

2009 SENATE AGRICULTURE

SB 2438

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

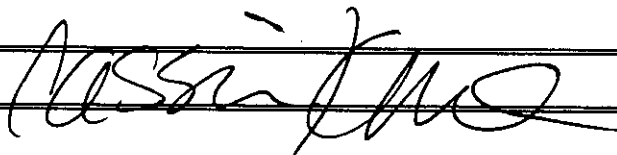
Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8890

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the hearing on SB 2438, a bill relating to the promotion of sustainably grown agricultural commodities. All members (7) were present.

Sen. Wanzek, district 29, testified in favor of the bill. Went over attachments with committee, see attachments # 1, 2, 3 and 4.

Sen. Behm- is the purpose or goal of this to get food to market quicker?

Sen. Wanzek- not necessarily, food is a vital need for all of us, I think that when you listen to the experts and look into the future and the statistics of population growth and how we are going to meet that. You look into the past and how that's been done and I am convinced that through a lot of efforts with or land grant universities and private firms and investments into the research and development of these technologies have allowed us or enabled us to meet that demand. It is imperative to pursue these to be able to meet the growing demands for food production, shelter, energy and whatever else.

Doug Goehring, farmer and secretary-treasurer of the ND Grain Growers association, testified in favor of the bill. See attached testimony, see attachment #5.

Brian Kramer, ND Farm Bureau, testified in favor of the bill. See attached testimony, attachment #6.

Sen. Flakoll- would you come up with a score for this?

Brian Kramer- there is a lot of questions that we need to address yet.

Bruce Freitag, farmer near Scranton, testified in favor of the bill.

Bruce Freitag- I support this bill, it is a long overdue effort for those operating there farms in a sustainable matter. In recent years there have many misunderstandings about sustainability.

There are three major things that need to be included when we define sustainability-

productivity, efficiency and good stewardship. I think that if we keep those things in mind we

can come up with some sort of certification that actually means something and conveys to the public that we are doing things properly and that there is real value in that for the consumer.

Christina Dockter, Senior Executive Partner of International Certification Services, testified in opposition to the bill. See attached testimony, attachment #7.

Sen. Taylor- how many producers does ICS have and is it outside of ND also?

Christina Dockter- yes we certify nationally and internationally in the range about 500 clients.

Sen. Taylor- is there a premium?

Christina Dockter- yes there is and a certification.

Sen. Wanzek- I know that we need to work on this and not sure if we are going to implement it fully this session but my understanding is that some of the organic productions will not meet these standards?

Christina Dockter- we do inspect the crops and the procedures in processing, I think that organic would meet those. I think that it is just too much to meet all standards.

Brit Jacobson, consumer, testified in opposition to the bill.

Brit Jacobson- I use to work for a company that provided a sustainable label for producers, it was a marketing tool. It was something that was used to diffencerate product from every other product on the shelf, it is a very tuff sell. Consumers do not know what sustainability means.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

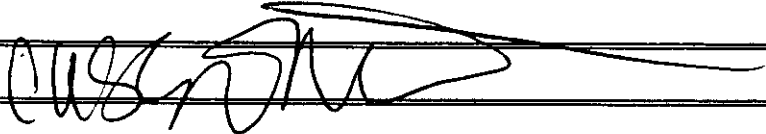
Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: February 6, 2009

Recorder Job Number: 8892

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the discussion on SB 2438. All members (7) were present.

Sen. Wanzek- I do agree that this is not where it needs to be and needs quite a bit of work. I would like to put amendments in that would make it do what Keystone does in the next 2 years and then by then we might have more data to go on by then. I think the simplest amendment that I could put on it at the time to keep it alive is to put an effective date on it of July 1st, 2011.

This way it keeps it alive and we have more time to work on it.

Sen. Taylor- I think that we could get rid of this bill and bring a new one in next session.

Sen. Wanzek motioned to adopt effective date amendments and was seconded by **Sen.**

Klein, vote 6 yea, 1 nay, 0 absent. **Sen. Wanzek** motioned for a do pass as amended and be rereferred to appropriations and was seconded by **Sen. Klein**, vote 5 yea 2 nay 0 absent.

Sen. Wanzek was designated to carry the bill to the floor.

Sen. Flakoll closed the discussion.

FISCAL NOTE
Requested by Legislative Council
03/23/2009

Amendment to: Reengrossed
SB 2438

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	\$0	\$0	\$0			
Expenditures	\$0	\$0	\$0		\$192,216	
Appropriations	\$0	\$0	\$0			

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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).*

SB 2438, with House Amendments, creates a new program to start on July 1, 2011 within the Department of Agriculture to promote agricultural commodities that are sustainably grown in North Dakota. An advisory committee on sustainable agriculture is also created during the 2009-2011 biennium.

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.*

Section 1 tasks the Agriculture Commissioner with implementing a program to promote agricultural commodities that are sustainably grown in North Dakota. Responsibilities under this program include developing a logo, certifying producers that apply to use the logo indicating that they use sustainable growing practices, and promoting the sale and use of products identified as sustainably grown.

Section 2 has the commissioner appointing an advisory committee on sustainable agriculture.

The Department of Agriculture is not currently adequately staffed for this program. This program would require either new staff to manage this program or contracting with an outside entity to perform these responsibilities.

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.*

This bill allows the Agriculture Commissioner to charge producers a fee for participating in the program with the fees deposited in the general fund. We do not know what fee would be appropriate, nor can we anticipate how many producers would participate in the program. Thus the potential impact to revenues is unknown.

The advisory committee on sustainable agriculture may also accept funds that would be appropriated on a continuing basis to the commissioner. It is not known how much funds could be collected.

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.*

The Department of Agriculture would require an additional FTE to perform the functions outlined in the bill. We estimate that this FTE would require a total of \$192,216 during the biennium including salary and benefits, as well as operating costs such as travel, rent and supplies. These expenditures would start during the 2011-2013 biennium to

coincide with the effective date of the program.

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.*

SB 2438 does not contain an appropriation and was not included in the executive budget. It does create a continuing appropriation for any funds collected by the advisory committee on sustainable agriculture.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	03/23/2009

FISCAL NOTE
Requested by Legislative Council
02/17/2009

REVISION

Amendment to: Engrossed
 SB 2438

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						
Expenditures					\$192,216	
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).*

SB 2438 creates a new program within the Department of Commerce to promote agricultural commodities that are sustainably grown in North Dakota. This bill has an effective date of July 1, 2011, so any fiscal impact will start in the 2011-2013 biennium.

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 tasks the Department of Commerce with implementing a program to promote agricultural commodities that are sustainably grown in North Dakota. Department responsibilities under this program include developing a logo, certifying producers that apply to use the logo indicating that they use sustainable growing practices, and promoting the sale and use of products identified as sustainably grown. The Department is also to appoint an advisory committee on sustainable agriculture.

The Department of Commerce is not currently adequately staffed for this program. This program would require either a new employee to manage this program or contracting with an outside entity to perform these responsibilities.

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.*

This bill does allow the department to charge producers a fee for participating in the program with the fees deposited in the general fund. We do not know what fee would be appropriate, nor can we anticipate how many producers would participate in the program. Thus the potential impact to revenues is unknown.

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.*

The Department of Commerce would require an additional FTE to perform the functions outlined in the bill. We estimate that this FTE would require a total of \$192,216 during the biennium including salary and benefits, as well as operating costs such as travel, rent and supplies.

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.

SB 2438 does not contain an appropriations, nor is there any appropriations in any other bill for this purpose.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	02/17/2009

FISCAL NOTE
Requested by Legislative Council
02/16/2009

Amendment to: SB 2438

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						
Expenditures					\$192,216	
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).*

SB 2438 creates a new program within the Department of Commerce to promote agricultural commodities that are sustainably grown in North Dakota. This bill has an effective date of July 1, 2011, so any fiscal impact will start in the 2011-2013 biennium.

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 tasks the Department of Commerce with implementing a program to promote agricultural commodities that are sustainably grown in North Dakota. Department responsibilities under this program include developing a logo, certifying producers that apply to use the logo indicating that they use sustainable growing practices, and promoting the sale and use of products identified as sustainably grown. The Department is also to appoint an advisory committee on sustainable agriculture.

The Department of Commerce is not currently adequately staffed for this program. This program would require either a new employee to manage this program or contracting with an outside entity to perform these responsibilities.

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.*

This bill does allow the department to charge producers a fee for participating in the program with the fees deposited in the general fund. We do not know what fee would be appropriate, nor can we anticipate how many producers would participate in the program. Thus the potential impact to revenues is unknown.

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.*

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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.

SB 2438 does not contain an appropriations, nor is there any appropriations in any other bill for this purpose.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	02/17/2009

FISCAL NOTE
Requested by Legislative Council
01/28/2009

Bill/Resolution No.: SB 2438

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						
Expenditures			\$192,216		\$192,216	
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).*

SB 2438 creates a new program within the Department of Commerce to promote agricultural commodities that are sustainably grown in North Dakota.

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 tasks the Department of Commerce with implementing a program to promote agricultural commodities that are sustainably grown in North Dakota. Department responsibilities under this program include developing a logo, certifying producers that apply to use the logo indicating that they use sustainable growing practices, and promoting the sale and use of products identified as sustainably grown.

The Department of Commerce is not currently adequately staffed for this program. This program would require either a new employee to manage this program or contracting with an outside entity to perform these responsibilities.

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.*

The Department of Commerce would require an additional FTE to perform the functions outlined in the bill. We estimate that this FTE would require a total of \$192,216 during the biennium including salary and benefits, as well as operating costs such as travel, rent and supplies.

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.*

SB 2438 does not contain an appropriations, nor is there any appropriations in any other bill for this purpose.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	02/04/2009

Date: 2.6.09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Senate Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt amendments to make effective date

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) 6 No 1

Absent 0

Floor Assignment _____

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

Date: 2.6.09'
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Senate Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended rerefer to 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) 5 No 2

Absent 0

Floor Assignment Sen. Wanzek

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

REPORT OF STANDING COMMITTEE

SB 2438: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2438 was placed on the Sixth order on the calendar.

Page 1, line 2, after "commodities" insert "; and to provide an effective date"

Page 2, after line 6, insert:

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on July 1, 2011."

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2438

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

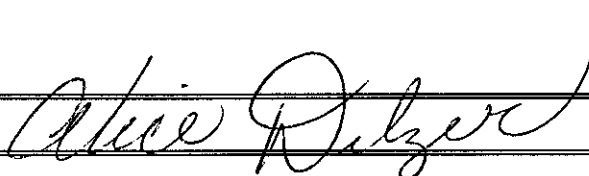
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-12-09

Recorder Job Number: 9429

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee to order at 4:45 pm in reference to SB 2438 in regards to the promotion of sustainably grown agricultural commodities.

Senator Terry M. Wanzek, District 29 testified in favor of SB 2438 and provided written testimony # 1 (Diverse Group releases First-of-its-Kind Report Measuring Agriculture

Sustainability) and written testimony # 2 (Field to Market: The Keystone Alliance for Sustainable Agriculture) in support of the bill. He explained the bill and the amendments to the committee.(04.20 to 11.16) I would hope that we can adopt these amendments and keep it alive. It is a profound development that will evolve through-out this legislative process but will also will allow for the next two years put ND producers in a very competitive positive position in moving forward and still allow us within 2 years from now to take a look at what they have done and we can undo it.

Chairman Holmberg Did you consider the Ag department for the site for this.

Senator Wanzek It was our thought this is a trade issue, it is a voluntary program. The Agriculture Department can provide advise and they will be an member on the advisory board, they can help direct this, we want it to be a marketing tool.

Senator Mathern Do we have marketing food products ?

Senator Wanzek The tradeoffs deal with a lot of foreign markets. I do believe in these amendments the department of agriculture will be directly involved. Certainly I wouldn't discourage the department of agriculture from continuing to pursue their trips and their programs. This is targeted more towards developing a sustainability type designation logo. The agriculture dept could use this as an additional tool to help market their products.

Senator Lindaas I'm not sure it's an educational thing. Isn't there duplication and extension in research duplication?

