	\$61,495	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL SENATE CHANGES					
Salaries and wages				\$31,881		
Operating expenses				73,500		
Capital assets						
Grants				(50,000)		
Board of Animal Health				(875)		
Crop Harmonization Board				(200,000)		
Contingent appropriation				130,000		
Total all funds				(\$15,494)		
Less estimated income				(73,110)		
General fund				\$57,616		

- 1 This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.
- 2 The Senate reduced the appropriation authority for the Crop Harmonization Board which is not needed because of continuing appropriation authority.
- 3 The Senate reduced funding from the environment and rangeland protection fund for saltcedar surveys and eradication.
- 4 The Senate increased the funding for Project Safe Send by \$50,000. The funding source for this increase is from the environment and rangeland protection fund.
- 5 The Senate restored funding for a meat inspector position and related operating expenses.
- 6 The Senate added \$130,000 from the game and fish fund, contingent on federal funds not being available for the program. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2007 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs.

Date 3/29/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1009

Senate **SENATE APPROPRIATIONS**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

DP as amend

Motion Made By

Bowman

Seconded By

Krauter

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	/		SENATOR KRAUTER	/	
VICE CHAIRMAN BOWMAN	/		SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG	/		SENATOR MATHERN	/	
SENATOR ANDRIST	/		SENATOR ROBINSON	/	
SENATOR CHRISTMANN	/		SEN. TALLACKSON	/	
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes)

14

No

0

Absent

1

Floor Assignment

Krauter

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

hold for amend.

REPORT OF STANDING COMMITTEE

HB 1009, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1009
was placed on the Sixth order on the calendar.

Page 1, line 2, remove "4-01-19,"

Page 1, line 3, remove "pride of Dakota program, the"

Page 1, line 5, after "fees" insert "; to provide a contingent appropriation"

Page 2, line 7, replace "1,211,582" with "1,243,463"

Page 2, line 8, replace "822,550" with "896,050"

Page 2, line 10, replace "1,674,225" with "1,624,225"

Page 2, line 11, replace "1,310,099" with "1,309,224"

Page 2, after line 11, insert:
"Contingent appropriation - wildlife services 130,000"

Page 2, remove line 17

Page 2, line 19, replace "1,520,341" with "1,504,847"

Page 2, line 20, replace "1,318,026" with "1,244,916"

Page 2, line 21, replace "202,315" with "259,931"

Page 2, line 27, replace "5,706,552" with "5,738,433"

Page 2, line 28, replace "4,182,375" with "4,255,875"

Page 2, line 30, replace "1,774,225" with "1,724,225"

Page 2, line 31, replace "2,179,563" with "2,178,688"

Page 2, after line 31, insert:
"Contingent appropriation - wildlife services 130,000"

Page 3, line 1, replace "225,000" with "25,000"

Page 3, line 2, replace "14,072,715" with "14,057,221"

Page 3, line 3, replace "9,636,875" with "9,563,765"

Page 3, line 4, replace "4,435,840" with "4,493,456"

Page 3, remove lines 22 through 30

Page 8, after line 24, insert:

"SECTION 13. CONTINGENT APPROPRIATION - WILDLIFE SERVICES.

The contingent appropriation - wildlife services contained in section 3 of this Act is a
contingent appropriation out of any moneys in the game and fish fund, not otherwise

appropriated, to the agriculture commissioner for the wildlife services program. This funding is in addition to the funding identified in section 6 of this Act. If the federal funding for the cooperative wildlife damage management program for North Dakota wildlife services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of the appropriation is available for wildlife service programs and if the same federal funding is less than \$400,000 for federal fiscal year 2007, an additional \$65,000 of the appropriation is available for wildlife service programs."

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	\$5,766,637	\$5,706,552	\$31,881	\$5,738,433
Operating expenses	4,358,278	4,182,375	73,500	4,255,875
Capital assets	5,000	5,000		5,000
Grants	1,524,225	1,774,225	(50,000)	1,724,225
Board of Animal Health	2,374,832	2,179,563	(875)	2,178,688
Crop Harmonization Board	225,000	225,000	(200,000)	25,000
Contingent appropriation			130,000	130,000
Total all funds	\$14,253,972	\$14,072,715	(\$15,494)	\$14,057,221
Less estimated income	9,368,014	9,636,875	(73,110)	9,563,765
General fund	\$4,885,958	\$4,435,840	\$57,616	\$4,493,456
FTE	61.00	61.00	0.00	61.00

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

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REMOVES FUNDING FOR CROP HARMONIZATION BOARD ²	DECREASES FUNDING FOR SALT CEDAR ³	INCREASES FUNDING FOR PROJECT SAFE SEND ⁴	RESTORES FUNDING FOR MEAT INSPECTION PROGRAM ⁵	ADDS CONTINGENT FUNDING FOR WILDLIFE SERVICES ⁶
Salaries and wages	(\$6,114)				\$37,995	
Operating expenses				\$50,000	23,500	
Capital assets						
Grants			(\$50,000)			
Board of Animal Health	(875)					
Crop Harmonization Board		(\$200,000)				
Contingent appropriation						\$130,000
Total all funds	(\$6,989)	(\$200,000)	(\$50,000)	\$50,000	\$61,495	\$130,000
Less estimated income	(3,110)	(200,000)	(50,000)	50,000		130,000
General fund	(\$3,879)	\$0	\$0	\$0	\$61,495	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	TOTAL SENATE CHANGES
Salaries and wages	\$31,881
Operating expenses	73,500
Capital assets	
Grants	(50,000)
Board of Animal Health	(875)
Crop Harmonization Board	(200,000)
Contingent appropriation	130,000
Total all funds	(\$15,494)
Less estimated income	(73,110)
General fund	\$57,616

FTE

0.00

- 1 This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.
- 2 The Senate reduced the appropriation authority for the Crop Harmonization Board which is not needed because of continuing appropriation authority.
- 3 The Senate reduced funding from the environment and rangeland protection fund for saltcedar surveys and eradication.
- 4 The Senate increased the funding for Project Safe Send by \$50,000. The funding source for this increase is from the environment and rangeland protection fund.
- 5 The Senate restored funding for a meat inspector position and related operating expenses.
- 6 The Senate added \$130,000 from the game and fish fund, contingent on federal funds not being available for the program. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2007 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs.

2005 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1009

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1009

House Appropriations Committee
Government Operations Division

☒ Conference Committee

Hearing Date Thursday, April 7, 2005

Tape Number	Side A	Side B	Meter #
1	X		51.1-end
1		X	00-29.2

Committee Clerk Signature



Minutes:

Chairman Kempenich opened the Conference Committee Hearing on HB 1009 concerning the budget of the N.D. Department of Agriculture. He began the discussion with p. 2 of the Senate's amendment 0.203 and the "contingent appropriation-wildlife services." This is related to another conference committee and until that is resolved, he was not certain this Committee should act. The other issue for the House is the restoration of funds for the meat inspector program and there isn't a big problem with that. As a result of discussions with Dr. Andrea Grondahl and Deputy Commission Weispfenning, **Chairman Kempenich** said that he would like to attach a study resolution which will consider inspection fees. He read portions of an unidentified memo, but did not give Committee members or the clerk a copy:

The N.D. Legislature is currently in session looking at budget over the state meat inspection program. One thing they're looking at is user fees in the form of license fees for reimbursement of state inspection programs. I have explained to them that we could charge license fees, but not inspection service fees because it's not allowed under the federal grant.

One legislator has requested that this be stipulated in writing. I have been looking, but have been unable to find anything. Could you tell me where it is written.

One thing I was able to find was an e-mail below from Dr. Hard...

[the tape is turned from Side A to B and a portion is missing]

...TPIA and the regulations concerning the annual license fees and couldn't find any reference, however, some states are charging up to \$200 for regular plants and \$80 for custom-exempt and they're still qualifying under federal reimbursement. The fees shall not have the appearance for reimbursements for inspection service provided by the state. If you have any questions, please call.

Chairman Kempenich said he admitted it was late in the session to go down this trail, but he thought the matter should be considered during the interim. This program is expanding and as it grows to \$1 million in general fund appropriations, there will be resistance unless it starts showing some pay back. He noted that the federal meat inspection program is fee-driven. **Sen.**

Krauter said he agreed with this idea. It can only make the program healthier. **Rep. Carlisle** said he agreed, too. **Rep. Kroeber** asked if this would be a separate study from the normal work the Ag. Committee and **Chairman Kempenich** confirmed this would be work for the Ag.

Committee. **Sen. Bowman** said someone from appropriations should be part of that. **Chairman Kempenich** said that could be stipulated and there was general agreement for this idea. **Sen.**

Thane said he had no objection to a study on the program. For the sake of agriculture and the livestock industry, this would be a good thing to do.

Sen. Bowman said he had two things to consider: the first is the fact that there is a federal program. If a company is federally inspected, they can market meat anywhere. They charge for that. The state doesn't charge to inspect. The question to be studied would be if the state charges and is comparable to the federal government in fees, how many of these plants would opt to use

the federal inspection program. There has to be a balance. There's a new meat processing plant in Bowman right on the border. If they have to pay, would they go state or federal. This study is imperative.

Chairman Kempenich asked if Mr. Don Wolf, Legislative Council, could draft something. **Mr. Wolf** responded affirmatively.

Rep. Carlisle noted that the Senate switched the salt cedar funding out of Safe Send. **Sen.**

Bowman said they had concerns about Project Safe Send. They didn't change total dollars, but just switched some around according to their priorities. He deferred to Senator Thane. **Sen.**

Thane said that those in his part of the state use a lot of pesticides. There are many obsolete chemicals and they must be disposed of properly and Project Safe Send makes that possible. It's an important program and the \$50,000 should be retained. **Sen. Krauter** said the House reduced that amount by \$70,000. The Senate restored \$50,000. When considering the data, it's utilized a lot in Senator Thane's area. It's good for the environment. There's strong support for it.

Chairman Kempenich said the last issue is where this funding is, whether it's the EARP Fund and the Crop Harmonization Board. He asked for an explanation regarding the shift with the \$225,000 from the Harmonization Board line item. **Sen. Bowman** said there was only \$25,000 needed and it was a continuing appropriation, so they thought it wasn't necessary in the bill. **Ms.**

Sandy Paulson, OMB, said that is correct. When it was included in the Executive recommendation, there was \$225,000 or \$25,000 for administration and \$200,000 for grants. The \$200,000 is a continuing appropriation and it can be removed and it doesn't hurt anything.

Chairman Kempenich provided some history for the \$200,000 transfer from the EARP fund to NDSU. In 2001 there was \$250,000 appropriated to the Crop Harmonization Board. In 2003 they

reduced the Board to \$25,000 and the \$120,000 leftover in the balance got transferred to NDSU for storage sheds. That issue is taken care of through the bonding bill. The \$200,000 got transferred into NDSU's operating budget. It's not a very clean way of doing things. **Sen.**

Bowman said it's in the general fund of the Research Extension budget and because there's a shortage of money for ordinary repairs and maintenance that maybe this would be appropriate for one-time funding. (Meter #12.6) **Chairman Kempenich** said it doesn't necessarily have to go in the minor use fund. We're showing a balance of about \$3,400 at the end of this next biennium. The idea of setting this up is to deal with pesticide issues in the state. There are endangered species issues coming forward.

Sen. Krauter asked to return to opening comments. With regard to Wildlife services, four of the present members are also on Game and Fish, and after the morning meeting, wildlife services wasn't really a concern. There was general agreement that the issue shouldn't be a problem. **Sen. Bowman** asked what issues need to be considered further. **Chairman Kempenich** said basically, it comes down to the EARP money. If we transfer the \$200,000, we could put \$50,000 back into salt cedar. There's still \$150,000 that could go into minor use. That way if there were other research issues, they could reallocate that money.

Rep. Carlisle suggested that those who farm and ranch should decide what do about the EARP fund. He said there seems to be agreement about the meat inspector study. **Chairman Kempenich** said he thought the EARP fund was the only issue left and that it might not be within the purview of the conference committee. The Senate just shifted grant money to minor use fund. **Sen. Krauter** asked for clarification as to the issue. **Chairman Kempenich** said they wanted to make sure salt cedar is covered. He wanted to take some of the money transferred to

he thought this would take all the money out. **Mr. Wolf** said there are two or three choices with regard to 1021. They could leave it at \$200,000 and push EARP into a negative balance. They could take \$50,000 out and leave \$150,000. They could also take the full \$200,000 out and try to replace it. He said this balance shows a negative \$22,000. But since 2371 failed, that would add \$25,875 back into it. So, right now there's a \$2,000 balance in EARP. **Rep. Carlisle** asked if 1021 was the right bill number and the Committee determined it was 2020. **Chairman Kempenich** said it would be a cleaner way of doing this. **Sen. Bowman** suggested that they talk with the House members who added \$500-600,000 more to this budget. **Chairman Kempenich** said this isn't the bill to change that, but there should be some in conference on the extension bill. He said they could leave \$150,000 if there is a balance. With regard to the amendments to 1009, they shouldn't have to go further. **Sen. Thane** asked what budget 2020 refers to. **Mr. Wolf** said Ag Research and Extension.

It was decided to vote on the motion to amend; motion passed 6-0-0.

Sen. Krauter then moved that the Senate recede from the Senate amendments and to further amend to add the study and the funds for salt cedar; **Rep. Carlisle** seconded.

Motion passed 6-0-0.

Meeting adjourned.

(Meter 29.2)

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Vote on
amendment
only #1

Bill Number 1009 (, as (re)engrossed):

Date: 4/7/05

Your Conference Committee H. App. G.O.

For the Senate:

YES / NO

For the House:

YES / NO

Sen. B. Bowman ✓

Chairman K. Kempenich ✓

Sen. R. Thane ✓

Rep. R. Carlisle ✓

Sen. A. Kranter ✓

Rep. J. Kroeber ✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____

_____, and place _____ on the Seventh order.

✓, adopt ~~further~~ amendments as follows, and place _____ on the
Seventh order:

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

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

DATE:

CARRIER:

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Add study and \$50,000 for saltwater

MOTION MADE BY:

SECONDED BY:

VOTE COUNT _____ YES _____ NO _____ ABSENT

Revised 4/1/05

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1009 (, as (re)engrossed):

Date: 4/7/05

Your Conference Committee H. App. G.O.

For the Senate:

YES / NO

For the House:

YES / NO

Sen. B. Bowman ✓	Chair. K. Kempenich ✓
Sen. R. Thane ✓	Rep. R. Carlisle ✓
Sen. A. Krawter ✓	Rep. J. Kroeber ✓

recommends that the (SENATE) (HOUSE) (ACCEDE to) (RECEDE) from

the (Senate/House) amendments on (SJ/HJ) page(s) 1524 -- 1525

____ and place _____ on the Seventh order.

✓, adopt (further) amendments as follows, and place 1009 on the Seventh order:

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

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

DATE: 4/7/05
CARRIER: Rep. Kempenich

LC NO. 58032.0205 of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Add study and increase \$50,000 shift E. bus.

MOTION MADE BY: Senator A. Krawter

SECONDED BY: Rep. R. Carlisle

VOTE COUNT 6 YES 0 NO ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1009, as engrossed: Your conference committee (Sens. Bowman, Thane, Krauter and Reps. Kempenich, Carlisle, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1524-1525, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1524-1526 of the House Journal and pages 1190-1192 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, remove "4-01-19,"

Page 1, line 3, remove "pride of Dakota program, the"

Page 1, line 5, after "fees" insert "; to provide a contingent appropriation; to provide for a legislative council study"

Page 2, line 7, replace "1,211,582" with "1,243,463"

Page 2, line 8, replace "822,550" with "896,050"

Page 2, line 11, replace "1,310,099" with "1,309,224"

Page 2, after line 11, insert:

"Contingent appropriation - wildlife services

130,000"

Page 2, remove line 17

Page 2, line 19, replace "1,520,341" with "1,554,847"

Page 2, line 20, replace "1,318,026" with "1,294,916"

Page 2, line 21, replace "202,315" with "259,931"

Page 2, line 27, replace "5,706,552" with "5,738,433"

Page 2, line 28, replace "4,182,375" with "4,255,875"

Page 2, line 31, replace "2,179,563" with "2,178,688"

Page 2, after line 31, insert:

"Contingent appropriation - wildlife services

130,000"

Page 3, line 1, replace "225,000" with "25,000"

Page 3, line 2, replace "14,072,715" with "14,107,221"

Page 3, line 3, replace "9,636,875" with "9,613,765"

Page 3, line 4, replace "4,435,840" with "4,493,456"

Page 3, line 7, replace "\$2,805,077" with "\$2,855,077"

Page 3, remove lines 22 through 30

Page 8, after line 24, insert:

"SECTION 13. CONTINGENT APPROPRIATION - WILDLIFE SERVICES.

The contingent appropriation - wildlife services contained in section 3 of this Act is a contingent appropriation out of any moneys in the game and fish fund, not otherwise appropriated, to the agriculture commissioner for the wildlife services program. This funding is in addition to the funding identified in section 6 of this Act. If the federal funding for the cooperative wildlife damage management program for North Dakota wildlife services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of the appropriation is available for wildlife services programs and if the same federal funding is less than \$400,000 for federal fiscal year 2007, an additional \$65,000 of the appropriation is available for wildlife services programs.

SECTION 14. LEGISLATIVE COUNCIL STUDY - MEAT INSPECTION LICENSE FEES. The legislative council shall consider studying, during the 2005-06 interim, the feasibility and desirability of implementing a license fee for businesses receiving state meat inspection program services and whether the fee would impact the number of businesses that would use the federal meat inspection service rather than the state service. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

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	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,766,637	\$5,706,552	\$31,881	\$5,738,433	\$5,738,433	
Operating expenses	4,358,278	4,182,375	73,500	4,255,875	4,255,875	
Capital assets	5,000	5,000		5,000	5,000	
Grants	1,524,225	1,774,225		1,774,225	1,724,225	\$50,000
Board of Animal Health	2,374,832	2,179,563	(875)	2,178,688	2,178,688	
Crop Harmonization Board	225,000	225,000	(200,000)	25,000	25,000	
Contingent appropriation			130,000	130,000	130,000	
Total all funds	\$14,253,972	\$14,072,715	\$34,506	\$14,107,221	\$14,057,221	\$50,000
Less estimated income	9,388,014	9,636,875	(23,110)	9,613,765	9,563,765	50,000
General fund	\$4,885,958	\$4,435,840	\$57,616	\$4,493,456	\$4,493,456	\$0
FTE	61.00	61.00	0.00	61.00	61.00	0.00

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

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REMOVES FUNDING FOR CROP HARMONIZATION BOARD 2	INCREASES FUNDING FOR PROJECT SAFE SEND 3	RESTORES FUNDING FOR MEAT INSPECTION PROGRAM 4	ADDS CONTINGENT FUNDING FOR WILDLIFE SERVICES 5	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$6,114)			\$37,995		\$31,881
Operating expenses			\$50,000	23,500		73,500
Capital assets						
Grants						
Board of Animal Health	(875)					(875)
Crop Harmonization Board		(\$200,000)				(200,000)
Contingent appropriation					\$130,000	130,000
Total all funds	(\$6,989)	(\$200,000)	\$50,000	\$61,495	\$130,000	\$34,506
Less estimated income	(3,110)	(200,000)	50,000		130,000	(23,110)
General fund	(\$3,879)	\$0	\$0	\$61,495	\$0	\$57,616

REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2005 2:25 p.m.

Module No: HR-64-8437

Insert LC: 58032.0205

FTE	0.00	0.00	0.00	0.00	0.00	0.00
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¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² The Senate reduced the appropriation authority for the Crop Harmonization Board which is not needed because of continuing appropriation authority.

³ The Senate increased funding for Project Safe Send by \$50,000 from the environment and rangeland protection fund.

⁴ The Senate restored funding for a meat inspector position and related operating expenses.

⁵ The Senate added \$130,000 from the game and fish fund, contingent on federal funds not being available for the program. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2007 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs.

The conference committee restored \$50,000 from the environment and rangeland protection fund for saltcedar surveys and eradication. The Senate had reduced funding by this amount.

The conference committee provided for a Legislative Council study of the feasibility and desirability of implementing a license fee for businesses receiving services under the state meat inspection program.

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

2005 TESTIMONY

HB 1009

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



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Toll Free (800) 242-7535
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Roger Johnson
+
Jeff Weispenning

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

Testimony of
Agriculture Commissioner Roger Johnson
HB 1009
House Appropriations Committee
January 7, 2005

Chairman Svedjan and members of the Appropriations Committee, I am Agriculture

Commissioner Roger Johnson. I am here today in support of HB 1009 which is our agency budget.

I will briefly address a number of significant issues in the budget.

- **Raises for state employees.** Our agency has lost ten employees in the first eighteen months of the current biennium, and the lack of raises for state employees was a significant factor in this extremely high turnover rate. All but one employee went to positions outside state government. In the previous biennium, only four employees left our agency. Two of these went to positions outside state government, one retired and one left as a result of disciplinary action. We strongly encourage you to support the recommendations of the State Employee Compensation Commission regarding raises of four percent per year without any decrease in employee benefits or increase in employee contribution for benefits and the creation of a \$5 million salary equity pool.
- **Board of Animal Health staff.** The Governor's budget recommends a significant increase in federal funds for the Board of Animal Health. The Governor's budget also recommends an additional veterinarian funded through general funds and an assistant funded at a 75 percent/25 percent federal-to-state ratio. These are necessary to maintain the state's response to the growing number of animal health issues including Johnes disease, scrapie, chronic wasting disease and emergency response programs. In addition, we request that you consider two additional federally funded FTE's to support the pilot

animal identification program, which is being implemented in cooperation with the North Dakota Stockmen's Association and NDSU.

- **Meat Inspection.** The State Meat Inspection Program continues to expand. In order to provide service to the projected 22 state certified plants and 95 custom exempt plants in North Dakota during the next biennium, the Governor's budget provided for an additional inspector funded at a 52 percent/48 percent state-to-federal fund ratio.
- **Pride of Dakota special event income.** Based on OMB recommendations, funds related to Pride of Dakota Holiday Showcases and other Pride of Dakota conferences that are currently handled through conference accounts are incorporated into the budget. As a result, the Pride of Dakota general fund appropriation has been increased by \$203,000, but general fund revenues have also been increased by \$203,000. This results in no net impact to the general fund.
- **Plant Protection federal FTE.** In June, 2004, the Emergency Commission approved a federally funded FTE to address exotic plant pests and potential biosecurity threats including Karnal bunt, exotic nematodes, wheat diseases, emerald ash borer and sudden oak death. The Governor's budget recommends continuation of this position.
- **Full funding for Project Safe Send.** The 2003 legislature cut funding in half for Project Safe Send. This budget request proposes full funding of the program to allow annual collections of old and unusable pesticides. The program is funded through pesticide registration fees deposited in the EARP Fund and is a high priority of the crop protection product industry.
- **Saltcedar Funding.** The 58th legislative assembly approved \$250,000 funding for the survey and eradication of saltcedar. These funds were used to leverage federal funds for the saltcedar program and were instrumental in increasing federal agency funds to be used on federal lands. Approximately 5,000 miles of shoreline and an area one-half to one mile from the shoreline were surveyed by county, city, state and federal entities. The Department included a \$250,000 request in the optional package for the saltcedar program. That request was not included in the Governor's budget.
- **Agriculture in the Classroom.** In order to maintain educational programs and contracts, the Department of Agriculture requested \$85,000 of general funds in the optional package. The Governor's budget did not provide any general funds for this program. Programming would be significantly curtailed without additional funding.

Thank you for the opportunity to testify. I'd be happy to answer any questions that you have.

AGRICULTURE

Overview Presentation to the House Appropriations Committee

January 7, 2005

Funding

	2003-05 Legislative Appropriation	2003-05 Estimated Expenditures or Currently Filled FTE Positions	(1) Variance	2005-07 Executive Recommendation	(2) 2005-07 Recommendation Change (Variance) to 2003-05 Legislative Appropriations
Salaries and wages	5,220,043	5,267,643	47,600	5,766,637	546,594
Operating expenses	4,758,063	4,945,839	187,776	4,358,278	-399,785
Capital assets	15,250	15,250	0	5,000	-10,250
Grants	1,664,554	2,025,854	361,300	1,524,225	-140,329
Board of Animal Health	869,464	2,318,849	1,449,385	2,374,832	1,505,368
Crop Harmonization Board	25,000	25,000	0	225,000	200,000
Total	\$12,552,374	\$14,598,435	\$2,046,061	\$14,253,972	\$1,701,598
General fund	\$4,233,525	\$4,239,036	5,511	4,885,958	652,433
Federal funds	4,008,715	6,049,265	2,040,550	\$5,120,379	1,111,664
Special funds	4,310,134	4,310,134	0	4,247,635	-62,499
Total	\$12,552,374	\$14,598,435	\$2,046,061	\$14,253,972	\$1,701,598
	0				
FTE	57.00	60.00	3.00	62.00	5.00

Explanation of Major Funding and FTE Variances for the 2003-05 Legislative Appropriation to 2003-05 Current Estimates

	FTE	General Fund	Federal and Special Funds	Total
1. SALARIES AND WAGES				
Emergency Commission, June 7, 2004	1.00	0	47,600	47,600
2. OPERATING EXPENSES				
Emergency Commission, April 6, 2004	0	0	150,190	150,190
Emergency Commission, June 7, 2004	0	1,686	0	1,686
Emergency Commission, June 7, 2004	0	0	35,900	35,900
3. CAPITAL ASSETS				
No change				
4. GRANTS				
Emergency Commission, October 9, 2003	0	0	326,300	326,300
Emergency Commission, April 6, 2004	0	0	35,000	35,000
5. BOARD OF ANIMAL HEALTH				
Emergency Commission, October 9, 2003	0	0	577,288	577,288
Emergency Commission, September 29, 2004	0	0	868,272	868,272
Emergency Commission, December 1, 2004	2.00	3,825	0	3,825
TOTAL	3.00	\$5,511	\$2,040,550	\$2,046,061

(2) Explanation of Major Funding and FTE Changes (Variances) for the 2005-07 Recommendation to 2003-05 Legislative Appropriations

	FTE	General Fund	Federal and Special Funds	Total
SALARIES AND WAGES				
1. Meat Inspection FTE	1.00	37,995	35,073	73,068
Plant Protection FTE	1.00	0	90,813	90,813
OPERATING EXPENSES				
2. SafeSend	0	0	292,470	292,470
Pride of Dakota Events	0	182,403	0	182,403
Meat Inspection FTE	0	24,180	22,320	46,500
3 BOARD OF ANIMAL HEALTH				
Veterinarian FTE	1.00	152,265	0	152,265
Administrative FTE	1.00	28,995	66,797	95,792
Increased federal funding	0.00	0	1,430,094	1,430,094
4 CROP HARMONIZATION BOARD				
Minor Use Fund Transfer	0.00	0	200,000	200,000

Summary of Major Goals and Objectives and Related Performance Measurement Data for the 2005-07 Biennium (to the extent available)

1. EXECUTIVE SERVICES

Marketing: The number of participating companies in events such as Pride of Dakota school lunch day, international trade directory, feeder calf meetings, marketing seminars, North Dakota State Fair, and Pride of Dakota Directory. Success is also measured by sales resulting from projects such as www.shopnd.com, holiday showcases, and other domestic and international trade shows.

