

2009 SENATE AGRICULTURE

SB 2203

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2203

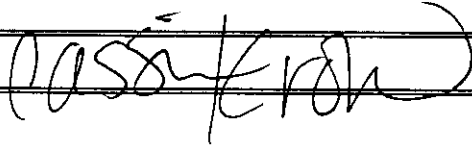
Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: January 22, 2009

Recorder Job Number: 7533

Committee Clerk Signature



Minutes:

**Sen. Flakoll** opened the hearing on SB 2203 a bill relating to the barley assessment.

Members present (6) absent (1)- **Sen. Taylor**.

**Sen. Wanzek** testified in favor of the bill, see attachment #1.

**Louis Arnold**, Farmer and chairman of the ND Barley council, testified in favor of the bill. See attachment #2.

**Sen. Heckaman**- on your attachment under #5 you have that about 70% of the check off dollars are for research and you have a dollar amount, if this other check off is added is it going to be proportioned out about the same or is all this additional going to go to research?

**Louis Arnold**- no it will be proportioned out about the same.

**Sen. Klein**- you know there is always a concern when you raise the funds of a check off, how are you guys running now are you guys comfortable?

**Louis Arnold**- Honestly I think they are.

**Jay Elkin**, farmer and board member of the ND Grain Growers association, testified in favor of the bill see attachment #3.

**Sen. Miller**- I don't know how this check off compares to any of the other check offs?

**Jay Elkin**- I would say that it is similar to the wheat check off they run in the same fashion.

**Mike Beltz**, farmer and chairman of the ND Ag Coalition, testified in favor of the bill see attachment #4.

No opposition to the bill.

**Sen. Flakoll** closed the hearing on SB 2203, **Sen. Wanzek** motioned for a Do Pass and to be rereferred to the appropriations committee and was seconded by **Sen. Behm**, roll call vote 6 yeas, 0 nays and 1 absent and not voting. **Sen. Wanzek** was designated to carry the bill to the floor.

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/14/2009

Bill/Resolution No.: SB 2203

**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
<b>Revenues</b>				\$1,240,000		\$1,240,000
<b>Expenditures</b>				\$900,000		\$1,200,000
<b>Appropriations</b>						

**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).*

The purpose of SB 2203 is to amend section 4-10.4-08 of the North Dakota Century Code to increase the barley check-off from the current rate of 10 mills (one cent per bushel) to 20 mills (2 cents per bushel). This increase directly affects barley producers.

**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.*

Funding for the North Dakota Barley Council is considered special funds which are generated by the check-off, and thus are not appropriated from the general fund. Continuing appropriation authority is granted by the North Dakota Century Code. The check-off fee is assessed at the first point of sale, and serves as the only source of funding for the Barley Council. The check-off funds are used to support the mission of the Council to enhance the utilization of barley through targeted research and education at the production, processing, and marketing levels. The current check-off of \$0.01 per bushel generates approximately \$1,240,000.00 in gross revenue per biennium (based upon the most recent 3 year average of barley assessments per Council records).

**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.*

Increasing the check-off from \$0.01 per bushel to \$0.02 per bushel would result in potential gross revenue generation of approximately \$2,480,000.00 per biennium (an increase of \$1,240,000 per biennium based upon a 3 year average of Barley Council assessment records). This revenue increase is provided in section 1A of this fiscal note. This allows the Barley Council to maintain and expand programs in barley variety development, crop quality, market development, risk management, domestic policy, promotion, education, administration, and operating. This would also allow for maintaining sufficient reserves to respond to unforeseen barley issues when they occur while simultaneously providing financial stability during unanticipated production declines.

**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 would primarily focus on developing varieties with higher yields, thus allowing barley to remain competitive with other crops that have experienced yield increases due to advanced variety development research. Expenditures would also support efforts in other programs, including but not necessarily limited to market development, risk management, and crop quality. Total expenditures per biennium are estimated to increase from

current levels of approximately \$1,200,000.00 to a range of \$2,100,000.00 to \$2,400,000.00, a resultant increase of \$900,000.00 to \$1,200,000.00 per biennium.