Senator Wanzek I don't look at it that way, it is a collaborative type effort. It is being discussed out there in the agriculture circles at a national level, I participated in the National Assoc of Wheat Growers. I see this as an effort promoted and supported through extension. This initiative is the first of it's kind. There is a very concerted effort in the agricultural industry in the food production. There is a very big concern in the future on how are we going to meet the demands (16.10) I personally had the opportunity to meet Dr. William Borlog who is the father of the green village (a Nobel Peace prize winner) in a roundtable discussion with some American farmers and foreign farmers. He talked about how important it was to continue what he started. He said we can feed the world if we have the political courage to do it. Many of the instances he laid out with his experiences. it was always the fear of what he was doing and what the future held in the unknowns. Eventually he said there were some political leaders that had the courage to step forward and help him and he is credited with saving millions of lives by increasing food production and enhancing food availability for the 3rd world development countries. (17.07)

Senator Christmann For the whole time that you and I have been in the Legislature you and I have lamented the fact that from time to time people find some case of reckless erosion or animal abuse or something like that and use it to kind of attack agriculture in general but all

responsible industries feel that way; that frustration that they get attacked. Our fossil fuels industry relies a lot on agriculture, it's a huge percentage of the market, but agriculture needs the fossil fuels industry in order to be productive and able to feed the world. Would you object if item C on the second page were taken out? It seems like kind of an unnecessary attack at the fossil fuels industry in general. I know we want to become less reliant on foreign sources of our energy, but here in North Dakota we kind of lead the way and state of the art, very fussy reclamation, carbon capture and carbon storage, and those sorts of things and I am bothered by that part of the bill.

Senator Wanzek, I caught that too. And I guess the intent is decrease use of energy. In other words, using less energy, whatever that energy be, less energy per unit of output or per unit of production. The number of hours we put on our tractors versus years ago when we only had the mechanical method. Certainly I would not object to that. I don't think it was the intent to attack fossil fuel and I would agree with everything you said.

Senator Christmann The way I always look at it if we can take that acre of corn, and on the one hand feed 100 people, or responsibly develop another ton of coal, and because of the ability to further process it and instead feed 500 people, I think we've done very well for both industries. They really need one another.

Senator Wanzek In the last 50 years, population nearly tripled. In the last 50 years we have nearly tripled the amount of cereal grain output in the world through science and research and modern technology. And even the beef industry; there's a Kansas State University research project that shows in the last 50 years on virtually the same number of cows we produced 3 times as much beef from these same cows and it has all been done through advancements in technology in agriculture.

Chairman Holmberg Lets remember we are going to talk about the money. We have two more to testify and then present your amendments.

Dan Wogsland Executive Director North Dakota Grain Growers testified in favor of SB 2438. This is a good marketing opportunity to showcase what North Dakota producers and the North Dakota Ag. Industry does in light of sustainable agriculture. North Dakota should take a leadership role in this effort.

V. Chair Grindberg I know there's been some reference made about the department of agriculture and the department of commerce and then the International Trade Office under the department of commerce. Would it make more sense to put this FTE in the trade office?

Dan Wogsland Where this is placed is the decision of the Legislature and certainly the sponsors give us some very good reasons as to why it should be in the department of commerce. In discussing the amendments they are talking about the department of agriculture. Ultimately, where this is placed, I think taking that advisory committee, putting together these sustainable measures and placing it somewhere in North Dakota is a good idea. (23.45) no written testimony.

Scott Rising, North Dakota Soybean Growers Association We are pretty excited about this and testified in favor of SB 2438. (24.59)

Chairman Holmberg asked if anyone else wanted to testify. He closed the hearing.

Senator Wanzek passed out the amendments (91019.0201) to the committee. I will be the first to say I'm not sure this is the perfect advisory council. (26.12) I do like most of it and I guess I am just forwarding to you that this process, I see this as an evolving process. I know that maybe we should have started working on this project sooner. I do believe it has some merits.

It would establish a new section two which basically defines the advisory council. Again the way the bill is set up the advisory council reports to the department of commerce. This

Keystone Field to Market initiative is ongoing for the next couple of years. It will be a measuring stick and that's why it's presented in testimony to make it clear you don't put in statue, but you make it clear that that is the intent to follow this scientific initiative in directing this advisory board in carrying out this implementation of this program and again it would be delayed for two more years. It will not be implemented until July 1, 2011, meaning there will be another session in between the full implementation of this.(27.42)

Senator Mathern Item D under #1 as we move this direction are we kind of saying the folks in D just serve this department and are they moving us ahead in this initiative. Aren't the folks in D suppose to be in front of what needs to be done in the future?

Senator Wanzek Certainly the folks in D have played a major role in advancing us to where we are today. Examples I gave s that they are three times more productive per acre from results from what they have done

Senator Mathern I am just wondering why they haven't promoted this sustainability concept that we are talking about to the degree that you want it.

Senator Wanzek That is why I put the delay implementation on it. We are out in front here but as the Keystone Projects indicate it is the first time this has been done. This has been discussed a lot a long time. A lot of farmers are scared to go to that term sustainability. They have so many different ideas of what it means. Finally we have a scientific project based upon scientific peer review providing objective metric measurements in determining what is sustainable in producing food for the future. (30.05)

Chairman Holmberg What does the committee want to do with the suggested amendments?

Senator Mathern moved we adopt the amendments. Seconded by Senator Christmann.

All in favor say aye. It carried. And then we have another amendment suggestion.

Senator Christmann Not in writing but to be easily understandable I move that in the first section under item 5 number C be removed.

Chairman Holmberg Remove line 3 on page 2 of the engrossed bill. One of the suggestions had been decreased use of energy. You prefer to remove it in your amendment.

Senator Christmann Yes, I prefer to remove it.

Chairman Holmberg OK we have an amendment to remove line 3 on page 2.

Senator Mathern put in the word energy.

Senator Christmann I don't know what we would do with the word energy if you are trying to replace costs of fuels with energy. We are energy without fossil fuels. These two industries are essential to ND.

Senator Mathern I agree. Let's take it out and use the word energy. I think the intent of sustainable food producers could produce more.

V. Chair Bowman To make this short it will take care of itself with new technology it will work it's way through the system, in the meantime we have the fuel, and that is fossil fuel, all of this will play it's part in the future. (34.14)

Chairman Holmberg the amendment is to remove line 3 of engrossed bill. It passed.

Senator Krauter had further questions regarding the amendments.

Joe Moressette, OMB If this would pass it would be in the department of commerce and executive budget.

Senator Krauter To be considered in executive budget. We should turn this into a study resolution. I am production of agriculture for many years. The glove doesn't fit. We need to put this into a study

Chairman Holmberg what was the discussion regarding moving the date.

Senator Wanzek, It was our thought to give commerce two years to do the work to develop the program and unveil it and put it into practice. If the next legislature doesn't provide the funding, remember it is a voluntary program.

Chairman Holmberg When you read the bill as amended it doesn't happen until July 2011.

Senator Wanzek If that is the case we have to redirect the date. It is going to take some time to put it together.

Chairman Holmberg What you could do, move the effective date, to July 1, 2010 and then the department would know they have to do something. I am not against the bill if we are going to pass it we need to do something.

Senator Wanzek, I want to put an advisory committee together. The department of commerce said they have to hire a full time staff person. (40.

Senator Krauter If you put an effective date they will need the money by that date. Would you be open for a study?

Senator Wanzek,t this point I would have to think that through. I want this to be implemented

Senator Krauter Where is the we in this.

Senator Wanzek There were more at the policy hearing. There are a lot of others that have as much interest in this bill as some of us do.

SENATOR CHRISTMANN MOVED A DO PASS AS AMENDED. SECONDED BY VICE-CHAIRMAN BOWMAN.

Chairman Holmberg had comments regarding what the House might do with the bill.

Senator Warner: I am going to resist this. It is in established research.

A ROLL CALL VOTE WAS TAKEN FOR A DO PASS AS AMENDED. 10 YEAS, 4 NAYS, 0 ABSENT.SENATOR WANZEK FROM AGRICULTURE WILL CARRY THE BILL AND AMENDMENTS. (43.48)

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2438

Page 1, line 1, replace "a" with "two" and replace "section" with "sections"

Page 2, remove line 3

Page 2, line 4, replace "d." with "c."

Page 2, line 5, replace "e." with "d."

Page 2, line 6, replace "f." with "e."

Page 2, line 7, replace "g." with "f."

Page 2, after line 7, insert:

"SECTION 2. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Advisory committee on sustainable agriculture - Creation - Duties - Compensation.

1. The department of commerce shall appoint an advisory committee on sustainable agriculture. The committee must include:
 - a. The chairman of the house agriculture committee or the chairman's designee;
 - b. The chairman of the senate agriculture committee or the chairman's designee;
 - c. The agriculture commissioner or the commissioner's designee;
 - d. The director of the North Dakota state university agricultural experiment station;
 - e. An agricultural producer who utilizes innovative research-based technologies in farming operations;
 - f. A representative of an international agricultural corporation; and
 - g. An individual specializing in the domestic and international marketing of agricultural products.
2. The committee shall:
 - a. Examine the concept of sustainability with respect to conventional farming practices and modern technology-based production practices;
 - b. Examine production practices that are efficient and able to meet current and future global food and nutritional needs;

- c. Examine production practices that promote increased efficiencies in resource use, improve human health through access to safe and nutritious food, and enhance economic opportunities for individual producers;
 - d. Explore metric evaluations to measure the attainment, maintenance, and certification of sustainability; and
 - e. Advise the department regarding the development of a sustainability certification program and the marketing and packaging of products containing the certification.
3. Each legislative member of the committee is entitled to receive per diem compensation in the amount established by subsection 1 of section 54-03-20 plus reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee."

Renumber accordingly

Date: 01/

Roll Call Vote # 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

0202

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

need corrected amendment

Action Taken Do Pass Do Not Pass Amended

Motion Made By ~~KK~~ Christmann Seconded By Bowman

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

Total Yes 13 No 4

Absent 0

Floor Assignment Back to ag carry amend.

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

Tapella also warn

Date: 2-12-09

Roll Call Vote # 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Senate _____ **Senate Appropriations** _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number corrected Amendment *remove line 3 on page 2 of engrossed Bill*

Action Taken Do Pass Do Not Pass Amended

Motion Made By Mathern Seconded By Christmann

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

Total Yes olal Vote yes. No _____

Absent _____

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

SB 2438, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2438 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "a" with "two" and replace "section" with "sections"

Page 2, remove line 3

Page 2, line 4, replace "d." with "c."

Page 2, line 5, replace "e." with "d."

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 - e. An agricultural producer who utilizes innovative research-based technologies in farming operations;
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- c. Examine production practices that promote increased efficiencies in resource use, improve human health through access to safe and nutritious food, and enhance economic opportunities for individual producers;
 - d. Explore metric evaluations to measure the attainment, maintenance, and certification of sustainability; and
 - e. Advise the department regarding the development of a sustainability certification program and the marketing and packaging of products containing the certification.
3. Each legislative member of the committee is entitled to receive per diem compensation in the amount established by subsection 1 of section 54-03-20 plus reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee."

Renumber accordingly

2009 HOUSE AGRICULTURE

SB 2438

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

House Agriculture Committee

Check here for Conference Committee

Hearing Date: March 13, 2009

Recorder Job Number: 10930

Committee Clerk Signature

Le Mae Kuehn

Minutes:

Senator Wanzek, Sponsor: This bill will establish a voluntary program within the Dept. of Commerce to promote agricultural commodities that are sustainably grown in ND.

(Written testimony attached #1)

(Amendments LC# 91019.0401) These create a more positive tone.

Used Wayne Gretzky quote: "Many players skate to where the puck is at. I skate to where the puck is going." I see this as an effort to put our producers in that same position.

I am aware that all of you have received an email. It made a reference to this being a personal agenda or a narrow-minded agenda. I find that unfortunate and take offense to it. Never in my efforts for this bill was there any intention for this to be a personal agenda. This does not reference any type of production process. If you study the Keystone website, it is a wide view of people that are looking into this. We as producers have sat back long enough. It is time that we in the most scientific way, find metric measurements that show whether our producers are using good practices and sustainable efforts that lead to prosperity in the Ag. sector and also lead to the ability for us to provide food and fiber for the nation. On the Senate side the question came as to why do we want to do this. I also included in my testimony an article **(page 3 of attachment #1)** that came out about a week ago. Dr. Cole Gustafson from NDSU

says exactly what I am talking about in the article. Japanese consumers want to know what the carbon footprint is of ND grains. I'm not sure that we can get to that point. That's why we have the two-year delayed implementation. It won't be implemented until the legislature meets one more time.

Representative Schatz: On the amendments page 3, line 6, after "3" insert "The committee may accept gifts, grants, and donations of money, property, and services to carry out this section." I'm not sure where that goes.

Senator Wanzek: Create a new number 3. What is 3 becomes 4. We discussed the bill on the Senate side. Initially there was no two-year delayed implementation. It created a significant fiscal note for the Department of Commerce where they would have needed to hire another FTE. That's why we put in delayed implementation. Part of the amendment for

contributions is if you look at the makeup of the committee, as legislators and Dept. of Ag, most of those expenses would be covered from the agency they are dealing with. There was a concern that we might need to bring in somebody from Keystone to make a presentation. How are we going to find those resources? This would allow them to accept those dollars to do that rather than use state money.