Policy and Communications: Successfully conducting research for various staff in the department and keeping the public adequately informed regarding agricultural issues are measurements of effectiveness. Responding to requests for information or assistance from constituents who contact the department in a manner that meets with the approval of most the constituents is a measurement of success. Influencing state and federal policies that affect agriculture and rural citizens to the benefit of our state's economic and social needs is a measurement of success.

2. AG MEDIATION

Ag Mediation. The tangible achievement measure of mediation is the rate of agreements which avoid formal administrative appeals, foreclosures and bankruptcies, or assistance to successfully secure financing for beginning farmers.

3. PLANT SERVICES

Noxious Weeds. Success is measured by the number of cooperative weed management programs with state, federal, and local entities and the number of landowners participating in the cost share programs.

Safe Send. Success is measured by pounds of old, unused pesticides collected and the number of farmers and homeowners participating in the program.

Pesticide Registration. Success is measured by the number of pesticides registered and the number of emergency exemption (section 18) granted for pesticide use on unregistered crops and the number of Special Local Needs pesticides registered for the growers of North Dakota.

Pesticide Enforcement. Success is measured by compliance to state and federal statutes and regulations related to pesticide use, storage, and security. Compliance is measured by the number of agricultural pesticide use, non-agricultural use, pesticide producer establishments, market place, pesticide applicator and restricted use pesticide dealer inspections conducted. Success is also measured by the number of formal complaints responded to.

Feeds-Fertilizers-Livestock Medicine Registration. Success is measured by the number of pet foods, commercial feeds, fertilizers and livestock medicines registered and number of feed manufacturers, feed dealers, and anhydrous ammonia dealers licensed.

Apiary. Success is measured by the number of bee colonies registered and the number of Varroa mites inspections conducted at the request of the beekeepers.

Plant Protection. Success is measured by the number of phytosanitary (export) certificates, in-transit (transit through Canada to U.S. destinations) certificates, cereal leaf beetle (supports wheat and barley shipments to California) certificates, and corn borer (supports corn shipments to west coast) agreements issued. Success is also measured by the number of nursery growers licenses and dealers licenses issued and certification inspections completed. Success is also measured by the number of pest surveys conducted to provide early detection of exotic plant pests and to support phytosanitary certification.

4. LIVESTOCK SERVICES

Wildlife Services. Performance measures for Wildlife Services include reduction in the amount of economic damage caused by wildlife, reduction of wildlife hazards at airports, removal of beaver dams responsible for flooding of roads and cropland, number of informational leaflets provided to the public, the amount of wildlife damage abatement equipment loaned to landowners and homeowners, and the removal of specific wildlife responsible for property damage, economic loss, and threats to human health.

Dairy Division. The department measures its success through federal surveys taken at plants and farms and the high quality of and high demand for products produced in North Dakota.

Livestock Division. The division measures its success in the fact there has been no major fiscal losses to state livestock producers in the last five years.

Meat Inspection Program. The program measures its success through the development and maintenance of eleven official establishments, the continual improvement of custom exempt establishments and the assurance from processors and producers that the program creates for them several benefits and opportunities.

State Board of Animal Health. Performance is measured by preservation of North Dakota's disease free status with regards to tuberculosis, brucellosis, and pseudorabies and prevention of emerging and foreign animal diseases in the state.

CONTINUING APPROPRIATION NARRATIVE

Minor Use Fund. (NDCC 4-35-06.3) The Minor Use Fund is used by the crop protection product harmonization and registration board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and other uses as determined by the board. The source of funds is the Environment and Rangeland Protection Fund.

Honey Promotion Fund. (NDCC 4-12.1) The Honey Promotion Fund is used for market development for honey and honey products by the Agriculture Commissioner with the advice, review, and comment of a committee appointed by the North Dakota Beekeepers Association. The funds are generated through an assessment of five cents per colony of honeybees licensed by the beekeeper.

Turkey Fund. (NDCC 4-13.1) The Turkey Fund is used for market development for turkey and turkey products by the Agriculture Commissioner with the advice, review, and comment of a committee appointed by the North Dakota Turkey Federation. The funds are generated through an assessment of one cent for each turkey weighing less than ten pounds [4.54 kilograms] live weight, and up to two cents for each turkey weighing ten or more pounds [4.54 or more kilograms] live weight.

on 2005B0100602 Number 3

Description Minor Use Pesticide Fund

Statutory authority 4-35-06.2; 4-35-06.3

Special fund number and name 260 Minor Use Pesticide Fund

	Actual 1999-2001	Actual 2001-03	2003-05 As Of 3/31/04	Estimated 2003-05	Estimated 2005-07
Beginning balance	311,003	180,290	439,141	439,141	14,141
Revenues	285,000	500,000	200,000	200,000	0
Total available	596,003	680,290	639,141	639,141	14,141
Expenditures	415,713	241,149	339,589	625,000	0
Ending balance	180,290	439,141	299,552	14,141	14,141

Use the narrative button to explain the justification for continuing the statutory authority for this continuing appropriation.

on 2005B0100602

Number 2

Description Honey Promotion Fund

Statutory authority Chapter 4-12.1

Special fund number and name 223 Honey Promotion Fund

	Actual 1999-2001	Actual 2001-03	2003-05 As Of 3/31/04	Estimated 2003-05	Estimated 2005-07
Beginning balance	14,487	11,362	8,489	8,489	7,989
Revenues	25,130	31,050	17,272	32,000	32,000
Total available	39,617	42,412	25,761	40,489	39,989
Expenditures	28,255	33,923	13,926	32,500	32,000
Ending balance	11,362	8,489	11,835	7,989	7,989

Use the narrative button to explain the justification for continuing the statutory authority for this continuing appropriation.

on 2005B0100602

Number 1

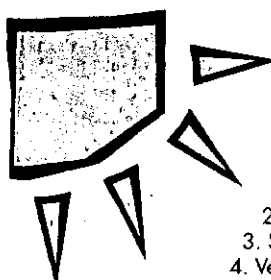
Description Turkey Fund

Statutory authority Chapter 4-13.1

Special fund number and name 221 Turkey Fund

	Actual 1999-2001	Actual 2001-03	2003-05 As Of 3/31/04	Estimated 2003-05	Estimated 2005-07
Beginning balance	42,634	26,057	12,238	12,238	15,238
Revenues	76,014	64,838	15,552	38,000	42,000
Total available	118,648	90,895	27,790	50,238	57,238
Expenditures	92,591	78,657	25,818	35,000	38,000
Ending balance	26,057	12,238	1,972	15,238	19,238

Use the narrative button to explain the justification for continuing the statutory authority for this continuing appropriation.



North Dakota Agriculture

North Dakota's Top 5 Agricultural Exports in Millions

1. Other*	\$810
2. Wheat and products	\$558
3. Soybeans and products	\$179
4. Vegetables and preparations	\$123
5. Sunflower seed and oil	\$ 94

*Other includes minor oilseeds and sugar

Did you Know?

North Dakota farmers and ranchers annually produce enough:

- **Wheat** for 16.2 billion loaves of bread
- **Soybeans** to make 190 billion crayons
- **Potatoes** for 207 million servings of french fries
- **Durum** for 11.8 billion servings of spaghetti
- **Sunflowers** to fill 415 million bags of sunflower seeds
- **Beef** for 113 million hamburgers
- **Wool** for 471,000 sweaters
- **Milk** for 1.1 billion glasses
- **Pork** for 49 million pork chops
- **Corn** to sweeten 44 billion cans of pop
- **Canola** to fill the State Capitol tower more than 19 times

What's in a Bushel?

Barley	1 Bushel = 48 Pounds
Corn	1 Bushel = 56 Pounds
Soybeans	1 Bushel = 60 Pounds
Wheat	1 Bushel = 60 Pounds

Sponsored by:

North Dakota Department of Agriculture

Roger Johnson, Commissioner

800-242-7535

600 East Blvd. Ave., Dept. 602

Bismarck, ND 58505-0020

ndda@state.nd.us

www.agdepartment.com

North Dakota Farmers Union

Robert Carlson, President

800-366-6338

PO Box 2136

Jamestown, ND 58402-2136

ndfu@ndfu.org

www.ndfu.org

North Dakota Ag Statistics Service

David Knopf, State Statistician

701-239-5306

PO Box 3166

Fargo, ND 58108-3166

nass-nd@nass.usda.gov

www.nass.usda.gov/nd/

North Dakota Farm Bureau

Eric Aasmundstad, President

701-224-0330

PO Box 2793

Bismarck, ND 58501

ndfarm@btinet.net

www.ndfb.org



North Dakota leads the nation in the production of the following commodities:

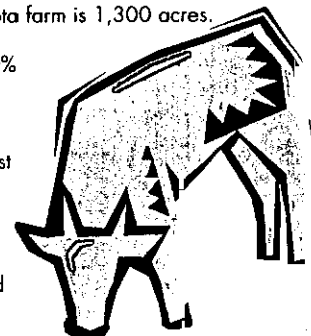
2003	First	Percent of the U.S.
Flaxseed		95%
Canola		90%
Durum Wheat		60%
Oil Sunflower		59%
All Sunflower		57%
Pinto Beans		56%
Dry Edible Peas		53%
Non-Oil Sunflower		48%
Spring Wheat		47%
Navy Beans		46%
Barley		43%
All Dry Edible Beans		35%
Oats		15%
	Second	
Lentils		20%
Honey		16%
All Wheat		14%
	Third	
Sugarbeets		17%
Rye		8%

Where Does Your Food Dollar Go?

Off Farm	
Repairs	1.5¢
Interest	2.5¢
Energy	3.5¢
Other Costs	4¢
Rent	4¢
Transportation	4¢
Business Taxes & Depreciation	7¢
Packaging	8¢
Profits and Advertising	8.5¢
Labor	38¢
On Farm	
Farmers and Ranchers	19¢

Agriculture is the Leading Industry in North Dakota

- North Dakota production agriculture generated more than \$3.6 billion in cash receipts in 2002.
- Production agriculture is the largest sector of North Dakota's economy, making up 25% of the economic base.
- Nearly 24% of North Dakota workers are farmers and ranchers or are employed in farm-related jobs.
- Value-added ag processing and farm input manufacturing generated \$1.7 billion in business activity during 2002. These businesses directly and indirectly employ more than 25,000 North Dakotans.
- North Dakota consumers only spend 7% of their income on food consumed at home; compared to 17% in Germany, 48% in India, and 24% in Mexico.
- North Dakota farms provide food and habitat for 75% of the state's wildlife.
- North Dakota has 30,300 farms and ranches. The average size of a North Dakota farm is 1,300 acres.
- 39.4 million acres - nearly 90% of North Dakota's land area - is in farms and ranches.
- It takes about 40 days for most Americans to earn enough money to pay for their yearly food supply.
- North Dakota farmland would cover 12 million city blocks.





NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

#2
HB 1007
Dept. of Ag
1/17/05
Roger
Johnson

A. Appb.O.

BUDGET PRESENTATION

FOR THE

2005-2007 BIENNIUM

January 17, 2005

NORTH DAKOTA HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS
GOVERNMENT OPERATIONS DIVISION
THE HON. ROH CARLISLE, 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

The importance of agriculture in North Dakota's economy and society cannot be overstated. Agriculture and agriculture-related business employ nearly one-fourth of North Dakota's workforce and account for the largest portion of our state's economic base. Agriculture generated more than \$3 billion in cash receipts last year.

North Dakota leads the nation in the production of durum and spring wheat, barley, oil and confectionary sunflowers, pinto beans, dry edible beans, flaxseed, canola, navy beans, dry edible peas and oats. The state is also a major producer of soybeans, sugarbeets, rye, lentils and honey. North Dakota farmers, ranchers, agriculture distributors and processors are respected across the nation and around the world as the producers of some of the highest quality food products in the world (see Attachment 0).

This high level of quality production is all the more remarkable in light of the adverse weather conditions, including drought, flooding, late spring frosts and early harvest freezes, during the past two years. These conditions have reduced yields, prevented planting and harvests and caused widespread crop diseases.

Thirty-five of North Dakota's 53 counties were declared primary disaster areas in 2004, and the remainder were eligible for disaster assistance as contiguous counties. In 2003, 47 counties were declared primary disaster areas with the other six receiving contiguous status. In the past year alone, direct crop losses were estimated at almost \$329 million, with total economic activity losses estimated at more than \$1 billion.

At the same time, some producers had excellent crops. The statewide average yield per acre for spring wheat and barley was virtually the same in 2004 as in 2003, despite widespread damage, and average durum yields were up a bushel.

The North Dakota Department of Agriculture (NDDA) provides leadership, resources and services "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 expand the state's livestock industry through a new value-added livestock initiative in cooperation with the North Dakota State University Extension Service, the new North Dakota Dairy Coalition, North Dakota Feeder Council, the Cloverdale Alliance and other livestock groups. Livestock processing is the focus of the expanding State Meat Inspection Program.

We're leading an effort to coordinate development of the state's abundant renewable energy resources and potential, including wind power, ethanol, biodiesel and biomass.

We are working with federal and other state authorities in protecting the state and its citizens from acts of terrorism.

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

international borders and to make a wider range of pesticides available for North Dakota producers.

We're disposing of unusable and unsafe pesticides – more than 1.6 million pounds since 1992 – through Project Safe Send.

We are helping develop new markets for North Dakota products, especially in the Far East and the Caribbean.

We're using the Internet to help Pride of Dakota companies market North Dakota products directly to customers around the world through www.shopnd.com.

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

We're educating a new generation about farming and ranching and how food is produced by our family farms through the Agriculture in the Classroom Program.

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.

We're leading cooperative efforts with multiple agencies to locate, identify, and eradicate saltcedar, a new intrusive invader that threatens North Dakota's water resources.

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

The three program areas of the North Dakota Department of Agriculture – Executive Services, Livestock

Services, and Plant Industries – are committed to providing assistance and services to agricultural producers and the people of the State of North Dakota.

Agriculture Commissioner

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

- North Dakota 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 & Education

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

Deputy Commissioner
Jeff Weispfenning

Agriculture Commissioner
Roger Johnson

Assistant to the Commissioner
Joanne Beckman

Executive Services
Ken Junkert, Program Manager

Livestock Services
Wayne Carlson, Program Manager

Plant Industries
Jeff Olson, Program Manager

- Accounting
 - Lynette Baumiller
 - Jet Collins
- Agricultural Mediation Service
 - Tom Silbernagel, Coordinator
 - Negotiators
 - Tony Wixø
 - Larry Smith
 - Betty Nelson, Administrative Assistant
 - Non-FTEs (9)
- Marketing Services
 - Charles Fleming, Coordinator
 - Sara Wagner
 - Donna Thronson
- Policy & Communications
 - Patrice Lahlum, Coordinator
 - Ted Quanrud
- Information Technology
 - Roberta Tjaden, Computer & Network Specialist
- Administrative Assistant
 - Bonnie Sundby

- State Board of Animal Health
 - Dr. Susan Keller, State Veterinarian
 - Dr. Beth Carlson, Deputy State Veterinarian
 - Dr. Deidre Qual, Assistant State Veterinarian
 - Dr. James Clement, Animal ID Coordinator
 - Animal ID Technician (vacant)
 - Tammy Celley, Administrative Assistant
 - Tracey Robinson, Office Secretary
- Livestock Development
 - Bobbi Talmadge, Coordinator
- Dairy/Poultry
 - John Ringsrud, Milk Surveillance Officer
 - Inspectors
 - Orville Payne
 - Tracey Walth
 - Gary Molstad
 - Jason Wirtz, Dairy Pollution Prevention
 - Becky Gietzen, Administrative Assistant
- State Meat Inspection Program
 - Dr. Andrea Grondahl, Director
 - Vawnita Best, Senior Inspector
 - David Slack, Compliance Officer
 - Inspectors
 - Kelly Ellenberg
 - Heather Haugen
 - Lexy Inghram
 - Shawn Steffen
- Wildlife Services (USDA)
 - Phil Mastrangelo, State Director

- Feed & Fertilizer Registration
 - Garry Wagner, Coordinator
- Pesticide Enforcement
 - Jerry Thompson, Coordinator
 - Inspectors*
 - Dave Harsche
 - Doug Johnston
 - Ken MacDonald
 - Brad Meckle
 - Joel Owens
 - Julie Tronson
- Pesticide Registration
 - Jim Gray, Coordinator
- Plant Protection
 - David Nelson, State Entomologist
 - Justin Knott
 - Carrie Larson
- Noxious Weeds
 - Ken Eraas
 - John Leppert
 - Rachel Seifert-Spilde
- Apiary/Project Safe Send/Waterbank Program
 - Judy Carlson, Coordinator/Apiary Director
- Administrative Assistant
 - Elaine Saylor
- Administrative Officer
 - Cindy Wooldridge

* Pesticide inspectors conduct both enforcement and registration duties.

EXECUTIVE SERVICES

Executive Services provides administration, coordination, and support to all department program areas.

KEN JUNKERT
PROGRAM MANAGER

Administrative Services

Administrative Services includes Accounting, Information Technology, and the front desk reception area.

Accounting provides a variety of services for all the program areas of the NDDA. Accounting is responsible for compliance with state and federal laws. Federal grant requirements include tracking expenditures and filing the proper and timely reports to the federal agency providing the grant. Accounting also assists in developing the agency's budget, processes payroll, pays all the bills and deposits all revenue. In October, 2004, the State of North Dakota switched to the PeopleSoft® accounting system.

The information technology specialist installs and maintains NDDA's computer hardware and software and oversees IT contractors.

Policy and Communications

Policy and Communications assists the Agriculture Commissioner and department staff by providing research and analysis of public issues and public outreach.

Policy and Communications coordinated the 2003 and 2004 Renewable Energy Summits that developed recommendations for the future of four renewable energy tracks – biodiesel, biomass, ethanol, and wind. The summits have been key in formation of the North Dakota Renewable Energy Partnership.

Marketing Services

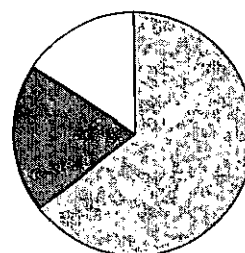
The principal task of Marketing Services is increasing sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets through education, promotion, and market enhancement.

NDDA continues to be active in international trade through affiliation with Mid-America International Agri-Trade-Council (MIATCO). Through this alliance, NDDA can leverage staff support to help North Dakota food and agri-business companies with export promotion, including expense reimbursement to companies entering foreign markets. This alliance also reduces company costs for a service called Food Show Plus. For a small fee, companies at overseas trade shows receive such services as language translation of materials, an interpreter during the show and scheduled meetings with buyers.

The Department has developed a database of 140 agriculture exporters or potential exporters in the state. The Department, in cooperation with MIATCO, is making on-site visits to those companies to provide technical and financial assistance to them.

NDDA continues to focus on Cuba for sales of agricultural products. In Octo-

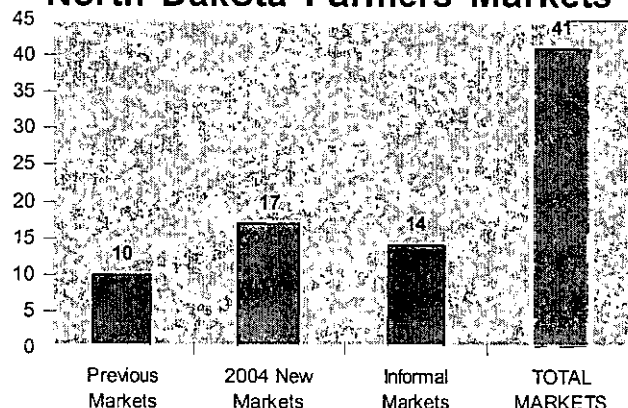
2005-2007
Governor's Budget
Funding Sources



General	\$2,157,061
Federal	\$696,524
Special	\$535,061
Total	\$3,388,646

ber 2004, Commissioner Johnson, accompanied by two North Dakota companies, attended a buyers' mission in Cuba that resulted in the sale of 5,000 metric tons of yellow peas. Over \$7 million dollars of North Dakota agricultural products have been sold to Cuba since trade began in 2001.

North Dakota Farmers Markets

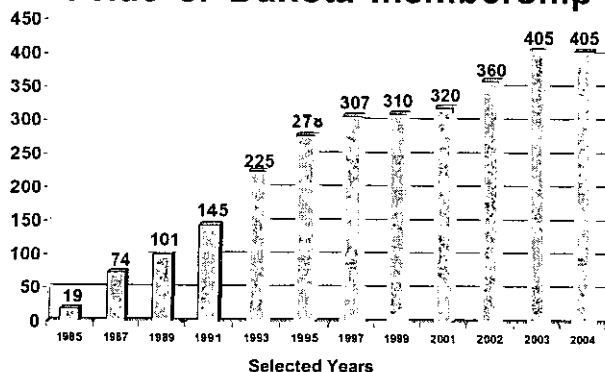


Last year, NDDA took on a stronger role in farmers markets. Marketing Services established a mini-grant program to help farmers markets organize. Staff visited over 30 communities, and as a result of these presentations, 17 new farmers' markets were introduced into the state. The mini-grants assisted with market start-up costs. Today, North Dakota features a total of 41 markets. Work is continuing on strengthening and building farmers' markets in the state.

Pride of Dakota is a major focus of Marketing Services. Created by former Commissioner of Agriculture Kent Jones in 1985, this program provides North Dakota companies with a recognizable state "brand" and provides opportunities for joint marketing efforts by the member companies.

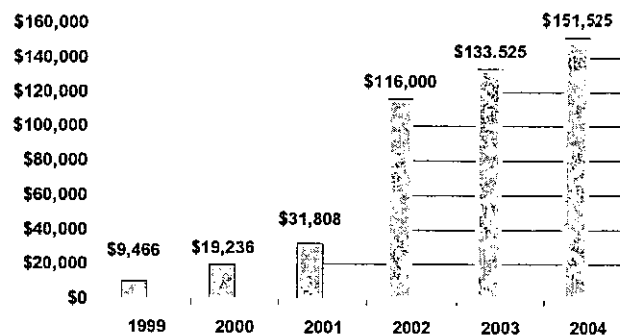
Pride of Dakota celebrates its 20th anniversary this year and continues to grow with membership at an

Pride of Dakota membership



all-time high of 400 companies with no active recruitment by the department. (See Attachment 1.)

shopnd.com sales



In 1999, NDDA created www.shopnd.com to enable Pride of Dakota companies to utilize internet marketing. This internet site is available only to POD members to sell their products. Each year the site has grown. Sales in 2004 topped \$151,000. The site has generated even more sales than that, since repeat buyers often go directly to the companies' websites. These later sales are not usually recorded through shopnd.com.

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, teacher tours, and classroom publications.

The 2003 Legislature appropriated \$100,000 for Agriculture in the Classroom and directed that activities be conducted by contractors. The Department of Agriculture entered into contracts with seven organizations to conduct program activities: NDDA contracted with the North Dakota Geographic Alliance, NDSU Ag Communications, North Dakota Farm Bureau Foundation, Kipp and Associates, North Dakota FFA Foundation, Progressive Consulting and the NDSU School of Education.

In 2004, 82 teachers attended Project Food, Land, and People training and 34 teachers attended the Northwest North Dakota Agriculture, Industries and Issues tour. A milestone of over 40,000 students receiving the AgMag was reached with the release of the seventh edition of the publication (see Attachment 2).

The 2003 Legislature appropriated \$100,000 for Agriculture in the Classroom. The governor's proposed budget does not provide any new funds for the program and only provides spending authority for this program.

Agricultural Mediation Service

The North Dakota Agricultural Mediation Service (AMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others (see Attachment 3).

AMS policy is established by the North Dakota Credit Review Board (CRB), a six member board appointed by the State Industrial Commission. The governor and attorney general each appoint a farmer and a lender, and the agriculture commissioner appoints two farmers. Current CRB members are Marilyn Aarsvold, Blanchard; Elwood "Woody" Barth, Solen; Paul Burtman, Wildrose; Russ Erickson, Grand Forks; David Rustebakke, Grand Forks, and George Wald, Dickinson.

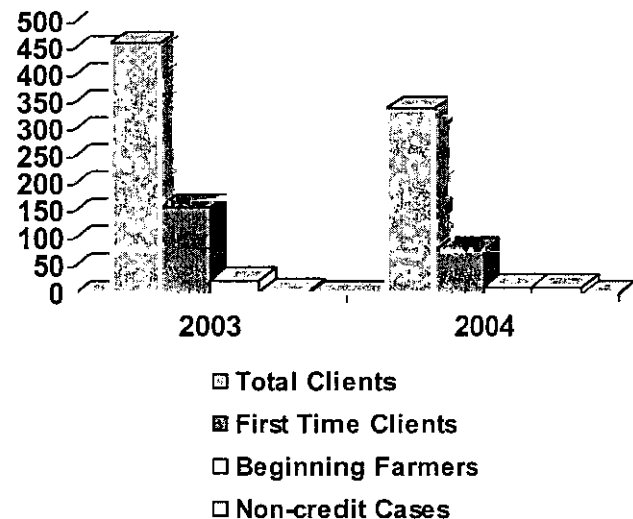
Mediation is a voluntary process for farmers and private creditors, but it is mandatory with the Farm Service Agency (FSA) and Farm Credit Services (FCS) and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Most USDA agencies also offer mediation of adverse determinations as a part of their appeal process. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for participants and allows the parties to deal with the entire problem. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

Mediators are trained as impartial third parties who serve as intermediaries between farmers and others to resolve disputes prior to formal appeals and outside the court system.

Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators help farmers prepare information for mediation of USDA non-credit adverse determinations and other disputes. Negotiators also assist beginning farmers with farm operating and finance plans, provide information on beginning farmer loan programs, and assist with beginning farmer loan applications. Beginning farmer clients totaled 38 in the last two fiscal years. A total of 776 offers of and requests for mediation were

received with 799 farmers accessing mediation services during the last two fiscal years.

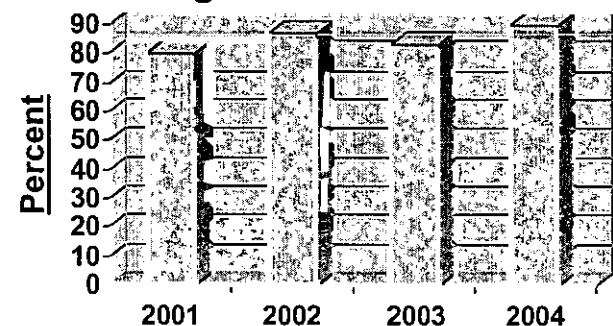
AMS Clients



An important measure of mediation effectiveness is the rate of agreements reached between producers and the other parties involved. Successful mediation outcomes are those in which financial problems are resolved and/or adverse determinations are reversed or modified, or in which the producer by gaining understanding, accepts the determination and foregoes further administrative appeals and/or litigation. AMS agreement rates for fiscal years 2003 and 2004 were 83 percent and 90 percent respectively.

Although many AMS field staff (negotiators and me-

Agreement Rates



diators) have worked for NDDA for many years, most are temporary employees who are paid hourly wages and receive no benefits.

Much of what happens to the farm economy and the demand for AMS services is subject to federal farm policy, crop production conditions, federal disaster

assistance and livestock/commodity prices. Natural disasters in 2004 will likely cause immediate or delayed financial distress for many producers. Wet planting and harvest along with early frost destroyed substantial acreages of pasture, forage, and crops. It is reasonable to expect some increase in mediation activity as provisions and programs of the new farm bill are implemented.

Other activities

AMS continues to network with public, private and non-profit entities that provide additional services to farmers and their families. AMS is an active member of the North Dakota Rural Survival Task Force, which is made up of groups as well as individuals who regularly meet to identify and coordinate assistance for rural families who face uncertain futures.

Periodic training seminars for AMS staff include, in addition to farm credit and farm program training, presentations and training by service providers such as Community Action, Job Service and others. AMS

in turn provides training for various service providers who deal with farmers and their families.

Benefits of these efforts include cooperative casework, an improved referral system, and enhanced public awareness of all services available to rural residents.

Federal mediation grant program

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 following excerpt from a 2001 national Farm Service Agency News article recognizes the cost savings of disputes resolved through mediation versus formal administrative appeals:

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

Bipartisan support in Congress for extending the sunset of USDA's Mediation Grants Program beyond 2005 is seen as a strong endorsement of state mediation programs as a cost-saving means of dispute resolution.

Executive Services Budget Comparisons

	2003-2005	2005-2007
Salaries	\$2,199,879	\$2,370,801
Operating	978,981	1,017,845
Capital assets	4,250	0
<u>Grants</u>	<u>61,700</u>	0
TOTAL	\$3,244,810	\$3,388,646
FTEs	19	19

Variances in the Executive Services budget

Pride of Dakota special event income. Based on OMB recommendations, funds related to Pride of Dakota Holiday Showcases and other Pride of Dakota conferences that are currently handled through conference accounts are incorporated into the budget. As a result, the Pride of Dakota general fund appropriation has been increased by \$203,000, but general fund revenues have also been increased by \$203,000. This results in no net impact to the general fund.

Agriculture in the Classroom. In order to maintain educational programs and contracts, the Department of Agriculture requested \$85,000 of general funds in the optional package. The Governor's budget did not provide any general funds for this program. Programming would be significantly curtailed without additional funding.

LIVESTOCK SERVICES

Livestock Services is comprised of the Livestock Licensing, Dairy/Poultry, 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.

WAYNE CARLSON
PROGRAM MANAGER

Livestock Licensing

The livestock industry is one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.75 million cattle, 97,000 sheep and 150,000 hogs with cash receipts of approximately \$870 million.

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

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 385 dairy farms an average of 2.5 times a year, inspecting each farm for sanitation of equipment, facilities, proper usage and storage of drugs and water purity.

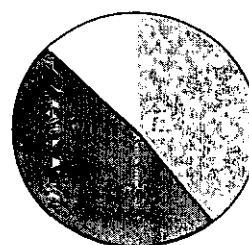
The state's five dairy processing plants and three milk transfer stations are inspected four or more times annually. Distribution facilities, milk bulk trucks and samplers/haulers are also inspected.

A fourth inspector conducts the survey (auditing) work of the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, five plants, and three transfer/receiving stations. The same individual inspects manufacturing grade plants and transfer stations under a continuing contractual agreement with the U.S. Food and Drug Administration.

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 conducted 140 inspections of non-traditional livestock for the state veterinarian's office this year as well as 50 feed inspections looking for use of banned feeds (BSE) under a grant from FDA. The inspectors are also conducting pesticide registration surveillance in their areas.

NDDA is in the fourth year of the voluntary Dairy Pollution Prevention Program. The program is funded through EPA 319 funds and farmer cost-share. This program has provided cost-share funding assistance to 25 producers for full waste containment systems, water diversions and waste utilization plans.

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General	\$2,184,864
Federal	\$2,700,120
Special	\$709,206
Total	\$5,594,190

In addition, the program has provided 193 dairy producers with technical assistance in nutrient management, project planning, regulatory explanation and manure containment advice. Since the program's inception, \$450,000 has been spent. EPA has committed an additional \$981,808 to the program through 2009.

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.

State Veterinarian

The State Veterinarian's office was incorporated into the North Dakota Department of Agriculture in 1995.

Policy for the office is established by the eight-member North Dakota State Board of Animal Health (BOAH), appointed by the governor (NDCC 36-01-01). Present members include Nathan Boehm, Mandan; Jeff Dahl, Gackle; Ron Fraase, Buffalo; Francis "Buck" Maher, Menoken; Dr. Dick Roth, Fargo; Paula Swenson, Walcott; Dr. William Tidball, Beach, and Dr. Kenneth Throlson, New Rockford.

The board is charged with all matters relating to the health and welfare of domestic animals and nontraditional livestock, not specifically assigned by statute to another entity. The board also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases of 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.

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 \$150,000 during the 2003-05 biennium for these activities.

Voluntary disease control programs provide recognition of and certification for helping producers eliminate diseases from their herds. The board oversees a voluntary Johne's Disease Herd Status Pro-

gram for the state. A mandatory statewide surveillance program for Chronic Wasting Disease has been in effect in North Dakota for 7 years.

Free trade agreements have greatly increased the movement of animals and animal products. Consequently, the potential for an emerging disease outbreak has increased. BOAH has also initiated participation in a voluntary animal identification program.

BOAH is continuing a Homeland Security Plan to provide surveillance of and response to foreign animal disease emergencies, natural disasters or bioterrorist events. An emergency lab and trailer have been stocked and are ready for use when needed. The board has added an assistant veterinarian to assist in this effort. In this biennium, funding was received from several sources, including a USDA grant to the governor's office for value-added agriculture, Centers for Disease Control and Prevention grant to the North Dakota Health Department for bioterrorism preparedness and a USDA grant for Foreign Animal Disease surveillance and preparedness. It is not known whether these funds will be continued in the future. The funding is being used for improving surveillance for disease in the state and purchasing equipment to improve our readiness if an emergency should occur. To date, 22 veterinary practitioners have been trained to assist in an emergency. A training exercise is scheduled for January 2005.

State Meat Inspection

The State Meat Inspection Program was established within the North Dakota Department of Agriculture in 2000. The program was developed to provide more opportunities to small livestock producers and meat processing establishments. By attaining the classification of "official state establishment," a processor may wholesale products throughout the state. They are also able to buy and slaughter local livestock or slaughter livestock of a local producer and offer these products for sale. Selling directly to consumers helps processors and producers capture more of the consumer dollar.

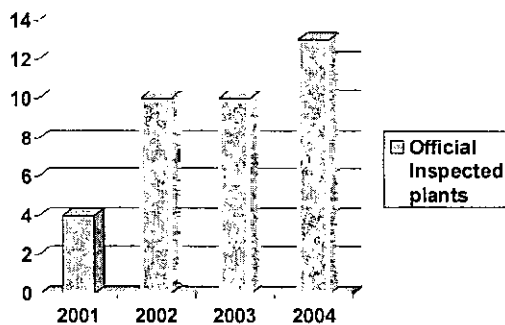
Although the laws and regulations of a state program are very similar to those of the federal program (Food Safety and Inspection Service-FSIS), there are many benefits in operating a state pro-

gram. State programs can deal with small businesses more effectively and efficiently than the large federal system can. A state program can offer more technical support and guidance and handle disputes on a state and local level.

As part of the cooperative agreement with 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 senior inspector/supervisor located in Bismarck. Five field inspectors currently inspect 13 official state establishments, monitoring slaughter and/or processing activities on a daily or weekly basis. Inspectors also review the state's 88 custom-exempt plants at least four times per year. Custom exempt plants are 'exempt' from the inspection of the actual slaughter and processing activities

Official State Establishments



but must meet sanitation and facility requirements.

One field inspector is also the program's compliance officer. Compliance activities include random reviews of businesses selling meat products, enforcing labeling requirements, investigating violations of state or federal meat inspection regulations and handling consumer complaints.

In addition to inspection duties, the meat inspection staff offers education and consultation to plant personnel while reviewing facilities. The supervisor and director conduct regular oversight reviews to ensure consistent inspections throughout the state (see Attachment 4).

Wildlife Services

The Wildlife Services division of the Animal and Plant

Health Inspection Service of the United States Department of Agriculture works in partnership with the North Dakota Department of Agriculture and the North Dakota Game and Fish Department to minimize the negative impacts of wildlife on the lives and livelihood of North Dakotans. Wildlife Services also assists the North Dakota Game and Fish Department, the North Dakota Department of Health, and the Board of Animal Health with animal disease surveillance (see Attachment 5).

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 sunflower 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.

In 2004, Agriculture Commissioner Johnson formed a coalition of 10 government and non-government entities who utilize the various programs provided by Wildlife Services. This coalition requested a \$400,000 increase in federal funding from the North Dakota congressional delegation for fiscal year 2005. This additional funding was requested to provide Wildlife Services the financial resources required to adequately respond to increasing requests for assistance. Increased funding was needed to: (1) maintain existing levels of program delivery; (2) replace capital equipment; (3) hire three contract pilots; (4) hire two additional full-time field staff; and (5) hire four temporary field staff. However, no additional federal funding was appropriated.

Wildlife Services will be able to maintain its existing level of service delivery through federal fiscal year 2005.

In federal fiscal year 2006 (October 2005 through September 2006) the permanent field staff will be reduced from 10 to nine, and the agency will no longer be able to respond to requests for assistance with beaver damage.

The North Dakota Game and Fish Department provided \$550,000 during the 2003-05 biennium for these activities.

Livestock Services Budget Comparisons

	2003-2005	2005-2007
Salaries	\$1,245,243	\$1,412,579
Operating	1,726,279	1,806,779
Capital assets	1,000	
Board of Animal Health	<u>869,464</u>	<u>2,374,832</u>
	\$3,841,986	\$5,594,190
 FTEs	 19.4	 22.4

Variances in the Livestock Services budget

Board of Animal Health staff. The Governor's budget recommends a significant increase in federal funds for the State Board of Animal Health. The Governor's budget also recommends an additional veterinarian funded through general funds and an assistant veterinarian funded at a 75-25 federal-to-state ratio. This is necessary to maintain the state's response to the growing number of animal health issues including Johne's disease, scrapie, chronic wasting disease and emergency response programs.

Meat Inspection. The State Meat Inspection Program continues to expand. In order to provide service to the projected 22 state certified plants and 95

custom-exempt plants in North Dakota during the next biennium, the governor's budget provided for an additional inspector funded through a 52-48 state-to-federal fund ratio.

Wildlife Services. During the 58th legislative session, the funding sources in Wildlife Services line item's budget was changed by decreasing the amount of general funds in the line item and replacing those funds with special funds from Game and Fish Department.

In order to maintain the same amount of spending authority, the same amount of Game and Fish funds (\$550,000) have been included into the existing budget.

PLANT INDUSTRIES

JEFF OLSON
PROGRAM MANAGER

Crop production is the main focus of the Plant Industries Program Area, which is comprised of the Pesticide, Registration, Plant Protection, Noxious Weeds and Apiary sections.

Pesticide

Federal funds provide 85 percent of the pesticide section activities. It is anticipated that a reduction in federal funds for the pesticide program may require additional state funds to continue the pesticide program, or will require the department to limit certain program activities, such as the endangered species protection program, the groundwater protection program and the worker protection program.

Harmonization

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

The section provided pesticide harmonization expertise in numerous meetings, including grower meetings, conferences with the NAFTA Technical Working Group and the Midwest Legislators Forum.

The section provides administrative services for the Crop Product Protection Harmonization and Registration Board, created during the 57th Legislature. The board also was given oversight of the Minor Use Fund which cost-shares with commodity groups and North Dakota State University for research projects on minor crops or minor uses on major crops. This biennium, the board has allocated approximately \$200,000 from this fund toward four projects.

Pesticides

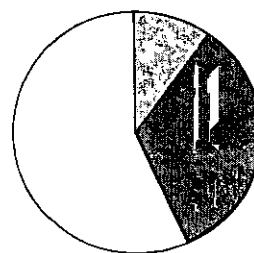
The pesticide section enforces state and federal laws regarding the registration and use of pesticides, as mandated by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

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

- The Endangered Species Protection Program.
- The Groundwater Protection Strategy for Pesticides. and
- The Worker Protection Program.

The Department administers the North Dakota Endangered Species Protection Program (ESPP). The goal of the ESPP is to minimize the impact of pesticide use on the threatened and endangered species found in North Dakota. County bulletins are used in those situations where the use of a pesticide poses a risk to

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Funding Sources



General	\$544,033
Federal	\$1,723,735
Special	\$3,003,368
Total	\$5,271,136

a listed species. The Department has contracted with Bemidji State University to update the county bulletins to reflect changes in pesticide uses and species distributions since the last update in 1997.

The Department was the lead agency to complete the state soil survey digitization project that is used for the groundwater protection program. The groundwater program is used to identify sensitive areas where pesticide contamination could occur. This program will provide a web based resource for production agriculture.

The worker protection program provides education to ensure the safety of pesticide handlers and farm workers.

Approximately 9,000 pesticides, ranging from household/residential products to industrial and agricultural products are registered in the state.

The section began to digitally capture all pesticide labels and material safety data sheets in 2002. This project was completed in 2004, and electronic material safety data sheets and labeling for all pesticides registered with the Department are now accessible online via a searchable pesticide registration database.

The section increased its marketplace inspection program through the use of personal data assistants (PDAs), handheld computers that provided inspectors with immediate access to a database of all pesticides registered with the Department. Inspectors removed over 250 unregistered pesticides from retail stores in the last biennium and documented over 300 violations.

The section prepares Emergency Exemption (Section 18) requests to the EPA for pesticides to address weed, disease and insect outbreaks. In 2003 and 2004, the EPA approved 25 of 27 emergency exemption requests submitted by the Department. Exemptions covered use of pesticides on wheat, barley, sunflower, flax, dry beans, sugarbeets, mustard, lentils, beehives, soybean, and safflower. This section also is responsible for issuing Special Local Needs (24c) registrations.

The USDA national organic program distributed approximately \$95,000 to the Department for distribution to organic producers for partial reimbursement of their certification costs.

Project Safe Send

The section administers Project Safe Send that helps farmers and others to dispose of unusable and old pesticides. Project Safe Send has collected more than 1.6 million pounds of hazardous and unusable chemicals from more than 4,500 participants since its inception in 1992 (see Attachment 6).

Registration

The registration section also enforces the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1).

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

Registrations Issued

	<u>2001-03</u>	<u>2003-05</u>
Pet Foods	3,147	3,413
Commercial Feeds	4,490	5,155
Livestock Medicines	1,236	1,233
Various Fertilizers	1,546	1,561

Licenses Issued

	<u>2001-03</u>	<u>2003-05</u>
Anhydrous Ammonia	369	350
Fertilizer Distributors	484	350
Feed Manufacturers	278	289
Feed Dealers	270	257

Samples Collected

	<u>2001-03</u>	<u>2003-05</u>
Feed Samples	900	1,000
Fertilizer Samples	850	1,254

Plant Protection

The plant protection section issues phytosanitary export certificates and various other certificates required by importing countries or states to facilitate export of North Dakota agricultural commodities.

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

Nursery Program

	2001	2002	2003	2004
Growers Licensed	41	38	40	40
Dealers Licensed	145	141	148	153

The section attempts to anticipate exotic threats as well as pests that could compromise our ability to export and then develops survey and response plans. Surveys are conducted under a cooperative agreement with USDA-APHIS. Some surveys are conducted in cooperation with NDSU, North Dakota Forest Service, and North Dakota State Seed Department.

Pest Surveys Conducted

Pest/Disease	Crop Affected
Karnal Bunt	Wheat
Dwarf Bunt	Wheat
Flag Smut	Wheat
Nematodes	
Golden	Potatoes
Colombia Root Knot	Potatoes
Soybean Cyst	Soybeans
Potato Moptop Virus	Potatoes
Cereal Leaf Beetle	Small Grains
Khapra Beetle	Stored Ag Products
Small Hive Beetle	Honey Bees
Gypsy Moth	Trees
Sudden Oak Death	Oak Trees
Soybean Rust	Soybeans
Japanese beetle	Nursery Stock

Noxious Weeds

The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. The section works closely with county and city weed boards and administers several programs. NDDA transferred or will transfer more than \$1,500,000 to county weed boards for weed control during the 2003-2005 biennium. Approximately 9,300 landowners have participated in the Landowners Assistance Program (LAP) since the summer of 2000.

In an attempt to monitor the spread of noxious and new invasive weeds, Global Positioning System (GPS) units were supplied to county and city weed boards that wanted to participate. The weed boards supply the weed location data and they receive a

map in return (see Attachment 7).

A newly developed State Weed Management Plan better facilitates weed management throughout the state. The Cooperative Weed Management concept was developed to better utilize fiscal and labor resources among counties, state and federal agencies. This concept encourages working relationships among county, state and federal weed managers.

Saltcedar was discovered in North Dakota in the summer of 2001 along the Yellowstone River. This biennium, a cooperative effort by county weed boards, state and federal agencies and private wildlife entities surveyed approximately 5,000 miles of shoreline and from one-half to one mile area parallel to the shoreline. A number of infestations were found (see Attachment 8). Saltcedar extracts considerable amounts of water from the ground through an extensive and deep root system. Salt then appears on the plants' leaves and is deposited on the soil surface, eventually creating a saline soil that will displace native trees and plants displacing wildlife habitat, grazing land, and recreational land. An acre of dense saltcedar can use up to 8 million gallons of water annually. This plant also produces a half million seeds annually.

In 2003 and 2004, \$250,000 of the state cost share was dedicated to the control of saltcedar. Funds allocated to this program are being aggressively spent by the county weed boards. This \$250,000 saltcedar money has been eliminated in the Governor's budget.

Waterbank

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

No funds were allocated to NDDA for this program for the 2003-2005 biennium. There were no new funds included in the 2005-2007 budget request.

Apiary

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

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

Approximately one-third of North Dakota bees over winter in Texas where migratory movement inspections

are required. Beehives are inspected on request. Department personnel respond to complaints by landowners, commercial pesticide applicators and the public, regarding placement of bee yards. The apiary section also works with the pesticide section to ensure proper use of pesticides in beehives.

Plant Industries Budget Comparisons

	2003-2005	2005-2007
Salaries	\$1,774,921	\$1,983,257
Operating	2,202,993	1,533,654
Capital assets	10,000	5,000
Grants	1,452,664	1,524,225
Crop Harmonization	<u>25,000</u>	<u>225,000</u>
	\$5,465,578	\$5,271,136
FTEs	18.6	19.6

Variances in the Plant Industries budget

Increases:

Plant Protection federal FTE. In June 2004, the Emergency Commission approved a federally funded FTE to address exotic plant pests and potential biosecurity threats including soybean rust, Karnal bunt, exotic nematodes, wheat diseases, emerald ash borer and sudden oak death. The Governor's budget recommends continuation of this position.

Full funding for Project Safe Send. The 2003 legislature cut funding in half for Project Safe Send. This budget request proposes full funding of the program to allow annual collections of old and unusable pesticides. The program is funded through pesticide registration fees deposited in the EARP Fund and is a high priority of the crop protection product industry.

Saltcedar Funding. The 58th legislative assembly approved \$250,000 for the survey and eradication of saltcedar. These funds were used to leverage federal funds for the saltcedar program and were instrumental in increasing federal agency funds to be used on federal lands. Approximately 5,000 miles of shoreline and an area one-half to one mile from the shoreline were

surveyed by county, city, state and federal entities. The Department included a \$250,000 request in the optional package for the saltcedar program. That request was not included in the Governor's budget.

Decreases:

Completion of the soil digitizing project. Previous budgets have included significant funds for digitizing of the soils maps for all of the counties in North Dakota. The budget request for Pesticide, Feed and Fertilizers includes a \$380,000 budget reduction for federal funds related to this project. Completion of this project means that we will implement a state online system to help farmers and commercial applicators use necessary crop protection products while avoiding sensitive groundwater areas.

Waterbank Program. The waterbank program did not receive state funding during the present biennium and there no funding is provided in the governor's budget for the 2005-2007 biennium. The lack of state funding has caused a reduction in the number of land leases for restoring wetlands.

SUMMARY

UNFUNDED NEEDS

Executive Services.

Agriculture in the Classroom. In order to maintain educational programs and contracts, the Department of Agriculture requested \$85,000 of general funds in the optional package. The Governor's budget did not provide any general funds for this program. Programming would be significantly curtailed without additional funding.

Plant Services

Saltcedar Funding. The 58th legislative assembly approved \$250,000 funding for the survey and eradication of saltcedar. These funds were used to leverage federal funds for the saltcedar program and were instrumental in increasing federal agency funds to be used on federal lands. Approximately 5,000 miles of

shoreline and an area one-half to one mile from the shoreline were surveyed by county, city, state and federal entities. The Department included a \$250,000 request in the optional package for the saltcedar program. That request was not included in the Governor's budget.

Livestock Services

Animal Identification. The Emergency Commission approved funding in September 2004, and two FTE's in November 2004, for this pilot program being implemented in cooperation with the North Dakota Stockmen's Association and NDSU. Because the federal grant was approved long after the budget was submitted to OMB, this program was not included in the Governor's recommended budget.

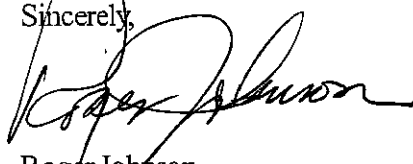
Budget Funding Sources Comparison

	2003-2005	2005-2007 Governor's Budget
General funds	\$4,233,525	\$4,885,958
Special funds	4,310,134	4,247,635
Federal funds	<u>4,008,715</u>	<u>5,120,379</u>
Total	\$12,552,374	\$14,253,972

This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2005-07 biennium. I believe that the work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens, regarding the work of the North Dakota Department of Agriculture.

Sincerely,



Roger Johnson
Agriculture Commissioner



NORTH DAKOTA

DEPARTMENT OF AGRICULTURE

ROGER JOHNSON, COMMISSIONER

BUDGET PRESENTATION

FOR THE

2005-2007 BIENNIUM

February 28, 2005

NORTH DAKOTA SENATE

COMMITTEE ON APPROPRIATIONS
THE HON. RAY HOLMBERG, CHAIRMAN

*See House
Presentation for pages
missing here — they were the same for
House and Senate
presentations*

INTRODUCTION

ROGER JOHNSON
COMMISSIONER

The importance of agriculture in North Dakota's economy and society cannot be overstated. Agriculture and agriculture-related business employ nearly one-fourth of North Dakota's workforce and account for the largest portion of our state's economic base. Agriculture generated more than \$3 billion in cash receipts last year.

North Dakota leads the nation in the production of durum and spring wheat, barley, oil and confectionary sunflowers, pinto beans, dry edible beans, flaxseed, canola, navy beans, dry edible peas and oats. The state is also a major producer of soybeans, sugarbeets, rye, lentils and honey. North Dakota farmers, ranchers, agriculture distributors and processors are respected across the nation and around the world as the producers of some of the highest quality food products in the world (see Attachment 1).

This high level of quality production is all the more remarkable in light of the adverse weather conditions, including drought, flooding, late spring frosts and early harvest freezes, during the past two years. These conditions have reduced yields, prevented planting and harvests and caused widespread crop diseases.

Thirty-five of North Dakota's 53 counties were declared primary disaster areas in 2004, and the remainder were eligible for disaster assistance as contiguous counties. In 2003, 47 counties were declared primary disaster areas with the other six receiving contiguous status. In the past year alone, direct crop losses were estimated at almost \$329 million, with total economic activity losses estimated at more than \$1 billion.

At the same time, some producers had excellent crops. The statewide average yield per acre for spring wheat and barley was virtually the same in 2004 as in 2003, despite widespread damage, and average durum yields were up a bushel.

The North Dakota Department of Agriculture (NDDA) provides leadership, resources and services "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 expand the state's livestock industry through a new value-added livestock initiative in cooperation with the North Dakota State University Extension Service, the new North Dakota Dairy Coalition, North Dakota Feeder Council, the Cloverdale Alliance and other livestock groups. Livestock processing is the focus of the expanding State Meat Inspection Program.

We're leading an effort to coordinate development of the state's abundant renewable energy resources and potential, including wind power, ethanol, biodiesel and biomass.

