

2009 HOUSE AGRICULTURE

HB 1402

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1402

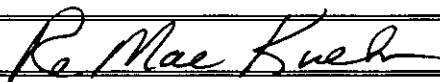
House Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: January 30, 2009

Recorder Job Number: 8261

Committee Clerk Signature



Minutes:

Representative Mueller, Sponsor of 1402: We've had 15 mills on our wheat for some time. We're here to talk about why that needs to continue. I as a wheat producer have a strong feeling that if we want our commodity to move into the age of production, we have to do the research.

Chairman Johnson, Prime Sponsor: I also agree with the need for research and move forward with this valuable crop.

Harlan Klein, Chairman for the ND Wheat Commission: Issues keep changing. Some years it's research. We can help NDSU with funding projects. Wheat industry crop value last year in ND was over \$2.3 billion. To the economy of the state, that dictates into just about a \$7 billion factor through the year of what wheat generates to the economy of the state of ND.

(written testimony attached #1) This bill would help guarantee that we have premium quality wheat with good protein. We knew this sunset issue was coming up this year. Our county representatives have been very supportive in pursuing reinstating the 3 mills. Research has moved up in the priority rank. It is in the #2 spot just below market development. We need market development to sell the product; but we need research to develop a quality product.

We are asking for your support to reinstate the 3 mills on July 1. This has an impact on our budget of anywhere from \$500,000 to \$750,000 per year.

Kurt Ridl, 1st Vice President, US Durum Growers Assn: Supports HB 1402.

(written testimony attached #2)

Jay Elkin, Board Member, ND Grain Growers Assn.: Supports HB 1402.

(written testimony attached #3)

Blake Vander Vorst, Senior Agronomist, Ducks Unlimited: Supports HB 1402.

Winter wheat is seeded in September and ducks nest in the spring. The lack of disturbance to the winter wheat fields in the spring of the year greatly enhances the nesting success of ducks in a cropland setting. Research is needed to further develop winter wheat to an even more profitable level for producers. **(written testimony attached #4)** Refer to page 2 bottom chart shows HRWW (Hard Red Winter Wheat) having about a 15 bushel/acre advantage in the project counties over the non-project counties.

Mike Beltz, Chairman of the ND Ag. Coalition: Supports HB 1402.

(written testimony attached #5)

Representative Kingsbury: I have a question for Neal Fisher. There was 70% in favor of research. The 30% that didn't respond in favor, are they all 30% folks who refund or not?

Neal Fisher, Administrator with ND Wheat Commission: There is a breakout. Of that 70% there are those who are definitely in favor of and those who are mildly to moderately in favor of. In the 30%, there is that same breakout that there are 10% that seem to be more firmly against it. That's the group that is almost habitual refunders. The other 20% probably could be convinced with a little more information. Perhaps they don't receive our newsletters regularly.

Representative Mueller: What are the particular priorities for research for the next year?

Neal Fisher: We have some investment in the greenhouse project. We hope that's a one time effort in that we could use the monies in areas of more immediate payback. We have updates that are required in the quality area. Diseases have been a real threat. We have some new disease pressures starting in Africa and moving to central Asia. We don't know when it's coming here but we don't have the resistance genes.

Opposing: None

Chairman Johnson: Closed the hearing

Representative Mueller: As you remember we spent quite a bit of time on HB 1025 which was the commodity rewrite portion of the rewriting of the Ag laws. That has gone through the House side but that doesn't mean it's a done deal. It has to go through the Senate side.

So what the amendment does, is state that if HB 1025 does not make it through the process, that the provisions in HB1402 would still be in effect. Where you put that is on page 1, line 5.

(attachment for amendment)

Representative Mueller moves to accept the amendment.

Representative Boe seconded the motion.

A voice vote was taken and passed.

Representative Boe moved Do Pass as amended.

Representative Uglem seconded the motion

A Roll Call vote was taken. **Yes: 11, No: 0, Absent: 2**, (Representatives Brandenburg and Froelich).

Representative Uglem will carry the bill.

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1402

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$1,512,000		\$1,512,000
Expenditures				\$1,427,000		\$1,427,000
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1402 provides for reinstatement of the North Dakota Wheat Commission wheat checkoff promotion fee at the current 1.5 cents (15 mills) per bushel rate on July 1, 2009. Without this measure the wheat checkoff would decline to 1.2 cents (12 mills) per bushel, effective June 30, 2009.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill provides for the retention of the current 1.5 cents (15 mills) per bushel checkoff (levy) on all wheat sold in the state of North Dakota. All funds of the North Dakota Wheat Commission (NDWC) are special funds generated by the checkoff and are non-appropriated, with continuing appropriation authority granted under NDCC 4-28-08. The NDWC checkoff promotion fee, which is assessed at the first point of sale, is the Commission's only source of funding and is used to support the NDWC mission and programs, which aid in the development and marketing of all classes of North Dakota wheat by expanding markets and marketing opportunities through the Commission's time-proven promotion, research and education programs. Based on the current checkoff rate of 1.5 cents (15 mills) per bushel, the NDWC program has the potential to generate \$8,190,000 in gross revenue per biennium, using a 5-year average North Dakota wheat crop of 285 million bushels, less on-farm seed and feed use. However, a sunset provision on 3 tenths of a cent (3 mills) of the current checkoff rate is scheduled to take effect on June 30, 2009, which will reduce the checkoff rate to 1.2 cents (12 mills) per bushel and reduce NDWC gross revenue potential accordingly, to \$6,550,000 for the upcoming 2009-2011 biennium and beyond. This bill would reinstate the NDWC checkoff rate to the current 1.5 cents (15 mills) per bushel rate on July 1, 2009, and restore gross revenue potential to \$8,190,000 per biennium, a difference of \$1,640,000 in estimated gross revenue per biennium.

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

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

Net revenues of the North Dakota Wheat Commission (NDWC) with the 1.5 cents (15 mills) rate reinstated, are estimated at \$7,461,800 after producer refunds are deducted and adjustments for interest and miscellaneous income estimates are considered. Without reinstatement of 1.5 cents checkoff authority included in provisions of this bill the NDWC net revenue estimate would decline to \$5,949,800 due to the effect of the sunset provision on June 30, 2009, a reduction of \$1,512,000 in net revenue for the upcoming biennium. HB 1402 would reinstate the potential of \$1,512,000 in net revenue and allow the NDWC to enhance its commitment to time-proven wheat research efforts with goals of increasing wheat yields, quality and producer incomes. At the same time this proposal will allow the NDWC to maintain its other important core programs of export market development, domestic policy development

support, domestic promotion and public information and outreach, provide for administrative and operating expenses, and maintain sufficient reserves to ensure a sound financial future for the NDWC, and still allow the Commission to address other important wheat industry issues and challenges as needed.

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

Expenditures associated with this measure would allow for expansion of the NDWC's time-proven wheat research and development programs by an estimated \$1,427,000 biennium. The additional research efforts would be focused primarily on increased wheat yields, improved disease resistance and quality with expected outcomes of increased producer incomes and greater customer satisfaction. HB 1402 would reinstate the NDWC's full existing checkoff authority to accomplish these goals.

- C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Neal Fisher	Agency:	ND Wheat Commission
Phone Number:	328-5111	Date Prepared:	01/16/2009

VK
1/30/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1402

Page 1, line 5, replace "Section" with "If House Bill No. 1025 does not become effective,
section"

Renumber accordingly

1/30/09

Roll Call Vote #:

BILL/RESOLUTION NO. 1402

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

90389.0101

☐ Amended

Seconded By Rep. Boe

[illegible]

Total (Yes) _____ No _____

Absent

Bill Carrier

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

Date: 1/30/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1402

House Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90389.0101

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Rep. Boe Seconded By Rep. Uglem

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair	✓		Tracy Boe	✓	
Mike Brandenburg, Vice Chair	-AB-		Rod Froelich	-AB-	
Wesley R. Belter	✓		Richard Holman	✓	
Joyce M. Kingsbury	✓		Phillip Mueller	✓	
David S. Rust	✓		Benjamin A. Vig	✓	
Mike Schatz	✓				
Gerry Uglem	✓				
John D. Wall	✓				

Total (Yes) 11 No 0

Absent 2

Bill Carrier Rep. Uglem

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

REPORT OF STANDING COMMITTEE

HB 1402: Agriculture Committee (Rep. D. Johnson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1402 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "Section" with "If House Bill No. 1025 does not become effective, section"

Renumber accordingly

2009 SENATE AGRICULTURE

HB 1402

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1402

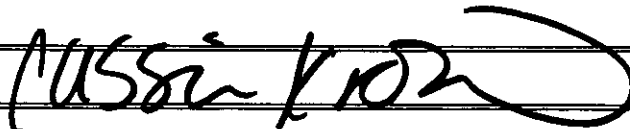
Senate Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: February 26, 2009

Recorder Job Number: 9783

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the hearing on HB 1402, a bill relating to the wheat assessment. All members were present.