Representative Boe: Do you envision in the future that this would take us someplace like the success of angus beef where the branding has been hugely successful.

Senator Wanzek: This is not a branded product program. It is more like the Good Housekeeping Seal of approval that our production was produced in a manner that took into account the concerns with soil, water usage. We are being very efficient producing more food with less inputs per unit of production.

Representative Holman: Do you envision the buyer of a product with a label having to deal with separate storage, marketing, etc.?

Senator Wanzek: I don't see this as a branded market. When the Japanese customers come in to our state to purchase wheat and there are some producers in Canada they are visiting with as well. We can say ours was produced using 40% less water and 20% less energy. That gives us a competitive edge. **(Refers to article)** Sapporo beer now has a carbon label stating that 295 grams of carbon were released to produce the beer. The 123 grams of carbon needed to produce the aluminum container was not mentioned.

Representative Mueller: This is a unique concept. Are you aware that we have an organization called Northern Plains Sustainable Agriculture? Why are we using the term "sustainability"?

Senator Wanzek: A lot of this language comes from the Keystone Initiative. That is the term used on a national scale.

Representative Mueller: Northern Plains has been in the business for 30 years and are still in the process of determining what "sustainable" is. If we want to differentiate and identify ourselves in a positive way, we need a different term. Why wouldn't we want to identify our own identity for those that do what you and I do. I don't think sustainability is what you and I do.

Senator Wanzek: North Dakota is involved in a global market place. On a national level and even on a global scale, the word "sustainability" is used a lot. It's the buzz word that everybody uses.

Representative Vig: I look at Section 2 of the bill. The members of the advisory committee, how are e, f, and g selected? I don't see a member from the Commerce Dept.

Senator Wanzek: To be honest, Anita Thomas helped me on this. As I read it, it's the Dept. of Commerce that will appoint those people to committee.

Representative Vig: Is there a nominating process for that?

Senator Wanzek: It is my understanding the Dept. of Commerce will appoint. If you feel it should be handled differently, that's why we go through the process. I believe there needs to be some expertise. The reason it is in the Dept. of Commerce, it is a trade issue. If you look at the Keystone website, they seem to come up with some scientific measurements of seeing how much less energy, how much less fuel, how much less soil erosion per acre. Agriculture has made tremendous strides. Since 1950, we produce three times the amount on the same land. By 2030, there will be one third of the land available per capita that there was in 1950 to produce each individual's food. It is important to produce more with less.

Representative Vig: No-till farming has come around in the last 5-6 years. Do you see no-till farming as staying around for a while?

Senator Wanzek: Since I started farming, agriculture has changed. I believe no-till will stay around. Farming in the eastern part is different from farming in the central part of the state. You have to adapt to the soil conditions. If you can do that and meet these objectives, you can tell your Japanese customer that it was grown where it met these objectives.

Representative Boe: Speaking of flexibility, the makeup of the committee, other committees where we do this, we typically put in "If the chairman of the House Ag Committee and the Senate Ag Committee are of the same party we usually appoint somebody from the minority party also."

Senator Wanzek: We felt in this instance it would be better to have something more specific. We could talk about that.

Representative Holman: Would you be opposed to the Ag. Dept. appointing this committee as opposed to the Commerce Dept.?

Senator Wanzek: That didn't cross my mind the first go around. We could discuss it.

Representative Mueller: The requirements that talk about increased efficiency, etc. Who is going to measure that? Does the Commerce Dept. set up criteria for me to check list off?

Senator Wanzek: My hope in the next two years by watching what the Keystone Project does. They are trying to design objective scientific measurements. They've already said that in certain crops they've made progress. **(Reads from Keystone Initiative, page 2 of #1)**

"Energy use per unit of output is down in corn, soybeans and cotton production by nearly 40-60%. Irrigated water use per unit of output has also decreased 20% to nearly 50%. Carbon emissions per unit of output have dropped by about a third for these three crops."

These are some highly trained folks who know how to make these measurements.

Representative Mueller: We do that already for economic reason. Let's say I fit the criteria. What does that get me? Is there a premium?

Senator Wanzek: There is a part of me that doesn't want to do this. But the Japanese customers and other consumers want to know what is the carbon footprint. In two years we might be able to tell them. I'm not aware of any other state, or any other country that might be able to tell them. This will put us in a unique position if we are able to pull it off.

Representative Rust: Are there unintended consequences?

Senator Wanzek: We'll watch it play out. That's why there is a delay. The advisory group will watch it. We'll have another legislative session before this will be offered to the public.

Representative Rust: Sometimes what I can't live with is, it's now become the norm and it has problems.

Senator Wanzek: It is a voluntary marketing tool.

Representative Rust: Sometimes voluntary becomes demanded.

Senator Wanzek: It should never be forced on someone. It should remain voluntary.

Senator Miller: After looking over the Keystone Initiative, I got excited and support this bill.

It us an ability to help farmers market their products better. Any advantage we can give to help young farmers in rural areas, not on each, other but on the world. This will put us ahead.

There are some new approaches to farming that aren't so good. They see a better profit margin but it can damage land. I look at this as more of a carrot approach rather that a club.

Representative Belter, Sponsor: This bill is like an infant. I am a production farmer and probably a sustainable farmer when I look at the list of practices. We need to think about our customers. They are looking at health concerns, the carbon footprint, and conservation.

Representative Rust: Is this a Grow Green Bill?

Representative Belter: I'm an anitgreen guy. But in reality we are all green. I want to preserve our soils. I can remember the dirt storms as a kid because we had the plow. Now rarely do you ever see a field plowed.

Representative Rust: I think farmers have always been conservationists and green people.

Vice Chairman Brandenburg: I also speak in favor of this bill. There are people out there that embrace agriculture. People who work in research in agriculture are young people. They are mostly from the city and want to be a part of agriculture.

Representative Vig: Page 1, line 22—"Collect a fee and deposit it in the general fund."
Should we create a separate fund?

Vice Chairman Brandenburg: You have to work with everybody.

Doug Goehring, Secretary-Treasurer of the ND Grain Growers Assn.:

(Written testimony attached #2)

Representative Mueller: The whole process would run through the Commerce Dept. Do you think that is the right department to do that?

Doug Goehring: I think it needs to be a cooperative effort between the Commerce Dept. and the Ag. Dept. and whatever entities we can pull together.

Representative Mueller: I agree. But that's not what the bill says.

Doug Goehring: The growers' tool, "field to market", is a tool that is designed and is up and running. That tool will be made available to ag producers in the United States. Starting next week it will become public. There are still some glitches with it. You go on line and it's confidential. You can use it to see how you measure up when it comes to production agriculture. Also, as we moved forward with Keystone, about two and a half years ago, 50 groups came together to get a definition of "sustainability." When they were done they found out that they probably are pretty sustainable. We're the most sustainable industry in the world when it comes to production of food and fiber. But how do we prove that? There's about 97 different indices. They will look at how sustainable they are and how we measure up. Europe insists on sustainability and is using it against us.

Senator Flakoll, Sponsor: The amendments make it a better bill. I am in support of it. You can't improve what you don't measure. By providing benchmarks, people are very competitive and want to do better.

Scott Rising, Soybean Growers: (Written testimony attached #3)

Referred to website calculator bottom of page 2: www.fieldtomarket.org which is to be available March 15, 2009. This is the tool referred to by Doug Goehring.

Brian Kramer, ND Farm Bureau: We are in support of SB 2438. There are some similarities between this piece of legislation and the one the livestock industry has been promoting. That deals with a company that is looking to come here and build a processing facility. The reason they want to come here and build a processing facility because they know the quality and quantities, how those animals are being raised. They're meeting the protocols and standards that their people are demanding it. They want to do that through a state entity. The Board of Animal Health is the program director for that operation. That's voluntary for the producer as

well. The reason the Board of Animal Health is involved is because they want some state assurance. Here in the United States we don't trust our government. But in other countries they look to the government as that Good Housekeeping Seal of Approval. We can use our sustainably grown grains and blend it with something that is not quite as sustainably grown in other parts of the world/country. That gives us a competitive advantage.

Bruce Freitag, farmer near Scranton: I support this bill. The term "sustainability" has been used a lot in recent years to define low input agriculture. What my dad practiced probably would fit that definition. He didn't use chemicals or fertilizer. They did a lot of tillage to control weeds and plant the crop. That resulted in declining soil quality and eventually it wasn't sustainable. The sod when it was broke up was 70% organic matter. After years of summer fallow and tillage, that dropped down to 1 ½ %. In the past 20 years we've been no-tilling our farm and we've been able to bring that organic matter up to 2 1/2 %. So even with using modern practices, we're more sustainable today than we were back then. There are practices that will work in every area. If this bill is passed, I would hope that the advisory committee and the Commerce Dept. would use three objectives to develop the guidelines for sustainability. They are productivity, efficiency, and good stewardship.

Productivity: We need to get more out of every acre of land.

Efficiency: More output per unit than input.

Good Stewardship: Making sure the land and water is there for future generations.

Woody Barth, ND Farmers Union: (Written testimony attached #4)

He feels sustainability needs to be defined. We think the Commerce Dept. might not be the proper place. The Ag. Dept. might be more proper. The members of the Advisory Committee are listed. I see no broad-based Ag groups on the committee. We want to have a committee that represents ND Agriculture, family farm production, farm & ranch production here in ND.

Congress first took a look at sustainability in the 1990 Farm Bill and have four points listed for their definition. **(See middle of testimony #4)**

We hope this bill doesn't make it more cumbersome to sell overseas. We would want to be a part of making this work.

Opposition: None

Chairman Johnson: Closed the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

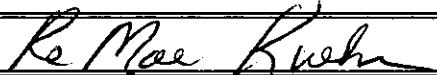
House Agriculture Committee

Check here for Conference Committee

Hearing Date: March 13, 2009 (**Committee Work**)

Recorder Job Number: 10933

Committee Clerk Signature



Minutes:

Vice Chairman Brandenburg: Moved the amendments LC#91019.0401.

Representative Schatz: Seconded.

Representative Vig: I'll say no to these amendments. The last addition where it says "may accept gifts and grants." That's pretty wide open for what a committee can accept. Could that include trips?

Representative Belter: I think that is pretty standard language for these types of things.

Chairman Johnson: My understanding is that grants or donations could be given toward research.

Vice Chairman Brandenburg: This language deals with all areas, for example, higher ed., education, etc. I'll support it.

Representative Mueller: I think that is correct. Colleges do this all the time. My concern here is if you have those interests involved, money talks. I will resist the amendments also.

Chairman Johnson: How do you envision this being different like research at NDSU where they get donations from companies that want to invest in their research?

Representative Mueller: I voted against that too. If you are going down this trail, having influence that money might buy I think could be a mistake.

A Roll Call vote was taken on the amendment. **Yes:** 10, **No:** 2, **Absent:** 1,
(Representative Froelich).

Chairman Johnson: We have the amendment to SB 2438 adopted. Any further amendments?

Representative Boe: Senator Wanzek indicated he would visit with me about the makeup of the advisory committee. Do we have time to work with that?

Chairman Johnson: The bill has to be out today to get to appropriations.

Vice Chairman Brandenburg: This is going to go to conference committee and then there will be more discussion. The concerns about someone from the minority party could be addressed in conference committee.

Representative Holman: My concern deals with the section where it is being placed and that was addressed by Woody Barth. It is in Section 54 which puts it in the Commerce Dept. I can find two instances here in Chapter 4 & Chapter 7 in the Dept. of Agriculture dealing with marketing issues. It seems logical that this type of thing should be in the Dept. of Agriculture in one of those sections.

Representative Rust: I realize this has a fiscal note but the fiscal note isn't until next biennium, 2011-13. Does that mean it still needs to be out today?

Chairman Johnson: Yes.

Vice Chairman Brandenburg: That can be included in conference committee.

Representative Mueller: The amendments we've adopted were brought to us by the sponsor of the bill so it's not an automatic that we are going to conference committee.

Chairman Johnson: It would have to be further amended to address conference committee concerns.

Representative Holman: My motion is to place this bill under the Dept. of Agriculture.

Representative Rust: Change page 2, line 11 "Commerce" to "Agriculture."

Also, change page 1, line 9.

Representative Holman: We have to put it in Chapter 7-09. That is the marketing division and Pride of Dakota.

Chairman Johnson: That will definitely put it into conference committee.

Representative Boe: There is still my issue. Typically when we set up these committees, if the members of both House Ag and Senate Ag are from the same party that the minority party puts somebody on the committee also.

Representative Mueller: Seconded Rep. Holman's motion to take out the Commerce Dept. and put in the Ag. Dept.