We're working with federal and other state authorities in protecting the state and its citizens from acts of terrorism.

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

international borders and to make a wider range of pesticides available for North Dakota producers.

We're disposing of unusable and unsafe pesticides – more than 1.6 million pounds since 1992 – through Project Safe Send.

We're helping develop new markets for North Dakota products, especially in the Far East and the Caribbean.

We're using the Internet to help Pride of Dakota companies market North Dakota products directly to customers around the world through www.shopnd.com.

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

We're educating a new generation about farming and ranching and how food is produced by our family farms through the Agriculture in the Classroom Program.

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.

We're leading cooperative efforts with multiple agencies to locate, identify, and eradicate saltcedar, a new intrusive invader that threatens North Dakota's water resources.

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

The three program areas of the North Dakota Department of Agriculture – Executive Services, Livestock Services, and Plant Industries – are committed to providing assistance and services to agricultural producers and the people of the State of North Dakota.

Agriculture Commissioner

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

- North Dakota 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 & Education
- ND Dry Pea and Lentil Council
- ND Soybean Council
- Upper Great Plains Transportation Institute
- Northern Crops Council

CRITICAL FUNDING ISSUES

Meat Inspection. The State Meat Inspection Program continues to expand. In order to provide service to the projected 22 state certified plants and 95 custom-exempt plants in North Dakota during the next biennium, the governor's budget provided for an additional inspector funded through a 52-48 state-to-federal fund ratio. The House removed \$61,495 of general funds for this position. As a result, it would not be possible to accommodate the expected nine new plants during the next biennium.

Full funding for Project Safe Send. The governor's budget recommended full funding of Safe Send to allow annual collections of old and unusable pesticides. The program is funded through pesticide registration fees deposited in the EARP Fund and is a high priority of the crop protection product industry. However, the House removed \$70,000 of EARP funds, and as a result the number of collection locations would need to be decreased during the next biennium.

Raises for state employees. Our agency has lost ten employees in the first eighteen months of the current biennium and the lack of raises for state employees was a significant factor in this extremely high turnover rate. All but one employee went to new positions outside of state government. In the previous biennium, only four employees left our agency. Two of these went to positions outside state government, one retired and one left as a result of disciplinary action. We strongly encourage you to support the governor's recommendations regarding raises of four percent per year without any decrease in employee benefits or increase in employee contribution for benefits and the creation of a \$5 million salary equity pool.

Board of Animal Health staff. The governor's budget recommended an additional veterinarian funded through general funds and an assistant funded at a 75-25 federal-to-state ratio. This is necessary to maintain the state's response to the growing number of animal health issues including Johne's disease, scrapie, chronic wasting disease and emergency response programs. The House removed funding for these positions. As a result the state's livestock industry would remain vulnerable to losses due to these animal health threats.

Animal Identification. The Emergency Commission approved funding for two FTE's in November 2004, for this pilot program being implemented in cooperation with the North Dakota Stockmen's Association and NDSU. Because the federal grant was approved after the budget was submitted to OMB. These federally funded FTE's were not included in the governor's budget. We request the addition of these two FTE's.

Farmers' Markets. Demand for locally grown produce and farmers' markets continues to increase. With the help of federal funds, this past year we assisted in the development of 17 new markets and another 14 communities expressed interest in further developing their farmers' market or beginning a new farmers' market. We recently learned that these federal funds will not again be available. As a result, we are requesting an additional \$100,000 in operating general funds. SB2147 contained this appropriation, but it was deleted by the Senate.

Pride of Dakota special event income. The governor's budget incorporated income and expenses related to Pride of Dakota Holiday Showcases and other Pride of Dakota conferences (currently handled through conference accounts) into the budget. The House removed these funds. As a result, the Pride of Dakota general fund appropriation has been decreased by \$182,402 but revenue to the state's general fund will also decrease by this amount. Therefore, there are no general fund savings from this cut. If the Senate agrees with this change, the new language in Section 8 of the bill should be eliminated.

EXECUTIVE SERVICES

Executive Services provides administration, coordination, and support to all department program areas.

KEN JUNKERT
PROGRAM MANAGER

Administrative Services

Administrative Services includes accounting, information technology, and the front desk reception area.

Accounting provides a variety of services for all the program areas of the NDDA. Accounting is responsible for compliance with state and federal laws. Federal grant requirements include tracking expenditures and filing the proper and timely reports to the federal agency providing the grant. Accounting also assists in developing the agency's budget, processes payroll, pays all the bills and deposits all revenue. In October, 2004 the State of North Dakota switched to the PeopleSoft® accounting system.

The information technology specialist installs and maintains NDDA's computer hardware and software and oversees IT contractors.

Policy and Communications

Policy and Communications assists the Agriculture Commissioner and department staff by providing research and analysis of public issues and public outreach.

Policy and Communications coordinated the 2003 and 2004 Renewable Energy Summits that developed recommendations for the future of four renewable energy tracks – biodiesel, biomass, ethanol, and wind. The summits have been key in formation of the North Dakota Renewable Energy Partnership.

Marketing Services

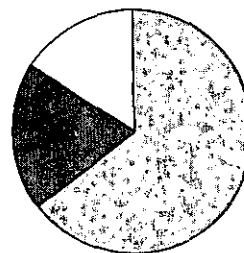
The principal task of Marketing Services is increasing sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets through education, promotion, and market enhancement.

NDDA continues to be active in international trade through affiliation with the Mid-America International Agri-Trade-Council (MIATCO). Through this alliance, NDDA can leverage staff support to help North Dakota food and agri-business companies with export promotion, including expense reimbursement to companies entering foreign markets. This alliance also reduces company costs for a service called Food Show Plus. For a small fee, companies at overseas trade shows receive such services as language translation of materials, an interpreter during the show and scheduled meetings with buyers.

The Department has developed a database of 140 agriculture exporters or potential exporters in the state. The Department, in cooperation with MIATCO, is making on-site visits to those companies to provide technical and financial assistance to them.

NDDA continues to focus on Cuba for sales of agricultural products. In October

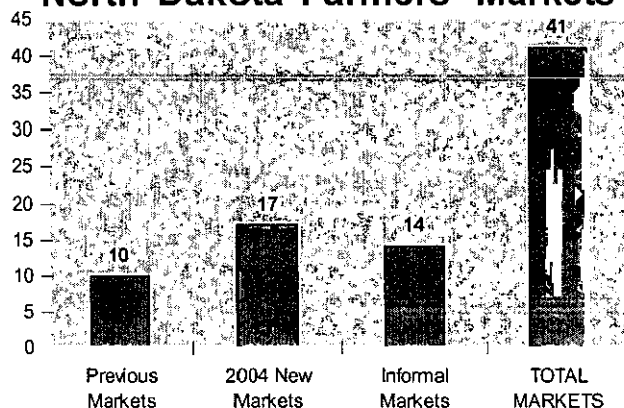
2005-2007
Governor's Budget
Funding Sources



General	\$2,157,061
Federal	\$696,524
Special	\$535,061
Total	\$3,388,646

2004, Commissioner Johnson, accompanied by two North Dakota companies, attended a buyers' mission in Cuba that resulted in the sale of 5,000 metric tons of yellow peas. Over 7 million dollars of North Dakota agricultural products have been sold to Cuba since trade began in 2001.

North Dakota Farmers' Markets

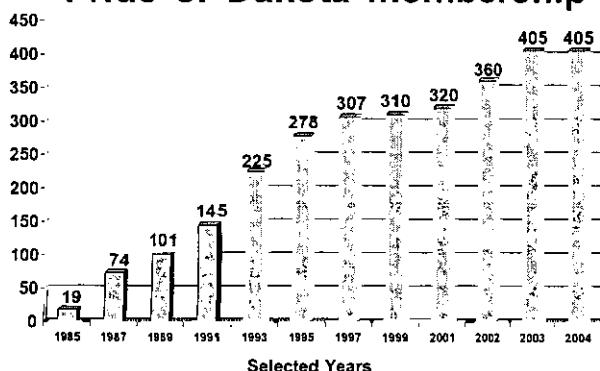


Last year, NDDA took on a stronger role in farmers' markets. Marketing Services established a mini-grant program to help farmers' markets organize. Staff visited over 30 communities and, as a result of these presentations, 17 new farmers' markets were introduced into the state. The mini-grants assisted with market start-up costs. Today, North Dakota features a total of 41 markets. Work is continuing to strengthen and build farmers' markets in the state.

Pride of Dakota is a major focus of Marketing Services. Created in 1985, this program provides North Dakota companies with a recognizable state "brand" and provides opportunities for joint marketing efforts by the member companies.

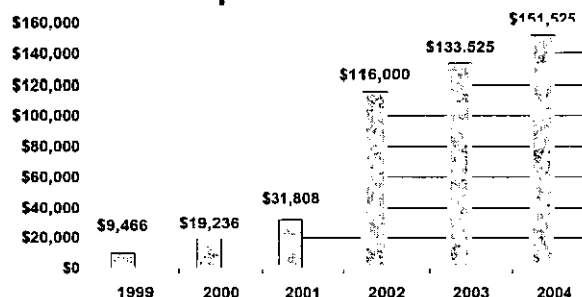
Pride of Dakota celebrates its 20th anniversary this year and continues to grow in membership with an all-time high of 400 companies. (See Attachment 2.)

Pride of Dakota membership



In 1999, NDDA created www.shopnd.com to enable Pride of Dakota companies to utilize internet marketing. This internet site is available only to POD members to sell their products. Each year the site has grown. Direct sales in 2004 topped \$151,000. Since repeat buyers often go directly to the companies' websites, it is impossible to track these later sales.

shopnd.com sales



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, teacher tours, and classroom publications.

The 2003 Legislature appropriated \$100,000 for Agriculture in the Classroom and directed that activities be conducted by contractors. The Department of Agriculture entered into contracts with seven organizations to conduct program activities: the North Dakota Geographic Alliance, NDSU Ag Communications, North Dakota Farm Bureau Foundation, Kipp and Associates, North Dakota FFA Foundation, Progressive Consulting, and the NDSU School of Education.

In 2004, 82 teachers attended Project Food, Land, and People training and 34 teachers attended the Northwest North Dakota Agriculture, Industries and Issues tour. A milestone of over 40,000 students receiving the AgMag was reached with the release of the seventh edition of the publication (see Attachment 3).

The 2003 Legislature appropriated \$100,000 for Agriculture in the Classroom. The governor's proposed budget does not provide any new funds for the program and only provides spending authority for this program. The House added \$100,000 of funds from the EARP Fund to the governor's budget recommendation.

Agricultural Mediation Service

The North Dakota Agricultural Mediation Service (AMS) offers negotiation and mediation services to resolve differences among creditors, farmers and others (see Attachment 4).

AMS policy is established by the North Dakota Credit Review Board (CRB), a six member board appointed by the State Industrial Commission. The governor and attorney general each appoint a farmer and a lender, and the agriculture commissioner appoints two farmers. Current CRB members are Marilyn Aarsvold, Blanchard; Elwood "Woody" Barth, Solen; Paul Burtman, Wildrose; Russ Erickson, Grand Forks; David Rustebakke, Grand Forks, and George Wald, Dickinson.

Mediation is a voluntary process for farmers and private creditors, but it is mandatory with the Farm Service Agency (FSA) and Farm Credit Services (FCS) and is requested as a matter of policy by the Bank of North Dakota on delinquent loans. Most USDA agencies also offer mediation of adverse determinations as a part of their appeal process. Mediation is less costly and faster than formal appeals and litigation. It produces greater levels of satisfaction for participants and allows the parties to deal with the entire problem. In farm credit cases that are otherwise headed to foreclosure, agreements are reached most of the time.

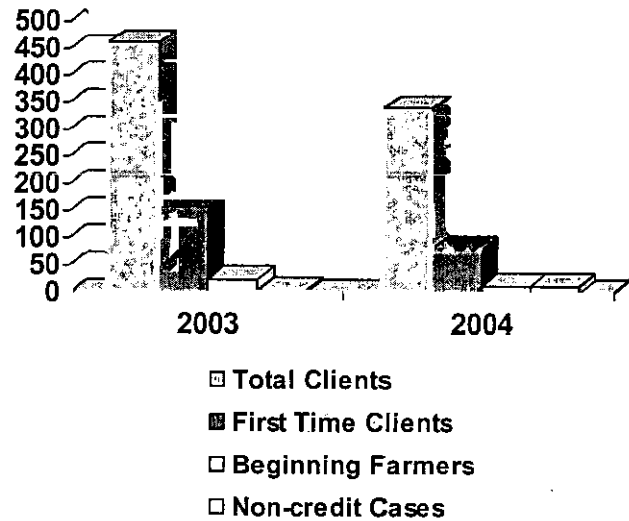
Mediators are trained as impartial third parties who serve as intermediaries between farmers and others outside the court system to resolve disputes prior to formal appeals.

Negotiators help farmers and ranchers with financial problems, loan restructuring and loan applications. Negotiators help farmers prepare information for mediation of USDA non-credit adverse determinations and other disputes. Negotiators also assist beginning farmers with farm operating and finance plans, provide information on beginning farmer loan programs, and assist with beginning farmer loan applications. Beginning farmer clients totaled 38 in the last two fiscal years. A total of 776 offers of and requests for mediation were received with 799 farmers accessing mediation services during the last two fiscal years.

An important measure of mediation effectiveness is the rate of agreements reached between producers

and the other parties involved. Successful mediation outcomes are those in which financial problems are resolved and/or adverse determinations are reversed

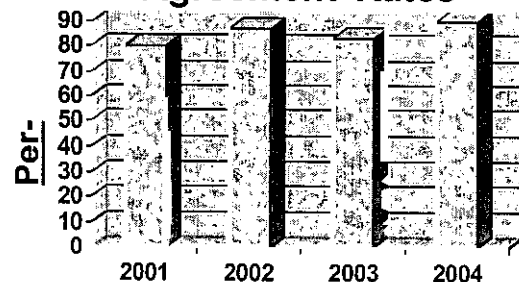
AMS Clients



or modified, or in which the producer by gaining understanding, accepts the determination and foregoes further administrative appeals and/or litigation. AMS agreement rates for fiscal years 2003 and 2004 were 83 percent and 90 percent respectively.

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

Agreement Rates



Much of what happens to the farm economy and the demand for AMS services is subject to federal farm policy, crop production conditions, federal disaster assistance and livestock/commodity prices. Natural disasters in 2004 will likely cause immediate or delayed financial distress for many producers. Wet planting and harvest along with early frost destroyed substantial acreages of pasture, forage, and crops. It is reasonable to expect some increase in mediation activity as provisions and programs of the new farm bill are implemented.

Other activities

AMS continues to network with public, private and non-profit entities that provide additional services to farmers and their families. AMS is an active member of the North Dakota Rural Survival Task Force, which is made up of groups as well as individuals who regularly meet to identify and coordinate assistance for rural families who face uncertain futures.

Periodic training seminars for AMS staff include, in addition to farm credit and farm program training, presentations and training by service providers such as Community Action, Job Service and others. AMS in turn provides training for various service providers who deal with farmers and their families.

Benefits of these efforts include cooperative casework, an improved referral system, and enhanced public awareness of all services available to rural residents.

Federal mediation grant program

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 following excerpt from a 2001 national Farm Service Agency News article recognizes the cost savings of disputes resolved through mediation versus formal administrative appeals:

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

Bipartisan support in Congress for extending the sunset of USDA's Mediation Grants Program beyond 2005 is seen as a strong endorsement of state mediation programs as a cost-saving means of dispute resolution.

Executive Services Budget Comparisons

	Governor's Budget 2005-2007	House Version 2005-2007	Change
Salaries	\$2,370,801	\$2,361,659	(9,142)
Operating	1,017,845	935,442	(82,403)
Capital assets	0	0	
Grants	0	0	
TOTAL	\$3,388,646	\$3,297,101	(91,545)
FTEs	19	19	

Executive Services Budget Issues

Pride of Dakota special event income. Based on OMB recommendations, funds related to Pride of Dakota Holiday Showcases and other Pride of Dakota conferences that are currently handled through conference accounts were incorporated into the budget. The governor's budget proposed an increase in general fund spending coinciding with an increase in general fund revenues. The House cut \$182,403 in general funds. If this cut remains, the law change to NDCC 4-01-09 is not necessary.

Ag in the Classroom. In order to maintain Ag in the Classroom activities at current levels, the House added \$100,000 of funds from the EARP Fund to the governor's budget recommendation.

Farmers' Markets. Demand for locally grown produce and farmers' markets continues to increase. With the help of federal funds, this past year we assisted in the development of 17 new markets and another 14 communities expressed interest in further developing their farmers' market or beginning a new farmers' market. We recently learned that these federal funds will not again be available. As a result, we are requesting an additional \$100,000 in operating funds. Emphasis will be placed on implementing the Senior Farmers' Market Nutrition Program to provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets. In 2005, USDA awarded over \$15 million in grants to 47 states and tribal communities. These new funds would allow North Dakota to participate in this program.

LIVESTOCK SERVICES

Livestock Services is comprised of the Livestock Licensing, Dairy/Poultry, 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.

WAYNE CARLSON
PROGRAM MANAGER

Livestock Licensing

The livestock industry is one of the most important sectors in North Dakota's economy. Current livestock numbers are 1.75 million cattle, 97,000 sheep and 150,000 hogs with cash receipts of approximately \$870 million.

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

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 385 dairy farms an average of 2.5 times a year, inspecting each farm for sanitation of equipment, facilities, proper usage and storage of drugs and water purity.

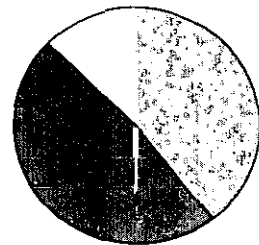
The state's five dairy processing plants and three milk transfer stations are inspected four or more times annually. Distribution facilities, milk bulk trucks and samplers/haulers are also inspected.

A fourth inspector conducts the survey (auditing) work of the Interstate Milk Shippers program (Grade A). This involves 38 milk producer groups, five plants, and three transfer/receiving stations. The same individual inspects manufacturing grade plants and transfer stations under a continuing contractual agreement with the USDA.

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 conducted 140 inspections of non-traditional livestock for the state veterinarian's office this year as well as 50 feed inspections looking for use of banned feeds (BSE) under a grant from FDA. The inspectors are also conducting pesticide registration surveillance in their areas.

NDDA is in the fourth year of the voluntary Dairy Pollution Prevention Program. The program is funded through EPA 319 funds and farmer cost-share. This program has provided cost-share funding assistance to 25 producers for full waste containment systems, water diversions and waste utilization plans. In addition, the program has provided 193 dairy producers with technical

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□ General	\$2,184,864
■ Federal	\$2,700,120
□ Special	\$709,206
Total	\$5,594,190

assistance in nutrient management, project planning, regulatory explanation and manure containment advice. Since the program's inception, \$450,000 has been spent. EPA has committed an additional \$981,808 to the program through 2009.

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.

State Veterinarian

The State Veterinarian's office was incorporated into the North Dakota Department of Agriculture in 1995.

Policy for the office is established by the eight-member North Dakota State Board of Animal Health (BOAH), appointed by the governor (NDCC 36-01-01). Present members include Nathan Boehm, Mandan; Jeff Dahl, Gackle; Ron Fraase, Buffalo; Francis "Buck" Maher, Menoken; Dr. Dick Roth, Fargo; Paula Swenson, Walcott; Dr. William Tidball, Beach, and Dr. Kenneth Throlson, New Rockford.

The board is charged with all matters relating to the health and welfare of domestic animals and nontraditional livestock, not specifically assigned by statute to another entity. The board also determines and employs the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious diseases of 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.

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 \$150,000 during the 2003-05 biennium for these activities.

Voluntary disease control programs provide recognition of and certification for helping producers eliminate diseases from their herds. The board oversees a voluntary Johne's Disease Herd Status Program for the state. A mandatory statewide surveillance program for Chronic Wasting Disease has been in effect in North Dakota for 7 years.

Free trade agreements have greatly increased the movement of animals and animal products. Consequently, the potential for an emerging disease outbreak has increased. BOAH has also initiated participation in a voluntary animal identification program.

BOAH is continuing a Homeland Security Plan to provide surveillance of and response to foreign animal disease emergencies, natural disasters or bioterrorist events. An emergency lab and trailer have been stocked and are ready for use when needed. The board has added an assistant veterinarian to assist in this effort. In this biennium, funding was received from several sources, including a Centers for Disease Control and Prevention grant to the North Dakota Health Department for bioterrorism preparedness and a USDA grant for Foreign Animal Disease surveillance and preparedness. It is not known whether these funds will be continued in the future. The funding is being used for improving surveillance for disease in the state and purchasing equipment to improve our readiness if an emergency should occur. To date, 22 veterinary practitioners have been trained to assist in an emergency. A training exercise was held in January 2005.

State Meat Inspection

The State Meat Inspection Program was established within the North Dakota Department of Agriculture in 2000. The program was developed to provide more opportunities to small livestock producers and meat processing establishments. By attaining the classification of "official state establishment," a processor may wholesale products throughout the state. They are also able to buy and slaughter local livestock or slaughter livestock of a local producer and offer these products for sale. Selling directly to consumers helps processors and producers capture more of the consumer dollar.

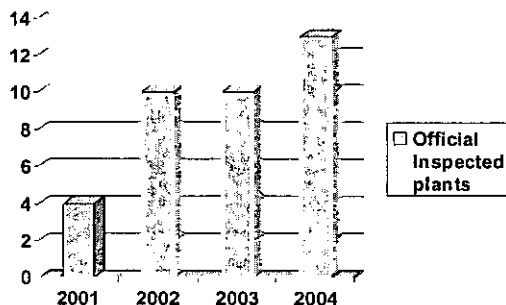
Although the laws and regulations of a state program are very similar to those of the federal program (Food Safety and Inspection Service-FSIS), there are many benefits in operating a state program. State programs can deal with small businesses more effectively and efficiently than the large federal system can. A state program can offer more technical support and guidance and handle disputes on a state and local level.

As part of the cooperative agreement with 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 senior inspector/supervisor located in Bismarck. Five field inspectors currently inspect 13 official state establishments, monitoring slaughter and/or processing activities on a daily or weekly basis. Inspectors also review the state's 88 custom-exempt plants at least four times per year. Custom exempt plants are 'exempt' from the inspection of the actual slaughter and processing activities but must meet sanitation and facility requirements.

Official State Establishments



One field inspector is also the program's compliance officer. Compliance activities include random reviews of businesses selling meat products, enforcing labeling requirements, investigating violations of state or federal meat inspection regulations and handling consumer complaints.

In addition to inspection duties, the meat inspection staff offers education and consultation to plant personnel while reviewing facilities. The supervisor and director conduct regular oversight reviews to ensure consistent inspections throughout the state (see Attachment 5).

Wildlife Services

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

Board of Animal Health with animal disease surveillance (see Attachment 6).

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 sunflower 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.

In 2004, Agriculture Commissioner Johnson formed a coalition of 10 government and non-government entities who utilize the various programs provided by Wildlife Services. This coalition requested a \$400,000 increase in federal funding from the North Dakota congressional delegation for fiscal year 2005. This additional funding was requested to provide Wildlife Services the financial resources required to adequately respond to increasing requests for assistance. Increased funding is needed to: (1) maintain existing levels of program delivery; (2) replace capital equipment; (3) hire three contract pilots; (4) hire two additional full-time field staff; and (5) hire four temporary field staff. However, no additional federal funding was appropriated.

Wildlife Services may not be able to maintain its existing level of service delivery through federal fiscal year 2005.

In federal fiscal year 2006 (October 2005 through September 2006) the permanent field staff will be reduced from 10 to nine, and the agency will no longer be able to respond to requests for assistance with beaver damage.

The North Dakota Game and Fish Department provided \$550,000 during the 2003-05 biennium for these activities.

Livestock Services Budget Comparisons

	Governor's Budget 2005-2007	House Version 2005-2007	Change
Salaries	\$1,412,579	\$1,369,284	(43,295)
Operating	1,806,779	1,783,279	(23,500)
Capital assets	0	0	
Board of Animal Health	2,374,832	2,179,563	<u>(195,269)</u>
	\$5,594,190	\$5,332,126	<u>(262,064)</u>
 FTEs	 22.4	 22.4	

Livestock Services Budget Issues

Meat Inspection. The State Meat Inspection Program continues to expand. In order to provide service to the projected 22 state certified plants and 95 custom-exempt plants in North Dakota during the next biennium, the governor's budget provided for an additional inspector funded through a 52-48 state-to-federal fund ratio. The House eliminated \$61,495 of general funds in salaries and operating related to this FTE.

Board of Animal Health staff. The governor's budget recommends a significant increase in federal funds for the State Board of Animal Health. The governor's budget also recommends an additional veterinarian funded through general funds and an assistant funded at a 75-25 federal-to-state ratio. This is necessary to maintain the state's response to the growing number of animal health issues including Johnne's disease, scrapie, chronic wasting disease and emergency response programs. The House did not fund these positions.

Animal Identification. The Emergency Commission approved funding in September 2004, and two FTE's in November 2004, for this pilot program being implemented in cooperation with the North Dakota Stockmen's Association and NDSU. Because the federal grant was approved after the budget was submitted to OMB. These federally funded FTE's were not included in the governor's budget. We request the addition of these two FTE's.

PLANT INDUSTRIES

JEFF OLSON
PROGRAM MANAGER

Crop production is the main focus of the Plant Industries Program Area, which is comprised of the Pesticide, Registration, Plant Protection, Noxious Weeds and Apiary sections.

Pesticide

Federal funds provide 85 percent of the pesticide section activities. It is anticipated that a reduction in federal funds for the pesticide program may require additional state funds to continue the pesticide program, or the department will need to limit certain program activities; such as, the endangered species protection, the groundwater protection and the worker protection programs.

Harmonization

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

The section provided pesticide harmonization expertise in numerous meetings, including grower meetings, conferences with the NAFTA Technical Working Group and the Midwest Legislators Forum.

The section provides administrative services for the Crop Product Protection Harmonization and Registration Board, created during the 57th Legislature. The board also was given oversight of the Minor Use Fund which cost-shares with commodity groups and North Dakota State University for research projects on minor crops or minor uses on major crops. This biennium, the board has allocated approximately \$200,000 from this fund towards research projects.

