MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

3007

2007 HOUSE AGRICULTURE

HCR 3007

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HCR 3007**

House Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: **2-9-07**

Recorder Job Number: **3295**

Committee Clerk Signature Edward D. Elliston

Minutes:

CHAIRMAN JOHNSON: WE WILL OPEN THE HEARING ON HCR 3007.

REPRESEMTATIVE FROELICH: Mr. Chairman and committee members For the record, I am Rod. Froelich DIST 3. Representative Froelich introduced the Bill as to it is a Bill relating to an increase in the beef check off rate. I did not make Copies of my testimony. Mr. Chairman and Committee there has been discussion about raising the beef check off. This bill still does not address if it should be or should not be. That is not the issue on this bill. The discussion is should the beef check off be raised from one dollar to two dollars. I don't have a problem with that. The USDA set the last amount. I am not for or against This bill. Open to questions.

REPRESENTATIVE MUELLER: Representative Froelich is there a way that they could just raise the check off fee rather then have us vote on it?

REPRESENTATIVE FROELICH: There has been discussion on this and under current law it could be done.

CHAIRMAN JOHNSON: Any questions from Representative Froelich?

CHAIRMAN JOHNSON: Others to offer support for HCR 3007?

WADE MOSER: Good morning Mr. Chairman and committee members. My name is Wade Moser, I am with the N.D. STOCKMANS ASSOCIATION. We are here to support 3007. We at our last convention had passed a resolution Asking for input from the cattle industry across N.D. as to the recommended changes that were brought about from a committee that got together to talk about What needs to be done if any thing needs to be done. It has been 20 years since the national program was adopted and so they made some recommendations. I guess what I would like to do is to also make sure that people know that there sre other changes. The two dollars is the one that in discussions the people talk mostly about. There are two other recommendations that we think the general Producers need to know about and get some thoughts for consideration. That is Possibly at the end of? Go to line thirteen possibly if you could include those Recommendations so that for the general public now in congress know that These recommendations are coming forward. Those two other recommendations Are an opportunity to petition for a referendum and making the check off more inclusive. And what that is in provision of the law for a referendum is that Any one at any time can ask for a referendum. But You have to go out and get ten Per cent of the producers to request a vote on a referendum. This new provision We are talking about is that USDA on a regular basis every five years. They will Say do you want to vote on the referendum. If you want to vote on the check off You can go to your local FFA office and register. The are picking a time where It dose not require industry to go out there and try to circulate petitions to get The vote. It is formulated exactly like soy bean check off and that seem to Work fairly well. You don't have the division in the industry because they know

If they have a shot at the voting for the check off, there will be a time when USDA Will say. Do you still approve of it. What will happen they will say that if only Two percent or five percent of the producers go in and vote it will not be a vote. They must have at least ten percent. Like I said it has worked well for the soy Bean industry and this is modeled after that. The other is making the check off More inclusive. Basically when the bill the law was put into effect 20 years ago, It basically said that what is in existence today you can be a contractor for the Beef check off program. Since then there have been organizations that have started Up, They don't want some one to start an organization just to be a contractor. They are opening that up to be more inclusive. Those are the three recommendations That need to be voted on. Having said that, what the next step is the producers Themselves need to decide whether they want these provisions brought forward. If they do, then through the congressional action and the USDA they will ask that The beef research and promotion pass an order to be amended. If that act is amended It currently states in law that if it is successful in amending the act and the order Then a producer referendum will be held to consider the amendment. That is Currently in the law. So if the dollar amount is changed. Congress can change it But it will not become effective until it is voted on by a majority of the producers. That are actively involved in the industry. I understand the purpose of the Resolution, congress is bound by the law that they have to have a vote. However I think it is a good vehicle to inform the producers that things are being discussed The industry recommendations are coming forward that will need your vote And I think we would like .....? Put on them.

CHAIRMAN JOHNSON: Questions for Mr. Moser?

REPRESENTATIVE FROELICH: Do you have the amendments ?

WADE MOSER: I don't have them ready at this time but it will not take long To get that done.

CHAIRMAN JOHNSON: I would like to get the bill out if I can. How long would it Take to do it?

WADE: TEN MINUTES

CHAIRMAN JOHNSON: OK. That will be good, we will work on it later. Any other Support for 3007?

WODDIE BARTH: N.D. Farmers Union is in support of 3007 inclusions are good. Line 18 and line 19 directly to Farmers Union. We want the money to go to education, promotion. We believe the check off has been successful. I don't know if we will take A position or not as to the increase to two dollar increase or not. Thank you.

CHAIRMAN JOHNSON: Are there other questions Committee?

If not thank you. Others to offer support to 3007? Any opposition to HCR 3007?

WADE MOSER INTRODUCED AN AMENDMENT, NO ACTION ON IT.

REPRESENTATIVE FROELICH HANDED OUT A COPY OF THE LIVESTOCK MARKETING ASSOCIATAION BEEF CHECK OFF SURVEY.