Representative Uglem: If we take off the Commerce Dept., they are quite interested in this.

Vice Chairman Brandenburg: Can we have the Commerce Dept. and the Ag. Dept.?

Representative Holman: I don't have a problem with that.

Representative Mueller: I don't see how that would work. One or the other would have to be in charge.

Representative Belter: Would it be Okay with Rep. Holman to use the motion as stated and just replace the Dept. of Commerce in the spot where the Ag. Commissioner now is.

Representative Holman: I will add that to my motion if Rep. Mueller will accept that.

Representative Mueller: I would.

Representative Mueller: Page 2, line 16, c: Head of Commerce Dept. or Commerce Department's designee.

Chairman Johnson: So we are putting Ag. in where Commerce is and putting Commerce in rather than Ag. On Line 16 we have Commerce instead of Ag. and all other parts will reflect Ag. rather than Commerce.

Representative Schatz: I'm going to oppose the amendments. I don't see anything wrong with a healthy competition between Commerce and Ag. as far as marketing our products.

Representative Rust: It sounds to me like the Commerce Dept. is already involved with some people in this process. To kick them out of it, you may do more harm than good.

Representative Holman: The Ag. Dept. already has Pride of Dakota campaign. They have experience with promoting ND products.

Representative Uglem: There is also concern about other broad based groups being included. On line 12 "The committee must include:" I don't think that limits it to only those listed. It could include other groups as well but it must include at least these listed.

Chairman Johnson: Before 2011 they may determine others would be beneficial to be on that committee.

Representative Boe: Should we have something permissive that would say "but not limited to"?

Chairman Johnson: Rep. Holman, would you repeat your motion?

Representative Holman: The motion is to replace sections in the bill that would put it under the jurisdiction of the Dept. of Ag. and on line c of Section 2 replace Agriculture Commissioner or commissioner's designee with Commerce Dept. or designee.

Representative Mueller: Seconded it.

Voice vote taken. Passed. Amendment adopted.

Chairman Johnson: We have SB 2438 before us, amended and further amended.

Representative Boe: I move to further amend. On page 2, line 12, after "include" insert "but not limited to." Another part of my amendment would be to add subsection h. A member of the minority party . . . If the chairman of the House and the Senate are of the same party, a minority member would be put on the board.

Chairman Johnson: From the House or legislative body?

Representative Boe: Legislative body. Who should we assign to pick that?

Chairman Johnson: What if the Democrats control one chamber, so who is the minority member?

Representative Boe: That position disappears.

Representative Belter: If we are going to do that, if we have split chambers, I would suggest the Chairman of the Legislative Council appoint that individual.

Representative Boe: So you propose to leave that spot open. The chairman would fill that spot? I wouldn't have a problem with that.

Representative Belter: I'm not sure I like the amendment but if that is what we are amending, I would propose that spot is filled by the Chair of the Legislative Council.

Representative Mueller: I think that is correct. The SBARE section of the code would have that language.

Representative Kingsbury: If you are zeroing in on that, I'm a little worried about "not limited to":. That leaves it wide open. It could create a monster

Representative Boe: Maybe we'll take that part out of the motion. We'll just put in the SBARE language.

Representative Mueller: I don't know if we need "not limited to."

Chairman Johnson: On the SBARE requirements on section h., it says "two members of the legislative assembly appointed by the chairman of the legislative council." The chairman shall appoint one member from each political faction. The terms of the members are for two years and members may be reappointed. So, the chairman shall appoint one member from each political faction.

Representative Boe: So my motion is going to be that the Chairman of the Legislative Council will appoint a designee from the minority party. It could be from the House or from the Senate.

Representative Belter: In the event the legislature continues to have the same mix as we do now . . .

Representative Boe: It won't make any difference. It's going to add one more, it's going to add a minority party member to the committee and the legislative council chairman is going to appoint that.

Representative Belter: To clarify, a minority member is going to be appointed to this board even in the event if In a situation where you have the Senate controlled by one and the House controlled by the other, the minority is going to rule. There is no minority.

Representative Boe: What do we have for the Harmonization?

Vice Chairman Brandenburg: Reads from: "The Chairman of the House Agriculture Committee or the Chairman's designee, the Chairman of the Senate Agriculture Committee or the Chairman's designee, the other member is the member of the House or Senate Ag. Committee who is not a member of the faction of which the committee chairman is a member appointed by Legislative Council Chairman." It works here.

Chairman Johnson: It works here but it is the same thing. It still doesn't say which chamber that minority member is going to come out of.

Representative Boe: It doesn't matter. Whoever is the Chairman of the Legislative Council has to pick somebody from the other party.

Vice Chairman Brandenburg: This language went through a lot of debate and it works.

Representative Schatz: If the Democrats control the Senate, and the Republicans control the House and the Chairman of the Legislative Council is a Republican, then he has to appoint

another Democrat to this commission. Even though you have one in the Senate and one in the House. So you have two Democrats and one Republican. I don't find that to be good.

Representative Belter: The Chair of the Legislative Council should pick one member of the minority party. In the event that you have split houses, then there is no appointee.

In the event one party controls both Houses of the Legislature, the Chair of Legislative Council will pick one representative from the minority party. If split houses there will be only two members.

Representative Schatz: I think it's politicizing it. I think it's good the way it is.

Representative Boe: Moved that if the House and Senate are of the same faction, the Chair of the Legislative Council will pick a member of the minority party.

Representative Uglem: Seconded it.

Voice Vote. Passed. Amendment adopted.

Vice Chairman Brandenburg: Moved Do Pass as amended.

Representative Boe: Seconded.

A Roll Call vote was taken. **Yes: 10, No: 2, Absent: 1**, (Representative Froelich).

Representative Brandenburg will carry the bill.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2438

House Agriculture Committee

Check here for Conference Committee

Hearing Date: March 19, 2009 (**Committee Work**)

Recorder Job Number: 11290

Committee Clerk Signature

R. Mae Kueh

Minutes:

Chairman Johnson: One of the proposed amendments did not get attached to the bill.

When we switched the oversight of that bill from the Commerce Dept. to the Agriculture Dept. one of the representatives on that board should have been switched from the Ag. Dept. to the

Commerce Dept. That would be on page 2, line 16.

Representative Rust: Moved to add that amendment

Representative Schatz: Seconded it.

Voice vote take. Passed.

Representative Boe: Moved Do Pass as further amended.

Vice Chairman Brandenburg: Seconded.

A Roll Call vote was taken. **Yes:** 9, **No:** 2, **Absent:** 2, (Representatives Belter & Froelich).

Representative Brandenburg will carry the bill.

March 12, 2009

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2438

Page 2, replace lines 1 through 5 with:

- "a. Increased efficiencies in soil and nutrient preservation;
- b. Decreased reliance on tillage and other soil-depleting practices;
- c. Increased efficiencies in the use of water;
- d. Increased efficiencies in the use of other necessary and measurable agricultural inputs;
- e. Increased yield efficiencies; and"

Page 2, line 9, after "**Duties**" insert "- Powers"

Page 3, line 6, after "3." insert "The committee may accept gifts, grants, and donations of money, property, and services to carry out this section."

4."

Renumber accordingly

Date: 3/13/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number 91019.0401 Amendments

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep. Brandenburg Seconded By Rep. Schatz

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) 10 No 2

Absent 1

Bill Carrier _____

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

Reward in a more positive form

Date: 3/13/09

Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep. Brandenburg Seconded By Rep. Boe

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) 10 No 2

Absent 1

Bill Carrier Rep. Brandenburg

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

Appropriations

VR
3/16/09
1082

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2438

Page 1, line 1, replace "54-60" with "4-01"

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 5, replace "54-60" with "4-01"

Page 1, line 9, replace "department of commerce" with "agriculture commissioner"

Page 1, line 11, replace "department" with "commissioner"

Page 1, line 13, replace "department's" with "commissioner's" and replace "department" with "commissioner"

Page 1, line 16, replace "department" with "commissioner"

Page 1, line 18, replace "department" with "commissioner"

Page 1, line 20, replace "department" with "commissioner"

Page 1, line 21, replace "department" with "commissioner"

Page 2, replace lines 1 through 5 with:

- "a. Increased efficiencies in soil and nutrient preservation;
- b. Decreased reliance on tillage and other soil-depleting practices;
- c. Increased efficiencies in the use of water;
- d. Increased efficiencies in the use of other necessary and measurable agricultural inputs;
- e. Increased yield efficiencies; and"

Page 2, line 7, replace "54-60" with "4-01"

Page 2, line 9, after "**Duties**" insert "**- Powers**"

Page 2, line 10, after "**Compensation**" insert "**- Continuing appropriation**"

Page 2, line 11, replace "department of commerce" with "agriculture commissioner"

Page 2, line 12, after the underscored period insert:

"a."

Page 2, line 13, replace "a." with "(1)"

Page 2, line 14, replace "b." with "(2)"

Page 2, line 16, replace "c." with "(3)"

2082

Page 2, line 17, replace "d." with "(4)"

Page 2, line 19, replace "e." with "(5)"

Page 2, line 21, replace "f." with "(6)"

Page 2, line 22, replace "g." with "(7)"

Page 2, after line 23, insert:

"b. If both houses of the legislative assembly are controlled by the same party, the committee also must include one member of the legislative assembly from the minority party, appointed by the chairman of the legislative council."

Page 3, line 3, replace "department" with "commissioner"

Page 3, line 6, after "3." insert "The committee may accept gifts, grants, and donations of money, property, and services. All moneys received as gifts, grants, or donations are appropriated on a continuing basis to the agriculture commissioner for the purpose of carrying out this section."

4."

Renumber accordingly

Date: 3/13/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2738

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. Mueller

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

Voice Vote
Rep. Holman
amendment
passed

Total (Yes) _____ No _____

Absent _____

Bill Carrier _____

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

Place under jurisdiction of
Ag. Dept. rather than
Dept. of Ag. Commerce

Date: 3/13/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

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			Rod Froelich		
Wesley R. Belter			Richard Holman		
Joyce M. Kingsbury			Phillip Mueller		
David S. Rust			Benjamin A. Vig		
Mike Schatz					
Gerry Uglem					
John D. Wall					

Voice Vote Amendment Passed

Total (Yes) _____ No _____

Absent _____

Bill Carrier _____

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

If House & Senate are of the same faction, Chair of LC will appoint from minority party.

REPORT OF STANDING COMMITTEE

SB 2438, as reengrossed: Agriculture Committee (Rep. D. Johnson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (10 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2438 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "54-60" with "4-01"

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 5, replace "54-60" with "4-01"

Page 1, line 9, replace "department of commerce" with "agriculture commissioner"

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- "a. Increased efficiencies in soil and nutrient preservation;
- b. Decreased reliance on tillage and other soil-depleting practices;
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Page 2, after line 23, insert:

"b. If both houses of the legislative assembly are controlled by the same party, the committee also must include one member of the legislative assembly from the minority party, appointed by the chairman of the legislative council."

Page 3, line 3, replace "department" with "commissioner"

Page 3, line 6, after "3." insert "The committee may accept gifts, grants, and donations of money, property, and services. All moneys received as gifts, grants, or donations are appropriated on a continuing basis to the agriculture commissioner for the purpose of carrying out this section."

4."

Renumber accordingly

Date: 3/19/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2938

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep. Rust Seconded By Rep. Schatz

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

*Vote
passed*

Total (Yes) _____ No _____

Absent _____

Bill Carrier _____

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

*P-2, Line 16
Intern missed charging Ag. Commissioner
to Commissioner of Dept. of Commerce*

VR
3/19/09
1982

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2438

In lieu of the amendments as printed on pages 945 and 946 of the House Journal, Reengrossed Senate Bill No. 2438 is amended as follows:

Page 1, line 1, replace "54-60" with "4-01"

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 5, replace "54-60" with "4-01"

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Page 1, line 11, replace "department" with "commissioner"

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- b. Decreased reliance on tillage and other soil-depleting practices;
- c. Increased efficiencies in the use of water;
- d. Increased efficiencies in the use of other necessary and measurable agricultural inputs;
- e. Increased yield efficiencies; and"

Page 2, line 7, replace "54-60" with "4-01"

Page 2, line 9, after "**Duties**" insert "**- Powers**"

Page 2, line 10, after "**Compensation**" insert "**- Continuing appropriation**"

Page 2, line 11, replace "department of commerce" with "agriculture commissioner"

Page 2, line 12, after the underscored period insert:

"a."

Page 2, line 13, replace "a." with "(1)"

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Page 2, line 16, replace "c." with "(3)" and replace "agriculture commissioner" with "commissioner of the department of commerce"

Page 2, line 17, replace "d." with "(4)"

Page 2, line 19, replace "e." with "(5)"

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"b. If both houses of the legislative assembly are controlled by the same party, the committee also must include one member of the legislative assembly from the minority party, appointed by the chairman of the legislative council."