Rep. D. Johnson, district 15, testified in favor of the bill.

Rep. D. Johnson- I believe that you folks have followed the history with the wheat assessment, what we are trying to do is keep the assessment in place instead of dropping back down. The extra is going to be used for research,

Neil Fischer, ND Wheat commission, testified on behalf of **Harlan Klein** in favor of the bill.

See attached testimony, attachment #1.

Sen. Klein- so what we are really doing on this bill is removing the sunset?

Neil Fischer- that is correct. It is not an increase it just redirects the funds to research.

Sen. Miller- can a farmer take a partial refund?

Neil Fischer- yes.

Allan Tellmann, ND AG Coalition, testified on behalf of **Mike Beltz** in favor of the bill. See attached testimony, attachment #2.

Sen. Taylor- does Ag coalition require consensus when it takes a position or is it a majority vote?

Allan Tellmann- it is 75% favorable before we take a support stand on a bill.

Doug Opland, Vice- president for the U.S. Durum Growers Association, testified in favor of the bill. See attached testimony, attachment #3.

Sheena Kilde, ND Grain Growers Association, testified on behalf of Jay Elkin in favor of the bill. See attached testimony, attachment #4

No opposition to the bill.

Sen. Flakoll closed the hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1402

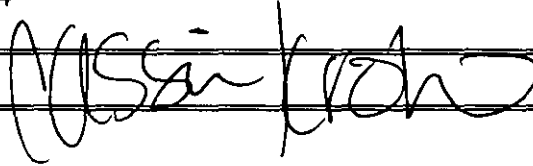
Senate Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: February 26, 2009

Recorder Job Number: 9804

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the discussion on HB 1402. All members were present.

Sen. Wanzek motioned for a Do Pass and rerefer to appropriations and was seconded by

Sen. Klein, roll call vote 7 yea, 0 nay, 0 absent. **Sen. Taylor** was designated to carry the bill to the floor.

Date: 2-26-09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1403

Senate Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass rerefer 2 Apps.

Motion Made By Wanzek Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Tim Flakoll-Chairman	X		Arthur Behm	X	
Terry Wanzek-Vice Chairman	X		Joan Heckaman	X	
Jerry Klein	X		Ryan Taylor	X	
Joe Miller	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Taylor

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

REPORT OF STANDING COMMITTEE

HB 1402, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1402 was rereferred to the Appropriations Committee.

2009 SENATE APPROPRIATIONS

HB 1402

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1402

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-09-09

Recorder Job Number: 10441

Committee Clerk Signature



Minutes:

Chairman Holmberg: Called the committee back to order in reference to HB 1402 in regards to the wheat assessment; to provide an effective date; and to declare an emergency.

Rep. Dennis Johnson: Gave support for HB 1402. What we would like to do is, the group of sunsets that were in place at 1.5, so additional funds would be used for core research.

Senator Warner: Do you prioritize your wheat that is used on a separate board for your research projects?

Rep. Dennis Johnson: You can probably get some further instruction here from the people from the Wheat Industry that can fill you in on that process.

Harlan Klein, Chairman of the ND Wheat Commission: Testified in favor of HB 1402 and provided written testimony # 1 in support of the bill.

Written testimony # 2, Harlan went through the talking points from the North Dakota Wheat Commission check off bill and also the slide pictures.

Senator Krauter: You said 70% of the respondents support it? How many surveys did you send out?

Harlan: It was about eight hundred out of seventeen thousand and they were screened to be wheat producers.

Harlan: The other two slides show what wheat and durum will generate and there is also one there showing comparison state check offs from other states giving you a reference of what other states are doing. The colored page is a wheat research project that we are working on at the commission that we fund directly. We want to continue to do some of this research and with these funding dollars. We have a layout page, more of an information piece for you to look at. Harlan continues to go through the pamphlet.

Senator Krauter: Out of the 1.5 cents per bushel generates about 3.5 million dollars, out of that what amount is dedicated to domestic research?

Harlan: The one area that is the restricted area is the 2 mills that go to domestic policy which goes to the grower information. The other 3 mills were to be used on the trade area of which we have been doing. That has been paid off and we shifted that to the research entity the rest of this is at the discretion of the commission. We move them to where we need to and that is where I would like to see it stay at. The 7 commissioners make the decisions to what is happening, the concern I have it getting to many things pinned down. When you have to spend so much on this etc. What happens in a year or two some issue comes out we have to react to and then you get caught into a situation where you can't react quite as quickly as you should be whether it's a disease issue or a trade issue. You want to have some flexibility. The commission makes those decisions with the help of our county reps.

Senator Krauter: So that domestic policy does that five hundred and ninety one thousand all go to research groups?

Harlan: Yes.

Senator Christmann: How much money is reimbursed to producers each year?

Harlan: Refund rate is 9% and the 3.7 varies quite a bit.

Jay Elkin, Farmer and Rancher from Taylor ND and Board Member of the North Dakota Grain Growers: In support of the bill and provided written testimony #3.

Deana Wiese: Testified in favor of HB 1402 and provided written testimony # 4.

Chairman Holmberg: Closed the hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1402

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 10, 2009

Recorder Job Number: 10616

Committee Clerk Signature



Minutes:

Chairman Holmberg opened discussion on HB 1402 relating to the wheat assessment

Senator Robinson moved Do Pass.

Senator Krebsbach seconded.

Senator Krebsbach said this bill moves the check off from 12 mills per bushel to 15 mills per bushel.

Senator Mathern asked what 1 mill per bushel would mean, and **Senator Krauter** said it was one-tenth of one penny which is a penny and a half per bushel – 10 bushels would be fifteen cents.

Senator Kilzer didn't object to the bill but asked why they don't we see any opposition to any of them.

Chairman Holmberg replied that in most cases, the farmer can opt out if he or she doesn't want to pay it.

V. Chair Bowman said he heard that about 9 % take their check off money back.

Senator Robinson reported that he heard many farmers have a high level of satisfaction with the research and the effort that's been made with disease control. His area of the state has

been fortunate to have strong production records in both small grains and row crops. Many people attribute a lot of that success, not only to better farming practices and plenty of moisture, but the research that has been very beneficial.

Senator Lindaas commented that a lot is due to promotion too.

Senator Warner commented that all the farmers have to have a say on this issue. He was going to support this but he worries that a lot of strings are being attached to the budget and legislating a lot of the directions that bills have to go. It removes flexibility and this is a board that was elected by the people who have a self interest in the issue and also a vast knowledge of the issue. Any statutory restrictions are not addressed in this bill.

Senator Krauter: I requested a report from the wheat commission of those that have requested their check off dollars back within the last eighteen months. Those are the individuals who call and complain all the time and maybe they have a reason to request it, but they are also the large acreage producers. We see these refund checks worth \$6, 7 or \$8,000. It's hard to swallow and I salute those average ND farmers who don't take the check off dollars. Secondly, I agree whole heartedly with Senator Warner. Fifteen mills – there are some statutorily required things that they have to do with that money and they have no say over it and I think that's wrong. The Wheat Commission is a body that is elected through a process of a county rep and that county rep goes to a regional meeting, and they elect a regional person and then that person sits on the state wheat commission. Then we tie them and say 5 mills has to go to this and 5 mills has to go to that. Then we have a group that doesn't have any authority as far as any responsibility to the public. It concerns me that we just continually do that.

Senator Christmann said that in his area, the farmers are just hoping for enough rain so they would get to pay some of this.

Senator Krebsbach asked if the Wheat Commission has ever come forward and asked for changes.

Senator Krauter replied that they did two sessions ago. They were forced to make these changes and they did not want them. They testified against it and this committee turned the other way.

V. Chair Bowman asked him to clarify.

Senator Krauter said the Wheat Commission testified against the three mills and this committee went the other way – against the Wheat Commission.

V. Chair Bowman: Not everyone was against it who testified.

Senator Krauter: The North Dakota Wheat Commission was on record.

Chairman Holmberg asked for the roll to be taken.

A Roll Call vote was taken. Yea: 14 Nay: 0 Absent: 0

The bill goes back to the Agriculture Committee.

Senator Taylor will carry the bill.

Date: 3-10-09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1402

Senate Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Sen. Robinson Seconded By Sen. Krebsbach

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach	✓		Senator Seymour	✓	
Senator Fischer	✓		Senator Lindaas	✓	
Senator Wardner	✓		Senator Robinson	✓	
Senator Kilzer	✓		Senator Warner	✓	
V. Chair Bowman	✓		Senator Krauter	✓	
Senator Christmann	✓		Senator Mathern	✓	
V. Chair Grindberg	✓				
Chairman Holmberg	✓				

Total Yes 14 No 0

Absent _____

Floor Assignment Ag. Committee Taylor

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

REPORT OF STANDING COMMITTEE (410)
March 10, 2009 2:45 p.m.