Pesticides

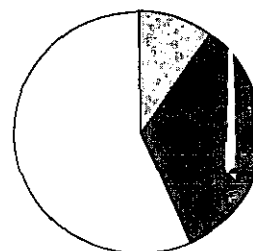
The pesticide section enforces state and federal laws regarding the registration and use of pesticides, as mandated by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), while acting as an advocate for farmers and ranchers who depend on agricultural chemicals.

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

- The Endangered Species Protection Program
- The Groundwater Protection Strategy for Pesticides and
- The Worker Protection Program.

The Department administers the North Dakota Endangered Species Protection Program (ESPP). The goal of the ESPP is to minimize the impact of pesticide use on the threatened and endangered species found in North Dakota. County bulletins are used in those situations where the use of a pesticide poses a risk to

2005-2007
Governor's Budget
Funding Sources



General	\$544,033
Federal	\$1,723,735
Special	\$3,003,368
Total	\$5,271,136

a listed species. The Department has contracted with Bemidji State University to update the county bulletins to reflect changes in pesticide uses and species distributions since the last update in 1997.

The Department was the lead agency to complete the state soil survey digitization project that is used for the groundwater protection program. The groundwater program is used to identify sensitive areas where pesticide contamination could occur. This program will provide a web based resource for production agriculture.

The worker protection program provides education to ensure the safety of pesticide handlers and farm workers.

Approximately 9,000 pesticides, ranging from household/residential products to industrial and agricultural products are registered in the state.

The section began to capture digitally all pesticide labels and material safety data sheets in 2002. This project was completed in 2004, and electronic material safety data sheets and labeling for all pesticides registered with the Department are now accessible online via a searchable pesticide registration database.

The section increased its marketplace inspection program through the use of personal data assistants (PDAs), handheld computers that provided inspectors with immediate access to a database of all pesticides registered with the Department. Inspectors removed over 250 unregistered pesticides from retail stores in the last biennium and documented over 300 violations.

The section prepares Emergency Exemption (Section 18) requests to the EPA for pesticides to address weed, disease and insect outbreaks. In 2003 and 2004, the EPA approved 25 of 27 emergency exemption requests submitted by the Department. Exemptions covered use of pesticides on wheat, barley, sunflower, flax, dry beans, sugarbeets, mustard, lentils, beehives, soybean, and safflower. This section also is responsible for issuing Special Local Needs (24c) registrations.

The USDA national organic program distributed approximately \$95,000 to the Department for distribution to organic producers for partial reimbursement of their certification costs.

Project Safe Send

The section administers Project Safe Send which helps farmers and others to dispose of unusable and old pesticides. Project Safe Send has collected more than 1.6 million pounds of hazardous and unusable chemicals from more than 4,500 participants since its inception in 1992 (see Attachment 7).

Registration

The registration section also enforces the provisions of the North Dakota Commercial Feed Law (Ch. 19-13.1), Livestock Medicines (Ch. 19-14), and Fertilizer and Soil Conditioner Law (Ch. 19-20.1).

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

Registrations Issued

	<u>2001-03</u>	<u>2003-05</u>
Pet Foods	3,147	3,413
Commercial Feeds	4,490	5,155
Livestock Medicines	1,236	1,233
Various Fertilizers	1,546	1,561

Licenses Issued

	<u>2001-03</u>	<u>2003-05</u>
Anhydrous Ammonia	369	350
Fertilizer Distributors	484	350
Feed Manufacturers	278	289
Feed Dealers	270	257

Samples Collected

	<u>2001-03</u>	<u>2003-05</u>
Feed Samples	900	1,000

Plant Protection

The plant protection section issues phytosanitary export certificates and various other certificates required by importing countries or states to facilitate export of North Dakota agricultural commodities.

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

Nursery Program

	2001	2002	2003	2004
Growers Licensed	41	38	40	40
Dealers Licensed	145	141	148	153

The section attempts to anticipate exotic threats as well as pests that could compromise our ability to export and then develops survey and response plans. Surveys are conducted under a cooperative agreement with USDA-APHIS. Some surveys are conducted in cooperation with NDSU, North Dakota Forest Service, and North Dakota State Seed Department.

Pest Surveys Conducted

Pest/Disease	Crop Affected
Karnal Bunt	Wheat
Dwarf Bunt	Wheat
Flag Smut	Wheat
Nematodes	
Golden	Potatoes
Colombia Root Knot	Potatoes
Soybean Cyst	Soybeans
Potato Moptop Virus	Potatoes
Cereal Leaf Beetle	Small Grains
Khapra Beetle	Stored Ag Products
Small Hive Beetle	Honey Bees
Gypsy Moth	Trees
Sudden Oak Death	Oak Trees
Soybean Rust	Soybeans
Japanese beetle	Nursery Stock

Noxious Weeds

The noxious weed section coordinates and facilitates integrated noxious and new invasive weed management programs. The section works closely with county and city weed boards and administers several programs. NDDA transferred or will transfer more than \$1,500,000 to county weed boards for weed control during the 2003-2005 biennium. Approximately 9,300 landowners have participated in the Landowners Assistance Program (LAP) since the summer of 2000.

In an attempt to monitor the spread of noxious and new invasive weeds, Global Positioning System (GPS) units were supplied to county and city weed boards that wanted to participate. The weed boards supply the weed location data and they receive a map in return (see Attachment 8).

A newly developed State Weed Management Plan better facilitates weed management throughout the state. The Cooperative Weed Management concept was developed to better utilize fiscal and labor resources among counties, state and federal agencies. This concept encourages working relationships among county, state and federal weed managers.

Saltcedar was discovered in North Dakota in the summer of 2001 along the Yellowstone River. This biennium, a cooperative effort by county weed boards, state and federal agencies and private wildlife entities surveyed approximately 5,000 miles of shoreline and from one-half to one mile area parallel to the shoreline. A number of infestations were found (see Attachment 9). Saltcedar extracts considerable amounts of water from the ground through an extensive and deep root system. Salt then appears on the plants' leaves and is deposited on the soil surface, eventually creating a saline soil that will displace native trees and plants displacing wildlife habitat, grazing land, and recreational land. An acre of dense saltcedar can use up to 8 million gallons of water annually. This plant also produces one half million seeds annually.

In 2003 and 2004, \$250,000 of the state cost share was dedicated to the control of saltcedar. Funds allocated to this program are being aggressively spent by the county weed boards. The House added \$250,000 for Saltcedar control from the EARP fund.

Waterbank

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

No funds were allocated to NDDA for this program for the 2003-2005 biennium. There were no new funds included in the 2005-2007 budget request.

Apiary

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

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

Approximately one-third of North Dakota bees over winter in Texas where migratory movement inspections are required. Beehives are inspected on request. Department personnel respond to complaints by landown-

ers, commercial pesticide applicators and the public, regarding placement of bee yards. The apiary section also works with the pesticide section to ensure proper use of pesticides in beehives.

Plant Industries Budget Comparisons

	Governor's Budget 2005-2007	House Version 2005-2007	Change
Salaries	\$1,983,257	\$1,975,609	(7,648)
Operating	1,533,654	1,463,654	(70,000)
Capital assets	5,000	5,000	
Grants	1,524,225	1,774,225	250,000
Crop Harmonization	<u>225,000</u>	<u>225,000</u>	
	\$5,271,136	\$5,443,488	\$172,352
FTEs	19.6	19.6	

Plant Industries Budget Issues

Full funding for Project Safe Send. The 2003 legislature cut funding in half for Project Safe Send. This budget request proposes full funding of the program to allow annual collections of old and unusable pesticides. The program is funded through pesticide registration fees deposited in the EARP Fund and is a high priority of the crop protection product industry. The governor's budget recommended full funding for Project Safe Send, but \$70,000 was cut from the budget by the House Appropriations Committee. This cut will result in fewer collection sites and reduced opportunity for citizens to properly dispose of waste pesticides.

Saltcedar Funding. The 58th legislative assembly approved \$250,000 for the survey and eradication of saltcedar. These funds were used to leverage federal funds for the saltcedar program and were instrumental in increasing federal agency funds to be used on federal lands. Approximately 5,000 miles of shoreline and an area one-half to one mile from the shoreline were surveyed by county, city, state and federal entities. The Department included a \$250,000 request in the optional package for the saltcedar program. The governor's budget did not include the \$250,000 allocation for saltcedar control. The \$250,000 was reinstated by the House Appropriations Committee and approved by the full House.

Plant Protection federal FTE. In June 2004, the Emergency Commission approved a federally funded FTE to address exotic plant pests and potential biosecurity threats including soybean rust, Karnal bunt, exotic nematodes, wheat diseases, emerald ash borer and sudden oak death. The governor's budget recommends continuation of this position.

Completion of the soil digitizing project. Previous budgets have included significant funds for digitizing of the soils maps for all of the counties in North Dakota. The budget request for Pesticide, Feed and Fertilizers includes a \$380,000 budget reduction for federal funds related to this project. Completion of this project means that we will implement a state on-line system to help farmers and commercial applicators use necessary crop protection products while avoiding sensitive groundwater areas.

Waterbank Program. The waterbank program did not receive state funding during the present biennium and no funding is provided in the governor's budget for the 2005-2007 biennium. The lack of state funding has caused a reduction in the number of land leases for restoring wetlands.

SUMMARY

Budget Funding Sources Comparison

	Governor's Budget	House Version	Change
	2005-2007	2005-2007	
General funds	\$4,885,958	\$4,435,840	(450,118)
Special funds	4,247,635	4,522,066	274,431
Federal funds	5,120,379	<u>5,114,809</u>	<u>(5,570)</u>
Total	\$14,253,972	\$14,072,715	(181,257)

This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2005-2007 biennium. I believe that the work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens, regarding the work of the North Dakota Department of Agriculture.

Sincerely,



Roger Johnson
Agriculture Commissioner

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

A large, stylized handwritten signature in cursive script, which appears to read "Committee Clerk".

January 21, 2005

Rep. Keith Kempenich
House of Representatives
State Capitol
Bismarck, ND 58505

Dear Rep. Kempenich:

We appreciated the opportunity to discuss our agency budget with the sub-committee of the Government Operations Division of the House Appropriations Committee on January 19, 2005. As a result of that discussion, you requested further information about a number of issues.

1. Attached you will find two documents related to Wildlife Services and beaver control. The first is the cooperative agreement and work plan between Wildlife Services and our agency. The second is the cooperative agreement between Game and Fish and our agency regarding the use of Game and Fish funds for Wildlife Services. Both of these documents will be renegotiated after the legislature finishes with our budget and will reflect legislative directives and actions.
2. You asked about the increase of about \$40,000 in intermediate object code 3016 (repairs) in our budget, the majority of which was in the Safe Send budget. I'm afraid that we have to plead too many bifocals involved in developing the budget. The submitted budget requests \$42,000 in the "repairs" object; this amount should have been requested in intermediate object code 3018--professional services. Expenditures coded to 3018 are used to publicize locations of Safe Send collection sites, usually through weekly newspaper ads and radio spots.
3. I've attached a spreadsheet for the EARP fund with the revenue and expenditures shown in the Governor's budget. The revenue and expenditures are footnoted to identify the various agency budgets that are affected.
4. When we met with you, you asked that we provide information regarding bids for information technology services that resulted in significantly lower bids from private

vendors when compared to Information Technology Department. I've attached a one page description regarding two information technology bids we investigated during the past two years. The first situation was resolved through a method that was less costly than either of the two bids. The second estimates are currently being evaluated.

5. You expressed interest in the need for Ag in the Classroom funding. I have attached an email with an illustration of why it is important to have an active agriculture program in our classrooms. The email describes an essay contest currently circulating in U.S. classrooms.

We appreciate the continued opportunity to discuss our agency and our budget with you. If you have any questions or if I can be of assistance, please contact me.

Sincerely,



Jeff Weispfenning
Deputy Commissioner

Cc: Rep. Carlisle
Rep. Kroeber
Sandy Paulson
Don Wolf

FTP (File Transfer Protocol) Service for Website - February, 2003

Information technology bid request: Build an FTP service for website to transfer large files from pesticide companies to the Department of Agriculture for use in the registration process.

Bids:

Information Technology Department	\$ 7,032
Vision Technology Inc.	\$ 1,100

Outcome: Award of bid not granted.

ND Animal Identification System - December, 2004

Information technology bid request: Develop a web-based system to keep track of premise information for the state of North Dakota.

Bids:

Information Technology Department	\$ 28,450 + \$267/mo. On-going cost for running the application
Vision Technology Inc.	\$ 2,800

Outcome: Under review.

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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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



600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

#1
H. App. 6.0.
2/11/05
ra: HB
1009

MEMORANDUM

TO: Wayne Carlson

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

DATE: February 10, 2005

SUBJECT: Meat Inspection Staff

It is my understanding that the funding for an additional Full Time Employee (FTE) for meat inspection has been removed from the Department's budget bill. I am greatly concerned about this because it will eliminate continued opportunities for state meat processing plants and producers.

The State Meat Inspection Program currently has five field inspectors located in Dickinson, Williston, Cooperstown, Fargo and Devils Lake. The staff is utilized full time with the assignments discussed below. They are currently responsible for inspecting thirteen official state establishments and approximately ninety "custom exempt" establishments.

Custom exempt establishments are exempt from regulations requiring inspection of slaughter and processing, but, must adhere to sanitation and facility requirements. They are inspected quarterly. In order to have a state program we are obligated to inspect custom plants and enforce the requirements. However, custom plants require a relatively small amount of staffing time.

"Official Establishment" is the classification meat processing plants can achieve through a "Grant of Inspection" the state meat inspection program issues. This classification provides plants with the opportunities to wholesale beef and pork products throughout the state and to wholesale elk and bison products throughout the nation. Official establishments also provide several opportunities for producers to direct market their home grown products. These plants require the greatest amount of resources because federal laws require that an inspector be present during the entire slaughter and/or processing operations.

The official establishments are located in the following areas;

- Wildrose
- Garrison
- Dickinson
- Steele
- Wimbledon
- Carrington
- Hope
- Edgeley
- Oakes
- Grand Forks (2 plants)
- Munich
- Langdon

Each inspector is currently assigned two to four official establishments, depending on plant volume. The meat inspection staff is working at full capacity and has actually been accruing overtime in the last couple of months due to their full schedules. Part of this can be attributed to training new staff and a recent federal review, but, aside from this our staff is still quite busy with their regular plant schedules. With the current staffing hours we will only be able to issue at the very most one to two additional grants of inspection and this would only be for very low volume plants or those which only process. It will not allow us to provide inspection service to all of the individuals or plants that have requested inspection service for the next fiscal year, or even half of them.

There are nine individuals or plants that have indicated they would like to pursue a state grant of inspection. The locations of these plants or individuals include; Bowman, Minot, New Salem, Bismarck, Streeter, Esmond, Enderlin, Wyndmere, Hankinson and Fairmount. Two of these plants have already started construction. One of them plan on slaughtering twenty five head of beef per week. This plant alone will require at least a half FTE.

Many of these individuals or plants are located in rural areas and provide a huge potential to spur rural economic growth. To realize this potential, we absolutely need the funding for at least one additional FTE. I urge you and the department to do whatever is possible to reinstate the funding for an additional FTE. If you have any questions, please contact me.

Thank you.

North Dakota Freezer

and

Meat Processors' Association



February 26, 2005

Dear Senator Holmberg,

Our association has been notified that the funding for the state meat inspection program is coming before the Senate appropriations committee next week. We would like to address some of the concerns we have regarding the cut that was made from the governor's budget proposal which would have allowed for another full-time inspector to be added to meet the increasing demand for services.

The state meat inspection program approved in recent years has been a great opportunity for a number of our members to expand their markets and develop wholesale accounts. Not only has this program created possibilities for small processors, but has also opened doors for North Dakota ranchers to market their animals. You see, the program is in its infancy and it would be unfortunate to stifle it now. In our mind, it would be the beginning of the demise of ND State Meat Inspection to cut funds for future expansion. We now have consumers who are very concerned about the source of their meat. The BSE issue has made them think about where this steak came from. The local butcher shops have seen a very definite increase in traffic because of this concern. So it is only natural that the smaller plants are wanting to expand their horizons by becoming inspected. This will allow them expanded privileges to wholesale single ingredient products, as well as the ability to begin wholesaling manufactured multi-ingredient products. This value-adding concept can greatly increase the bottom line of our small businessmen. What a boon to small communities, like Wildrose, Garrison, and many others who currently have state inspection. We also are aware of some who are planning the step to state inspection and without the funding necessary to add inspection staff, this will be difficult if not impossible. Inspection is not inspection without the necessary staff to provide adequate training and surveillance.

It is the view of the ND Meat Processors Association that since our ND Legislature has created the "inspection" entity, that they have a responsibility to fund its continuation and growth. This is not a program that has gone bad. It has not been in existence very long either. We also do not advocate government waste. If there were not more plants interested in coming on board, there would not be need for more staff. Further, we feel that it is unconstitutional to have a set of laws in place governing meat plants, sales, etc. and if someone wants to be a part of the program they are denied because "we, (the agency) can't afford it." So, let's simply say, "You drop the funding, You drop the law!"

We would appreciate your careful consideration of this important funding. An adequately funded program can effectively remove barriers to business. A small amount of dollars can be leveraged to produce a large return benefit for ND's small businessmen and ranchers. Thank you.

Sincerely,

Eileen Myers, sec. ND Meat Processors Association

Mr. Chairman and Committee Members:

My name is Larry Coon and I'm from Edgeley, North Dakota. I'm here today to talk to you about HB 1009.

I own and operate a meat plant which is a state inspected facility. I've been in business 14 years.

It's important that you consider funding the state meat inspection program so there can be additional meat inspectors added to the program.

As you know, there are more meat plants in North Dakota that want to become state inspected facilities. With the number of meat inspectors in place, and more plants being added to the program, inspectors won't be able to dedicate the amount of time needed by the state plants.

We are required to have an inspector present when products are made. As our plant grows, there is more demand for the inspector to be present at the plant. If it comes to the point that an inspector can only spend a few hours a week at our plant, we can't make enough inspected products in just a few hours.

In the past 3 years, my business has grown and now has products in 11 towns. We have 4 full time and 4 part-time employees. This helps keep families in our small towns and state. The program is working for

growth in economic development and can continue to grow if we continue to fund the program.

This program helps our state through the processing of local beef, selling the product to stores, rest homes, restaurants, schools in the state, and hiring additional people in the state. This program definitely helps our State's economy.

I ask you to consider a "DO PASS" on HB 1009.

Lang J Com

Maple Valley Locker Inc
218 4th Ave
Enderlin, ND 58027
701-437-3311

February 26, 2005

Attention: Senator Holmberg,

My name is Kevin Hartl, my wife Christy and I own and operate Maple Valley Locker Inc in Enderlin, ND, which at this time is a custom exempt meat processing facility. My family has been in business here for the past 34 years. We are fortunate in our case to have a business that our two sons have a interest in continuing.

I am contacting you in concern with the removal of the increase in budget for the ND Meat Inspection Program to hire a sixth inspector. I believe this could very well have a direct impact on my business.

We have for the past three years with the aid of local and county economic development funds started a project to remodel and update our facility, so that it can become a state inspected facility, possibly as early as the fall of 2005. It is to my understanding, that if this funding is removed from the budget, at very least our inspection needs could be limited or worse, not available at all. We feel that in today's consumer food safety needs, the inability of adding inspection to a facility, such as ours, the longevity of its expected existence will greatly be diminished, along with the aspirations of our sons.

I do believe that the ND Inspection Program has had a good effect on the stabilization and growth of products being made within the state of ND.

So we strongly urge you to leave money within the budget for the ND Meat Inspection Program to expand as needed. If you have any further questions of me on this matter, please feel free to contact me at any time 701-437-3311.

Sincerely,



Kevin R Hartl

enderlin community affairs advocate

5727 132nd Avenue SE

Enderlin, ND 58027

Tel: 701-820-0121 / 701-437-2000

Fax: 701-437-2020

Email: ecaa@mlgc.com

February 28, 2005

Dear Senator Holmberg,

I am writing you today concerning HB1009; funding for a sixth state meat inspector. As a member of the Ransom County Economic Development Corporation, and working with the City of Enderlin on civic and economic development issues, I see the large impact this bill has on our local economy.

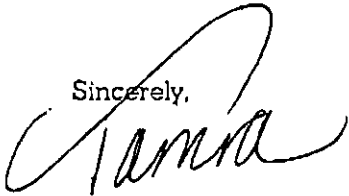
Over three years ago, our local butcher, Kevin Hartl, owner of Maple Valley Locker, Inc of Enderlin, started an project to remodel and update his processing facility and expand his services to his customers. The Hartl family will have invested close to \$500,000 into the project with the help of local and county economic development funds. The facility could be functional by the fall of this year, so that it could be state inspected. If the funding is removed from this bill, the inspection needs of Maple Valley Locker could be limited or non-existent. The project model was built around becoming a state inspected facility. Along with the updates, the facility would be hiring an additional 4+ employees. In small communities, employment numbers mean a lot.

Maple Valley Locker customers not only provide economic value to that facility, but to a multitude of businesses on Main Street. Rural communities across the state are looking for ways to keep communities thriving, and projects such as this ensures that businesses like Maple Valley Locker will be successful for years to come.

Today's consumers are very conscious of food safety, and funding the position of a sixth state meat inspector would allow this industry to grow, while keeping our food supply safe.

I am asking you today to fund the budget allowing the ND Meat Inspection Program to expand as needed.

Sincerely,



Tamra S. Kriedeman
Community Affairs Advocate

NORTH

LB 1009
MAY 12 2005

DAKOTA

NORTH DAKOTA

000

INSPECTED & PASSED

**STATE MEAT
INSPECTION
PROGRAM**

The State Meat Inspection Program was enacted by the 1999 Legislature to increase the opportunities for meat processors and livestock producers in the state of North Dakota. Prior to this enactment, federal inspection, or Food Safety and Inspection Service (FSIS), a division of USDA, regulated all meat processors in the state. The Federal Meat Inspection Act (FMIA) grants authority to an appropriate State agency to develop and administer a State meat inspection program. The program must have laws, regulations and procedures that are "at least equal to" the FMIA. Once a state is approved of by FSIS, they will receive federal funds of up to 50% of the total cost of the program. North Dakota gained approval from FSIS on October 19, 2000, and became the 26th state to have a program.

State programs are desirable to the industry and state government alike because they can focus on regulating small and medium-sized businesses. State inspection personnel are generally more accessible and more flexible than the USDA. The state programs also provide more practical information and technical assistance. North Dakota's program is designed to make it easier for the state's meat producers to sell their homegrown beef, pork and or other livestock directly to consumers in state.

The mission of the state meat inspection program is to provide consumers with a wholesome, unadulterated product that is properly labeled and safe. The Meat Inspection division's function is to ensure that meat and meat products slaughtered, processed and/or stored in North Dakota meet state and federal requirements. This function is accomplished through product and site inspections, registering, product labeling and laboratory testing done in cooperation with other state and federal agencies. Our staff consists of a director/veterinarian, a senior inspector, one compliance officer/field inspector in Fargo and four additional field inspectors located in Devils Lake, Cooperstown, Grenora and Dickinson.

The Meat Inspection division of the North Dakota Department of Agriculture (NDDA) currently regulates 101 slaughter and/or processing plants that are located throughout North Dakota. Thirteen of these plants are classified as "State Inspected" or "Official State Establishments". These are plants where livestock is slaughtered and/or processed under regulated inspection. An inspector must perform both an antemortem and postmortem examination on each animal and perform various tasks or procedures when the plant is processing meat products. An inspector will perform duties at each establishment anywhere from one hour one day a week to 8 hours five days a week, depending on the amount of work the plant does. The final product carries the state mark of inspection, which is a stamp in the shape of North Dakota and reads, "North Dakota Inspected and Passed" along with the establishment number. The mark allows a meat processing business to wholesale their products to various retailers within the state, greatly expanding their market.

Official State Establishments are similar to "federally inspected" plants in regards to the facility requirements and how the plants operate. Most of the federal laws governing meat inspection were actually adopted by the state to help facilitate the "equal to federal" requirement. State programs are regularly monitored or reviewed by the federal

government to ensure the program is continuing to maintain the requirements set forth in the FMIA.

The remainder of the plants (88) regulated by the meat inspection program are currently classified as Custom Exempt establishments. A "Custom Operation" is one in which a person or entity offers slaughter and/or processing services to the public for a fee. The animal to be slaughtered or the meat to be processed belongs to the customer, not the establishment. After the services are rendered, all of the products derived from the custom operations must be returned to the owner of the animal.

Custom exempt plants may also carry retail exempt products for sale to the public. The owner/operator of the plant buys "boxed meat" from a federally or state inspected plant and further processes it for retail sale. Since the additional processing is not done under regulated inspection, the products may only be sold at the retail counter within the plant. The meat inspection division inspects these plants two to four times per year for sanitation and facility requirements.

While the laws and regulations of a state or federal program are very similar, there are many benefits in operating a state program. State programs are organized in a way that allows them to deal with small businesses more effectively and efficiently than can a large federal system such as USDA, which now caters almost exclusively to large processors. One major advantage of a state program is the ease of access for plants to obtain the "Grant of Inspection" status that allows them to expand their market base through wholesaling. Throughout the process of gaining a grant, a state program will offer much more technical support and guidance, making what could be a complicated process much easier. Any disputes are handled at the state and local level and elected state officials have a say in how the small business person is regulated.

Another tremendous benefit of state programs is in providing non-traditional livestock producers and processors more equal marketing opportunities. USDA classifies bison and elk as non-amenable, meaning these species or their products are not subject to the Federal Meat Inspection Act. Because they need not be inspected to be sold, these species are considered "voluntary" and any person slaughtering or processing these animals must pay an hourly fee. Although inspection is not required at the federal level, most states (including North Dakota) do require inspection. This means non-traditional producers/processors without a state program face an unfair marketing advantage. The state meat inspection program does not charge for the slaughter or processing of non-traditional livestock and therefore allows these individuals to once again compete in the market with cattle and hog growers or processors.