CHAIRMAN JOHNSON CLOSED ON HCR 3007.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 3007

House Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: 2-9-07

Recorder Job Number: **3302**

Committee Clerk Signature Edward D Ellefson

Minutes:

CHAIRMAN JOHNSON: We now have before us HCR 3007.

REPRESENTATIVE HEADLAND: Mr. Chairman, I move the amendment.

REPRESENTATIVE BELTER: I SECOND THE MOTION.

CHAIRMAN JOHNSON: Does everyone have the proposed amendment

That has been moved? We are on page one line thirteen. Reads

After "$2" insert", an opportunity to petition for a referendum, making the

Check off more inclusive. That is the amendment.

CHAIRMAN JOHNSON: All those in favor of the amendment, signify by

Saying yes. Oppose. We now have before us 3007 as amended.

REPRESENTATIVE FROLEICH: MR. CHAIRMAN, I MAKE A MOTION FOR

A DO PASS AS AMENDED.

REPRESENTATIVE BOE: I SECOND THE MOTION.

CHAIRMAN JOHNSON: ALL THOSE IN FAVOR OF HCR 3007 AS AMENDED,

SIGNIFY BY SAYING YES. OPPOSED 0 ABSENT

13 YES 0 NO 0 ABSENT. REPRESENTATIVE FROELICH WILL CARRY BILL.

CHAIRMAN JOHNSON: WE WILL CLOSE THE HEARING ON HCR 3007.

PROPOSED AMENDMENTS TO HCR 3007
- ND Stockmen's Association (JTS)

Page 1, line 13, after "$2" insert ", an opportunity to petition for a referendum, and making the checkoff more inclusive"

Date: 2-9-07
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3007

House _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken I Move Amendments

Motion Made By REP HEADLAND Seconded By REP. BELTER

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson			Tracy Boe		
Vice Chair Joyce Kingsbury			Rodney J Froelilch		
Wesley Belter			Phillip Mueller		
Mike Brandenburg			Kenton Onstad		
Brenda Heller					
John D Wall					
Gerry Uglem					

Total (Yes) 13 No 0

Absent 0

Floor Assignment _____

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

Voice

JB 33022

Date: 2-9-07
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2CR 3007

House AGRICULATURE **Committee**

☐ Check here for Conference Committee

Legislative Council Amendment Number 73027.0101 Title 0200

Action Taken Do Pass As Amended 0202

Motion Made By Rep Froelich Seconded By Rep Boe

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chairman	✓		Tracy Boe	✓	
Joyce Kingsbury Vice Chairman	✓		Rodney J Froelich	✓	
Wesley Belter	✓		Phillip Mueller	✓	
Mike Brandenburg	✓		Kenton Onstad	✓	
[redacted]			Ben Vig	✓	
Craig Headland	✓				
Brenda Heller	✓				
John D Wall	✓				
Gerry Uglem	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep. Froelich

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

Voice

REPORT OF STANDING COMMITTEE

HCR 3007: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3007 was placed on the Sixth order on the calendar.

Page 1, line 13, after "$2" insert ", an opportunity to petition for a referendum, and making the checkoff more inclusive"

Renumber accordingly

2007 SENATE AGRICULTURE

HCR 3007

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3007

Senate Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: March 9, 2007

Recorder Job Number: 4780

Committee Clerk Signature Missi Kroh

Minutes:

Sen. Flakoll opened the hearing on HCR 3007, a concurrent resolution urging Congress to require a nationwide referendum of beef producers before allowing an increase in the beef checkoff rate. All members (7) were present.

Rep. Froelich, district 31, testified in favor of the bill.

Rep. Froelich- There has been some discussion that the beef checkoff is going to go form $1 to $2 per head, there has also been some discussion that they can do that with out the producers vote and I think that is wrong. I think that anytime there is going to be a tax we should have a chance to vote on it. And that basically is what this bill will do.

Sen. Flakoll- when they had the original vote did they vote on a specific amount or just for the language?

Rep. Froelich- that is what the issue is right now, some say we can do whatever we want and others say no we vote don the $1. That is what this resolution says that if they are going to raise it that they should give the producers a chance to vote on it.

Woody Barth, NDFU, testified in favor of the bill. Between October 4th and November 21st of 2006 their was a survey conducted of 8,002 beef, dairy and veal producers across the nation

and 82% of those surveyed would strongly approve or somewhat approve of voting periodically on a continuation of the beef checkoff program. (see attached survey information)

Woody Barth- We stand in support of this bill.

No opposition to the bill.

Sen. Flakoll closed the hearing.

Sen. Wanzek motioned for a do pass and was seconded by Sen. Taylor, roll call vote 1: 7 yea, 0 nay, 0 absent. **Sen. Heckaman** was designated to carry the bill to the floor.