**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.*

<b>Name:</b>	Steven Edwardson	<b>Agency:</b>	ND Barley Council
<b>Phone Number:</b>	701-239-7200	<b>Date Prepared:</b>	01/20/2009



**REPORT OF STANDING COMMITTEE (410)**  
January 22, 2009 2:52 p.m.

**Module No: SR-13-0776**  
**Carrier: Wanzek**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2203: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2203 was rereferred to the Appropriations Committee.**

2009 SENATE APPROPRIATIONS

SB 2203



## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2203

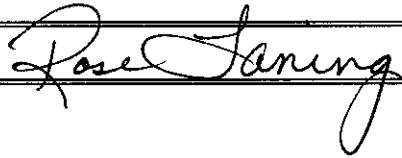
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-30-09

Recorder Job Number: 8208

Committee Clerk Signature



Minutes:

**Chairman Holmberg** called the committee hearing to order at 8:30 am in regards to SB 2203 concerning barley assessments. Roll call was taken. All committee members were present, except **Senator Lindaas**.

**Senator Wanzek, State Senator, District 29**

Testified in favor of SB 2203. (Written attached testimony # 1)

**Senator Wanzek** explained the bill and it raises the barley check off fee from one cent per bushel to two cents per bushel. Barley growers are in favor of the increase and this is a fee that they asses against themselves.

**Senator Wardner** asked if the ND barley growers supply barley to the malting plant at Spiritwood and **Senator Wanzek** replied that they do.

**Senator Fischer** asked what % of barley is malting barley and **Senator Wanzek** was not sure of the percentage because weather and market plays into effect.

**V. Chair Bowman** asked if the new greenhouse at NDSU will assist barley growers in research so everyone who is developing new varieties, is that something your organization will utilize? **Senator Wanzek** said that certainly there would be a collaborative effort. We will

accomplish a lot more when everyone works together.

**Senator Krebsbach** asked what the check off rates are for other commodity grains.

**Senator Wanzek:** Wheat is 1.5 cents per bushel; corn is a percentage of the value which is 2.5% of one percent of the value sold; beans are 10 cents per hundredweight. The grower only pays if they are producing this particular commodity

**Senator Mathern** asked if he saw a time when the barley growers just make their assessments, collect and not come to this committee again.

**Senator Wanzek** said he's not so sure we shouldn't visit checkoffs. Corn collected much more than what was projected because the market value went up.

**Senator Krauter** You've identified three areas of development of varieties, markets and marketing. What guarantees do you support for the barley council give since this is a 100% increase.

**Senator Wanzek** replied that there is a council of people who are voted in by their peers and he's sure they want to advance technology and research

**Louis Arnold, President, North Dakota Barley Council**

Testified in favor of SB 2203. (Written attached testimony # 2).

He informed the committee that the Barley Council is putting money into the NDSU greenhouse project because it's important to have facilities to advance research.

**Senator Wardner** asked if the \$100,000 was for the construction of the greenhouse.

**Louis Arnold:** Yes, this is for construction. They need money for a match and this money could be used for that.

**Jay Elkin, farmer at Taylor, ND; Board member, ND Grain Growers Association and Stark County Commissioner.**

Testified in favor of SB 2203. (Written attached testimony # 3)

**Senator Christmann** asked about barley prices and questioned that fact that some farmers were getting less than \$1 a bushel during draught. Is this check off on barley whether it's decent or poorest quality and should there be a distinction.

**Jay Elkin** replied that research is unique and most barley is feed barley, which is about \$2 less than malt barley grain. \$2 is huge. My hope is that some of that research will be put forward to provide varieties that we can grow consistently.

**Senator Krauter** said it's still paid out by test weight. It just takes more pounds to make a bushel. As a board member of Grain Growers, are you anticipating dollars from the Barley Council for your operation in policy .

**Jay Elkin** replied that they work on many different fronts together, but don't expect money from Barley Council. From time to time they have had us promote legislation, especially in Washington, DC and they help us whenever they can.

**Mike Beltz, farmer, Chairman of Agriculture Coalition**

Testified in favor of SB 2203. (No written testimony)

Chairman Holmberg closed the hearing on SB 2203.

**Senator Krebsbach moved MOVED DO PASS.**

**Senator Warner seconded.**

**A Roll Call vote was taken. Yea: 12    Nay: 0    Absent: 2**

Goes back to agriculture committee.