The state meat inspection program has grown significantly since its onset in 2000. In October of 2000, the NDDA assumed all regulatory responsibility for custom exempt plants in the state and provided information to all meat processors on how to become an official state establishment. Two plants met the requirements and obtained grants of inspection by January of 2001. These plants were Barton Meats in Carrington and Siouxland Buffalo in Grand Forks. Barton Meats was newly built in 2000 to meet federal facility requirements. With the advent of the state program they decided to come under

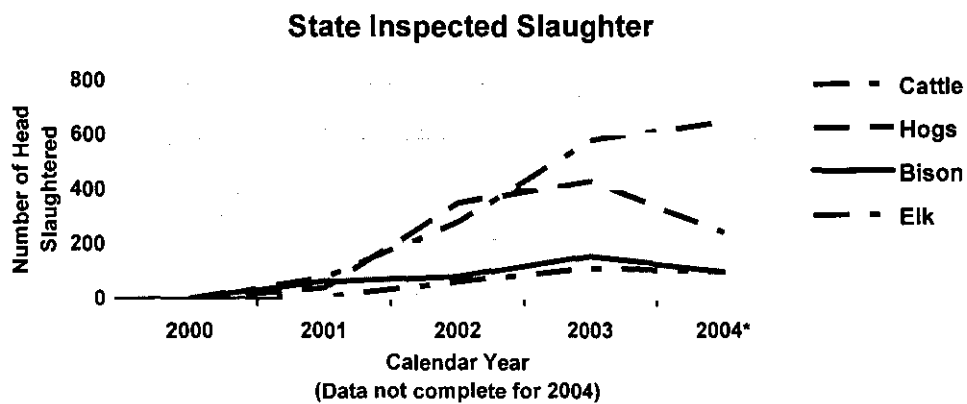
state inspection because it suited their needs better. Siouxland Buffalo had operated for many years slaughtering and processing buffalo on their own because at the time inspection was not required for buffalo. However, in 1997 the Department of Health passed a law that required all wild game or non-traditional meat to be inspected in order to be sold. The plant was unable to afford USDA's hourly fees and had to cease their processing activities until the state program's inception.

Since January of 2001, the program has issued an additional eight grants of inspection to the following recipients;

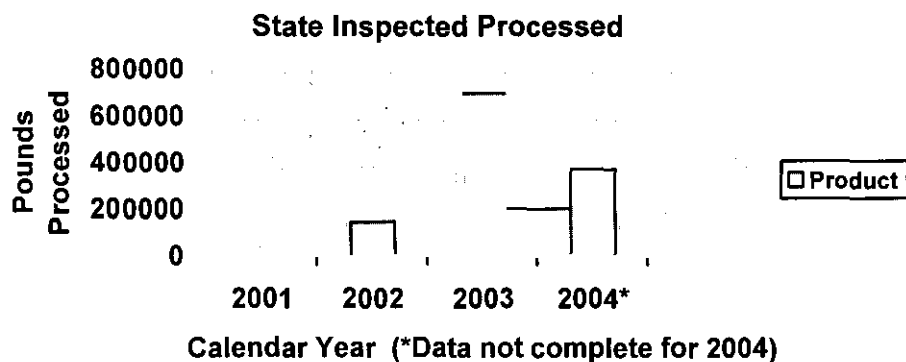
➤ Hickory Hut, Langdon	October 31, 2001
➤ Edgeley Meat Processing Plant, Edgeley	November 1, 2001
➤ Garrison Custom Meats, Garrison	March 21, 2002
➤ Butcher Block, Oaks	March 27, 2002
➤ Hettwer's Meat Locker, Munich	April 30, 2002
➤ Wildrose Grocery, Wildrose	June 6, 2002
➤ The Wurst Shop, Dickinson	June 19, 2002
➤ Hope Quality Meats, Hope	September 9, 2002
➤ Devore Custom Meats	March 8, 2004
➤ L & M Meats	May 20, 2004
➤ M & J Grocery	August 13, 2004

These plants have personally experienced the benefits of a state meat inspection program by being able to greatly expand their once limited market. Many livestock producers are also benefiting because they now have more outlets. They can either sell livestock to the plants or develop their own brand name and market their products directly to the consumers. The State Meat Inspection Program is a great tool to boost the state's economy, especially in rural areas where most of the plants are located, because it makes it easier for small livestock producers and processors to sell directly to the consumer and capture more of the consumer dollar.

The amount of livestock slaughtered and meat processed under state inspection demonstrates the growth and benefits of the state meat inspection program and is shown in the following charts;



During the first year of state meat inspection (2001), there were a total of 181 animals slaughtered. This has increased to 1102 animals in 2004.



There were 5,238 pounds of meat processing under state inspection during the first year of state meat inspection (2001). This increased to 372,092 pounds in 2004.

Roger Johnson
Agriculture Commissioner
w.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

A large, stylized handwritten signature in cursive script, which appears to read "Committee Clerk".

January 21, 2005

Rep. Keith Kempenich
House of Representatives
State Capitol
Bismarck, ND 58505

Dear Rep. Kempenich:

We appreciated the opportunity to discuss our agency budget with the sub-committee of the Government Operations Division of the House Appropriations Committee on January 19, 2005. As a result of that discussion, you requested further information about a number of issues.

1. Attached you will find two documents related to Wildlife Services and beaver control. The first is the cooperative agreement and work plan between Wildlife Services and our agency. The second is the cooperative agreement between Game and Fish and our agency regarding the use of Game and Fish funds for Wildlife Services. Both of these documents will be renegotiated after the legislature finishes with our budget and will reflect legislative directives and actions.
2. You asked about the increase of about \$40,000 in intermediate object code 3016 (repairs) in our budget, the majority of which was in the Safe Send budget. I'm afraid that we have to plead too many bifocals involved in developing the budget. The submitted budget requests \$42,000 in the "repairs" object; this amount should have been requested in intermediate object code 3018--professional services. Expenditures coded to 3018 are used to publicize locations of Safe Send collection sites, usually through weekly newspaper ads and radio spots.
3. I've attached a spreadsheet for the EARP fund with the revenue and expenditures shown in the Governor's budget. The revenue and expenditures are footnoted to identify the various agency budgets that are affected.
4. When we met with you, you asked that we provide information regarding bids for information technology services that resulted in significantly lower bids from private

EARP Fund Projection, 2005-2007

Governor's Budget

Balance June 30, 2005	\$ 611,330	
<i>Revenues, 05-07</i>		
Registrations	\$ 2,375,000	
Remove sunset	\$ 475,000	1
TOTAL REVENUES	\$ 2,850,000	

Appropriations, 05-07

Health Department	\$ 252,808	2
Pesticide Programs	\$ 425,879	1
Safesend	\$ 600,371	1
Noxious Weeds	\$ 1,473,831	1
Crop Harmonization Board	\$ 25,000	1
Transfer to NDSU	\$ 200,000	3
Minor Use Fund	\$ 200,000	1
TOTAL APPROPRIATIONS	\$ 3,177,889	
Balance, June 30, 2007	\$ 283,441	

1 HB1009

2 SB2004

3 SB2020

For The Committee
Information (G.O.)

EARP Fund Projection, 2005-2007

Balance June 30, 2005	\$	611,330	
Revenues, 05-07			
Registrations	\$	2,375,000	
Remove sunset	\$	475,000	1
Exempt minimum risk pesticides	\$	(28,750)	4
TOTAL REVENUES	\$	2,821,250	
Appropriations, 05-07			
Health Department	\$	252,808	2
Pesticide Programs	\$	425,879	1
Safesend	\$	600,371	1
Noxious Weeds	\$	1,473,831	1
Crop Harmonization Board	\$	25,000	1
Transfer to NDSU	\$	200,000	3
Minor Use Fund	\$	200,000	1
TOTAL APPROPRIATIONS	\$	3,177,889	
Balance, June 30, 2007	\$	254,691	

- 1 HB1009
- 2 SB2004
- 3 SB2020
- 4 SB2371

Rep. Carlisle -

The numbers in the EARP Fund spreadsheet have changed since Friday because of SB2371.

Jeffrey
328-4758

RE: HB 1009-Agricultural Department Budget

*Same
given to
Senate
appropriators*

#5
HB 1009
Ch. Weiser
Ward W. Weed
Bl.

My remarks will pertain only to the weed control portion of HB 1009. That request
if for \$1.4 million.

H. App. 6.0.
11/7/05

This weed control budget item is an allocation of dollars from the Environmental and Rangeland Protection Fund (ERP). This fund is an accumulation of state chemical registration fees, paid by chemical companies. They pay an annual registration fee for each chemical they sell within our state. The fund was established to pay for noxious weed control, chemical enforcement, and safe send.

The Agricultural Department redistributes this \$1.4 million for weed control to county and city weed boards for use in their weed control efforts. Along with local dollars, it helps them fund the following:

1. LAND OWNER COST SHARE (covers a portion of noxious weed control costs on private land)
2. CONTROL OF NEW INVASIVE WEEDS (our first defense against new invasive weeds)
3. COOPERATIVE WEED CONTROL EFFORTS (several counties working together on an area weed problem)

Lets take a look at what only one rangeland weed costs our state.

According to F. Larry Leistritz, Professor of Agricultural Economics at NDSU, the one million acres of leafy spurge in the state has an economic impact of

\$86 million in lost income and trade. This loss of income and trade then lowers the amount of sales taxes, personal income taxes and corporate income taxes collected by the state. He estimates this loss of taxes at \$1.4 Million. (see letter attached)

Estimates of losses for all the noxious weeds are not available. If they were I'm sure the amounts would be staggering.

The transthrough money, provided by this budget to the county and city weed boards, goes directly into controlling noxious weeds. It is a vital funding source to every weed board in the state. With out this funding weed control efforts would have to be curtailed.

I urge your support for full funding of the \$1.4 million requested for weed control.

Charles Y. Weiser
Ward County Weed Board Member

North Dakota State University
P.O. Box 58105
Fargo, North Dakota
58105-5636

Tel. 701.231.7441
Fax 701.231.7400

April 9, 1998

Mr. Chuck Weiser
Vice President
First American Bank West
P.O. Box 1548
Minot, ND 58702-1548

Dear Chuck:

This note is a follow-up to our conversation at the Colorado Weed Summit. We talked about estimating the impacts of leafy spurge on revenues from major state taxes. Based on our latest estimate of leafy spurge impacts in North Dakota of \$86 million annually, we would estimate the following impacts on three major state taxes:

Sales & Use tax	\$974,700
Personal Income tax	367,400
Corporate Income tax	127,300
Total	\$1,467,400

So we can say that leafy spurge is costing the state about \$1.5 million in tax revenue annually.

Hope this information is helpful in your efforts.

Sincerely,



F. Larry Leistritz
Professor

cc. D. Bangsund

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



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600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

January 21, 2005

Rep. Keith Kempenich
House of Representatives
State Capitol
Bismarck, ND 58505

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Dear Rep. Kempenich:

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Agency Name: DEPARTMENT OF AGRICULTURE

Program: 9200 SAFE SEND

Reporting Level: 00-602-300-03-00-00-00000000

1 Object/Revenue	2 2001-03 Biennium Expenditures	3 2003-05 Biennium Appropriation	4 2005-07 Budget Request	5 2005-07 Optional Request	6	7
Description	Code					
EXPENDITURES						
FTE EMPLOYEES	1000	0	0	0	0	0
SALARIES	1001	58,683	55,788	50,084	0	0
TEMP, OVERTIME & SHIFT	1002	4,389	1,000	0	0	0
BENEFITS	1008	18,056	16,030	15,724	0	0
SALARIES AND WAGES	10	81,128	72,818	65,808	0	0
IT-DATA PROCESSING	3002	917	580	1,903	0	0
IT-TELEPHONE	3003	698	4,000	604	0	0
TRAVEL	3004	7,127	6,000	12,000	0	0
IT-SOFTWARE/SUPPLIES	3005	1,129	200	200	0	0
POSTAGE	3007	4,183	4,000	4,000	0	0
IT-CONTRACTUAL SERVICES	3008	0	0	700	0	0
LEASE/RENT - EQUIPMENT	3011	87	200	400	0	0
LEASE/RENT - BLDG/LAND	3012	1,931	2,000	2,000	0	0
DUES & PROFESSIONAL DEV.	3013	1,210	1,500	500	0	0
OPERATING FEES & SERVICES	3014	405,021	343,112	453,815	0	0
REPAIRS	3016	226	500	42,000	0	0
PROFESSIONAL SERVICES	3018	80,541	16,600	700	0	0
INSURANCE	3019	740	1,100	2,000	0	0
OFFICE SUPPLIES	3021	814	1,000	4,000	0	0
PRINTING	3024	2,842	2,000	200	0	0
PROFESSIONAL SUPPLIES	3025	0	100	0	0	0
BLDG,GRNDS,VEHICLE MTCE	3030	0	0	2,000	0	0
MISCELLANEOUS SUPPLIES	3033	885	1,000	1,000	0	0
OFFICE EQUIP-UNDER \$5000	3034	814	500	0	0	0
IT-EQUIP UNDER \$5000	3038	5,507	1,850	2,500	0	0
OPERATING EXPENSES	30	514,672	386,242	530,522	0	0
IT-EQUIP-OVER \$5000	5016	378	0	0	0	0

Budget Request Summary - Reporting Level

jweispfe / 2005-A-02-00602

Base

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

Telephone – 701-282-9432 Fax – 701-277-5902 E-mail – gary@ndag.org

January 14, 2005

**North Dakota 59th Legislative Assembly
House Appropriations Committee**

Chairman Carlisle and Committee Members:

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 North Dakota who are agronomy dealers, manufacturers, distributors, and service providers of fertilizers, production equipment, crop protection pesticides, and plant food products.

I am here today in support of the work done by the staff of the Agriculture Department in the pesticide, fertilizer, and safety departments of the Plant Industries Division. We regularly work with them to foster training and stewardship education for dealers and workers on the correct methodology for using products safely and appropriately for which they are approved.

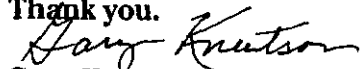
This past winter we worked with the Ag Department staff across the state providing our dealers information on NH3 safety, facility security, theft prevention, etc. We also work directly with the Department on Project Safe Send to dispose of any unusable pesticides.

Each year we support the Outstanding Pesticide Applicator and The Dealer of the Year awards, named by the Department, which promotes the right practices of application and environmental stewardship among our industry and farm customers.

It is important to note that the Department has been willing to cross train the field staff to “one stop” inspect the pesticide and fertilizer functions of our dealerships. We strongly endorsed this effort, beneficial in terms of man power cost savings to both the agency and our service centers. It is important that adequate staffing continue. This serves as an orientation and training service in addition to the regulatory and compliance requirements.

Again, industry members and the Department will necessarily continue to work together and maintain ongoing communications carrying out the above important programs.

Thank you.



**Gary Knutson, Executive Director
North Dakota Agricultural Association**

**North Dakota Department
of Agriculture**

Report to the 2005 Legislature

Project Safe Send and Recycling of Pesticide
Containers



INTRODUCTION

Since 1992, more than 4,500 participants have used Project Safe Send to safely dispose of more than 1.6 million pounds of dangerous, unusable pesticides, such as DDT, chlordane, arsenic and mercury.

In just the past biennium, 739 people, mostly farmers, pesticide dealers and applicators, brought in 338,616 pounds of unusable pesticides to Project Safe Send collection sites.

The need for Project Safe Send is ongoing. Participants and cooperating agencies, such as the North Dakota State University Extension Service and the North Dakota State Health Department, are unanimous in their support for the program. The North Dakota Department of Agriculture (NDDA) receives telephone calls year-around from residents wanting to know the times and locations of the next collection.

This support is understandable – the program is simple, effective and free. Participants bring their unusable pesticides to a scheduled, local collection site. They are asked to complete a voluntary survey and inventory form. A contractor unloads the wastes for the participants and collects any paperwork. The whole process usually takes just a few minutes.

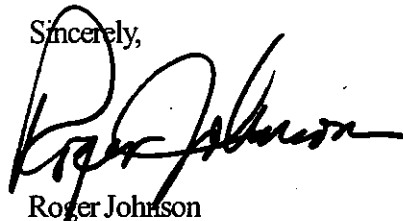
The contractor properly packs the waste pesticides for shipment to out-of-state incinerators and prepares the necessary shipping manifests and bills of lading. NDDA carefully monitors the collection events and documentation, withholding a substantial portion of the payment to the contractor until final certificates of disposal are received.

Thanks to Project Safe Send, a difficult, dangerous and expensive undertaking for individual producers is now easy and affordable. It is a model of sound public policy for dealing with complex environmental issues.

Project Safe Send is strongly supported by pesticide manufacturers and is funded through the fees they pay to register their products in the state.

I encourage the 2005 Legislature to continue Project Safe Send and to restore full funding of the program.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roger Johnson", written over a horizontal line.

Roger Johnson
Agriculture Commissioner

2003-05 Project Safe Send Totals

2003 Collections

<u>Site</u>	<u>Users</u>	<u>Pounds</u>
Center	39	8,390
Belfield	28	6,217
Bowbells	32	6,404
Rugby	48	8,809
Adams	62	17,319
Hillsboro	97	64,999
Carrington	56	9,244
Edgeley	39	10,932
Lidgerwood	<u>59</u>	<u>22,844</u>
TOTALS	460	155,158

2004 Collections

<u>Site</u>	<u>Users</u>	<u>Pounds</u>
Hettinger	29	11,672
Underwood	34	11,672
Mohall	22	8,946
Devils Lake	50	18,509
Cavalier	60	21,009
West Fargo	71	47,218
Jamestown	36	6,978
Oakes	<u>24</u>	<u>3,990</u>
TOTALS	326	129,994

Pesticide Container Recycling Program

The pesticide container collection program is conducted by a private company, TRI-Rinse, Inc., of St. Louis, MO.

The North Dakota Department of Agriculture promotes these collections through news releases and personal communications with growers. The North Dakota State University Extension Service

promotes container rinsing and recycling at pesticide applicator training meetings.

TRI-Rinse reported that 50,414 pounds of plastic were collected at 30 sites in 2003, and that 77,905 pounds were collected from 24 sites in 2004. The total of 128,319 pounds for the biennium represents a significant increase over the total of 104,901 for the 2001-2003 biennium.

1992-2004 Project Safe Send Summary

Year	Month	Number of users	Number of sites	Pounds Collected	Average # of users per site	Average pounds per user
1992	July/Aug.	396	3	80,910	132.0	204.3
1994	June	379	6	71,584	63.2	188.9
1994	October	229	5	60,254	45.8	263.1
1995	June	145	3	48,222	48.3	332.6
1996	July	341	16	94,389	21.3	276.8
1997	Flood	120	4	84,000	30.0	700.0
1997	Western	142	8	19,402	17.8	136.6
1997	Central	222	8	63,917	27.8	287.9
1998	July	367	16	131,709	22.9	358.9
1999	July	321	16	158,938	20.1	495.1
2000	July	332	16	166,949	20.8	502.9
2001	July	369	21	147,857	17.6	400.7
2002	July	370	16	190,759	23.1	515.6
2003	July	460	9	155,158	51.1	337.3
<u>2004</u>	July	<u>326</u>	8	<u>129,994</u>	40.6	<u>400.0</u>
Total		4,518		1,604,042		355.0

2003-2005 Project Safe Send Advisory Board

KEN ASTRUP

North Dakota Farmers Union
Jamestown

BRIAN KRAMER

North Dakota Farm Bureau
Turtle Lake

CURTIS ERICKSON

North Dakota Health Department
Bismarck

KEVIN PETERSON

North Dakota Grain Dealers
Voltaire

GARY KNUTSON

North Dakota Agriculture Association
Fargo

ANDREW THOSTENSON

North Dakota State University Pesticide Programs
Fargo

PROJECT SAFE SEND: SUMMARY OF COLLECTION EVENTS
By year, number of participants and pounds of waste pesticides collected

	1992		1994		1995		1996		1997		Flood Cleanup
Adams							24	8,990			
Ashley											
Beach									4	499	
Belfield											
Beulah											
Bismarck			52	6,310			26	2,470	34	3,368	
Bottineau							17	4,280			
Bowbells									23	5,496	
Bowman							14	1,837			
Cando									27	7,169	
Carrington							18	3,715			
Carson											
Casselton			81	19,502			31	18,734			33 17,558
Cavalier											21 17,900
Center					39	3,409					
Cooperstown									31	14,478	
Courtenay											
Crosby											
Devils Lake			80	18,533							
Dickinson	79	12,482	36	7,704			20	4,400			
Drayton											
Edgeley									17	4,029	
Ellendale											
Fessenden											
Finley											
Flasher											
Forman											
Garrison									18	1,358	
Glen Ullin									18	759	
Grafton			74	16,380							
Grand Forks							28	9,342			32 52,872
Halliday											
Harvey											
Hettinger											
Hillsboro											
Jamestown			78	12,507			18	3,297	27	2,778	
Kenmare											
Killdeer									20	1,831	
LaMoure											
Langdon											
Larimore					67	21,626					
Lidgerwood											
Linton							11	1,061			
Lisbon					39	23,187					
Maddock									26	2,607	
Mandan											
Mayville											
McClusky											
Medina											
Michigan											
Minot			63	18,368			33	9,111			
Mohall											

PROJECT SAFE SEND: SUMMARY OF COLLECTION EVENTS

By year, number of participants and pounds of waste pesticides collected

	1998		1999		2000		2001		2002		2003		2004
Adams	30	7,694									62	17,319	
Ashley			16	3,045									
Beach							9	2,436					
Belfield			10	3,864							28	6,217	
Beulah			15	1,835									
Bismarck	30	1,930							28	4,686			
Bottineau							13	5,219					
Bowbells											32	6,404	
Bowman					6	824							
Cando									20	3,845			
Carrington	22	4,882									56	9,244	
Carson							6	732					
Casselton			46	18,497			39	39,536					
Cavalier					46	12,296							60 21.009
Center											39	8,390	
Cooperstown					30	18,856							
Courtenay			20	4,938									
Crosby	22	2,653					14	1,780					
Devils Lake					32	9,711							50 18,509
Dickinson	30	6,685							23	7,492			
Drayton			38	15,633			12	4,730					
Edgeley											39	10,932	
Ellendale	12	5,903							17	3,343			
Fessenden							17	3,057					
Finley									28	28,065			
Flasher			5	1,223									
Forman			12	9,377									
Garrison							16	5,030					
Glen Ullin													
Grafton									42	24,436			
Grand Forks									32	26,972			
Halliday					12	1,870							
Harvey			17	4,727									
Hettinger	17	2,517							12	1,456			29 11,672
Hillsboro	36	21,033									97	64,999	
Jamestown					36	9,248							36 6,978
Kenmare					8	30,370							
Killdeer													
LaMoure							20	2,088					
Langdon							46	8,494					
Larimore	40	40,339			27	32,333	26	12,493					
Lidgerwood					20	3,373					59	22,844	
Linton	13	771											
Lisbon	28	17,434							21	4,209			
Maddock									17	8,742			
Mandan					11	947							
Mayville			22	52,395			28	24,586					
McClusky					9	1,635							
Medina	11	4,986							19	5,699			
Michigan			30	12,621									
Minot	33	5,674					18	13,397					
Mohall			22	4,355									22 8,946

PROJECT SAFE SEND: SUMMARY OF COLLECTION EVENTS
By year, number of participants and pounds of waste pesticides collected

	1992		1994		1995		1996		1997		Flood Cleanup	
Mott			10		1,925							
Napoleon												
New England									23	3,913		
New Town									9	488		
Oakes							16	2,735				
Oriska	158	49,940										
Parshall												
Pekin												
Richardton												
Rolla												
Rugby	159	18,488										
Selfridge												
Steele												
Stanley			58		9,181							
Starkweather												
Towner												
Underwood							16	4,407				
Valley City							10	2,080	33	11,834		
Velva									27	17,654		
Wahpeton							35	9,792			34	2,626
Watford City												
West Fargo												
Williston			17		1,094		22	3,466	27	5,058		
Wishek												
Wyndmere			59		20,334							
Individuals							2	4,673				
Totals	396	80,910	608	131,838	145	48,222	341	94,390	364	83,319	120	90,956

PROJECT SAFE SEND: SUMMARY OF COLLECTION EVENTS
By year, number of participants and pounds of waste pesticides collected

	1998		1999		2000		2001		2002		2003		2004	
Mott					10	2,316								
Napoleon							20	2,870						
New England							6	1,269						
New Town							4	1,098						
Oakes													24	3,990
Oriska														
Parshall			11	1,784										
Pekin							15	6,065						
Richardton							8	1,707						
Rolla	8	809												
Rugby	19	3,164									48	8,809		
Selfridge									3	426				
Steele			16	3,232										
Stanley	16	5,202							12	3,386				
Starkweather			29	17,245										
Towner					20	5,508								
Underwood													34	11,672
Valley City							25	5,764						
Velva									26	17,202				
Wahpeton									25	4,056				
Watford City			12	4,167			4	288						
West Fargo					34	32,947			45	46,744			71	47,218
Williston					25	4,100								
Wishek					6	615								
Wyndmere							23	5,218						
Individuals														
Totals	367	131,676	321	158,938	332	166,949	369	147,857	370	190,759	460	155,158	326	129,994

2004 PROJECT SAFE SEND COLLECTIONS BY SITE

CHEMICAL	HETTINGER	UNDERWOOD	MOHALL	DEVILS LAKE	CAVALIER	WEST FARGO	JAMESTOWN	OAKES	TOTAL
ACTAMASTER									0
AGSORB									0
ALUM. PHOSPHIDE		6			116		3	2	127
ALACHLORE			290		15	672			977
AMINOPURIDINE						47			47
AMINOTRIAZOLE			25						25
AMITROLE	300			40		73	40		453
AMMONIUM SULFATE									0
ARSENIC	140	86	45	5	42	30			348
ASSERT				13	203	170	33	20	439
ATRAZINE	15	225	35	13	180	5341	193	493	6495
AVENGE			87	43	391	1284		8	1813
BACILLUS T.		3850							3850
BARBAN	55				34	480	34		603
BASAGRAN				778	181	845	53		1857
BISON						274			274
BLADEX				66	40	80	50	36	272
BLAZER				25	384	195	38		642
BROMOXYNIL			95			1753	82		1930
BUCTRIL				72	144		105	30	351
CALCIUM MICRO NUTRIENTS									0
CARBOFURAN		22				91		152	265
CARBAMATE			107		26	165			298
CARBARYL			2			62	1		65
CARBYNE	95	227		105	283	338		5	1053
CAPTAN		10	5			1716		5	1736
CHLORDANE		6				288	13		307
CHLOROPICRIN	2	32			43	65	2	124	268
CHLOROPYRIFOS	2240	479		40	100	16		53	2928
COPPER SOLUTION	3	17			458		15		493
COUNTER				28		248	52	40	368
CREOSOTE								10	10
CROP OIL		549	40	115	209	703		328	1944
CYLINDER						1			1
DDT	25	140	5	205	222	859	35		1491
DICAMBA		29		90		658			777
DIAZINON	10		17	126		173		10	336
DIELDRIN	48	9			8	1170			1235
DIMETHOATE				49	60	15			124
DIOXINS						16	222		238
DOWPON		80		95	107	212	26	30	550
ENDOTHALL					305				305
ENDRIN						74			74
EPTAM				15	163	1156			1334
ERADICANE	51	18	55	50	831	40	90	39	1174
FARGO	905	951	100	2208	1158	481	31		5834
FOLPET							24		24
FURADAN	217	14	143	180	106	300			960
FUSION				22	37	2102			2161

2004 PROJECT SAFE SEND COLLECTIONS BY SITE

CHEMICAL	HETTINGER	UNDERWOOD	MOHALL	DEVILS LAKE	CAVALIER	WEST FARGO	JAMESTOWN	OAKES	TOTAL
HEPTACHLOR		25							25
HOELON			71	140	91	456	27	29	814
HUMIC ACID(GOLD TECH)									0
HYDROCHLORIC ACID						105	29		134
LASSO		50		293	27	131	13		514
LINDANE	18		60	193	108	382	728	6	1495
MANCOZEB			3831	70		270			4171
MALATHION	46	70	31	262	83	43	54		589
MANEB		20	115	194	605	543	63		1540
MCPA		584	201	537	83	2489	164		4058
MERCURY-ORGANIC	3	12					11		26
METHOXYCHLOR	32		5	1	86				124
NAPHTHALENE									0
NEWTONE									0
PARATHION	79			27		38	58	436	638
PHOSPHORIC ACID					50		40	17	107
PHENOL MERCURY						3		25	28
POAST		5		46		418	156		625
POTASSIUM PYRIDAZINONE									0
PRAMITOL		34				145		51	230
PRINCEP							28	50	78
PROWL		37		47		35	230		349
PYRETHRINS	1	2	7	35	197	51	12	10	315
RONNEL				5		454			459
ROUNDUP		711		394	288	438	95	56	1982
SEVIN	30	9	308	100	70	90	14		621
SIMAZINE									0
SODIUM CYANIDE						10	5		15
SODIUM HYDROXIDE						685	184		869
SODIUM TCA			60			65			125
SONALAN				615	4744	1720	234	143	7456
SPRAY ADJUVANT				19	71			71	161
STAMPEDE			60		135	49	40		284
STRYCHNINE		8	30	342	40	7	11		438
TOXAPHENE	100	2	18		12	75			207
TRIFLURALIN					63	495		20	578
TREFLAN	15	324		780	1204	1909	356		4588
THIRAM		72		1263	168	284	52	177	2016
THIMET	191			20		240			451
THIMETHOXAM									0
UREABOR									0
VAPONA			5	5	8				18
VITAVAX	635	346	169	223	42	728			2143
ZINC PHOSPHIDE					240				240
ZINC SULFITE			20		2711	410	14		3155
2,4-D	6382	2607	856	7832	3573	10086	2497	1132	34965
OTHER		4	374	490	464	2171	721	382	4606
RINSATE	34		1674	193					1901
TOTAL	11672	11672	8946	18509	21009	47218	6978	3990	0 0 129,984

Project Safe Send Survey for 2004

How did you learn about Project Safe Send?