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4."

Renumber accordingly

Date: 3/19/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number 91019-0403

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep. Boe Seconded By Rep. Brandenburg

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

Total (Yes) 9 No 2

Absent 2

Bill Carrier Rep. Brandenburg

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

REPORT OF STANDING COMMITTEE

SB 2438, as reengrossed: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2438 was placed on the Sixth order on the calendar.

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4."

Renumber accordingly

2009 HOUSE APPROPRIATIONS

SB 2438

2009 HOUSE STANDING COMMITTEE MINUTES

SB 2438

House Appropriations Committee

Check here for Conference Committee

Hearing Date: March 25, 2009

Recorder Job Number: 11522

Committee Clerk Signature

Minutes:

Representative Dennis Johnson, House Ag Committee Chair: This bill would create a new group and work to define sustainable agriculture. It involves General Fund dollars. It's moved out to the next biennium. It started in the Senate as being under the direction of the

Commerce Dept. The House amended it to put it under the Agriculture Dept. and changed the membership of the committee.

Sen. Terry Wanzek, District 29: approached the podium and distributed written testimony **(Attachment A).**

Sen. Wanzek: This bill would establish a voluntary program. The reason I put this in the Commerce Department is because it is mainly a marketing tool to be used by our producers. The Commerce Dept. is more closely affiliated with the ND Trade Office. This bill will delay the implementation of this program until the next biennium. This biennium will put together an advisory group that will help the Commerce Department develop the protocol or the provisions for this program. This committee would provide a definition of sustainably grown as a crop grown using research based practices that result in increased efficiencies in soil and nutrient preservation, decrease reliance on tillage and other soil-depleting practices, increase efficiencies in the use of water, increase efficiencies in the use of other necessary and measurable agriculture input, and increase yield efficiencies. I attached to your testimony an

explanation of where this is coming from. There is a national example. It is called the Keystone Field to Market Initiative. It is the first of its kind. The participants are a diverse very prominent group of people involved in agriculture, natural resources, and consumers gathered together to talk about the future of agriculture. We've increased production three-fold in the last 50 years and did it on the same acres that we farm today. It would be nice to put our producers at a competitive advantage in a competitive global market. The Japanese consumers are starting to demand "What is the carbon footprint of ND grains?" This bill would start the process of implementing the program. That is why the fiscal note is very low. The next biennium it is higher because then the program would be developed and could be implemented. There is a fee. This could eventually be a self-funded program where the farmers voluntarily decide to use this and would pay for it. Legislative Council advised me that we can't put in statute that we want to follow this initiative but provide a lot of testimony in the record that this is the intent. This group of folks is coming together and is going to develop some metric measurements in measuring soil loss, water usage, and productivity per unit of input. Are we continuing to move in the direction of achieving more by using less?

Chm. Svedjan: I'm not sure what is meant by "sustainably grown" ag commodities.

Sen. Wanzek: It also points out that we have been making progress. There has already been great progress. Less energy used per acre. Water retention has gone up because of no till or minimum till. Because of improved genetics and better seed technologies, production per acres has gone up given the amount of fertilizer used. There is also research done on plants that develop their own nutrients. We have tools today that we did not have five years ago.

Chm. Svedjan: We are being asked to approve a bill for an organization that won't happen until next biennium. We are asked to approve an FTE next biennium. We don't know what the

fees will be. Are we not committing the next legislature on matters that we don't have the information now?

Sen. Wanzek: That was the reason for delaying the actual implementation because it is a daunting task. It is a work in progress. We should work on establishing the program. There is not one legislator here that cannot next session, if they see this heading in the wrong direction, come forward and stall it. It would give an opportunity to take a look at it.

Chm. Svedjan: If we pass this bill, this group will have no resources with which to do some of what it is you are talking about. It won't become effective until 2011-13.

Sen. Wanzek: There was an amendment put in to accept gifts and grants. There are many commodity organizations that are willing to bring someone in from Keystone.

Rep. Skarphol: (13:38) Did you take this concept to SBARE (State Board of Agricultural Research and Education) and ask them to prioritize it?

Sen. Wanzek: No. This is a new initiative. Producers are going to have to deal with this at some point. This is a voluntary marketing tool.

Rep. Skarphol: If you were a customer given the criteria this Keystone Project is anticipating, would you put more confidence in a research project done by our Dept. of Commerce or our Ag Research Facilities at ND State University?

Sen. Wanzek: Where I might put confidence is different than where my customers put confidence. For some reason many of our SE Asian customers put more stock in what a governmental entity would say. We put more stock in an independent ag research type of entity. Our customers put more stock in what a government has to say.

Rep. Kaldor: "Certification of sustainability" what does that mean?

Sen. Wanzek: If you spend time looking at the Keystone Alliance Website, they are focusing on the scientific-based metric measurements. Those will be more objective, more easily

quantified to where the designation will apply to those producers who are achieving those goals.

Rep. Kaldor: I'm looking at the list of entities participating in the Keystone Project. Then you made a statement about our foreign customers and what they rely upon. I realize that our land grant institution partners with many of these companies seek grants and funding from some of these companies to do research. I'm in a quandary why our agriculture research institution in ND is not working towards the same goals that you specify in your sustainability measures. Are you saying this will incentivize NDSU to do things differently?

Sen. Wanzek: I think some on the committee are confusing this with research. This is not a research project. NDSU has shown us how to attain these goals. They are not the ones that are going to implement a market program. The Keystone Project has documented that already. We've already achieved many things as farmers that we would have never dreamed of ten years ago. Perhaps a select group of producers could come together and be a preferred provider for Kelloggs Corporation.

Rep. Nelson: The House amended this bill to take the group from the Department of Commerce to the Agriculture Commissioner. What was the mindset behind that and the other House amendments?

Rep. Johnson: Some who testified wanted it to go the Ag Department because of Pride of North Dakota. Then we had to further amend to have the Commerce membership on the committee rather than the Ag membership on the committee.

Rep. Glassheim: Senator, are you familiar with the Global GAP (Good Agricultural Practices) Movement? Will this have anything to do with that? It is mobilized by private sector groups who have customers in the supermarkets who are demanding similar to what you are talking about.

Sen. Wanzenek: No. I'm trying to offer some type of tool that the producers could say to the world, I think we need to do it. We are involved in a global market. Without a global market, we would not have the money we do.

Rep. Berg: You are trying to do is, if the world market is trying to use crops that have been grown sustainably, our crops can be stamped as such by some government entity. Is that the gist?

Sen. Wanzenek: Yes. If we could do that and the Canadians can't, we've got the sale.

Rep. Berg: I commend you on doing and trying to anticipate where the puck will be.

Government typically focuses where the puck has been. I think that's what should be done with the sustainable agriculture as well. Obviously the groups involved see this as a serious issue.

I'm very concerned about trying to define sustainable agriculture in our code today when it can change in two years. I think for the very purpose that you and your group want to achieve, I'm going to vote against this bill because I don't think it gets you where you want to be. I would support it if it has the format as has been done with the beef.

Sen. Wanzenek: I knew this would be a work in progress. I didn't expect the bill to look the same way it was introduced. I agree with your comments. The effort Keystone is using is bringing it to the four or five major scientific measurements that everyone agrees to. It's simply stating that I'm producing my grain more efficiently than my competitor. I meant for it to be focused down to that level.

Rep. Berg: What I see as the best outcome is to let the Keystone group and the ND people flush out that criteria and authorize the Ag Commissioner to verify that when it's completed. Anticipating the motion for a Do Pass, I will vote against that but I would offer those amendments if that motion does not pass.

Sen. Wanzek: I feel it's important that rather than watching what Keystone does it, we should be progressive. We could report to the next session.

Rep. Onstad: A lot of Section 1—in ND, Manitoba farmers in both sections of the no-till association started out as a small group and as it grew established what you have as far as sustainability. All that's been created in that network. That was done by farmers exchanging ideas. Companies got involved because they created equipment for no-till. What you're really saying is if you are following these practices, you will be certified and be part of a group that may have a special market.

Sen. Wanzek: Yes. This is the direction that it's going. What brought this on is that there is a national effort and that tells me that as producers we are going to have to take advantage of it.

Rep. Wald: You want a Good Housekeeping seal of the products in North Dakota going to overseas consumers.

Sen. Wanzek: Thank you. Consumers are demanding more information about their food. We are trying to prove that we are responsible in how we are supplying their food.

Rep. Klein: I move a Do Pass.

Rep. Glassheim: Seconded it.

Discussion:

Rep. Berg: I strongly resist this. We are creating a program that will spend a lot of time and energy. If we left Section 1 in there, left Section 2 out, did not put the appropriation in there, I think it gives the Ag Commissioner the ability to monitor this. It gives the groups an opportunity to organize.

Rep. Glassheim: I would urge the sponsors in Conference Committee to return to the original language in Section 2. I think it is more in line with what the foreign purchasers would want to see. Also, on p. 3, e, instead of only referencing certification by the Ag Dept., leave room for

private sector certification. There are organizations that already do that. You could go to them rather than having a government seal on it.

Senator Wanzek: I'm sure this will go to conference committee.

Rep. Kempenich: I have an issue with the effective date.

A Roll Call vote was taken. **Yes: 12, No: 11, Absent: 2**, (Representatives Thoreson and Ekstrom).

Motion carried.

Rep. Delzer: (39:36) Doesn't that have to have a fiscal effect of the legislative council if we have committee members that are going to meetings?

Chm. Svedjan: According to the bill, it doesn't become effective until the next biennium. If they are going to have meetings they are not going to get paid.

Rep. Delzer: Unless they change that. It's only Section 1 that becomes effective then.

Representative Brandenburg will carry the bill.

2009 HOUSE STANDING COMMITTEE MINUTES

SB 2438

House Appropriations Committee

Check here for Conference Committee

Hearing Date: April 1, 2009

Recorder Job Number: 11598

Committee Clerk Signature



Minutes:

Rep. Kerzman moved to reconsider SB 2438.

Rep. Onstad seconded the motion.

Rep. Kerzman: As farmers we pay into various commodity check offs for promotion. Between the Ag. Dept. and the commodity groups they do a pretty good job of promoting. I have a concern when the state puts its blessing on something as broad as this. A liability issue might come up. As a farmer the broad language in this bill to decrease tillage, decrease soil erosion, one of the ways to get there is by the use of GMOs. We've taken a pretty strong stance in the area of spring wheat where we jeopardize some of our foreign customers if we go down this road. I think the timing is wrong. If a farmer chooses not to participate, how are they going to separate the commodities? Or will they discriminate against this particular farmer. We have organizations for organic farmers if they choose to. This umbrella is so broad. I don't think now is the time to do this.

Rep. Wald: Where do you see GMO in this bill?

Rep. Kerzman: I don't see it. I'm just assuming it. Because when you try to increase yields, that's the only way I can see to do it. With the grains we have now, they won't stand up to the demands without some modification.

Rep. Wald: On the top of Page 3, it says "explore metric evaluations." Does that mean we are going from bushels and pounds to metric?

Rep. Kerzman: That's how I look at it.

Voice Vote taken on motion to reconsider action on SB2438. (Vote 1) Motion passes.

Rep. Kerzman moved a Do Not Pass.

Rep. Glassheim: I'm confused about what to do. I'm wondering if we might not be better off putting this into a study. What we mean by this is not clear to a lot of people. The body seems to be narrow and limited. Yet this is an important activity in how we compete in international markets.

Chm. Svedjan: It came with a strong recommendation out of the House Ag Committee.

Rep. Berg: I spoke against this bill when we first considered it. They are trying to say that if someone wants a product stamped "sustainable", we have some government entity that can do that. It is the same thing we did with beef. My concern related to the Fiscal Note in the fact that it was kicking in at the end of the biennium. There's a half FTE. I don't have specific amendments to put on this bill. I support the concept and what they are trying to do. If some producers are able to market it, it would help.

Rep. Berg: I would move to amend this to take out the fiscal note if we can.

Chm. Svedjan: I'm not sure we can do that.

Rep. Berg: The fiscal note has been prepared by Ag. saying this is what it will cost next biennium.

Chm. Svedjan: So it has no fiscal impact for the biennium that we are approaching.

Rep. Skarphol: Are you saying we can't take that appropriation out?

Chm. Svedjan: There's no appropriation. It's a projection that the fiscal impact would start July 1 of 2011. The effective date is in the bill. I'm not sure how this would work.