Module No: SR-43-4495
Carrier: Taylor
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1402, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1402 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1402

#1
HB1402
Harlan Klein
1/30/09

Testimony on HB1402

Presented to the House Agriculture Committee

By Harlan Klein, Chair, North Dakota Wheat Commission

January 30, 2009

Since testimony given to Senate Appropriations and to Senate Agriculture


Good morning Mr. Chairman and members of the Agriculture Committee. My name is Harlan Klein. I am a wheat producer from Elgin, North Dakota, in Grant County and I am Chairman of the North Dakota Wheat Commission (NDWC).

The North Dakota Wheat Commission is here today in support of House Bill 1402, legislation which would continue the Commission's current 1.5 cent per bushel checkoff authority. The wheat checkoff generates about \$3.7 million per year in net revenue with an average crop of 285 million bushels. At the current rate wheat producers pay an equivalent of 52 cents per acre to support the NDWC and its programs. Without this legislation the Commission's checkoff rate will decline to 1.2 cents per bushel, due to a sunset provision on 3 tenths of a cent of the current checkoff on June 30, 2009.

At stake are potential annual revenues of \$500,000 to \$750,000, depending on actual annual production. HB1402 will restore the checkoff to 1.5 cents per bushel on July 1, 2009, allowing the Commission to fund its five core programs and enhance its producer funded wheat research program at North Dakota State University (NDSU). This idea has been discussed for some time with producers, stakeholders and policymakers.


The Commission is currently operating on a budget of \$3,345,885. Traditionally the Commission has focused primary emphasis on market development programs in the nearly 100 customer countries that annually purchase premium U.S. hard red spring wheat and durum. Trade policy issues and research have also been top priorities, along with domestic market promotion and communications.

The Commission's county representatives, producer organizations, and results of an independent wheat producer survey all indicate a need for greater emphasis on wheat research to increase yields and improve the competitive position of wheat and durum with other crops, to improve disease resistance and quality, and ultimately to increase producer incomes.




Nearly \$8 million in State and Federal funds are invested each year in NDSU wheat and durum research programs. Wheat producers fund almost 10 percent of this essential program through the NDWC, complementing state and federal research commitments in this valuable partnership. The Commission has committed about \$825,000 per year to research in each of its 2007-08 and 2008-09 budgets. More resources will allow the NDSU wheat research team to build on recent successes in improved genetics and management practices.

Each year wheat producers reap tremendous benefits from the advancements provided by wheat research. We have witnessed improved yield and quality performance of newer, more disease-resistant varieties in recent years, but there are many more challenges yet to be addressed if wheat and durum are to remain competitive alternatives for our producers in the annual bid for acres. Alternative crop choices have had a negative impact on wheat and durum acres for several years due to yield robbing pressures from diseases and other pests.



New virulent strains of rust and other diseases are constantly evolving and overcoming resistance genes currently used by wheat breeders. Sawfly and other insect pests are also eating away at producers' profitability. New fungicides and other pesticides along with improved disease forecasting and management practices have helped producers deal with some of these threats, but the most effective means of addressing most disease and pest issues is through genetic resistance, which can only be achieved through additional research. Constantly evolving market trends also present new challenges in wheat quality and customer satisfaction, placing additional demands on our ability to evaluate and more effectively promote the premium quality and performance of North Dakota wheat and durum to a growing and increasingly sophisticated customer base.

Producers consider their research partnership an important investment in their future and the future of our entire state. Although wheat producers and the broader wheat industry reap the most direct benefits from these time-proven programs, the citizens of North Dakota also gain huge benefits from the wheat industry. The cash sales value of the North Dakota wheat crop last year was over \$2.3 Billion. Even with a modest multiplier, the wheat industry generates a total economic impact of nearly \$7.0 billion per year in North Dakota's economy. That is a phenomenal return on this research investment that can be appreciated by every citizen of our state.



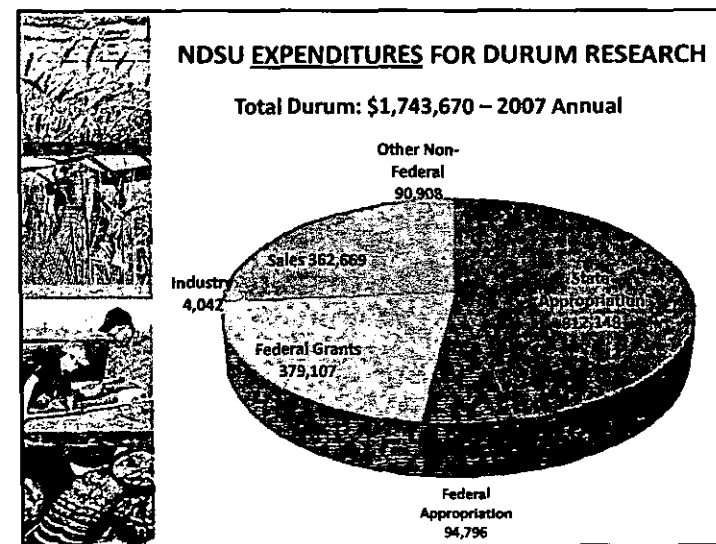
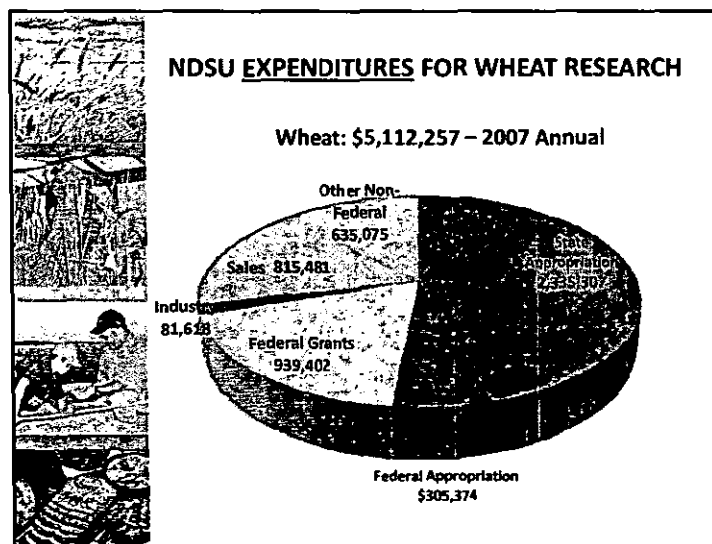
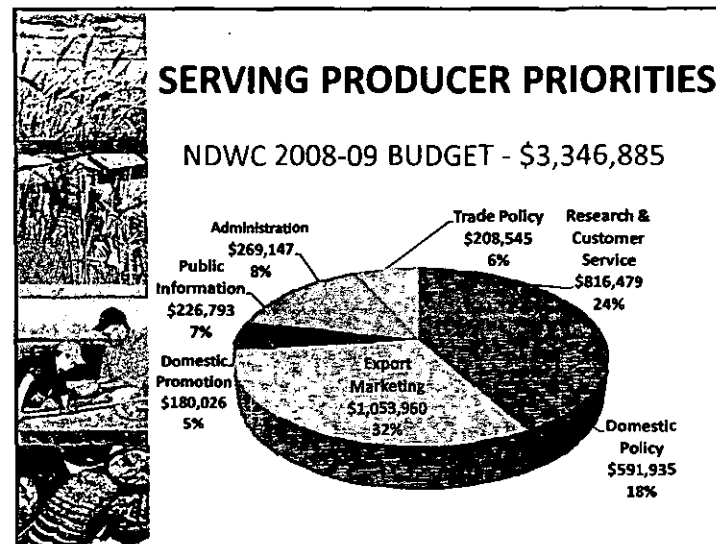
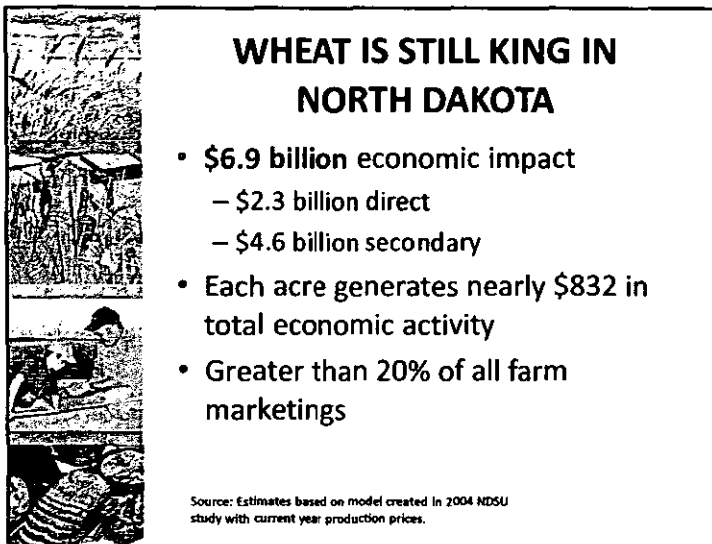
The whole idea of this wheat improvement initiative has generated a lot of support with producers and other stakeholders. NDWC county representatives were nearly unanimous in their support for maintaining the checkoff at the current 1.5 cent rate and

for additional emphasis on wheat research at the Commission's annual meetings in 2007 and 2008.