Date: 1/30/09

Roll Call Vote # 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2203

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. Krebsbach Seconded By Sen. Warner

Senators	Yes	No	Senators	Yes	No
Sen. Ray Holmberg, Ch	✓		Sen. Tim Mathern	✓	
Sen. Tony S. Grindberg, VCh	✓		Sen. Aaron Krauter	✓	
Sen. Bill Bowman, VCh	✓		Sen. Larry J. Robinson	✓	
Sen. Randel Christmann	✓		Sen. John Warner	✓	
Sen. Rich Wardner	✓		Sen. Elroy N. Lindaas		
Sen. Ralph L. Kilzer	✓		Sen. Tom Seymour	✓	
Sen. Tom Fischer					
Sen. Karen K. Krebsbach	✓				

Total Yes 12 No \_\_\_\_\_

Absent Sen. Lindaas, Sen. Fischer

Floor Assignment Ag - Sen. Warner

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

**REPORT OF STANDING COMMITTEE (410)**  
January 30, 2009 3:04 p.m.

**Module No: SR-19-1347**  
**Carrier: Wanzek**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2203: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS**  
(12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2203 was placed on the  
Eleventh order on the calendar.

2009 HOUSE AGRICULTURE

SB 2203

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2203

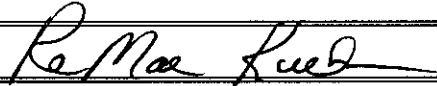
House Agriculture Committee

Check here for Conference Committee

Hearing Date: March 5, 2009

Recorder Job Number: 10232

Committee Clerk Signature



Minutes:

**Senator Wanzek, Sponsor:** This bill raises the barley check-off fee from 1 cent per bushel to 2 cents per bushel. **(Written testimony attached #1)**

**Representative Rust:** What percentage of people ask for a refund?

**Senator Wanzek:** I don't know the exact number. I do hear about 4 to 6%. It seems to be consistent throughout the commodity organizations. There is always a few that have heartburn over it. You only pay the check-off fees if you grow the crop. It's a small investment for what you get with lobbying, marketing, etc.

**Louis Arnold, Chair of the ND Barley Council:** ND is the largest barley producing state in the U.S. **(Written testimony attached #2a)**

**(Background information attached #2b)**

**Chairman Johnson:** With Canadian barley coming into the state, is that taxed and refunded? Do we get something out of that for the Barley Council?

**Louis Arnold:** I don't think we do.

**Chairman Johnson:** Are they filing for refunds?

**Louis Arnold:** I think the consensus of the Barley Council is that if the barley came out of Canada and we did get that attached to our assessment, we wouldn't allow them to have a refund. I think Minnesota doesn't allow a refund.

**Terry Weckerly, Vice President of the ND Grain Growers Assn.:**

**(Written testimony attached #3)** In Washington, DC the Agriculture funding is getting cut. We need to look after ourselves.

**Mike Beltz, Chair of the ND Ag Coalition: (Written testimony attached #4)**

**Representative Vig:** We saw a check-off increase last week on soybeans. Now we are doubling the revenue for the Barley Council. Is it all research? Are the commodity groups hiring more staff?

**Mike Beltz:** My understanding is that it is going to research.

**Opposition:** None

**Chairman Johnson:** Closed the hearing.

**Representative Holman: Moved Do Pass.**

**Representative Belter: Seconded.**

**Representative Boe:** I'll support the Do Pass. I'd like to point out that with this increase there should be due diligence to make sure they keep track of their funding and spend it wisely.

**Representative Mueller:** When we have our commodity group get-together at the beginning of next session, it would be of interest to know what was done with the increased funding. I hope to see that a lot of research was done with the money.

**Representative Holman:** Research is extremely important. Where is most of the research on barley currently being done?



**Louis Arnold:** Most of our research is done in North Dakota and a lot in Minnesota. We understand now that Australia is coming on board. We lost a breeder to Australia. We might fall flat on our face. We think we need to put money into research for nitrogen fixing and drought resistance and increasing yields. If we can't increase the yield, barley is going to die. It's a gamble on our part to put a lot of money into this effort.

**Representative Rust:** I am going to vote to support this even though it is a doubling of the tax. If you disagree with it at least there is a method to get the money refunded.

**Representative Schatz:** Yesterday when I carried the oilseed bill there was some opposition. Is the opposition because of the doubling or is it that people don't want it at all?

**Chairman Johnson:** The folks that voted "No" on that bill are probably people that vote "No" on any commodity increase.

**Vice Chairman Brandenburg:** I'm going to support it too. If there was opposition to this, those people would be here. It was done right by going to your people first to ask for support before coming here.