Rep. Onstad: I agree that you are out there basically three years from now what we are doing today and hampering a situation. Every farmer is working toward sustainability. You are not going to survive if you are not constantly looking to reduce your costs. We have already increased our exports through many of these commodities because of relationships that have gone through. If you want to form a group, you can form your own memberships on the local level and work through your own markets. We have an export committee that works on that through the Ag. Dept. Farmers are working toward this entity. There's a No Till Association. If they want to take that one step forward and market crops grown through No Till, they could do that. I think we should support the Do Not Pass.

No Vote taken. (Vote 2)

Rep. Berg: I think there's tweaking that could be done on this bill to accomplish the goals that came out of our Ag. Committee. Could we wait and not act on it and see what amendments are brought forward to correct our concerns?

Chm. Svedjan: What would the affect be if we amended out the Effective Date?

Rep. Delzer: If you amended out the effective date, Section 1 would become effective immediately. So that isn't what you want. The only thing that will happen in this upcoming biennium is the creation of a Sustainable Agricultural Advisory Committee. That is your study. The effective date to create a new program doesn't start until after the next legislative session. I don't see the bill being as bad. I voted against the Do Pass last time, but I'm going to switch and support the bill.

Rep. Nelson: Section 1, subsection 4 does allow them to establish fees. I don't see that that begins in the biennium.

Chm. Svedjan: That would relate to the effective date of the bill.

Rep. Nelson: Then I would agree with Rep. Delzer. The study Rep. Glassheim was asking for is what this bill does. It wouldn't be a legislative study. There would be producer input which is good to have. Biotechnology will probably be a part of that discussion.

Rep. Nelson: The motion is for a Do Not Pass. I would offer that a report from the Advisory Committee be given to Budget Section or an interim committee (Ag.) before the next session as to the progress of the Committee.

Chm. Svedjan: So you are offering a substitute motion to amend requiring that report be rendered to the Budget Section, Interim Ag. Committee, or even to the next legislative assembly.

Rep. Delzer: The other place you could do it, is just say "Legislative Council" and they would decide where the report goes.

Rep. Nelson: That's a good suggestion. I will make that motion.

Rep. Klein: Seconded the substitute motion.

Rep. Bellew: Does that substitute motion take the Do Not Pass off the table?

Chm. Svedjan: It supersedes the Do Not Pass motion. Then if the amendment passes, we would need a new motion. I would still have the Do Not Pass on it.

Rep. Onstad: If you look at page 1, Section 2 it talks about the producer may apply. You're further going to ask the Department of Commerce to get an Ag. concept. As you move forward they are not going to have the right FTEs to implement that and down the road they will need 2 or 3 FTEs to increase this idea. We do have an Agriculture Department. Why take out that portion and go to the Dept. of Commerce? Down the road you are going to look at a major expense when you could look to those entities.

Rep. Pollert: (19:32) Aren't the amendments .0403 on the bill. So it is through the Ag. Commissioner instead the Dept. of Commerce.

Chm. Svedjan: Yes it is.

Rep. Wald: What are we voting on?

Chm. Svedjan: We are voting on an amendment requiring a report to the Legislative Council on the progress of this group.

Voice Vote taken. (Vote 3) Amendment adopted.

Rep. Skarphol: The effective date of Section 1 is July 1, 2011. I agree with that. Section 2, subsection 3 will become effective in this year. They can accept grants, gifts, donations of money. They will be able to accept money in this year. In subsection 4 of Section 2, each legislative member of the committee is entitled to receive per diem. So there will be a fiscal effect of this in this biennium if we are going to pay those legislators who serve.

Rep. Nelson: It would be less than \$5,000. There are only two legislators as I read it. One from the Senate and one from the House.

Rep. Kerzman: I hope we can support the Do Not Pass. It seems we are trying to convolute the issues that could assess another fee to producers that are already paying the check off.

Chm. Svedjan: We've now amended the bill. So it needs to be a Do Not Pass as amended.

Rep. Kerzman: I move Do Not Pass as amended.

Rep. Onstad: Seconded.

Rep. Berg: If this is as good as we are going to get with this bill, then we need to move it forward. This is progressive and gives an opportunity to prepare for markets. I will not support the Do Not Pass.

A Roll Call vote was taken. (Vote 4) Yes: 7, No: 14, Absent: 4, (Representative Kempenich, Thoreson, Kaldor, Ekstrom).

Motion failed.

Rep. Berg: Moved Do Pass as amended.

Rep. Klein: Seconded.

Rep. Glassheim: Move to further amend by adding Section F on page 3 to read "explore standards held by international private sector certifying groups which have a potential to increase sales of ND products."

Rep. Berg: Seconded it.

Voice Vote taken. (Vote 6) Amendment adopted.

Chm. Svedjan: We are back to a Do Pass as amended.

A Roll Call vote was taken. (Vote 5/7) **Yes: 16, No: 5, Absent: 4**, (Representative Kempenich, Thoreson, Kaldor, Ekstrom).

Motion carries.

Representative Berg will carry the bill.

Date: 3/25/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Klein Seconded By Glassheim

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich		✓			
Rep. Skarphol		✓	Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer		✓	Rep. Glassheim	✓	
Rep. Thoreson			Rep. Kaldor		✓
Rep. Berg		✓	Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert	✓		Rep. Ekstrom		
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt		✓	Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland		✓			

Total (Yes) 12 No 11

Absent 2

Floor Assignment Rep. Brandenburg

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

REPORT OF STANDING COMMITTEE (410)
March 25, 2009 1:48 p.m.

Module No: HR-54-5782
Carrier: Brandenburg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2438, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO PASS** (12 YEAS, 11 NAYS, 2 ABSENT AND NOT VOTING).
Reengrossed SB 2438 was placed on the Fourteenth order on the calendar.

Date: 4/1/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Unanimous action on SB 2438

Motion Made By Kerzman Seconded By Onstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kemperich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - carries

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

Date: 4/1/09
 Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Not Pass

Motion Made By Kerzman Seconded By Onstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 4/1/09
 Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Report to LC progress

Subst. Motion

Motion Made By Nelson Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kemperich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Vote - Carry

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

Date: 4/1/09
 Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken No Not Pass as Amended

Motion Made By Kempner Seconded By Onstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kemperich		✓			
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald		✓	Rep. Onstad	✓	
Rep. Hawken		✓	Rep. Williams	✓	
Rep. Klein		✓			
Rep. Martinson		✓			
Rep. Delzer		✓	Rep. Glasheim	✓	
Rep. Thoreson		✓	Rep. Kaldor	✓	
Rep. Berg		✓	Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert		✓	Rep. Ekstrom		✓
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt		✓	Rep. Metcalf	✓	
Rep. Nelson		✓			
Rep. Wieland		✓			

Total (Yes) 7 No 14

Absent 4

Floor Assignment _____

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

Date: 4/1/09
 Roll Call Vote #: 5/7

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TRD

Action Taken No Pass as Amended

Motion Made By Berg Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kemperich	—				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken	✓		Rep. Williams		✓
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim	✓	
Rep. Thoreson	—		Rep. Kaldor	—	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom	—	
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 16 No 5

Absent 4

Floor Assignment Rep. Berg

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

VR
4/2/0

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2438

That the amendments to Reengrossed Senate Bill No. 2438 as printed on pages 1030-1032 of the House Journal be amended as follows:

Page 1031 of the House Journal, after line 38, insert:

"Page 3, line 2, remove "and""

Page 1031 of the House Journal, after line 39, insert:

"Page 3, line 5, after "certification" insert ";

- f. Explore the standards held by international private sector certifying groups which have the potential to increase sales of North Dakota products; and
- g. Report to the legislative council on the status of committee activities"

Renumber accordingly

Date: 4/1/09
 Roll Call Vote #: 6

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2438

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TRD

Subst. motion

Action Taken amend as ind. below

Motion Made By Glassheim Seconded By Pang

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kemperich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - Carries

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

*add Section F to read
 "employ stds to be held by intl
 private sector certifying groups
 which have pot. ..."*

REPORT OF STANDING COMMITTEE

SB 2438, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 5 NAYS, 4 ABSENT AND NOT VOTING). Reengrossed SB 2438 was placed on the Sixth order on the calendar.

That the amendments to Reengrossed Senate Bill No. 2438 as printed on pages 1030-1032 of the House Journal be amended as follows:

Page 1031 of the House Journal, after line 38, insert:

"Page 3, line 2, remove "and""

Page 1031 of the House Journal, after line 39, insert:

"Page 3, line 5, after "certification" insert ":

- f. Explore the standards held by international private sector certifying groups which have the potential to increase sales of North Dakota products; and
- g. Report to the legislative council on the status of committee activities"

Renumber accordingly

2009 TESTIMONY

SB 2438



Field to Market: The Keystone Alliance for Sustainable Agriculture


**Environmental Resource Indicators
for Measuring Outcomes of
On-Farm Agricultural Production in the United States**

First Report, January 2009

Executive Summary


(Full report available online at http://keystone.org/spp/env-sustain_ag.html)





Background. Nearly all estimates of future demand for agricultural goods suggest a need to double agricultural production by 2050, if not before, in order to maintain adequate supplies for a growing world population that will use its expanding income to diversify diets with more meat, dairy, fruits and vegetables.ⁱ *Field to Market: The Keystone Alliance for Sustainable Agriculture* believes this increased production must be accomplished in a manner that does not negatively impact – and actually improves – overall environmental and societal outcomes. *Field to Market* is a collaborative stakeholder group of producers, agribusinesses, food and retail companies, and conservation organizations that are working together to develop a supply-chain system for agricultural sustainability. The group was convened and is facilitated by The Keystone Center, a neutral, non-profit organization specializing in collaborative decision-making processes for environment, energy, and health policy issues.

As an initial step, the group has defined sustainable agriculture as meeting the needs of the present while improving the ability of future generations to meet their own needs by focusing on these specific, critical outcomes:

- 
- Increasing agricultural productivity to meet future nutritional needs while decreasing impacts on the environment, including water, soil, habitat, air quality and climate emissions, and land use;
 - Improving human health through access to safe, nutritious food; and
 - Improving the social and economic well-being of agricultural communities.

It is within this context that the group is developing metrics to measure the environmental, health, and socioeconomic outcomes of agriculture in the United States. These metrics will ultimately comprise a Sustainability Index that will facilitate quantification and identification of key impact areas and trends over time, foster productive industry-wide dialogue, and promote continued progress along the path toward sustainability. The national-scale environmental resource indicators presented here are a first step in these larger efforts, which are summarized visually in Table I.I. Table I.I lists the kinds of components that we believe are critical for a complete sustainability index that measures outcomes for a full range of products and practices. The table includes the national scale outcomes that we have modeled to date (the shaded cells) as well as the additional environmental, health, and socioeconomic outcomes at national,


regional and local scales that we plan to model in the future. Our future plans and objectives for developing international scale metrics have not yet been defined.

Table I.I. Components of a Complete Sustainability Index. *Field to Market* has produced metrics for measuring environmental outcomes at the national scale (shaded cells). Specific socio-economic and health and safety outcomes are given as examples only; future work will determine which outcomes can be measured within these broad categories, as well as how they can be applied at different scales.

	Environmental Outcomes							Social and Economic Outcomes							Health and Safety Outcomes			
	Land Use	Soil Loss	Water Use	Water Quality	Energy Use	Climate Impact	Biodiversity	Producer Income	Labor	Productivity	Competing Land and product uses	Rural Character and Quality of Life	Availability	Post Harvest Loss	Consumer Demand	Return of Value to Producers	Nutrition (access to calories, etc)	Safety
International Scale																		
National Scale	■	■	■	■	■	■			■									
Regional Scale																		
Local Scale																		


Methods Overview. The environmental resource indicator metrics presented here represent a first step in these efforts. Using publicly-available data, national-scale metrics are developed to measure outcomes for five environmental indicators: land use, soil loss, irrigation water use, energy use, and climate impact (greenhouse gas emissions). The metrics are applied to quantify environmental outcomes for four commodity crops –corn, cotton, soybeans, and wheat– produced through agricultural practices in the United States.

The national scale was chosen as a starting point for benchmarking the overall environmental performance of particular crops. We believe that national level environmental indicators can



provide perspective and prompt industry-wide dialogue that is ultimately relevant to more localized investigations and efforts. We have focused upon the four commodity crops because they constitute a majority of agricultural crops currently harvested in the United States. An outcomes-based approach was selected because it can provide an inclusive mechanism for considering the actual impacts and sustainability of diverse agricultural products and practices.

We recognize that water quality and biodiversity are key environmental areas of concern for agriculture, and we will need to develop metrics to measure the successes and continued challenges for these areas. In this report, we provide an overview of our progress to-date in developing a water quality indicator.