A wheat producer survey conducted last fall indicated that 70 percent of North Dakota wheat producers were supportive of maintaining the 1.5 cent checkoff and an increase in emphasis on wheat research. Research also moved up as a producer priority in the Commission's five program areas, second only to export market development according to survey results.

Thank you Mr. Chairman for the opportunity to testify today in support of HB 1402. We respectfully encourage your favorable consideration of this bill.

If there are any questions I will answer them at this time.





WHEAT RESEARCH INITIATIVE CONSIDERATIONS

- Potential to generate \$500,000 – \$700,000 from 3 mills of check-off
- Competitive Position with other crops
 - Acreage/Market presence
 - Global competition
 - Bid for acres
- Current and Future Needs
 - Yield/Quality enhancement
 - Disease and Pest resistance
 - Crop Quality/Cereal Science infrastructure and equipment
 - Greenhouses
 - Biotech and conventional solutions



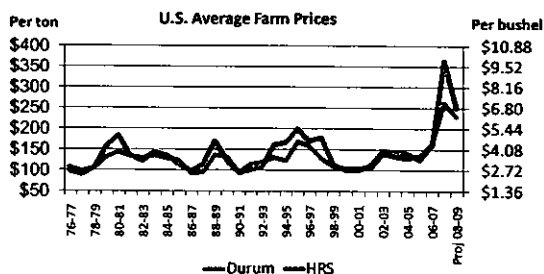
PRODUCER RESEARCH INITIATIVE

- Producer survey
 - 70 percent of respondents indicated they were in favor of keeping the check-off at the current amount
- Other support
 - County representatives
 - NDGGA
 - USDGA
 - Other stakeholders/industry



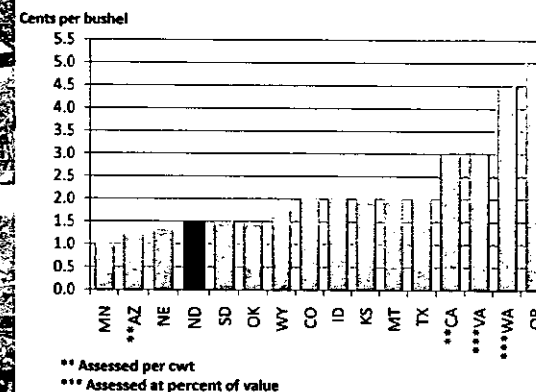
PRODUCERS BENEFIT from record prices

- **HARD RED SPRING:** \$7.16 season average for 2007-08
 - ND producers received an average of \$7.45
- **DURUM:** \$9.92 season average for 2007-08
 - ND producers received an average of \$11.00



STATE-BY-STATE WHEAT CHECKOFF COMPARISON

N.D. currently remains one of the lowest



CHECKOFF-SUPPORTED WHEAT RESEARCH AT NDSU

	ACTUAL 2004-05	ACTUAL 2005-06	ACTUAL 2006-07	ACTUAL 2007-08	Budget 2008-09
End-Use Quality (Cereal Science Department)	\$83,000	\$119,000	\$137,000	\$195,500	\$244,125
Mixolab				\$13,500	
Foss Intra Tech 1241 (equipment upgrade)					\$12,625
Technical & Info. Services	\$32,000	\$32,000	\$33,000	\$33,000	\$35,000
Regional Crop Quality Survey	\$32,000	\$34,000	\$34,000	\$34,000	\$35,000
Durum Quality Research Support (Post Doc)	\$8,000	\$8,000	\$10,000	\$15,000	\$15,000
Durum Color Equipment (survey)			\$5,000	\$7,500	\$7,500
Effect of FHB on HRS quality					\$15,000
HPLC				\$27,000	
Durum Cadmium Testing				\$4,000	
Specialty Wheat Quality Research Support	\$11,000	\$11,000	\$11,000	\$15,000	\$15,000
Specialty Wheat Quality Research Technician (Post Doc)		\$34,000	\$34,000	\$36,500	\$39,000
Demonstration Mill (5yr project)			\$10,000	\$10,000	\$10,000
Durum Lab Mill					\$60,000
Wheat Breeding (Plant Science)	\$83,120	\$152,723	\$106,769	\$347,000	\$152,000
Expanded Durum Breeding	\$7,500	\$7,500	\$10,000	\$15,000	\$25,000
**Breeding for Leaf Spot Resistance			\$6,700		
Cytogenetics - scab resistance	\$5,000	\$5,000	\$7,500	\$10,000	\$20,000
Germplasm Enhancement	\$7,500	\$7,500	\$10,000	\$15,000	\$20,000
Growth Chamber (equipment)		\$60,000			
HRS Wheat Breeding	\$7,500	\$7,500	\$10,000	\$15,000	\$25,000
**Grain Spike Morphology		\$7,300			
**Improving ND Wheat - Alien Genes	\$5,500	\$7,803	\$11,581		
**Improve Winter Wheat for ND			\$1,333		
**Rapid Introgression of Valuable Traits in HRS	\$9,750	\$9,750	\$9,285		
Technician: 2nd HRS Breeder	\$40,370	\$40,370	\$40,370	\$42,000	\$42,000
Harvest/planting equipment/tools (6 yr project)					\$20,000
NDSU Greenhouse				\$250,000	
Disease/Pest Mgmt (Plant Path. & Entomology)	\$18,944	\$19,485	\$22,888	\$5,500	\$14,000
**Field Eval of Wheat Disease Forecasting System	\$2,076	\$2,520			
Midge Survey	\$4,200	\$4,200	\$4,200	\$5,500	\$6,000
Sawfly Resistance					\$8,000
Wheat Stem Maggot Study			\$500		
**Disease Detection for Improved Management	\$3,558	\$3,765	\$3,387		
**Screening for Leaf Spot Resistance	\$5,000	\$5,000	\$6,700		
**Diversity Among Leaf Spotting Pathogens			\$4,101		
**Screening for Leaf Rust Resistance	\$4,110	\$4,000	\$4,000		
Ag Economics	\$39,167	\$60,750	\$71,000	\$100,000	\$57,000
CWB/Dual Marketing Implications				\$28,000	
Market Development Support	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Marketing on Variety Basis		\$15,000	\$18,000	\$18,000	\$10,000
Upper Great Plains Transportation Institute	\$5,000	\$27,000	\$35,000	\$36,000	\$29,000
Wheat Industry Contribution Study	\$12,496				
**Intensive Wheat Management System	\$2,171				
**Specialty Wheat Market Opportunities	\$1,500	\$750			
Miscellaneous	\$0	\$0	\$0	\$35,367	\$150,000
SBARE/ARF Contingency				\$35,367	\$45,000
Biotech Contingency					\$45,000
NCI Pilot Durum Mill (reconfigure)					\$50,000
Nitrogen Recalibration for Wheat					\$10,000
GRAND TOTAL	\$224,231	\$351,958	\$337,657	\$683,367	\$617,125
**Matches to ARF funding					
Legend					
Research Affects Durum					
Research Affects Spring Wheat					
Research Affects Both Durum & Spring Wheat					
11/25/2008					



PRODUCERS' WHEAT IMPROVEMENT INITIATIVE

THROUGH THE CHECKOFF INVESTMENT OF WHEAT PRODUCERS

the goal of the initiative is to complement state and federal general fund dollars supporting wheat research efforts to further enhance the agronomic and quality performance of our premium wheat classes, as well as support dedicated research professionals in their efforts to build better varieties to give our producers advantages in the field and in markets worldwide.

The proposed producer funded enhancement to existing wheat research would come from the **reinstatement of three mills** of existing checkoff authority, set to expire on June 30, 2009. Legislative action will be needed to accomplish the initiative. If successful, the research-enhancement effort has the potential of generating \$500,000 to \$700,000 per year for additional wheat research, depending on crop size.