112 Mailed brochure 70 Newspaper 60 Radio
11 Poster-Cenex 3 Poster-Local Restaurant 18 Poster- Local Elevator
49 Extension Agent 12 Farm Bureau/Farmers Union newsletter
30 North Dakota Department of Agriculture 4 Internet
33 Other (Simplot, in-office brochure, relative, television, North Dakota Agricultural Statistics Service, Department of Transportation, sheriff's office, employer, North Dakota State University, county weed board manager, sign, word-of-mouth).

Should Project Safe Send be continued?

250 Yes 0 No

What changes would you like to see in Project Safe Send?

Keep as is - rotation of locations gives everyone an equal opportunity • Have a couple of more times during the year • Looks good to me • More collection sites – I missed it two years in a row and if you don't get your local site it is a long way to the next one • Working well • Twice a year instead of only once – maybe Oct./ Nov. timeframe and May/June too • Eliminate lines and waiting • You are providing a great service to help keep our environment safe – Thank you • First time I've used it – but I think it is a great program • TV advertising also • Perfect • Project should definitely continue • Doing a good service to ND – keep it up • Easy access • A Minot pick-up site • Nothing - they do a very good job • Drop off was well organized – no problems • Collection site close to Grand Forks area • Check to see the amount of chemicals brought in and have two lines – one for larger amounts and one for smaller amounts • None, it makes disposal easy and convenient • Very good. Should be continued • Return the funding to previous levels • First time – looks good • More focus on homeowners • Maybe take empty containers • Good program to eliminate pesticides in home or business • Longer hours • Bring in other items-old paint cans, etc.

Should there be more or less advertising of Project Safe Send?

89 More 0 Less 150 Same as this year

What is your business?

152 Farmer/rancher 26 Pesticide Dealer 29 Pesticide applicator

59 Other: retired farmer, retired, golf course, homeowner, elevator, fertilizer dealer, unknown chemical left after I bought the house, government, bee-keeper, greenhouse, teacher, extension agent, state park, veterinarian, hardware store, general store, ag research, excavating, household hazardous waste facility, county weed control, manufacturing rep, fertilizer equipment dealer, pesticide manufacturer, county weed board, exterminator, rural resident, private, retired farmer-salvage for hobby, soil conservation district technology-Stutsman County, seed research, city supervisor



North Dakota

Dry Pea & Lentil Association

#6
HB 1009
11/7/05
H-App-b.O.

*Same given
to
Senate
appropriations*

Testimony of Eric Bartsch

North Dakota Dry Pea and Lentil Association

House Bill 1009

House Appropriations – Government Operations Division

House Conference Room

January 17, 2005

Chairman Carlisle, members of the House Appropriations committee, for the record my name is Eric Bartsch and I am the Executive Director of the North Dakota Dry Pea and Lentil Association. The North Dakota Dry Pea and Lentil Association represents the pea, lentil and chickpea growers and processors throughout North Dakota. I am here in support of HB 1009 and I am here to comment specifically on the marketing and plant industries portion of the North Dakota Department of Agriculture budget.

The marketing department has been very beneficial to North Dakota dry pea, lentil and chickpea producers and exporters. The North Dakota Department of Agriculture has been instrumental in developing trade relations with Cuba. Commissioner Johnson has led several important missions of not only pulse crop exporters but also other commodities to Cuba to increase our trade. As a result of the efforts of the Agriculture Department along with several other organizations Cuba has become one of the major markets for North Dakota peas. In addition to Cuba the North Dakota Department of Agriculture has been beneficial in promoting North Dakota commodities in several domestic and international trade shows.

In addition to the marketing department, the plant industries division of the Agriculture Department has been a major benefit to North Dakota pulse crop producers. The North Dakota Dry Pea and Lentil Association and several North Dakota processors/exporters work with Dave Nelson on issuing phytosanitary certificates and export certification, which is critical in exporting North Dakota pulse crops. The North Dakota pulse industry had a situation in the fall of 2004 that required that all peas, lentils and chickpeas from the US shipped to India be fumigated with methyl bromide to prevent any contamination of pea cyst nematode. The North Dakota Dry Pea and Lentil Association along with the North Dakota Department of Agriculture worked to have those fumigation requirements delayed or suspended because of the difficulty of using methyl bromide at US ports. To show the Indian buyers that there is no incidence of pea cyst nematode in North Dakota pulse crops, the North Dakota Department of Agriculture was instrumental in organizing soil sampling and surveying of North Dakota pulse crop fields.

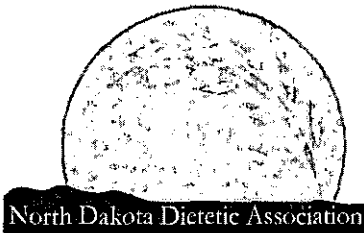
Chairman Carlisle and committee members, I urge you to support the North Dakota Department of Agriculture budget in HB 1009. I would be happy to answer any questions you may have.

1710 Burnt Boat Drive ■ Bismarck, ND 58503

PH: 701-222-0128 ■ FAX: 701-222-6340

nddpla@midconetwork.com ■ www.ndpealentic.org

Bonnie



February 28, 2005
Testimony HB 1009

Chairman Holmberg and Members of the Appropriations Committee:

The 280 Licensed, Registered Dietitian (LRD) members of the North Dakota Dietetic Association ask that you consider finding fund for the North Dakota Department of Agriculture's budget to develop and promote farmers' markets in our state.

Our organization, with a mission to support the public through the promotion of optimal health and nutrition, strongly supports the efforts of North Dakota's agricultural producers who grow some of the best food in the world. Indeed, the unique soils of our state may hold the potential for adding value by the nature of health benefits they impart to the fruits, vegetables, grains and beef produced here.

The present and potential benefits of farmers' market programs are many:

- **North Dakota Farmers' Markets may help increase access to fruits and vegetables for better health.** Growing and selling produce locally may help to increase the consumption of fresh fruits and vegetables. The recently updated Dietary Guidelines for Americans suggest that Americans eat more servings of fruits and vegetables, up to nine servings daily for good health.
- **North Dakota Farmers' Markets can help get the best-tasting and most nutritious produce to our residents.** Foods picked at the height of ripeness and eaten shortly after harvesting taste great and retain the maximum amount of nutrients. Fruits and vegetables grown elsewhere in the US may travel up to 1600 miles, in a journey lasting several days, before they get to us in North Dakota.
- **North Dakota Farmers' Markets can help insure food security to residents.** Although we hate to think of it, a potential disruption to the current system of food supply, by which our food travels thousands of miles before reaching our plate, could occur. By producing locally, we could help provide food to residents in the event of a disruption in the food supply chain.

In addition, providing funds to the North Dakota Department of Agriculture will help provide access to grant funding for a very important program, the **Senior Farmers' Market Nutrition Program** (SFMNP). The SFMNP would help to get fresh fruits and vegetables from producers right here in North Dakota to eligible low-income seniors.

North Dakota is not yet one of the 42 states and 5 tribal organizations that have been awarded grants for the SFMNP. As nearly 15% of our population is 65 years and older, and that we have the highest proportion of those 85 years of age and older in the nation¹, the SFMNP could be a way to help our older residents achieve and/or maintain good health as a result of consuming a nutritious diet. Over 67% of those aged more than 65 years consume less than 5 servings of fruits and vegetables a day.²

Our residents continue to age and move off the farms to town or move from their own homes to condos or apartments. Due to being where they have less chance to garden and perhaps declining agility, our seniors may have less access to gardens, and therefore fresh fruits and vegetables. The SFMNP could help to turn this around.

Diets rich in fruits and vegetables can protect against three causes of death in North Dakota that accounted for two-thirds of total deaths in the state – heart disease, cancer and diabetes.³ Health promotion programs, such as North Dakota's 5 + 5 Communities Program, have already begun to partner with local Farmers' Markets to help increase awareness of the health benefits of fruits and vegetables, and help people develop the skills to store and cook them. Working together, health and agriculture partners can help improve the vitality of individuals' health and local communities' economies.

Karen K. Ehrens, LRD writing for the Board of the North Dakota Dietetic Association.

References

1. North Dakota Population Projections, 2005-2020, ND State Data Center, 2002.
2. North Dakota Behavioral Risk Factor Surveillance Survey, 2002.
3. North Dakota Department of Health, Vital Records, 2002.

*Gifts Dakota Style
Dakota Gardens & Herbs
3520 30th St NW
Minot ND 58703
owners: Melissa Maasjo & Clara Sue Price*

#4
HB 1009
melissa
maasjo
117105
H.A pp.G.U.

*36% of our retail sales come as a result of a Pride of Dakota sponsored event or the shopnd.com mall

*85% of our wholesale accounts are a result of a Pride of Dakota sponsored trade show or wholesale show

Pride of Dakota functions or programs in which Gifts Dakota Style & Dakota Gardens has participated:

- www.shopnd.com
- Spring Wholesale Show
- Minneapolis Gift Mart
- Holiday Showcases
- Norsk Hostfest
- Mentoring Program
- Marketing Seminars
- Food Safety Workshops
- Marketplace

III

Bonnie

HB 1009

AGRICULTURAL BUDGET-APPROPRIATIONS FOR NDFM&GA

Why should the state of ND provide funds for NDFM&GA?

What do they plan to do with the funds once they get them?

1. Start a Senior's Nutrition Program-The federal government has matching federal grants to assist in starting such endeavors. There is ample research stating that the way the body processes fresh fruits and vegetables provides more vitamin and mineral values than supplements. Many problems that the elderly experience have to do with insufficient nutrients. This costs the nation millions in increased medical care for the elderly. The federal government is willing to fund such a program, but only if the state is also willing to help it's own poverty level parents and grandparents. Lets not disappoint them. Lets give them the chance to remember the smells and tastes of their childhoods. You have never experienced the joy, hugs and tears the elderly have shown me when I have dropped off some of my produce at the Patterson or Crescent West.
2. NDFM&GA would also like to start community gardens. Community gardens give children & adults the chance to learn how to care for and grow their own fresh produce, a beneficial lifetime skill, giving people a place & reason to go outside for exercise and fresh air. The produce raised in these gardens are available to the community and given to local soup kitchens. Once again granting access to the people in the town who have the greatest need and will receive the greatest benefit from such a venture. No supplements can compare to the nutrients and pleasure one gets from eating fresh fruits and vegetables.

What has the NDFM&GA done in the past?

1. Just last week they held a conference in Bismarck. I learned who to contact to find good quality Juneberry and Raspberry bushes, how and when to market my product to chefs and grocers. What hot new vegetable the market might be ready for if I'm willing to experiment. The kind of new, effective organic pest controls are available on the market. I made contact with other growers across the state, plus researchers from NDSU and a lot of web addresses.
2. NDFM&GA helped plan big market fun days, by giving us ideas to use to help attract people to the market. They are a huge support group for the farmer market chapters statewide. They have helped new chapters start out in the small market towns that no longer have grocery stores in their communities, thereby stimulating the small town economies by providing jobs & leaving local dollars in the area.

The NDFM&GA has done a lot of good so far and I hope you continue to fund and support them in their efforts. I would like to thank-you for providing me the time & opportunity to express my thoughts on this issue.

Bonnie Munsch-member Capital City Farmer's Market

Dept. of Agriculture Budget
Testimony in FAVOR of optional funds for Ag in the Classroom
Beth Bakke Stenehjelm, Executive Director of the ND FFA Foundation
701-224-8390 (work) 701-471-5004 (cell)
January 17, 2005

Good morning, Chairman Carlisle and members of the House Government Operations Division of the Appropriation committee. My name is Beth Bakke Stenehjelm, and I am the Executive Director of the ND FFA Foundation. I am here today to ask for your consideration to grant optional funds for the Ag in the Classroom program.

I'd like to take a couple of minutes to explain how successful the Ag in the Classroom's Mini-Grant Program worked, and why it is important to continue with it.

The ND FFA Foundation implemented the Mini-Grant program for the Ag in the Classroom Council from March until December of 2004. The program was designed to put funds in the hands of teachers, 4-H leaders, FFA advisors, and others to help them teach young people about agriculture.

The mini-grant program was quite successful. We had 39 applicants seeking in excess of \$20,000 in competition for only \$4,000. Sixteen programs were partially funded, with funds ranging from \$100-~~\$250~~ ⁴⁰⁰.

I'd like to give you a little taste of the projects which were funded:

Jamestown FFA –Funded at \$300 for pumpkin festival. The Jamestown Agriculture Education Program and FFA chapter conducted a Pumpkin Festival the week of October 11th. The grant funds were used to bus over 500 elementary students and other student groups to the school for the festival. The students were treated to a scavenger hunt in the pumpkin patch, a maze of pumpkins in the shop area, and stories and activities in the classroom. Classroom activities included seeing if the pumpkin would float or sink, estimating the number of pumpkin seeds in the jar, weighing the largest and smallest pumpkins, and experiencing a pumpkin through the senses. Students also got to pick out a pumpkin to take home.

Mott/Regent Public School –Funded at \$400 for horticulture supplies. The 7th and 8th grade horticulture classes (39 students) repaired the greenhouse last year by replacing the glass and repainting. The Ag in the Classroom grant allowed the school to purchase materials for the greenhouse including soil, a soil test kit, a horticulture unit CD, seeds and containers. They also purchased a heater for the greenhouse. Students learned about horticulture using the CD and then were able to plant seeds of their own in the greenhouse. The students took care of the plants and took them home at the end of the semester. This greenhouse and the materials will be used over and over again in the Junior High curriculum.

ND Vision Services/School for the Blind –Funded at \$250 for model tractors. The NDVS/SB purchased scale-model agricultural equipment for their students for inspection and discussion. Hands-on experience with these scale models help students with visual impairments learn about the characteristics and functions of farm equipment. So far, eight students have been involved with this experience. The instructors brought students to an implement dealer and then had them feel the scale models. Instructors also obtained various products including spring wheat, corn, barley, varieties of bean, etc. One of the activities had students transfer wheat from a scale model truck via an auger to a bin. The school will continue to develop the curriculum and do field trips to implement dealerships and farm settings.

Rhame FFA –Funded at \$250 for curriculum. Students from the FFA chapter started working with elementary students in October and plan to go to each elementary class once a month, teaching students about agriculture. Activities will include bees, farm safety, wheat, byproducts, nutrition, pigs, dairy, bread, pasta, and farm facts. Funds from the grant were used to purchase curriculum such as lesson plans, kits, and videos for these activities. Some of the curriculum they are using was donated.

Ward County Public Library –Funded at \$250. The Ward County Library has reported that they have used the grant money to purchase 36 new books and videos for the school children of Ward and Mountrail Counties. All of the material reflected North Dakota agriculture as it is today. All of the titles have been in constant circulation throughout Ward and Mountrail Counties. When they heard about the grant, the local Farm Bureau also donated a set of Cris Peterson's agricultural books for children to the library.

This is just a sample of the success stories that came about through the Ag in the Classroom Mini-Grant Program. The Ag in the Classroom Council needs your financial support to continue to teach young people in the state about the importance of agriculture.

As students become farther and farther removed from rural life, these funds become more and more necessary.

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

January 21, 2005

Rep. Keith Kempenich
House of Representatives
State Capitol
Bismarck, ND 58505

A large, stylized handwritten signature in black ink, which appears to read "Committee Clerk".

Dear Rep. Kempenich:

We appreciated the opportunity to discuss our agency budget with the sub-committee of the Government Operations Division of the House Appropriations Committee on January 19, 2005. As a result of that discussion, you requested further information about a number of issues.

1. Attached you will find two documents related to Wildlife Services and beaver control. The first is the cooperative agreement and work plan between Wildlife Services and our agency. The second is the cooperative agreement between Game and Fish and our agency regarding the use of Game and Fish funds for Wildlife Services. Both of these documents will be renegotiated after the legislature finishes with our budget and will reflect legislative directives and actions.
2. You asked about the increase of about \$40,000 in intermediate object code 3016 (repairs) in our budget, the majority of which was in the Safe Send budget. I'm afraid that we have to plead too many bifocals involved in developing the budget. The submitted budget requests \$42,000 in the "repairs" object; this amount should have been requested in intermediate object code 3018--professional services. Expenditures coded to 3018 are used to publicize locations of Safe Send collection sites, usually through weekly newspaper ads and radio spots.
3. I've attached a spreadsheet for the EARP fund with the revenue and expenditures shown in the Governor's budget. The revenue and expenditures are footnoted to identify the various agency budgets that are affected.
4. When we met with you, you asked that we provide information regarding bids for information technology services that resulted in significantly lower bids from private

A simple handwritten arrow pointing towards the right.

vendors when compared to Information Technology Department. I've attached a one page description regarding two information technology bids we investigated during the past two years. The first situation was resolved through a method that was less costly than either of the two bids. The second estimates are currently being evaluated.

5. You expressed interest in the need for Ag in the Classroom funding. I have attached an email with an illustration of why it is important to have an active agriculture program in our classrooms. The email describes an essay contest currently circulating in U.S. classrooms.

We appreciate the continued opportunity to discuss our agency and our budget with you. If you have any questions or if I can be of assistance, please contact me.

Sincerely,



Jeff Weispfenning
Deputy Commissioner

Cc: Rep. Carlisle
Rep. Kroeber
Sandy Paulson
Don Wolf

From: Polly Ruhland, NCBA Issues Management Team

School teachers offered cash reward for using *The Meatrix* in the classroom
January 19, 2005

Activist group Global Action Resource Center for the Environment (GRACE) has been sending information (see below) offering cash prizes to schools/teachers for incorporation of *The Meatrix* into school curricula. *The Meatrix* is an activist-created, anti-beef cartoon containing misinformation about "factory farming," antibiotics and animal welfare, and is one of the most distributed and viewed pieces of content about meat consumption on the Web.

GRACE sent the information to state Departments of Education requesting the departments publish GRACE's information in state-wide newsletters to teachers. Some of our state partners have reported that their state Departments of Education were on the verge of publishing the information, not realizing that the source was an anti-meat activist group.

We recommend that you communicate with your contact at your state Department of Education, to alert him or her to this latest activist activity and strongly discourage publication and dissemination of this information to schools or teachers in your state. Your correspondence may include the following points:

- *The Meatrix* is a grossly inaccurate representation of the livestock industry that dangerously misleads youth, and purposefully uses a format targeted at school-aged children.
- We strongly discourage the printing or dissemination of such material.
- Your state beef council is glad to be of assistance whenever questions arise about the accuracy of information about our product.

Please note: this is an ongoing activist effort to target and recruit school children, and, since contest "winners" will not be announced until September, continued awareness of this campaign is advised.

The GRACE press release appears below:

For Immediate Release

January 13, 2005

Contact: Chris Cooper - 212.726.9161; [mailto:ccooper@gracelinks.org] ccooper@gracelinks.org

Curriculum Contest:

Use Internet's Most Popular Cartoon Cow to Teach Kids "The Meatrix manages to be both funny, clever and informative" -The Guardian (U.K.)

[New York City] - The executive producers of the internet's most

Popular animated film The Meatrix ([<http://www.themeatrix.com/>] www.TheMeatrix.com) today announced that teachers can win up to \$1000 toward classroom supplies by designing a curriculum based on the film.

A four-minute animated spoof of the blockbuster "Matrix" movies, The Meatrix tells the story of a cartoon pig, Leo, who lives on a pleasant family farm until he is approached by a trench-coat clad cow, Moopheus, who reveals to him the dark side of modern factory farming. Since its debut in November 2003, the film has enjoyed unprecedented success and has been viewed online by nearly 6 million people, with countless more applauding the film at festivals, concerts and conferences worldwide.

The Global Resource Action Center for the Environment (GRACE), a nonprofit educational organization that promotes sustainable food production, is inviting teachers from grades 5 - 8 to submit unit plans based on topics covered in the film and on its consumer website <http://www.sustainabletable.org/> [www.SustainableTable.org]

Three finalists will receive cash awards that must be used to purchase school equipment and supplies for their classrooms: \$1,000 for first place; \$500 for second place; \$250 for third place. Ten honorable mentions will receive a Meatrix t-shirt and their classes will receive A Meatrix DVD, Meatrix pins and magnets.

Winning lesson plans will be posted at [
<http://www.sustainabletable.org/www.SustainableTable.org> and promoted by the organization.

Official rules and application forms can be downloaded at: <http://www.sustainabletable.org/>]
www.SustainableTable.org

Plans must be postmarked by June 30, 2005, and winners will be Announced by September 30, 2005.

OFFICIAL RULES

Eligibility

The contest is open to all school teachers grade 5 - 8.

Entrant must be a full-time instructor at the school named on entry form.

Application form must be completely filled out and signed by both the school principal and author of the plan for the application to be officially entered into the contest.

Send to:
GRACE
Meatrix Curriculum Contest
215 Lexington Avenue, Suite 1001
New York, NY 10016
Rules

*Winners will be asked to send their Units by email or on disk for inclusion on the Sustainable Table web site.

* Unit Plan must be postmarked no later than June 30, 2005.

*Unit will be based on viewing and the use of the film The Meatrix, available at [<http://www.themeatrix.com/>] www.themeatrix.com

*Unit Plan must be typewritten, in 12 point and double-spaced.
One entry per teacher, please.

>

* Unit Plan must be solely the work of the entrant.

*All entries become the property of the Global Resource Action Center for the Environment (GRACE) and will not be returned. All
Winners will have their curriculum unit published on the GRACE's Sustainable Table web site. GRACE shall hold the copyright to all entries
Submitted and reserves the right to make any adjustments or revisions necessary to any entry before posting on the Sustainable Table web site, <http://www.sustainabletable.org/>] www.sustainabletable.org, in the Sustainable Food in Schools section. All authors will receive full credit for their work.

*Winners and all other participants will be notified via e-mail, postal mail, and/or by phone by September 30, 2005.

*Units will be judged on the basis of accuracy, creativity, technical skill and appropriateness to grade level.

*Prize money will be used ONLY to buy school equipment and Supplies for the winning entrant's classroom. GRACE will require receipts from the winners showing proof of purchase for designated school equipment and supplies.

*GRACE is not responsible for and shall not be liable for:

- (i) late, lost, delayed, damaged, misdirected, incomplete, illegible, unintelligible entries;
- (ii) any condition caused by events beyond the control of GRACE that may cause the Contest to be disrupted;
- (iii) any injuries, losses, or damages of any kind arising in connection with or as a result of the prize, or acceptance, possession, or use of the prize, or from participation in the Contest. Entry indicates acceptance of these regulations.