**Chairman Johnson:** I've raised barley and hauled a lot of barley over the years with frustration in sitting line and then get rejected because the DON count was a fraction over. That's why I think research is so important to see how we can address that.

A Roll Call vote was taken. **Yes: 12, No: 0, Absent: 1**, (Representative Froelich).

**Representative Mueller will carry the bill.**

Date: 3/5/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2203

House Agriculture Committee

Check here for Conference Committee

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

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Rep. Holman Seconded By Rep. Belter

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair	✓		Tracy Boe	✓	
Mike Brandenburg, Vice Chair	✓		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) 12 No 0

Absent 1

Bill Carrier Rep. Mueller

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

**REPORT OF STANDING COMMITTEE**

**SB 2203: Agriculture Committee (Rep. D. Johnson, Chairman) recommends DO PASS**  
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2203 was placed on the  
Fourteenth order on the calendar.

2009 TESTIMONY

SB 2203

*Same given to  
Senate Approp.  
& House  
Agriculture.*

**Attachment #1**

Chairman Flakoll and fellow members of the Senate Agriculture Committee, my name is Terry Wanzek, State Senator from District 29. I am in support of SB 2203. SB 2203 is a simple bill. It, plain and simple, raises the barley checkoff fee from one cent per bushel to two cents per bushel.

Why do we need to do this? First, because the ND barley growers are in favor of the increase and this is a fee that barley growers assess against themselves. The ND Barley Council county representatives voted unanimously for the checkoff increase at their December 2008 meeting. Barley growers are concerned that public funding for barley research may diminish while the costs of research continue to rise. Barley growers want to expand research into variety development, market development and also market risk tools to stabilize the barley grower's financial risks.

Secondly; the agriculture coalition voted to support the barley growers in this effort. In other words, the ND agriculture community is in support. Barley production in ND has, on average, over a \$300 million dollar annual value. When you apply the multiplier effect it has a much larger overall economic impact to the ND economy. ND raises approximately 37% of the nation's barley.

Third; When you consider a 2 cent per bushel checkoff raises about 1.25 million it does not appear to be out of line for a research and market development investment into a 300 million dollar industry. This is less than one-half of 1% invested into market and research development. Many successful fortune 500 industries invest considerably higher percentages than this.

**Lastly, the checkoff is refundable. Although I would encourage growers to not refund, they can decide to not participate and request a full refund of their checkoff dollars.**

**Chairman Flakoll and Senate Ag Committee members, I ask for your support of this measure. Thank you.**

Attachment #2

North Dakota Barley Council  
Testimony for SB 2203

January 22, 2009

*Same given  
to Senate Aggr.  
& House Agriculture.*

Mr. Chairman, members of the Senate Agriculture Committee, for the record my name is Louis Arnold. I farm near Esmond, ND, and currently serve as chairman of the North Dakota Barley Council.

I am here today in support of Senate Bill 2203.

Mr. Chairman and members of the committee, North Dakota is the largest barley producing state, with approximately 37% of U. S. production. In order to keep barley agronomically viable and economically profitable for North Dakota barley growers, it is important that we continue to invest in supporting research and development. Advancements in variety development in many crops are allowing growers to achieve higher yields, improved quality, and more consistent profits. Increasing the barley check-off from the current level of one cent per bushel to two cents per bushel represents the foundation of funding necessary to enhance and expand research, development, education, and related efforts.

Attached to this testimony is background information related to the barley check-off.

On behalf of the barley growers, thank you for your consideration and support of SB 2203. If you have questions, please let us know.

**North Dakota Barley Council**  
**Check-Off Increase Considerations and Frequently Asked Questions**  
**Last Update: January 2009**

*Same given by  
 L. Arnold to  
 Nance*

1. What is the current check-off amount?

*The current check-off amount is 1 cent per bushel (\$0.01 per bushel).*

2. How many times has the check-off been increased?

*Since the formation of the Barley Council in 1983, the check-off assessment was increased only once (in 1997), from 1/2 cent per bushel to 1 cent per bushel.*

3. How much funding is generated by the current check-off?

*The following table provides a summary of the amount of funding generated by the current \$0.01 per bushel check-off (based upon ND Barley Council records). The column labeled "bushels produced" is obtained from National Ag Statistics Service. The column labeled "bushels assessed" is the actual number of bushels assessed by the Council in a given calendar year. Assessments for the 4<sup>th</sup> quarter of 2008 will not be completely received until the end of January 2009. Consequently, the bushels assessed for 2008 is only an estimate.*