KEY SUPPORT AREAS:

- **ENHANCE AGRONOMIC PERFORMANCE**
—PRODUCER BENEFITS
- **ENHANCE QUALITY PERFORMANCE**
—CUSTOMER & PRODUCER BENEFITS
- **ENHANCE RESEARCH INFRASTRUCTURE AND SUPPORT**
—IMPROVE ABILITY TO MEET THE ABOVE GOALS
—KEY TO OVERALL SUCCESS

WHEAT: IMPACTING OUR ECONOMY

\$6.9 BILLION IN ANNUAL ECONOMIC IMPACT

\$2.33 BILLION DIRECT • \$4.6 BILLION SECONDARY

EACH ACRE GENERATES \$832 IN TOTAL ECONOMIC ACTIVITY

 **NORTH DAKOTA
WHEAT COMMISSION**
Building Bigger Better Markets

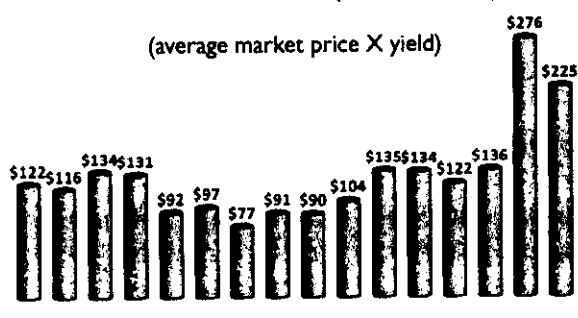
www.ndwheat.com • 701-328-5111

PRODUCERS' WHEAT IMPROVEMENT INITIATIVE

It is the Commission's intent that this additional research investment would complement, not replace, existing state general fund dollars, which are proof of the state's commitment to its **BIGGEST** economic industry. The state currently supports research at a funding level of \$2.8 million.

N.D. Wheat Average Gross Return
Per Harvested Acre (million acres)

(average market price X yield)

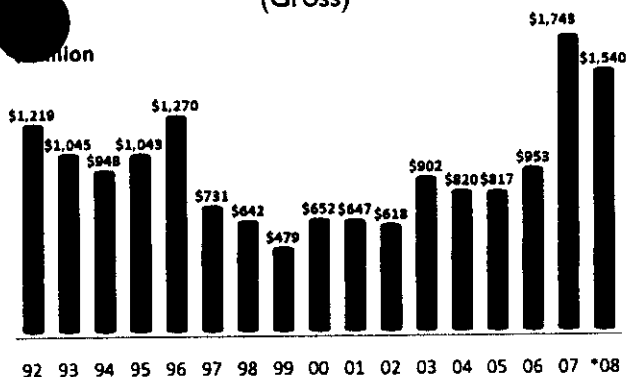


Source: N.D. Agricultural Statistics Service
*08 NDWC unofficial projection

ENHANCE AGRONOMIC PERFORMANCE—producer benefits: ultimately supporting the producers' bottom line through greater profit from higher yields and market demand driven by quality and end-use performance.

- support variety development – creating greater yields for producers while enhancing quality traits desired by buyers—plant science
- create further progress in disease resistance, prevention and management practices in wheat—plant pathology/plant science
- explore both conventional and possible biotech solutions to enhance the future of wheat production, processing and end-product performance
- increase the competitiveness of wheat-bid for acres

Value of N.D. Spring Wheat Crop
(Gross)

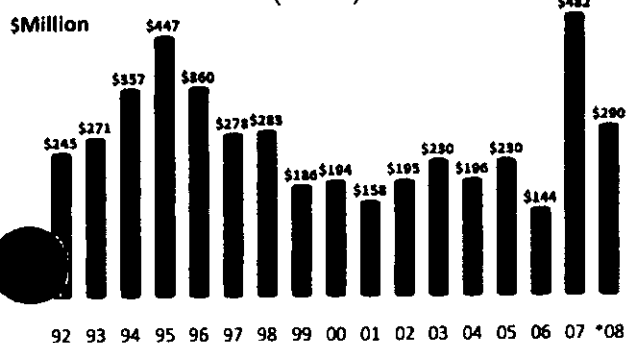


Source: N.D. Agricultural Statistics Service
*08 NDWC unofficial projection

ENHANCE QUALITY PERFORMANCE—customer & producer benefits: ultimately driving customer satisfaction with consistent quality of our premium wheats to create greater market opportunity for producers

- advance the science of quality research analysis and crop evaluation capabilities for the wheat classes produced in the state and region
- provide support for enhanced cereal quality unit to improve our ability to express quality and functionality to customers
- address milling capacity issues needed to provide valuable customer service market tools—annual crop quality sample analysis, overseas varietal evaluations—to provide feedback to variety development team
- enhance the ability to evaluate year-to-year quality and end-use performance
- HRS/Durum are unique—enhance our ability to express their unique characteristics to world customers and end-users
- High performance wheat is the fastest growing market segment in the global wheat market – further capitalize on the strengths and reputation of our wheat classes.

Value of N.D. Durum Wheat Crop
(Gross)



Source: N.D. Agricultural Statistics Service
*08 NDWC unofficial projection

ENHANCE INFRASTRUCTURE TO BETTER MEET

OBJECTIVES—key to overall success: ultimately people need quality equipment and facilities to create tomorrow's wheat success to ensure continued success of North Dakota's wheat industry

- address equipment needs
- enhance operating funding
- support for faculty and staff to meet future needs/opportunities

NORTH DAKOTA CROPS

Production Value

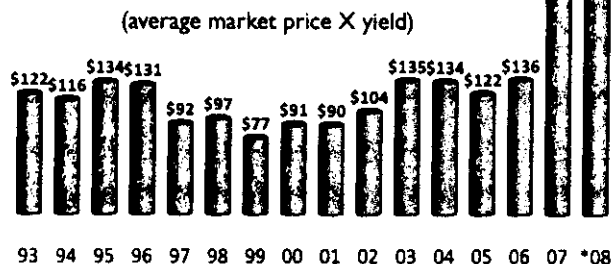
Wheat	\$2.33 Billion
Corn	\$950 Million
Soybeans	\$900 Million
Cattle	\$750 Million
Barley	\$390 Million
Sunflowers	\$270 Million
Sugarbeets	\$250 Million



2007 - NASS Data - NDWC

Wheat continues to be king of North Dakota agriculture contributing about \$6.9 billion to the state's economy. Collectively ND Agriculture contributes more than \$20 billion to the ND economy.

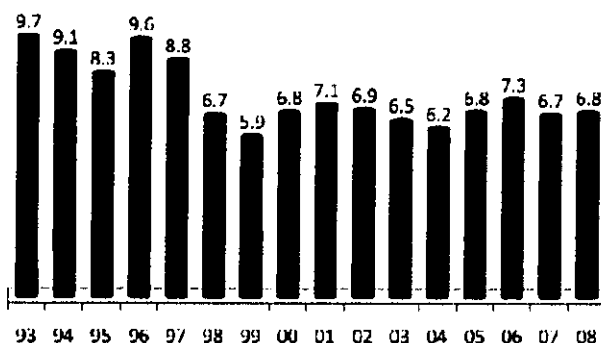
N.D. WHEAT AVERAGE GROSS RETURN PER HARVESTED ACRE (million acres)



Source: N.D. Agricultural Statistics Service
*08 NDWC unofficial projection

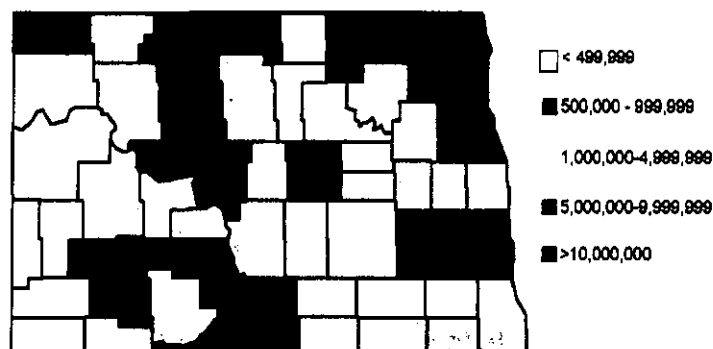
Gross returns for wheat remain historically strong. And while net returns are also strong, sharply higher production costs have dramatically raised break-even levels for 2008 and 2009.