Results Overview. Results are presented for the years 1987-2007. The results for each indicator (land use, soil loss, water use, energy use, and climate impact/carbon emissions) are displayed for each crop in two formats: 1) Resource indicator (use or impact) per acre and crop productivity (yield) per acre (Figure I.Ia), and 2) “Efficiency” indicators showing resource indicator (use or impact) per unit of output, benchmarked to the year 2000 (Figure I.I.b). Total annual use or impact indicators are also presented as an appendix. We believe that all approaches are valuable, as resource use or impact indicators can show change over time independent of yield, and efficiency measures – resource indicator measures over output – can show change in use or impact over time relative to our ability to meet productivity demands. A summary of efficiency indicator results for each crop is also presented in a spidergram that demonstrates the change in “footprint” over time of all of the efficiency indicators (Figure I.II).

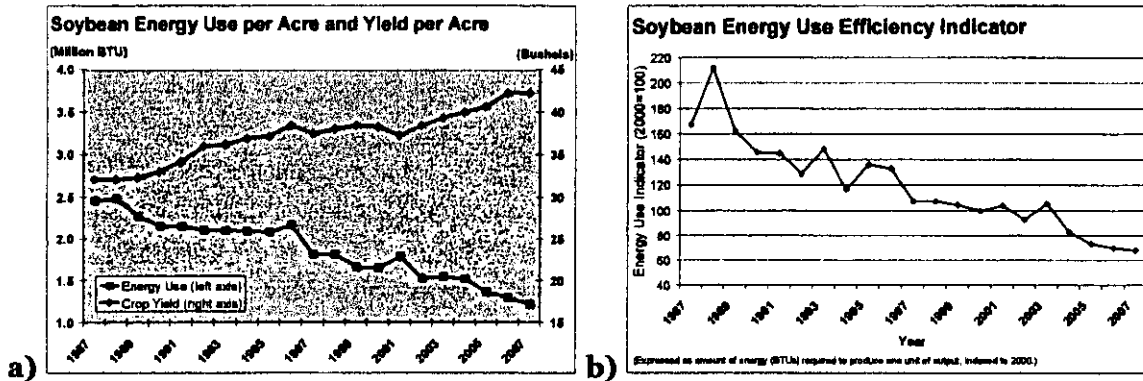


Figure I.I. Examples of Indicator Charts: (a) Per acre resource use or impact and per acre productivity and (b) Resource efficiency (resource use/ unit of output, indexed to the year 2000)

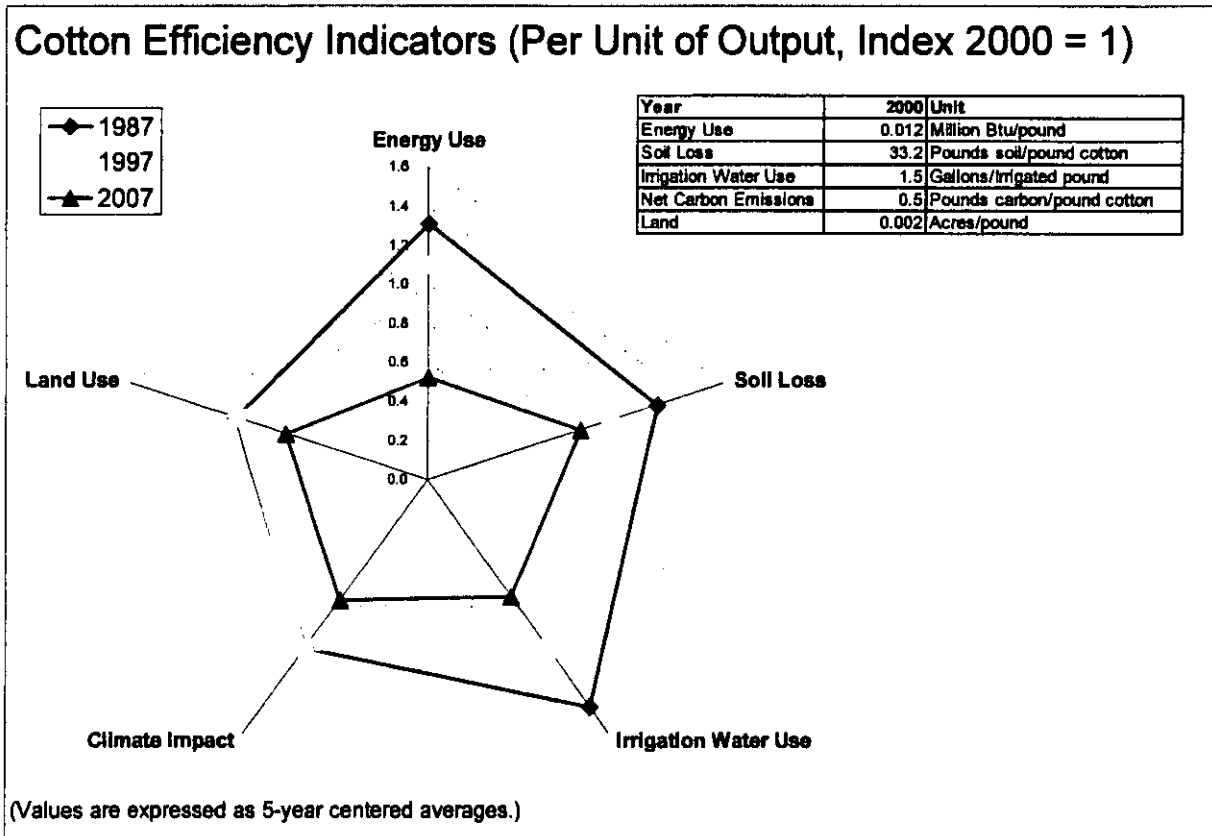



Figure I.II. Summary of Cotton Efficiency Indicators

Discussion and Conclusions. The group anticipates that the approaches presented in this report can be refined to better measure impacts on natural resources in addition to the efficiency of use of the resource. The group also anticipates that these approaches can be adapted to quantify environmental outcomes for other crops and agricultural products and be inclusive of a full range of agricultural technologies and practices ranging, for example, from organic to conventional methods. This expectation must be tested through case studies, and the methods must be revised as necessary for other crops and scales, as well as when additional data becomes available. Table I.II conceptualizes our understanding of what each of our current metrics does and does not do, the metrics' potential scalability, and areas for future improvement.


Table I.II. Evaluation of Environmental Resource Indicators and their effectiveness as metrics for environmental sustainability outcomes at various scales. The five metrics presented here are believed to be relevant (assuming appropriate available data) at national, regional, and local scales. Land Use, Water Use, and Energy Use indicators measure the efficiency of resource use, while soil loss and climate impact measure actual impact on the natural resource in question. In most cases, the data utilized is not confounded by non-agricultural sources of stressors. Agricultural inputs such as nutrients and pesticides are accounted for in the Energy Use and Climate Impact indicators. Examples of ideas for future areas of improvement are also provided.

Resource Indicator	Type of Measure of Sustainability Outcomes		Scalability (based on appropriateness of use of other available data)			Data confounded by other (non-agricultural) sources of stressors?	Ag Inputs Included? (i.e. nutrients, pesticides)	Areas of Improvement
	Efficiency of Use of Resource	Impact on Natural Resource	National	Regional	Local (grower)			
Land Use	Yes	No	Relevant	Relevant	Relevant	No	NA	
Soil Loss	No	Yes (soil loss specific)	Relevant (data specific to cropland)	Relevant	Relevant	No	NA	Incorporate 2007 data when available through NRI.
Water Use	Yes	No	Relevant	Relevant	Relevant	No	NA	Look for and utilize state level data with greater reporting frequency.
Energy Use	Yes	No	Relevant	Relevant	Relevant	No	Yes	Current approach may not capture energy efficiency improvement over time; include seed production energy.
Climate Impact	No	Yes	Relevant	Relevant	Relevant	Yes - geographic (climate and soil)	Yes	Could be improved with better energy efficiency data over time, possible improvements in the method of fertilizer application analysis, inclusion of NO ₂ and CH ₄ , and also by incorporating better measurement or estimation of soil organic carbon sequestration for alternative tillage practices, and crop rotations (as they become available).

This report does not define a benchmark level for sustainability, and thus cannot conclude whether we have achieved "sustainability" in agriculture or how far we might have to go. However, the environmental resource indicators provide tools by which to describe progress or



lack of progress at the national scale in terms of total environmental impacts as well as resource efficiency. They also provide a context for further focusing in on specific challenges and regions and generating processes for achieving continuous improvement.



It is too soon in this process to draw major conclusions about this data. This report marks our first step in establishing some benchmarks and baselines for overall performance. However, we can begin to see some positive trends emerge and also identify areas where we would like to see stronger trends and continuous improvement. Gains in productivity (yield) per acre over the past decade in most of the crops have generally improved overall efficiency of resource use. Soil loss trends (both per acre and per unit of output) have improved significantly in all crops. In addition, corn has seen modest to significant improvements in water use per acre and in water use, energy use, and carbon emissions per bushel. Cotton and soybeans are making progress in reducing irrigated water use, energy use, and carbon emissions per acre and per unit of output. Wheat's energy use per bushel has decreased, its water use per bushel has remained relatively flat, and its carbon emissions per acre and bushel have seen larger increases. In the future, we hope to better understand the relationship between outcomes trends and the practices and other factors that are driving them. This understanding will enhance our ability to achieve improved outcomes performance.

We view this work as a first step toward developing a complete Sustainability Index. In the future, *Field to Market* will continue to develop and improve metrics for measuring environmental, health, and socioeconomic outcomes at a variety of scales, as we build consensus on an overall methodology for doing so (See Table I.I). We recognize that other stakeholders must be engaged to develop these indicators. The focus of these future indicators will be on outcomes rather than practices, policies, or technologies. The group will utilize these current and future measures to further communicate about and define sustainability and develop practices to promote continuous improvement throughout the agricultural supply chain.

¹ FAO. (2006). *World agriculture: towards 2030/2050*. Rome: Food and Agriculture Organization.
<http://www.fao.org/ES/esd/AT2050web.pdf>



Center for Science & Public Policy

Center for Education

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Keystone Science School

Professional Education & Leadership

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About Us

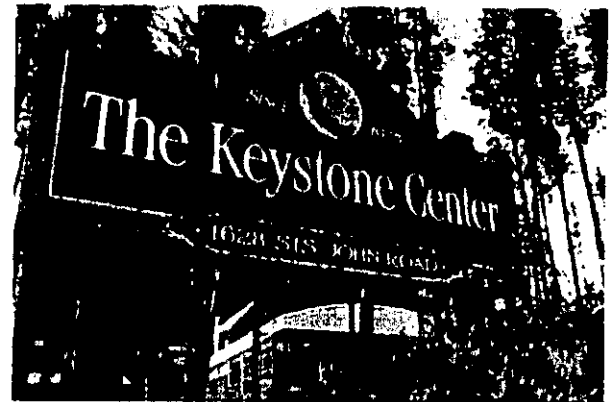
Message from Peter Adler, President, The Keystone Center, May 2006

Albert Einstein once said that solving the big problems we now face cannot be done with the same kind of thinking that got us into those problems. By following our timeline, which explores The Keystone Center's 30-year history, you will see just how right Einstein was. For three decades, The Keystone Center has brought diverse thought leaders to the table to solve stubborn policy issues and, through our sophisticated science education programs for teachers and students, has been steadily preparing the next generation for the same critical thinking that Einstein alluded to.

Robert W. Craig, The Keystone Center's founder, put it this way, "In general, I believe it can be said that successes in one sector of policy conflict and deliberation led to our being invited into other problem areas. What has and still does distinguish The Keystone Center has been its ability to select and have at the table the best representatives of all parties at interest in a particular issue and to assure that the dialogues that emerge are kept honest by the discipline of the best science and technological knowledge underlying that issue."

In June 2005, in celebration of our 30th Anniversary, The Keystone Center hosted a symposium in Washington, DC on "Political Courage and Bridge-Building." Senators Larry Craig (R-Idaho) and Ron Wyden (D-Oregon); Representatives Nancy Johnson (R-Connecticut) and Ed Case (D-Hawaii) joined National Public Radio's Washington Editor Ron Elving and the Heritage Foundation's John Hulsman to debate the very themes that TKC has personified for so many years. "Information is what drives people to work together," said Nancy Johnson. "It is political glue." To which Senator Wyden added, "Bipartisanship is more alive than we know but less visible than it has ever been. That visibility is crucial if faith in our democracy is to be maintained."