YEAR	BUSHEL PRODUCED	BUSHEL ASSESSED	% OF BUSHEL PRODUCED	ASSESSMENT INCOME
2006	48,755,000	47,923,135	98.29%	\$479,281.35
2007	77,840,000	67,624,840	86.88%	\$676,248.40
2008	86,200,000	78,000,000	90.49%	\$705,800.46
Averages:	70,931,667	64,515,992	91.89%	\$620,443.40

4. How much additional funding would an increase in the check-off generate?

*The following table compares funding levels from the current check-off rate of \$0.01 per bushel with an increase to \$0.02 per bushel.*

(\$/bushel) Check-Off	Bushels Assessed	Total
\$0.01	64,000,000	\$640,000.00
\$0.02	64,000,000	\$1,280,000.00

*The number of bushels assessed is a rounded average from the 3 year average calculated in table 1. Increasing the check-off from 1 cent per bushel to 2 cents per bushel would generate an additional \$640,000.00 per year according to the above table.*



5. What is the current approximate allocation of check-off dollars?

*Nearly 70% of check-off dollars are utilized to fund research and development efforts in barley variety development, livestock nutrition, market development, risk management (e. g. crop insurance enhancement, etc.), education, and outreach. The remaining funds are utilized for implementation and administration of Council directed projects.*

*As an example, the three year average of total expenditures (2006 – 2008) is approximately \$736,000.00. Of this amount, approximately \$508,000.00 (69% of the three year average) was allocated to research and development in the previously listed categories. The remainder (approximately \$228,000.00, or 31%) was allocated to administration and overhead (e. g. salaries, benefits, office rental, information technology, etc.).*

6. What is the estimated impact on barley growers by increasing the check-off?

*According to the most recent Census of Agriculture (published by USDA in 2002), there are 5,218 farms in North Dakota producing barley. The 3 year average of barley acres harvested in North Dakota is 1,308,000 acres (average of 2006 – 2008, USDA-NASS). The 3 year average production is approximately 71,000,000 bushels for this same period. Dividing 71,000,000 bushels by 5,218 farms provides an estimate of 13,600 bushels produced per farm. The average number of acres per farm is approximately 250 (i. e. 13,600 bushels per farm divided by the 3 year average yield of 54.0 bushels per acre). Consequently, the impact to the grower would be estimated as follows:*

<b>(\$/bu) Check-Off Level</b>	<b>3 Year ND Average Yield</b>	<b>Cost Per Acre</b>	<b>Average Acres Per Farm</b>	<b>Average Cost Per Farm</b>
\$0.01	54	\$0.54	250	\$135.00
\$0.02	54	\$1.08	250	\$270.00

*Increasing the check-off from \$0.01 to \$0.02 per bushel would result in an estimated increase of \$0.54 per acre, or \$135.00 per farm per year (on average).*

7. How will the funding be allocated?

*Barley growers are concerned that public funding for barley research will diminish. The cost of research, development, education, and administration is increasing. Areas of funding include but are not limited to the following:*

- Expanding research in barley variety development in both conventional breeding programs and biotechnology.*
- Expanding research in market development to expand barley utilization in malting, livestock nutrition, and human food ingredients.*

- *Expanding research in risk management tools (e. g. improved crop insurance, enhanced crop management techniques) to assist in stabilizing production for growers.*

*Growers are seeking to be proactive in expanding variety research (both in terms of conventional crop breeding while simultaneously exploring biotechnology) as well as expanding efforts in market development. This is required to keep barley competitive with other crops.*

8. Are barley growers supportive of increasing the check-off?

*Yes. The North Dakota Barley Council has discussed increasing the check-off with the county representatives. The Barley Council county representatives present at the December 2008 meeting voted unanimously to support the increase.*

9. What is the economic contribution of barley to North Dakota?

*North Dakota leads the United States in barley production, producing approximately 37% of total U. S. production. The value of barley production in North Dakota in 2007 was over \$300 million dollars. Estimates for 2008 production indicate barley production in North Dakota to be valued between \$350 and \$400 million dollars.*

10. Is the agricultural community supportive of this increase in the check-off?

*Yes. The North Dakota Ag Coalition voted in favor of supporting the check-off increase.*

11. Will the refund provision remain intact?

*Yes. Those growers that choose not to participate in the check-off can request a refund in accordance with the statute.*

**North Dakota Barley Council**  
**Fiscal Note Narrative Information**  
**Check-Off Increase for 2009 Legislature**  
**Last Update: January 20, 2009**

**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				1,240,000		1,240,000
Expenditures				900,000		1,200,000
Appropriations						

**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).*

The purpose of SB 2203 is to amend section 4-10.4-08 of the North Dakota Century Code to increase the barley check-off from the current rate of 10 mills (one cent per bushel) to 20 mills (2 cents per bushel). This increase directly affects barley producers.