Date: March 9, 2007
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3007

Senate Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wanzek Seconded By Taylor

Senators	Yes	No	Senators	Yes	No
Tim Flakoll-Chairman	X		Arthur H. Behm	X	
Terry M. Wanzek-Vice Chairman	X		Joan Heckaman	X	
Robert S. Erbele	X		Ryan M. Taylor	X	
Jerry Klein	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Heckaman

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

REPORT OF STANDING COMMITTEE

HCR 3007, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3007 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HCR 3007

LMA Statement on the results of the Beef Checkoff survey

By LMA President Jim Santomaso

Livestock Marketing Association welcomes the release of the Beef Checkoff Survey. We view the survey as an excellent starting point for a national discussion of ways to improve the beef checkoff.

The survey was the largest one of its kind in the two decades since the checkoff began. There is a wealth of interesting information about how producers view the checkoff, and we urge everyone to read the results.

However, because the industry has been told the purpose of the survey is to lead a discussion of possible changes in the checkoff, we feel it's important to look most closely at three areas where producers, often overwhelmingly, are suggesting those changes.

Those three areas are opening up the checkoff contracting process; producer views on a periodic referendum, and the use of checkoff dollars to promote U.S. beef.

First, the checkoff contracting process. Sixty-six percent of those surveyed would approve, or strongly approve, allowing the Beef Board to contract, directly, "with any entity, including businesses, university researchers, advertising and marketing agencies, and other consultants." Less than 25 percent would disapprove of this move.

Secondly, asked about a checkoff referendum, an overwhelming 82 percent strongly approve, or somewhat approve, a periodic vote on whether to continue the checkoff.

Third, asked about using checkoff dollars, if possible, to promote U.S.beef, over 75 percent said they strongly approved using all or at least some portion of checkoff dollars to promote ONLY U.S. born and raised beef. Even if that meant canceling the checkoff assessment on imported beef and beef products, 75 percent still strongly or somewhat agree that a portion of checkoff dollars should be used to promote only U.S. beef.

One other survey result should be mentioned: Almost 79 percent of those surveyed do not want the checkoff raised beyond the current $1 per head.

LMA's Board of Directors will review the results of the survey during their meetings Feb. 3 in Nashville. They will determine what further action, if any, LMA will take on these issues.

(The survey results can be found at www.ams.usda.gov/lsg/mpb/rp-beef.htm.) / *LMA 1/26*

Woody Barth

DROVERS

USDA announces results of nationwide Beef Checkoff Survey (1/26/2007)

The U.S. Department of Agriculture announced the results of the Beef Checkoff Survey, which was conducted recently among beef, dairy, and veal producers nationwide.

From Oct. 4 through Nov. 21, 2006, the Gallup Organization, with oversight by USDA, interviewed 8,002 beef, dairy and veal producers across the nation to measure their attitudes regarding the Beef Checkoff Program. This program assesses $1-per-head on all cattle sold in the United States and $1-per-head equivalent on imported cattle, beef and beef products, to invest in programs aimed at increasing demand for beef and improving profit opportunities for cattle producers and importers who pay into the program. USDA oversees the program, which is administered by the Cattlemen's Beef Promotion and Research Board (Cattlemen's Beef Board).

The survey was conducted in response to a settlement agreement between Cattlemen's Beef Board and the Livestock Marketing Association as a result of a May 2005 U.S. Supreme Court decision, which ruled the Beef Promotion and Research Act constitutional. Checkoff dollars funded the survey and the dissemination of its results. Representatives of the USDA, Cattlemen's Beef Board, the Livestock Marketing Association, and the Federation of State Beef Councils worked together to develop the survey questions. Some highlights of the survey results are:

- Seventy-two percent of those surveyed either strongly approved or somewhat approved of the Beef Checkoff Program. In a question on changes or improvements to the program, some respondents noted that they would like to see more advertising and more information about how checkoff funds are spent.
- Sixty-six percent of those surveyed would strongly approve or somewhat approve of the Cattlemen's Beef Board contracting directly "with any entity, including businesses, university researchers, advertising and marketing agencies, and other consultants." Less than 25 percent would disapprove of this move. Currently, the Beef Promotion and Research Act requires that the Cattlemen's Beef Board contract only with "established national nonprofit industry-governed organizations ... to implement programs of promotion, research, consumer information and industry information."
- Eighty-two percent of those surveyed would strongly approve or somewhat approve of "voting periodically on the continuation of the Beef Checkoff Program."
- Ninety-two percent of those surveyed would strongly agree or somewhat agree that "if it were possible, all or at least some portion of the Beef Checkoff dollars should be used to promote only U.S. born and raised beef." Currently, the program promotes beef, in general, and importers also pay into the program at $1-per-head on live animal imports and a $1-per-head equivalent on beef products. Even if promoting only U.S. born and raised beef meant canceling the checkoff assessment on imported beef and beef products, 75.4 percent of the survey respondents still strongly or somewhat agree that a portion of the checkoff dollars should be used to promote only U.S. beef. Currently, about $8 million or 10 percent of the total assessments collected comes from imports.