N.D. PLANTINGS OF HARD RED SPRING WHEAT (Million Acres)

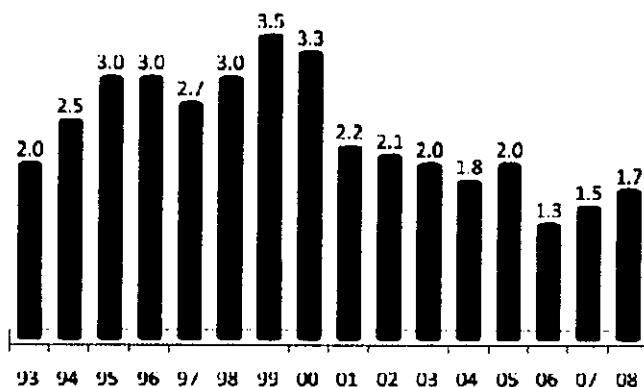


08 USDA Small Grains Summary
Source: N.D. Agricultural Statistics Service

2007 N.D. HARD RED SPRING PRODUCTION (234 Million Bushels)

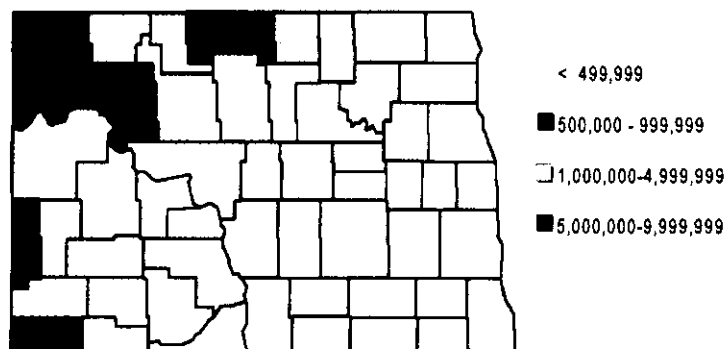


N.D. PLANTINGS OF DURUM WHEAT (Million Acres)



08 USDA Small Grains Summary
Source: N.D. Agricultural Statistics Service

2007 N.D. Durum Production (43.8 Million Bushels)

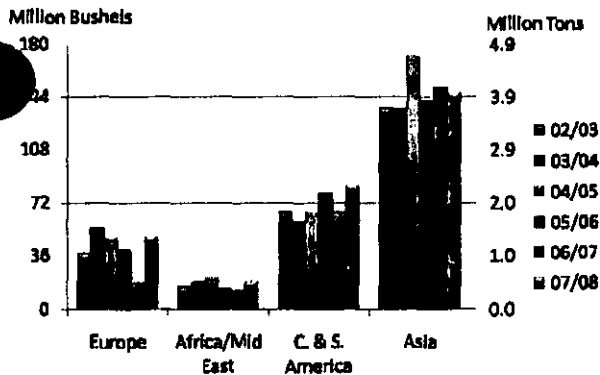


All data referenced from the National Agricultural Statistics Service.

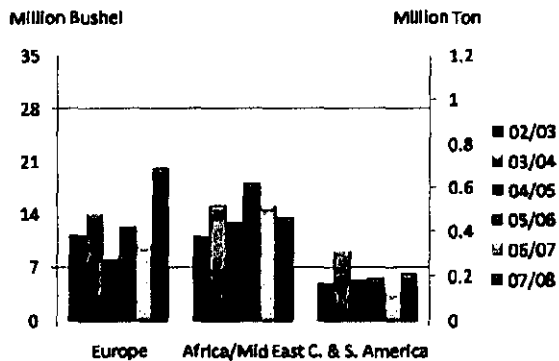
NORTH DAKOTA WHEAT COMMISSION
Building Bigger Better Markets

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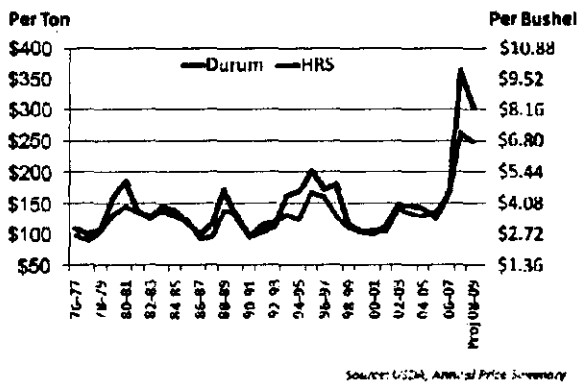
EXPORT TRENDS – BY REGION US Hard Red Spring Wheat



EXPORT TRENDS – BY REGION US Durum Wheat

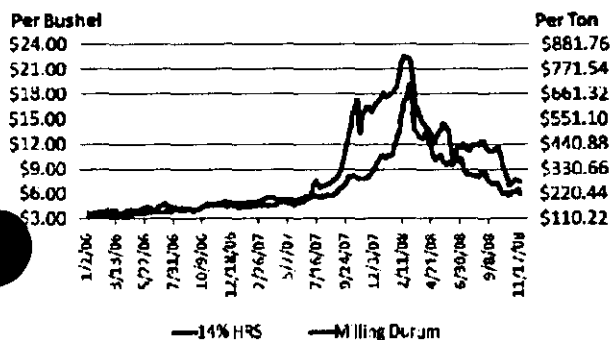


U.S. AVERAGE FARM PRICES



Source: USDA, Annual Price Summary

Average N.D. Hard Red Spring & Durum Wheat Producer Bids



Source: Basket of average 9 A.D. elevator bids posted by AgMarket

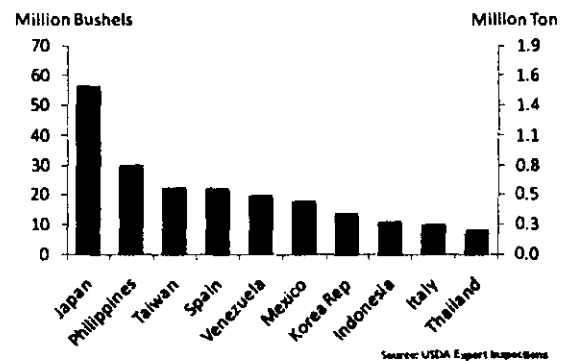
NORTH DAKOTA WHEAT COMMISSION *Building Bigger Better Markets*

HRS WHEAT EXPORTS • HRS has seen steady gains in the Central/South American, and Asian regions. Growing customer demand for higher quality wheat products and strong customer satisfaction with U.S. wheat and service continue to pace sales in these markets. Exports to the EU were up dramatically in 07/08 due to a smaller and lower quality domestic crop that increased demand for our high quality HRS.

DURUM WHEAT EXPORTS • Durum jumped to a record price premium to bread wheat in the world market, as robust product demand kept buyer appetite strong for sharply lower world supplies in 2007. High prices curtailed demand in some African and Middle Eastern countries, but strong demand boosted exports to Europe and Central/South America.

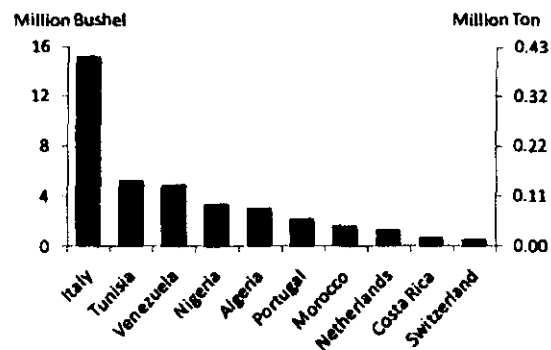
DEMAND SUPPORTS PRICE • Continued strong demand and sharply lower supplies pushed prices to historical levels in early 2008. Expectations of record world production in 2008 have placed downward pressure on prices, but demand and a tight stock situation are holding prices at above average levels. Education efforts have made countries less price sensitive to premium wheat classes making gains in emerging marketplaces.

TOP IMPORTERS OF U.S. HRS IN MARKETING YEAR 2007-08



Source: USDA Export Inspections

TOP IMPORTERS OF U.S. DURUM IN MARKETING YEAR 2007-08



Source: USDA Export Inspections

NORTH DAKOTA CROP PLANTINGS

(Thousand Acres)

Crop	2001	2002	2003	2004	2005	Final 06	Final 07	*March 08	***Sept. 08	Change 08 vs 07	
All Wheat	9,450	9,080	8,630	8,195	9,090	8,800	8,595	9,200	9,230	7%	All Wheat
Spring	7,100	6,900	6,500	6,200	6,800	7,300	6,650	6,900	6,800	2%	Spring
Durum	2,200	2,100	2,000	1,750	1,980	1,300	1,480	1,650	1,800	22%	Durum
Winter						200	465	650	630	35%	Winter
Barley	1,500	1,600	2,050	1,600	1,200	1,100	1,470	1,550	1,650	12%	Barley
Sunflower	1,070	1,370	1,210	880	1,140	900	1,075	1,045	1,125	5%	Sunflower
Oats	575	670	620	490	490	420	460	350	320	-30%	Oats
Corn	880	1,230	1,450	1,800	1,410	1,690	2,550	2,250	2,600	2%	Corn
Soybeans	2,150	2,670	3,150	3,750	2,950	3,900	3,050	3,550	3,950	30%	Soybeans
Dry beans	440	790	540	560	620	670	690	620	670	-3%	Dry beans
Flax	550	750	560	490	890	750	320	330	315	-2%	Flax
Sugarbeets	261	265	259	256	255	261	252	217	218	-13%	Sugarbeets
Canola	1,300	1,300	970	780	1,040	940	1,080	920	940	-13%	Canola
Peas/Lentils	135	208	215	410	690	770	625	595	610	-2%	Peas/Lentils
**Hay	2,750	3,300	2,950	2,730	3,030	2,720	2,780	2,900	2,850	3%	*Hay
Potato/Other	177	284	227	211	169	175	154	150	150	-3%	Potatoe/Other
Total Crops	21,238	23,517	22,831	22,152	22,974	23,296	23,566	24,327	24,628	5%	Total Crops
SF/PP	3,500	1,200	1,900	2,600	1,750	1,650	1,600	1,400	1,400	-13%	SF/PP
CRP Acres	3,300	3,300	3,300	3,300	3,300	3,300	3,380	3,000	3,000	-11%	CRP Acres
Total Acres	28,038	28,017	28,031	28,052	28,024	28,246	28,546	28,727	29,028	2%	Total Acres

*March 31, 2008 Planting Intentions Report

***USDA Small Grains Summary

** Includes CRP land that was hayed in 2002

#2
HB 1402
Kurt Ridl
1/30/09

House Agriculture Committee HB 1402

January 30, 2009

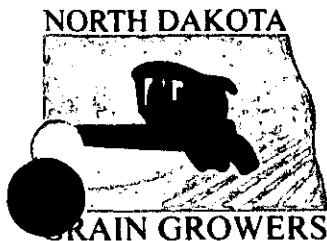
Chairman Johnson, members of the House Agriculture Committee, my name is Kurt Ridl. I farm in Dickinson, North Dakota. I am currently a board member of the US Durum Growers Association, serving as 1st Vice President.