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**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.**

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**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 would primarily focus on developing varieties with higher yields, thus allowing barley to remain competitive with other crops that have experienced yield increases due to advanced variety development research. Expenditures would also support efforts in other programs, including but not necessarily limited to market development, risk management, and crop quality. Total expenditures per biennium are estimated to increase from current levels of approximately \$1,200,000.00 to a range \$2,100,000.00 to \$2,400,000.00, a resultant increase of \$900,000.00 to \$1,200,000.00 per biennium.



www.ndgga.com

Working for you,  
the producer!

*Same given  
to Senate  
Approp.*

**Testimony of Jay Elkin  
Before the Senate Agriculture Committee  
January 22, 2009  
Testimony on SB 2203**

Mr. Chairman, members of the Senate 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 Senate Bill 2203.

Mr. Chairman, members of the committee, North Dakota agriculture is a big participant in the global economy. Barley is a key component in that global picture. For producers like me to remain competitive, it is imperative that we invest in agricultural research and technologies that will move us forward in the future. SB 2203 is just such an investment. SB 2203 seeks to raise the barley checkoff paid by barley producers in order that producers themselves can demonstrate a commitment towards the future in the barley industry. In these economic times it is critical that farmers themselves show the initiative that research dollars are an important part of the barley industry in this state.

The state average yield for barley for the 2006 through the 2008 cropping years was 54 bushels per acre, according to North Dakota ag statistics. This translates into a \$1.08 per acre investment cost to producers to maintain and expand programs in barley variety development, market development, risk management, domestic policy and promotion. This is a small investment to make on my part to support the future of the state's barley industry.

Research funding is the future in agriculture; the Federal Government can't do it alone, nor can the state government, nor can producers. But a combined commitment, led by producers, will provide the impetus necessary to move the research ball in the right direction.

Mr. Chairman, members of the committee, as a farmer I feel my investment through check off dollars used to support the North Dakota Barley Council is money well spent. I ask that you pass SB 2203. 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.*



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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 Agrl-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 Growers Association
- North Dakota Soybean Growers Association
- Northern Plains Potato Growers Association
- Northern Pulse Growers Association
- Red River Valley Sugarbeet

**Testimony of Mike Beltz  
North Dakota Ag Coalition  
In Support of SB 2203  
January 22, 2009**

*Same given to House Agriculture.*

Chairman Flakoll and members of the Senate 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 SB 2203, which would increase the barley assessment.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent 37 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 commodity check-offs as they provide funding for research and development necessary to arm North Dakota's producers with the knowledge and tools to remain competitive in the world market. Additional research will allow for advancements resulting in higher yields, higher quality and higher profits for barley growers; thus, strengthening the agricultural industry. As North Dakota's top industry, this essential to the growth of the state.

We appreciate your past support of commodity check-offs and encourage your continued support.

Beltz testimony in support of SB 2203.



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3/5/09

#3  
Terry Weckerly  
2203

*Working for you,  
the producer!*

**Testimony of Terry Weckerly  
Before the House Agriculture Committee  
March 5, 2009  
Testimony on SB 2203**

Chairman Johnson, members of the House Agriculture Committee, for the record my name is Terry Weckerly; I farm near Hurdsfield, North Dakota and I am also the Vice-President of the North Dakota Grain Growers Association.

I am here today in support of Senate Bill 2203.

Mr. Chairman, members of the committee, North Dakota agriculture is a big participant in the global economy. Barley is a key component in that global picture. For producers like me to remain competitive, it is imperative that we invest in agricultural research and technologies that will move us forward in the future. SB 2203 is just such an investment. SB 2203 seeks to raise the barley checkoff paid by barley producers in order that producers themselves can demonstrate a commitment towards the future in the barley industry. In these economic times it is critical that farmers themselves show the initiative that research dollars are an important part of the barley industry in this state.

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