*GRACE is not responsible for, and shall not be liable for, late, lost, misdirected or unsuccessful efforts to notify winner.

>* By entering, participants agree to be bound by these Official Rules and the decisions of the judges, which shall be final.

Winners' List:

For a complete list of winners, see the Winners Page on Sustainable Table at [<http://www.sustainabletable.org/>] www.sustainabletable.org after



North Dakota Wildlife Services



**United States Department of Agriculture
Animal and Plant Health Inspection Service**

Highlights Report - 2004

USDA Resolves Wildlife Conflicts in North Dakota

Every day, residents, agencies, industries, and organizations call on North Dakota Wildlife Services (WS) for expertise in protecting agriculture, property, natural resources, and human health and safety from damage or threats posed by wildlife. Managed by professional wildlife biologists, WS responds with effective, selective and humane strategies to resolve wildlife conflicts.

WS assists with the management of wildlife conflicts that impact livestock producers, farmers, homeowners, airports, and public land managers. WS operates a cooperatively funded program with Federally allocated USDA funds supplemented by funding provided by two state agencies, the North Dakota Department of Agriculture and the North Dakota Game and Fish Department, and other sources such as producer groups, municipalities, individuals, etc. who experience wildlife damage.

Applying Expertise to Wildlife Challenges

Protecting Livestock from Predators—In 2004, Wildlife Services responded to 648 occurrences of predator conflicts with livestock. Agency personnel documented \$100,000 in livestock losses to predators with a control program in place. Scientific research shows that in the absence of a

livestock protection program, the economic impacts resulting from coyote predation on livestock would have been 3-5 times higher.

Protecting Crops—Blackbirds are responsible for more than \$5 million in losses annually to sunflower and grain crops in the upper Great Plains. In 2004, Wildlife Services identified 5,000 acres of cattail wetlands as blackbird roost habitat. These areas were treated with an aquatic herbicide to make them less attractive to the blackbirds while improving habitat for waterfowl and other wildlife. Assistance was provided to 52 landowners in 14 counties.

In response to increased occurrences of Canada goose damage to crops, the North Dakota Game and Fish Department continued a program which allowed landowners with chronic goose damage to legally remove geese and destroy nests under the authority of depredation permits. Wildlife Services, working in cooperation with the North Dakota Game and Fish and the U.S. Fish and Wildlife Service, responded to 104 occurrences of goose damage. Frightening devices, electric fencing, and information on habitat management we provided to landowners. Depredation permits were also issued to 76 landowners.

Beaver Damage Management—Wildlife Services responded to 531 incidents of beaver damage to trees, roadways, and crops which resulted in losses totaling

\$740,000. Certified explosive specialists used binary explosives to remove 63 beaver dams in order to restore normal water flow in streams and creeks. Explosives are a cost-efficient means for removing beaver dams. Every \$1 spent on explosives saved property owners over \$6 on the cost of using heavy machinery to remove the dams.

Wildlife Disease Surveillance - In late 2003, a newly created Wildlife Disease Biologist position was incorporated into the North Dakota Wildlife Services program as part of a national wildlife disease program within USDA-Wildlife Services. As a result of this new position, the North Dakota program's ability to assist cooperators with domestic animal and wildlife disease issues was strengthened. In 2004, assistance was provided to the North Dakota Department of Health with West Nile Virus surveillance from June through September. A total of 625 serum and tissue samples were collected from birds in 13 counties. These samples were forwarded to North Dakota State University's Veterinary Diagnostic Laboratory for testing where numerous positives were identified from 12 of the 13 counties. In addition, assistance was also provided to the North Dakota Game and Fish Department with Chronic Wasting Disease surveillance. Over 2,000 tissue samples have been collected from hunter harvested white-tailed deer, mule deer and elk.

Human Health and Safety- Wildlife Services documented 144 occurrences of wildlife threats to human health. Over half of the concerns dealt with the threat of rabies transferring from wildlife to humans or domestic pests.

Urban Wildlife Conflicts- Human/wildlife conflicts in urban areas increase each year. These conflicts range from animals inside homes to damage to trees, lawns, and gardens. Wildlife typically responsible for these problems include beaver, geese,

rabbits, raccoons, skunks, and squirrels. In 2004, Wildlife Services documented damages totaling \$35,000 to urban businesses and homes.

Protecting Air Travelers - Wildlife Services assisted civilian airports in Bismarck, Devils Lake, Dickinson, Fargo, Grand Forks, and Minot with a variety of potentially hazardous situations involving wildlife. Deer, ducks, geese, and gulls are the species which pose the greatest hazards.

Information Transfer - Wildlife Services continued its extensive educational program to help North Dakotans with their specific wildlife conflicts. A total of 1,300 personal consultations and 22 instructional sessions were provided for 4,800 individuals. In addition, 1,900 informational leaflets were distributed to the public. Also, 750 pieces of equipment, such as live traps and propane cannons, were loaned free of charge so that individuals could solve their specific problems. Wildlife Services provided instruction on the safe, effective, and humane use of all equipment which was loaned.

Cooperating Entities

USDA National Wildlife Research Center
ND Department of Agriculture
ND Game and Fish Department
ND Aeronautics Commission
ND Association of Counties
ND State University - Dept. Biol. Sciences
ND State University - Veterinary Diagnostics
ND Department of Health
ND Farm Bureau
ND Farmers Union
ND Lamb and Wool Producers
ND Stockmen's Association
ND Water Resources Districts
National Sunflower Association
Bureau of Land Management
Federal Aviation Administration
USDA Forest Service
U.S. Fish and Wildlife Service

17 January 2005

same given to Senate appropriates

#7
Bob Feist
Bismarck
Farmer
11/7/05
H. App. 6.0.

Chairman Carlisle and Members of the Committee, my name is Bob Feist and I own land in Emmons County. I would like to offer support for House Bill 1009, specifically, the funding provided to USDA/Wildlife Services. Wildlife Services helps solve a lot of different wildlife damage problems for a lot of people in North Dakota. In my case, it is a beaver depredation problem.

The land I own is a family farm that I grew up on. My parents bought it in 1946 and all through the years we have had a beaver problem. The beaver has no natural enemy and is not prey for other animals in North Dakota. This allows the beaver to really thrive in certain conditions – adequate water and trees. In my situation, the main damage is the drastic reduction in trees along a creek and spring-fed ponds. Beaver not only cut down big trees but countless saplings and little trees that will take years to replace. Trees are a resource and each one has a monetary value to it. In one year, one beaver can literally destroy many thousands of dollars worth of trees on my property. They just don't damage trees by the water, they get into a shelterbelt; go on large, sloping hillsides where trees provide protection from soil erosion; the trees provide shade and wind protection for the livestock; habitat for wildlife; and we all know the natural beauty trees provide. Beaver also build dams across the waterways, which will impede the natural flow of water during high water periods and this can cause damage to other parts of the farm. I have had to mechanically pull fallen trees out of the waterways to keep them from plugging up the flow. In some cases, the deep water behind the dams has interfered with cattle being able to get to certain parts of the pasture to graze. Over the years I have had to manually destroy hundreds of beaver dams to curb their activity.

HB
1009

One thing you find out in dealing with beaver depredation is that it is not a one-time problem; it is an ongoing, big-time problem. Over the years we had assistance from the local trappers and the game warden, but it was very limited and did very little to curb or alleviate the problem. Back in 1997 the problem was very severe, and, luckily, the Game and Fish Department referred me to Wildlife Services. They have been on my farm 4 times since then, and have trapped the beaver out of there so some type of control can be maintained. I also found out that the Wildlife Technicians are very busy and it can be some time before they can be of assistance. You would not believe the amount of damage a beaver family can do in just 2 weeks. Because of this, I indicated to Wildlife Services a desire to learn how to trap and control a beaver problem. With their assistance, they taught me how to do it, and I have been on my own for the last two years. I really owe Wildlife Services a lot, and appreciate the services they provided to me in a real time of need, when I thought there was no solution. Since 1997, about 50 beaver have been trapped and removed - but the most important ~~thing~~ is that hundreds of trees have been saved!

THING

I know this bill involves dollars and cents – but how do you put a price tag on a service or a product that also in the end provides or allows just “good, old, peace of mind” in trying to protect and maintain a natural asset, like trees, on the land.

Please support the funding for Wildlife Services.

Thank you,

Bob Feist
Bismarck, ND
(701) 223-6153

North Dakota Lamb & Wool Producers

"The Sheep
Who Can Help
Feed and Clothe
Mankind"



#2
H. App. 6.0.
Lamm-Work
1/28/05



Honorable Ron Carlisle,

As President of the North Dakota Lamb and Wool Producers, I would like to write a letter of support for HB 1009, HB 1018 and HB 1094. All three bills are funding for Wildlife Services.

HB 1009 provides 800,000 of state funding which is used in cooperation with federal funding to provide various services to North Dakotans.

HB 1018 is money from the North Dakota Game and Fish Department budget which contains the 550,000 Wildlife services line item, found within the N.D. Department of Agriculture budget.

HB 1094 would allow the proceeds from the sale of furs (from animals taken to reduce predation) to be used directly by Wildlife Services to fund program activities.

Predators are a leading death loss for the sheep industry. USDA/ Wildlife Services work great with our industry to help control predators, making this funding important for our success. Thank You.

Brent Stroh,


NDLWPA President

Brent
Stroh
via letter
Re:
HB
1009

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

A large, stylized handwritten signature in black ink, which appears to read "Camille Clark".

January 21, 2005

Rep. Keith Kempenich
House of Representatives
State Capitol
Bismarck, ND 58505

Dear Rep. Kempenich:

We appreciated the opportunity to discuss our agency budget with the sub-committee of the Government Operations Division of the House Appropriations Committee on January 19, 2005. As a result of that discussion, you requested further information about a number of issues.

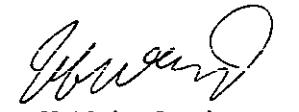
1. Attached you will find two documents related to Wildlife Services and beaver control. The first is the cooperative agreement and work plan between Wildlife Services and our agency. The second is the cooperative agreement between Game and Fish and our agency regarding the use of Game and Fish funds for Wildlife Services. Both of these documents will be renegotiated after the legislature finishes with our budget and will reflect legislative directives and actions.
2. You asked about the increase of about \$40,000 in intermediate object code 3016 (repairs) in our budget, the majority of which was in the Safe Send budget. I'm afraid that we have to plead too many bifocals involved in developing the budget. The submitted budget requests \$42,000 in the "repairs" object; this amount should have been requested in intermediate object code 3018--professional services. Expenditures coded to 3018 are used to publicize locations of Safe Send collection sites, usually through weekly newspaper ads and radio spots.
3. I've attached a spreadsheet for the EARP fund with the revenue and expenditures shown in the Governor's budget. The revenue and expenditures are footnoted to identify the various agency budgets that are affected.
4. When we met with you, you asked that we provide information regarding bids for information technology services that resulted in significantly lower bids from private

vendors when compared to Information Technology Department. I've attached a one page description regarding two information technology bids we investigated during the past two years. The first situation was resolved through a method that was less costly than either of the two bids. The second estimates are currently being evaluated.

5. You expressed interest in the need for Ag in the Classroom funding. I have attached an email with an illustration of why it is important to have an active agriculture program in our classrooms. The email describes an essay contest currently circulating in U.S. classrooms.

We appreciate the continued opportunity to discuss our agency and our budget with you. If you have any questions or if I can be of assistance, please contact me.

Sincerely,



Jeff Weispfenning
Deputy Commissioner

Cc: Rep. Carlisle
Rep. Kroeber
Sandy Paulson
Don Wolf

COOPERATIVE SERVICE AGREEMENT
between
NORTH DAKOTA GAME AND FISH DEPARTMENT (NDGFD)

And

NORTH DAKOTA DEPARTMENT OF AGRICULTURE (NDDA)
In conjunction with
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES (WS)

Article 1

The purpose of this Agreement is to cooperate in wildlife damage management projects to reduce domestic livestock losses, to protect man-made and natural resources, and human health and safety.

Article 2

Authority exists under the Animal Damage Control Act of March 2, 1931, (7 U.S.C. 426-426b and 426c, as amended) for the Secretary of Agriculture to cooperate with States, individuals, and public and private agencies, organizations, and institutions to control wildlife.

Article 3

NDGFD, NDDA, and WS mutually agree that, as cooperating parties, they will carry out program activities in accordance with the work and financial plans developed for this Agreement and the Cooperative Service Agreement between the North Dakota Department of Agriculture and Wildlife Services

Article 4

NDGFD Agrees:

- A. To provide \$550,000 to North Dakota Department of Agriculture to reimburse WS on a reimbursement basis for equipment, repairs, fuel and oil, hanger rent and other field operating costs, including personnel salaries, vehicle and travel expenses between July 1, 2003 and June 30, 2005 which are spelled out in the cooperative Agreement between the North Dakota Department of Agriculture and the USDA

Wildlife Services and are defined in Article 5 of this agreement.

- B. To designate to WS their authorized representative who will serve as a contact under this Agreement.
- C. To meet annually or more often if mutually agreed to discuss work activities associated with this cooperative agreement.

Article 5

WS Agrees:

- A. To provide supervision, aircraft, pilots, personnel, equipment, supplies, and other support material necessary to perform wildlife damage management activities in accordance with Federal and State aerial hunting laws, regulations, and policies. WS activities will mitigate damage caused by wildlife, which are under the management authority of NDGFD. These include predators, beaver, muskrat, waterfowl, and other furbearer and game species.
- B. To provide NDGFD an annual report or more frequent if requested, of WS operational activity, including hours flown and number of each species taken, by control method and district, if requested, and any other pertinent information that may be requested.
- C. That WS shall confer frequently with NDGFD on details of Cooperative Wildlife Damage Management Projects, and at the request of Game and Fish, WS personnel may assist Game and Fish personnel as agreed upon with Deer Depredation projects.

Article 6

NDDA agrees:

- A. Act as a fiscal agent for the state in regards to moneys, appropriate for Wildlife Services.
- B. Will reimburse WS for services rendered under this cooperative agreement and the Cooperative Service Agreement between NDDA and WS.

C. To designate an authorized representative who will serve as a contact under this Agreement.

D. To meet annually or more often if mutually agreed to discuss work activities associated with this cooperative agreement

Article 7

All WS aerial hunting activities will be conducted in accordance with applicable federal, state, and local laws.

Article 8

Nothing in this Agreement shall prevent any other State, organization, or individual from entering into separate Agreements with WS for the purpose of controlling damaging wildlife.

Article 9

Pursuant to Section 22, Title 41, United States Code, no member of or delegate to Congress shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.


Article 10

WS shall hold the NDGFD harmless from any liability arising from the negligent act or omission of a Government officer or employee acting within the scope of his or her employment to the extent compensation is available pursuant to the Federal Tort Claims Act (FTCA), 28 USC 2671 et. seq., except to the extent that aforesaid liability arises from the negligent act or omissions of the NDGFD, its employees, agents, or subcontractor(s). Such relief shall be provided pursuant to the procedure set forth in the FTCA.

Article 11


This Agreement shall become effective upon date of final signature and shall continue through June 30, 2005, and is subject to renewal by mutual agreement of both parties. Further, this Agreement may be amended at any time by mutual agreement of the parties, in writing. The Agreement may be terminated by either party upon 60 days written notice to the other party. Further, that in the event NDGFD does not, for any reason, provide the amount of funds agreed upon, WS is relieved of obligation to continue any operations under this agreement.

NORTH DAKOTA GAME AND FISH DEPARTMENT


Game & Fish Director, Dean C. Hildebrand

Oct. 14-03
Date

NORTH DAKOTA DEPARTMENT OF AGRICULTURE


Roger Johnson, Agriculture Commissioner

9-26-03
Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL & PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES


State Director, Phil Mastrangelo

10-1-03
Date

FP04, 05

Agreement No.: 03-7338-2113-RA
Accounting Code: 373-7338-601

COOPERATIVE SERVICE AGREEMENT
BETWEEN
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES

and the

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

THIS AGREEMENT is entered into between the Wildlife Services Program, U.S. Department of Agriculture, hereinafter referred to as WS program, and the North Dakota Department of Agriculture, hereinafter referred to as the Department.

The WS program is authorized by the Animal Damage Control Act of March 2, 1931 (46 Stat. 1468, 7 U.S.C. 426-426b and 426c), to provide assistance and to cooperate with States, individuals, public and private agencies, organizations, and institutions in the control of rodents, birds, and other animals injurious to agriculture, horticulture, forestry, animal husbandry and wild game.

The Department is authorized by Chapter 4-01-17.1 of the North Dakota Century Code to cooperate with the WS program and other governmental agencies, counties, associations, cooperators, or individuals in the control of predatory animals and injurious rodents:

IT IS THEN MUTUALLY AGREED:

1. The Department and the WS program will cooperate with funds, facilities, and personnel to conduct a program in the State of North Dakota to manage wild mammal and avian conflicts, as specified in the Wildlife Services Project Work Plan, in a manner which is consistent with accepted management practices and with due regard for wildlife biodiversity, domestic animals and humans.

A Wildlife Services Project Work Plan will be jointly prepared and agreed upon at a mutually convenient date to discuss operational plans, objectives, plans for staffing, financing and other support information.

2. The Department and the WS program will consult as often as necessary to ensure the best service to the interest of all persons and agencies concerned, including employments, salaries, expenses, and purchases; and the cost ratio of services, equipment, and supplies to be borne by each party.
3. All WS program operations shall be under the supervision of the WS program. The program will be conducted in accordance with all federal laws, regulations and policies, and with the laws, regulations, and ordinances of the State of North Dakota and its subdivisions.
4. WS programs for Indian lands are excluded from this agreement, but may be conducted under separate agreement between the State of North Dakota and the Tribal Governments or the WS program and the Tribal Governments.

5. Supplemental agreements with federal agencies; Indian Tribes; North Dakota counties; cities; water management districts; agricultural, trade, and sportsmen's associations; industries; and individuals; may, with the concurrence of the Department, be executed by the WS program to further the objectives of this agreement.
6. The WS program will assign Supervisory Wildlife Biologists to conduct this program and bear the costs of the assignments.
7. The WS program representative will certify as to the correctness of claims to be paid by parties to this agreement and shall perform such other administrative functions as are agreed upon from time to time; provided that no funds of the Department will be collected or disbursed by any employee working under the terms of this agreement, or transferred to any employee except in payment for salaries and expenses in accordance with the plans agreed upon.
8. WS field specialists and pilots employed in this program under federal appointment will be subject to federal laws and regulations pertaining to such employment. Such employees, when eligible, shall have the option of participation in federal retirement, insurance, and health benefit programs. It is agreed that it shall be the responsibility of the WS program to administer the regulations as prescribed by the U.S. Department of Agriculture and the U.S. Office of Personnel Management relating to these benefits. In addition to the general requirements of coverage, the Department and the WS program will establish the necessary administrative and fiscal procedures.

It is mutually agreed that the WS program will pay the salaries for the WS field specialists and WS pilots. It is further agreed that the Department will reimburse the WS program the amount of salaries for the WS field specialists and WS pilots on a quarterly basis or as mutually agreed upon. Salaries and salary adjustments by the WS program are subject to Department approval and legislative appropriations for salaries.

It is mutually agreed that the WS program will supply and replace, as needed, the vehicles used in the operation of the WS program. It is further agreed that the State of North Dakota, through the Department, will pay all costs of vehicle and aircraft operation. In the event personal vehicles are used, the current state mileage rate will apply when paid with Department funds.

It is also mutually agreed that the WS program may be reimbursed from the Department for miscellaneous expenses for the repair of equipment and expendable supplies needed in performing official duties.

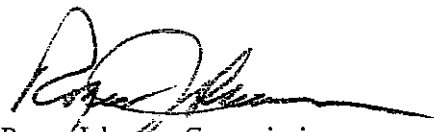
It is also mutually agreed that the WS program may be reimbursed from the Department for actual lodging costs but not to exceed the State rate of \$42.00 plus tax for the WS field specialists and WS pilot.

9. This agreement, and its continuation, shall be contingent upon the availability of funds appropriated by the Congress of the United States and the State of North Dakota. It is understood and agreed that any monies allocated for the purpose of this agreement shall be expended in accordance with its terms and in the manner prescribed by the fiscal regulations and/or administrative policies of the agency making the funds available.
10. The WS program will submit an annual report at the end of each Federal fiscal year to the Department, which will include a complete financial statement showing all expenditures made in carrying out this project; a summary of the findings; needs for future work; information of value in betterment of the program; employments; an outline of work accomplished; and any other pertinent information; and

will submit special reports as desired or required by the Department. All reports will give due credit to each of the parties hereto.

11. WS will submit an invoice of all reimbursable items as agreed upon in the contract. WS will maintain all original bills or invoices for 3 years or until the Department's records have been audited. All invoices will be billed quarterly or as mutually agreed upon.
12. The disposition of furs, skins and specimens taken by WS program employees shall be disposed of in a manner the Commissioner of Agriculture shall determine is in the State's best interest as stated in Section 4-01-17.3 of the North Dakota Century Code.
13. Pursuant to Section 22, Title 41, United States Code, no member or delegate to Congress shall be admitted to any share or part of this agreement, or to any benefit to arise there from.
14. The parties hereto shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, age, or marital status, as set forth by Executive Order 10925.
15. This agreement shall be in effect on the date of the latest signature and will continue unless written notice of a termination is given by either party to the other party ninety (90) days prior to the stated termination date. Each party will advise the other party annually, at the earliest possible date, of the amount of funds available for the conduct of the program established under this agreement for the succeeding year.
16. This agreement may be amended by mutual consent subject to Item 14 above.
17. This agreement supersedes a previous agreement with the North Dakota Department of Agriculture, dated March 4, 2002.

For the State Department of Agriculture
State of North Dakota

9-26-03 
Date Roger Johnson, Commissioner

For the U.S. Department of Agriculture,
Animal and Plant Health Inspection Service, Wildlife Services

10-1-03 
Date Phil Mastrangelo, State Director, ND/SD

11/12/03 
Date Michael Worthen, Regional Director

WILDLIFE SERVICES PROJECT WORK PLAN

COOPERATOR: North Dakota Department of Agriculture

COOPERATIVE SERVICE AGREEMENT NO: 03-7338-2113 RA

LOCATION: Bismarck, North Dakota

PROJECT WORK PLAN PERIOD: 07/01/2003 - 06/30/2005

A. Objective:

1. To provide assistance to the Agricultural Community in the reduction and prevention of damage caused by wildlife, including but not exclusively, blackbird damage, predator damage to livestock and beaver damage.
2. To provide operational and technical assistance to both Indians and non-Indians within Tribal jurisdictions as mutually agreed upon by the Commissioner and State Director.
3. To assist governmental agencies and rural and urban residents in managing wildlife problems. Operational assistance in urban areas will be used only in cases involving human health and safety, otherwise technical assistance will be employed.
4. To assist airport authorities with managing wildlife problems. Both operational and technical assistance may be employed.

B. Anticipated Project Results and Benefits:

1. To utilize integrated wildlife damage management methods to reduce agricultural losses, to protect human health and safety, and to protect natural and human-made resources and property.

C. Plan of Action:

1. To employ 10 WS Specialists and 1 pilot, or as many personnel as dictated by funding levels and need.
2. Wildlife damage management activities may include the use of all legal and authorized equipment.
3. The WS program may use EPA registered vertebrate pesticides, as part of an integrated wildlife damage management plan, to control over abundant and nuisance mammal and bird species. Formal operational plans, including logistics, personnel, equipment and supplies, will be developed in cooperation with appropriate agriculture industry representatives after a particular vertebrate pesticide has been scrutinized by the public for possible negative environmental effects as required by the National Environmental Policy Act (NEPA), including the completion of an Environmental Assessment or Environmental Impact Statement. Informal operational planning may take place prior to final approval of resultant NEPA documents as agreed upon by the WS program and the Department.
4. Nothing in this work plan shall preclude the WS program from entering into other work plans and financial agreements to operationally assist entities with managing wildlife conflicts.

D. Monitoring of Accomplishments:

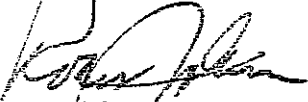
1. All WS employees will submit MIS field activity data that will be provided as agreed upon to the Department. This project will be monitored by WS State Director, Phil Mastrangelo, Bismarck, ND, (701) 250-4405.

BUDGET

Appropriated funds provided through the ND Department of Agriculture will be expended to pay the salaries of ten WS specialists and one pilot, and to pay for such other expenses as specified in the reimbursable Agreement. Total estimated reimbursable funds provided under this Project Work Plan is \$800,000.

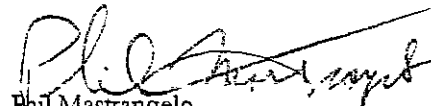
SIGNATURES:

NORTH DAKOTA STATE DEPARTMENT OF
AGRICULTURE
STATE CAPITOL BUILDING
BISMARCK ND 58505

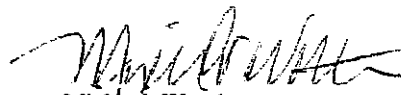

Roger Johnson
Commissioner

9-26-03
Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES


Phil Mastrangelo
State Director, ND/SD

11-18-03
Date


Michael Worthen
Director, Western Region

11/12/03
Date

WILDLIFE SERVICES PROJECT WORK PLAN
INHOUSE ONLY

COOPERATOR: North Dakota Department of Agriculture

COOPERATIVE SERVICE AGREEMENT NO: 03-7338-2113 RA

LOCATION: Bismarck, North Dakota

PROJECT WORK PLAN PERIOD: 07/01/2003 - 06/30/2005

Appropriated funds provided through the ND Department of Agriculture will be expended to pay the salaries of ten WS specialists and one pilot, and to pay for such other expenses as specified in the reimbursable Agreement. Total estimated reimbursable funds provided under this Project Work Plan is \$800,000.

**NORTH DAKOTA DEPARTMENT OF AGRICULTURE BREAKDOWN
OF PROJECTED EXPENDITURES ENDING JUNE 30, 2005**

Projected Salaries	735,450
Vehicle Fuel and Maintenance	34,150
Aircraft Fuel and Maintenance	27,900
Misc (ATV and trailer Maintenance)	2,500
TOTAL	800,000