I am here today on behalf of the US Durum Growers Association, and its members to support House Bill 1402.

Today HB 1402 seeks to address the use of check off dollars for wheat research. With the decrease in federal spending dollars it is vital that North Dakota farmers' pool there check-off dollars for the research of wheat and durum. Research provides the farmer with more and better variety selection. It also gives us a better yield, disease and pest resistance package, better grain for the millers, and finally a better product for the consumer.

By providing the farmer of our state with superior grain varieties, we will be able to better compete in the global market.

Mr. Chairman and members of the House Agriculture Committee, I respectfully request your favorable consideration of HB 1402. Thank you!



www.ndgga.com

#3
HB 1402
Jay Elkin
1/30/09
Working for you,
the producer!

Testimony of Jay Elkin
Before the House Agriculture Committee
January 30, 2009
Testimony on HB 1402

Same given to Senate ag props and to Senate agriculture

Chairman Johnson, members of the House Agriculture Committee, for the record my name is Jay Elkin; I farm near Taylor, North Dakota, I am also currently a board member of the North Dakota Grain Growers Association and I am also a Stark County Commissioner.

I am here today in support of House Bill 1402.

Mr. Chairman, members of the House Agriculture Committee, I've had the opportunity to work with the North Dakota Wheat Commission on a number of fronts. I have hosted foreign wheat buyers and international trade teams on my farm in Taylor, North Dakota. Market development is a critical component of the wheat industry in our state. The North Dakota Wheat Commission and the checkoff dollars supplied by producers provide the link between our farms and the end users of wheat.

Another critical component of the use of checkoff dollars is wheat research, which HB 1402 seeks to address today. In order for me as a wheat producer to remain competitive nationally and internationally it is essential that we have the best that research has to offer in terms of variety selection, disease and pest resistance, risk protection and marketing. Individually, I don't have the resources or the expertise to develop such research but collectively North Dakota farmers can pool their resources to move forward in the research arena for the betterment of our wheat industry. Research is the future of the wheat industry in our state.

Mr. Chairman, members of the committee, the wheat industry in North Dakota has a \$6.9 billion dollar economic impact annually to our state. Since 2005, North Dakotans have planted on average 8.9 million acres of wheat averaging over 34 bushels per acre; 20 percent of all farm and ranch marketing in North Dakota comes from wheat. Wheat is the most important crop that I raise and is also very important to my region. What you have before you today is the opportunity for wheat producers to become even more involved in the betterment of their industry.

Therefore, Mr. Chairman, members of the House Agriculture Committee, I respectfully request your favorable consideration of HB 1402 and I am open to any questions. Thank you!

NDGGA provides a voice for wheat and barley producers on domestic policy issues – such as crop insurance, disaster assistance and the Farm Bill – while serving as a source for agronomic and crop marketing education for its members.



#4
HB 1402
Blake Vander Vorst
1/30/09

TESTIMONY - HOUSE AGRICULTURE COMMITTEE
HOUSE BILL 1402

January 30, 2009

Blake Vander Vorst, Senior Agronomist – Ducks Unlimited

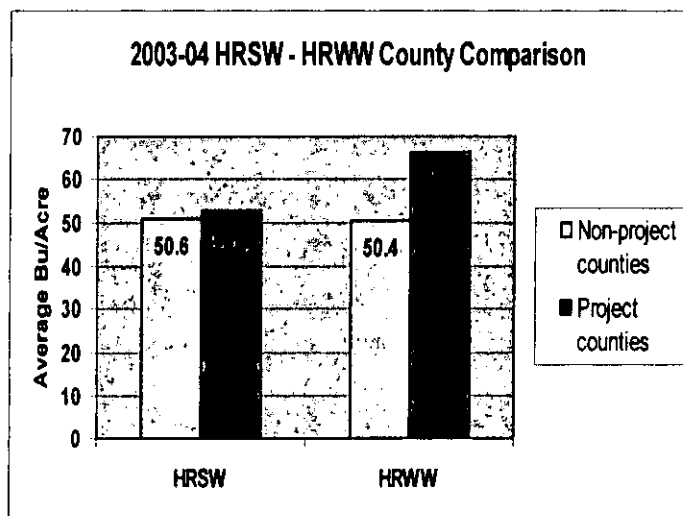
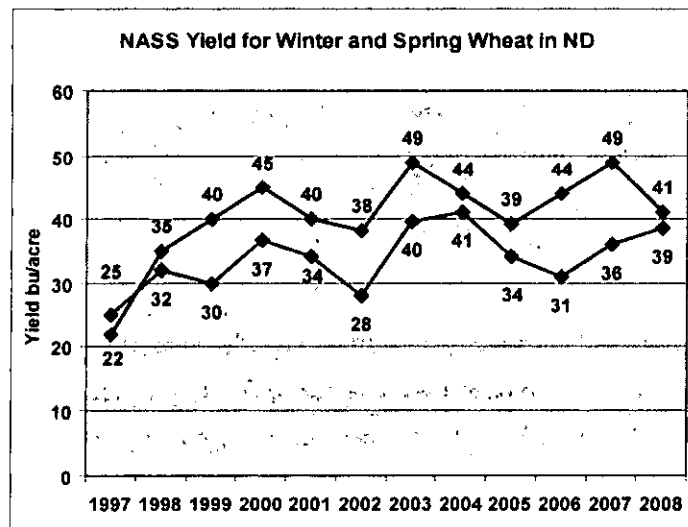
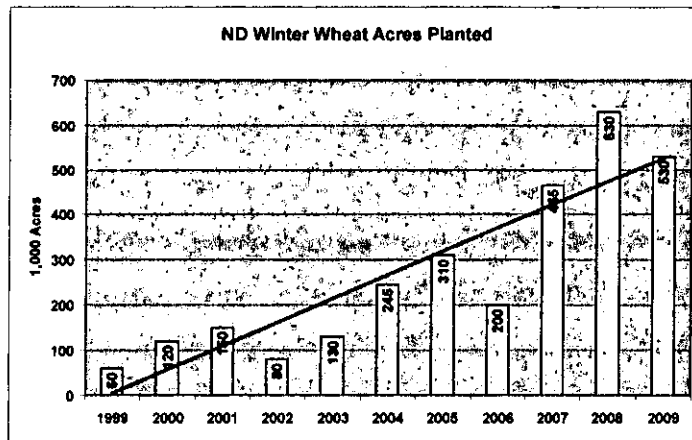
Chair Johnson and members of the House Agriculture Committee, I am Blake Vander Vorst an agronomist with the Ducks Unlimited (DU) Great Plains Regional Office in Bismarck, ND. I am responsible for the management of the winter cereals program that works with winter wheat and farmers in North and South Dakota. Several in the wheat industry have accused the DU winter cereals program for being responsible for the resurgence of winter wheat acreage in this great State. I hope that is the case.

Many of you are probably wondering why DU is interested in winter wheat. The answer is actually quite simple in that winter wheat is seeded in September and ducks nest in the spring. The lack of disturbance to the winter wheat fields in the spring of the year greatly enhances the nesting success of ducks in a cropland setting. The most recent DU Canada nest search data indicates that the density of hatched nests in winter wheat fields is 24 times greater than in spring wheat.

DU has had success in increasing the acreage of winter wheat since the program started in 1999, but it has come as a result of a partnership effort with the ND Grain Growers, the ND Wheat Commission, NDSU, private industry and particularly the producers. DU believes these initial acreage gains have come as a result of research, demonstration, education, technical assistance in production management. We have demonstrated that winter wheat, when managed properly, can be very competitive economically with other crops and can yield from 10 to 30% more than the spring wheat classes. DU does not indicate this to lower the importance of the spring wheat efforts as it is currently an important component of the crop rotation for many producers who plant winter wheat. Many of our ND producers plant winter wheat in prior crop spring wheat stubble to assure adequate cover for snow catch and thus winter survival.

Research, both in variety development and production, is greatly needed to further develop winter wheat to an even more profitable level for producers. The DU agronomy programs in both the United States and Canada have identified variety development as the most critical long term need for winter wheat. In our view, the improvement of cold tolerance, grain protein (quality) and disease resistance are the top three areas of need.

That is why DU is here to voice our support for HB1402 as its purpose is to support additional funding for research. Winter wheat is part of the current checkoff authority and thus DU assumes the Commission would also invest in the development of winter wheat.





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Bismarck, ND 58502
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FAX (701) 223-4645

MEMBERS

AmeriFlax
BNSF Railway Company
Independent Beef Association of North Dakota
Milk Producers Association of North Dakota, Inc.
Minn-Dak Farmers Co-op
North Dakota Ag Aviation Association
North Dakota Ag Consultants
North Dakota Agricultural Association
North Dakota Agri-Women
North Dakota Association of Soil Conservation Districts
North Dakota Association of Agricultural Educators
North Dakota Barley Council
North Dakota Beef Commission
North Dakota Corn Growers Association
North Dakota Corn Utilization Council
North Dakota Crop Improvement and Seed Association
North Dakota Department of Agriculture
North Dakota Dry Bean Council
North Dakota Dry Edible Bean Seed Growers
North Dakota Elk Growers
North Dakota Farm Bureau
North Dakota Farm Credit Council
North Dakota Farmers Union
North Dakota Grain Dealers Association
North Dakota Grain Growers Association
North Dakota Lamb and Wool Producers
North Dakota Oilseed Council
North Dakota Pork Producers
North Dakota Soybean Council
North Dakota Soybean Growers Association
North Dakota State Seed Commission
North Dakota State University Agriculture and University Extension
North Dakota Wheat Commission
North Dakota Canola Growers Association
Northern Food Grade Soybean Association
Northern Plains Potato Growers Association
Northern Pulse Growers Association
Red River Valley Sugarbeet Growers

*Sent Given
To
Senate Agriculture*

Testimony of Mike Beltz
North Dakota Ag Coalition
In Support of HB 1402
January 30, 2009

#5
HB 1402
Mike Beltz
1/30/09

Chairman Johnson and members of the House Agriculture Committee:

For the record, my name is Mike Beltz and I farm near Hillsboro. I am here today as the chairman of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of HB 1402.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent 38 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry.

The Ag Coalition supports HB 1402, which is the continuation of the current wheat check-off of 1.5 cents per bushel. These funds will be used for additional research and infrastructure necessary to provide North Dakota's producers with the knowledge and tools to remain competitive in the world market. The research will result in many benefits; these include higher quality and disease-resistant varieties leading to higher yields and greater profit. In addition, advancements made in quality consistency will result in increased consumer demand and greater marketing opportunities. These advancements are essential to the growth and expansion of North Dakota's ag industry and the state as a whole.

We encourage your favorable consideration of HB 1402.

Beltz testimony in support of HB 1402.

Amend 1402

Page 1, line 5, replace "Section" with "If House Bill No. 1025 does not become effective, section"

2

Talking Points for ND Wheat Commission Checkoff Bill (HB 1402)

HB 1402 Will Continue NDWC Checkoff at Current Rate of 1.5 cents per bushel – Otherwise 3 tenths of a cent will sunset June 30, 2009, and checkoff will decrease to 1.2 cents per bushel

HB 1402 Re-instates Full 1.5 Cent Checkoff, Effective July 1, 2009 – Same Rate Producers Currently Pay

At stake: Annual Revenues of \$500,000 to \$750,000 (3 tenths of a cent per bushel) Currently Committed to Trade Policy – Proposed Shift to Research

HB 1402 Will Provide: Additional Resources/Emphasis on Wheat Research/New Technologies

Goals: Improve Production and Market Competitiveness of Wheat:

Build on Recent Research Success to Provide:

Better Yield and Agronomic Performance through Improved Genetics

Greater Disease Resistance

Improve Customer Satisfaction/Increase Market Opportunities/Premiums

Improve Producer Incomes

NDWC Annual Budget: \$3.4 million—All Producer Checkoff Funds – No General Fund

Annual Net Revenue Collections: \$3.3 to \$3.8 Million at 1.5 Cent per Bushel Checkoff Rate

NDWC Wheat Research Commitment: \$825,000 in each FY2007-08 and FY2008-09

State and Federal Research Commitment: Nearly \$8.0 Million State and Federal Investment in Wheat Research at NDSU Each Year

Producers Contribute: 10 % of this total research investment through NDWC Checkoff

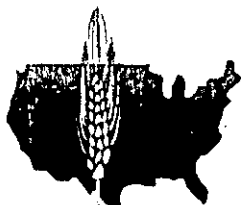
NDWC Checkoff Provides: Important Funding Component to Complement Federal and State General Funds in this Effective Partnership

Wheat – A Big Deal: Cash (Farm Gate) Value of ND Wheat Crop: \$2.3 Billion (“with a B”)
Represents 20 % of Total ND Farm and Ranch Marketings Each Year

Phenomenal Return on Investment: Wheat has Total Economic Impact of \$7.0 Billion in ND Economy (with modest multiplier of 3X). Very Important to ND – Agriculturally or Otherwise

Producer Investment: 1.5 Cents per Bushel Checkoff is equivalent to 52 Cents per Acre with average yield of 35 bushel per acre – 3 Tenths of a Cent is about 10 Cents per Acre

Producer and Stakeholder Support: Strong Support for HB1402 Expressed by Producer Organizations, Ag Coalition, NDWC County Representatives, Crop Improvement, Research Community, and Wheat Producer Survey



U.S. Durum Growers Association

Promoting the Production and Marketing of Durum and Semolina

**Testimony from the U.S. Durum Growers Association
Before the Senate Agriculture Committee
Thursday, February 26, 2009
House Bill 1402**

Members of the Senate Agriculture Committee, my name is Doug Opland. I am currently a Vice- President for the U.S. Durum Growers Association.

I am here today on behalf of the U.S. Durum Growers Association, and its members to support House Bill 1402.

Today HB 1402 seeks to address the use of check off dollars for wheat research. With the decrease in federal spending dollars it is vital that North Dakota farmers' pool their check-off dollars for the research of wheat and durum. Research provides the farmer with more and better variety selection. It also gives us a better yield, disease and pest resistance package, better grain for the millers, and finally a better product for the consumer.

By providing the farmer of our state with superior grain varieties, we will be able to better compete in the global market.

Mr. Chairman and members of the Senate Agriculture Committee, I respectfully request your favorable consideration of HB 1402.



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MEMBERS

AmeriFlax
BNSF Railway Company
Independent Beef Association of North Dakota
Milk Producers Association of North Dakota, Inc.
Minn-Dak Farmers Co-op
North Dakota Ag Aviation Association
North Dakota Ag Consultants
North Dakota Agricultural Association
North Dakota Agri-Women
North Dakota Association of Soil Conservation Districts
North Dakota Association of Agricultural Educators
North Dakota Barley Council
North Dakota Beef Commission
North Dakota Corn Growers Association
North Dakota Corn Utilization
North Dakota Crop Improvement and Seed Association
North Dakota Department of Agriculture
North Dakota Dry Bean Council
North Dakota Dry Edible Bean Seed Growers
North Dakota Elk Growers
North Dakota Farm Bureau
North Dakota Farm Credit Council
North Dakota Farmers Union
North Dakota Grain Dealers Association
North Dakota Grain Growers Association
North Dakota Lamb and Wool Producers
North Dakota Oilseed Council
North Dakota Pork Producers
North Dakota Soybean Council
North Dakota Soybean Growers Association
North Dakota State Seed Commission
North Dakota State University Agriculture and University Extension
North Dakota Wheat Commission
North Dakota Canola Growers Association
Northern Food Grade Soybean Association
Northern Plains Potato Growers Association
Northern Pulse Growers Association
Red River Valley Sugarbeet Growers

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**Testimony of Deana Wiese
North Dakota Ag Coalition
In Support of HB 1402
March 9, 2009**

Chairman Holmberg and members of the Senate Appropriations Committee:

For the record, I am Deana Wiese, administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of HB 1402.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent 38 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry.

The Ag Coalition supports HB 1402, which is the continuation of the current wheat check-off of 1.5 cents per bushel. These funds will be used for additional research and infrastructure necessary to provide North Dakota's producers with the knowledge and tools to remain competitive in the world market. The research will result in many benefits, including higher quality and disease-resistant varieties leading to higher yields and greater profits. In addition, advancements made in quality consistency will result in increased consumer demand and greater marketing opportunities. These advancements are essential to the growth and expansion of North Dakota's ag industry and the state as a whole.

We encourage your favorable consideration of HB 1402.

Wiese testimony in support of HB 1402.