The Keystone Center has much to be proud of. Today, The Keystone Center has a growing network of colleagues and friends around the world, people who believe as we do that collective wisdom can and must be uncorked to solve problems at the local, national, and global level. As we look ahead, we see a growing list of science-intensive political problems that will command future



The Keystone Center seeks to solve our society's most challenging environmental, energy, and public health problems. We bring together today's public, private and civic sector leaders to confront these issues and we arm the next generation with the 21st Century intellectual and social skills required to effectively approach the questions they will face. Founded in 1975, the Center is a non-profit organization headquartered in Keystone, Colorado with offices in Denver, Washington, Boston, and Santa Fe.



attention. These include emerging technologies (nanotechnologies, genetically modified organisms, pharmacogenomics), social risk, energy challenges (production, transmission, financing), and food and nutrition (obesity in the developed world, hunger and malnutrition in the developing world), as well as preparing our future leaders for careers in science and technology.

Keep your eye on these and many other issues. As people gather to take them on, The Keystone Center will be there to help convene and broker solutions and prepare the next generation of leaders to think and act in ways that would have made Einstein proud.

-Peter S. Adler, Ph.D
President



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The Keystone Center accomplishes its goals through two outstanding Centers:

Center for Science & Public Policy

Center for Education

Energy

Keystone Science School

Environment

Professional Education & Leadership

Health

The Keystone Center has garnered an international reputation of excellence for developing smart public policy that has lasting impact while building a foundation for future leadership by positively influencing students and educators through creative approaches to education.

The Center for Science & Public Policy uses scientific reasoning, analytical frameworks, and alternative dispute resolution techniques to lead decision-makers in crafting solutions and developing sound policies. Center for Science & Public Policy programs identify policy-making opportunities; convene key stakeholder representatives; facilitate dialogue, joint fact finding or agreement building; and produce reports documenting the consensus-based outcomes.

Professional Education & Leadership programs impact education communities around the globe by developing and disseminating non-biased, hands-on, interdisciplinary curricula to educators through public, private and corporate partnerships with a view to improving education for all. Professional Education & Leadership offers teacher training, curriculum development and distribution.

Keystone Science School inspires respect for science, the environment, self and others using scientific frameworks, inquiry and interdisciplinary academic instruction in the natural world. Through its programs, Keystone Science School strives to stimulate and strengthen students' critical thinking skills; recognize and apply relationships between classroom lessons and the natural world; enhance leadership and team-building skills, and demonstrate how collaboration can act as a tool for addressing complex environmental issues.

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► Center for Science & Public Policy

Center for Education

Keystone Science School

Professional Education & Leadership

POLICY AREAS

Energy

► Environment

Health



Scope of Work:
Advisory Boards
Keystone Dialogues
Joint Fact Finding
Leadership Summit
Published Works/Staff
Keystone Reports

PROJECTS: Agriculture | Biodiversity | Biotechnology | Climate Change | DOD Clean-up | Endangered Species | Hazardous Waste | Land & Forests | Marine & Oceans | Mining | Non-Stockpile Chemical Materiel Project (NSCMP) | Plant Genetics | Space Science | Sustainability | Sustainable Agriculture | Transportation | Waste Management

Field to Market: The Keystone Alliance for Sustainable Agriculture

Press Release, "Diverse Group Releases First-of-its-Kind Report Measuring Agriculture Sustainability," January 12, 2009

Environmental Resource Indicators for Measuring Outcomes of On-Farm Agricultural Production in the United States, First Report, January 2009

- Executive Summary - PDF (162KB)
- Full Report - PDF (1MB)
- Full Report - HTML

► Click here to join the Field to Market Interested parties e-mail list

Introduction

The Keystone Center convened a steering committee of people representing interests from growers, conservation organizations, and companies throughout the agriculture and food supply chain in September 2006 to determine if a further dialogue would be helpful in defining and motivating more sustainable production and supporting and encouraging implementation of more sustainable measures. The premise of the effort is to encourage broad grower involvement while at the same time creating value to growers, consumers, and society in general.

The primary objectives of the effort are:

- To identify criteria for sustainable agriculture that are open to a diversity of technologies; and
- To support the implementation of production systems that lead to broad performance improvements against these criteria.

As an initial step, the group defined sustainable agriculture as meeting the needs of the present while improving the ability of future generations to meet their own needs by focusing on these specific, critical outcomes:

- Increasing productivity to meet future nutritional needs while decreasing impacts on the environment, including water, soil, habitat, air quality and climate emissions, and land use.
- Improving human health through access to safe, nutritious food.
- Improving the social and economic well-being of agricultural communities.

This group is leading a broad based conversation to define specific actions that can have the greatest impact on sustainable agriculture by:



- Focusing on outcomes and results.
- Allowing growers to find the best ways to achieve results through a full range of agricultural technology choices.
- Applying information at the grower-by-grower level in support of the larger, overarching goal of shifting the entire sustainability curve.
- Driving change where the opportunity is greatest, throughout conventional agriculture.
- Providing economic rewards that encourage growers and the value chain to adopt and leverage systems that lead to performance improvement.
- Serving as a solutions provider for companies throughout the supply chain who are endeavoring to both report and improve their sustainability footprint from farm to table.
- Creating pull through the production system all the way to the consumer.
- Using peer-reviewed science to identify goals and measure impacts and results.

To view the group's full set of foundational principles, please click [here](#).

Participants

To ensure the effort is credible and gaining broad enrollment, it involves participants from conservation organizations, academia and research organizations, grower interests, retail companies, and companies throughout the agricultural supply chain.

Entities participating in the initiative include:

- American Farm Bureau Federation
- American Soybean Association
- Bayer CropScience
- Bunge
- Cargill
- ConAgra Foods
- Conservation International
- Cotton Incorporated
- DuPont
- Fleishman-Hillard
- General Mills
- Grocery Manufacturers of America
- John Deere
- Kellogg Company
- Manomet Center for Conservation Sciences
- Mars, Incorporated
- Monsanto Company
- National Association of Conservation Districts
- National Association of Wheat Growers
- National Corn Growers Association
- National Cotton Council of America
- National Potato Council
- The Coca-Cola Company
- The Fertilizer Institute
- The Nature Conservancy
- Syngenta
- United Soybean Board
- World Wildlife Fund - US

Additional interests include academic expertise, other commodities, growers, and additional food companies and retail interests.

Outcomes of the Effort

The key outcomes of the process will include a credible, broad-based system for identifying and assessing sustainable agricultural practices in accordance with the definition provided above. This system will include the following elements:

- Better informed decision-making and policies throughout the agricultural supply chain.
- A set of clearly-defined key impact areas based on outcomes.
- Science-based mechanisms for assessing baselines and progress against the key impact areas.
- A distinct identity used by participating entities that supports the advancement of more sustainable production agriculture.
- Documented improved performance over time.

- A single platform that entities throughout the supply chain can use in their sustainability efforts.

Documents

- Foundational Context and Principles (pdf; 125 KB)
- Summary PowerPoint Presentation: "Field to Market: The Keystone Alliance for Sustainable Agriculture" (pdf; 3.85 MB)
- Press Release, "New Agriculture Sustainability Initiative Launched," August 14, 2007

Contact Information

For further information about this initiative, please contact Sarah Alexander at 970-513-5846 or Julie Shapiro at 970-513-5830.

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Diverse Group Releases First-of-its-Kind Report Measuring Agriculture Sustainability
Findings show promising trends in reducing environmental footprint of crop production

SAN ANTONIO [Jan. 12, 2009] – A first-of-its-kind report released today creates a framework for measuring agriculture sustainability. Developed to inform long-term continuous improvements in agriculture production, the initial findings indicate crop production is already making progress toward reducing its environmental footprint. The Environmental Resource Indicators report was released at the American Farm Bureau Federation annual meeting by *Field to Market, the Keystone Alliance for Sustainable Agriculture*.

Field to Market is a diverse alliance representing the many links in the food chain, including grower organizations, agribusinesses, food companies and conservation organizations. As demand continues to rise and pressures on natural resources increase, the Alliance views the report as the first step in a long-term effort to quantify and improve the environmental, socio-economic and health impacts of agriculture production. The report evaluated national-scale metrics over the past two decades for land use, water use, energy use, soil loss, and climate impact in corn, soy, cotton and wheat production. In 2007, these crops comprised nearly 70 percent of the 305 million acres of U.S. cropland.

“Several trends are emerging. Importantly, production agriculture has become increasingly efficient, relying on fewer inputs to produce more. However, we recognize there are significant challenges ahead in meeting increased global demand in a sustainable manner,” says Michael Reuter, director of conservation programs for the Central US Region of The Nature Conservancy. “These metrics will be expanded to define other attributes of sustainable agricultural production and lay the foundation for studies that will analyze additional environmental, socio-economic, and health factors.”

Progress has been made. The initial index shows that soil-loss efficiency trends have improved substantially by 30 to nearly 70 percent for the four crops evaluated. Energy use per unit of output is down in corn, soybean, and cotton production by nearly 40 to more than 60 percent. Irrigated water use per unit of output has also decreased 20 percent to nearly 50 percent while carbon emissions per unit of output have dropped by about a third for these three crops. The results are intended to provide meaningful and credible information to shape knowledge-based decisions and allow tracking of trends over time. A next-generation report will assess water quality and biodiversity indicators.

These improvements are especially important when put into the context of global needs for food and fiber. Experts predict demand for agricultural goods will double by 2050 as global population increases by an additional 3 billion people. Agriculture is already the predominant user of all habitable

land and 70 percent of fresh water. By 2030 grain-producing land per capita will drop to just a third of what it was in 1950, while the World Water Council predicts in just a decade we will need 17 percent more water than is available to feed the world. The industry is working diligently on collaborative solutions to meet these challenges.

"Increased productivity and improved natural resource management will be vitally important as we seek to feed, fuel and clothe our growing world population on the same amount or even less land in the decades ahead," says Kevin Rogers, cotton grower from Arizona. "The best opportunity to achieve this goal is for all groups in the chain to work collaboratively. Participation from farmers and the conservation organizations is vitally important to success."

In addition to the findings, the report is significant for its direction toward creating a comprehensive methodology that can become the standard for measuring agriculture sustainability. *Field to Market* conducted a broad-based peer-review process that included 17 experts from universities, government and other institutions to help enhance the methodology..

"The peer-review process allowed us to add many different and fresh perspectives to the body of work, allowing for a very objective product," says Marty Matlock, area director of the Center for Agricultural and Rural Sustainability at the University of Arkansas, who incorporated peer-review comments. "The most valuable aspect of the group's work has been bringing together very diverse interests and creating mutual understanding and acceptance of one another's concerns."

Most notably, *Field to Market* seeks to work with farmers to identify and create best practices that can drive future improvements. The Alliance is beginning an industry-wide dialogue that will lead to programs for continued improvement of economically and environmentally friendly food and fiber production. The group is also creating an online calculator to help individual growers assess the efficiency of their operations, along with cataloging advice from experts and other growers that will help advance future sustainability efforts.

"Increasingly we're hearing from our consumers who want to make sustainable food and fiber choices," says John Wolf, vice president of ingredients, commodities and risk management at Kellogg Company. "It's important consumers understand the progress already being made while recognizing that bringing the entire supply chain together is critical to continue making advances from the farm fields to the supermarket shelves."

Field to Market is just beginning its efforts to develop and improve sustainability metrics and create practices to promote continuous improvement throughout the agriculture food chain. The group is currently finalizing water quality and biodiversity indicators and expects to issue a next-generation report that assesses these in mid-2009. Future reports will consider additional environmental impacts as well as socio-economic and health factors.

SECTION 6


An executive summary and full report can be accessed at http://keystone.org/spp/env-sustain_ag.html.

Field to Market, the Keystone Alliance for Sustainable Agriculture, defines agricultural sustainability as meeting the needs of the present while improving the ability to feed future generations by focusing on increasing ag productivity while decreasing environmental impact, improving human health through access to safe, nutritious food and improving social and economic well-being of rural communities. The Alliance is facilitated by the Keystone Center, a neutral, non-profit organization specializing in collaborative decision-making processes for environment, energy, and health policy issues.

Field to Market members include: American Farm Bureau Federation; American Soybean Association; Bayer CropScience; Bunge; Cargill, Incorporated; ConAgra Foods; Conservation International; Cotton Incorporated; DuPont; Fleishman-Hillard; General Mills; Grocery Manufacturers Association; John Deere; Manomet Center for Conservation Sciences; Mars, Incorporated; Monsanto Company; National Association of Conservation Districts; National Association of Wheat Growers; National Corn Growers Association; National Cotton Council of America; National Potato Council; Syngenta; The Coca-Cola Company; The Fertilizer Institute; Kellogg Company; The Nature Conservancy; United Soybean Board; and World Wildlife Fund.

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Attachment 

FIELD TO MARKET

The Keystone Alliance for Sustainable Agriculture Outcomes



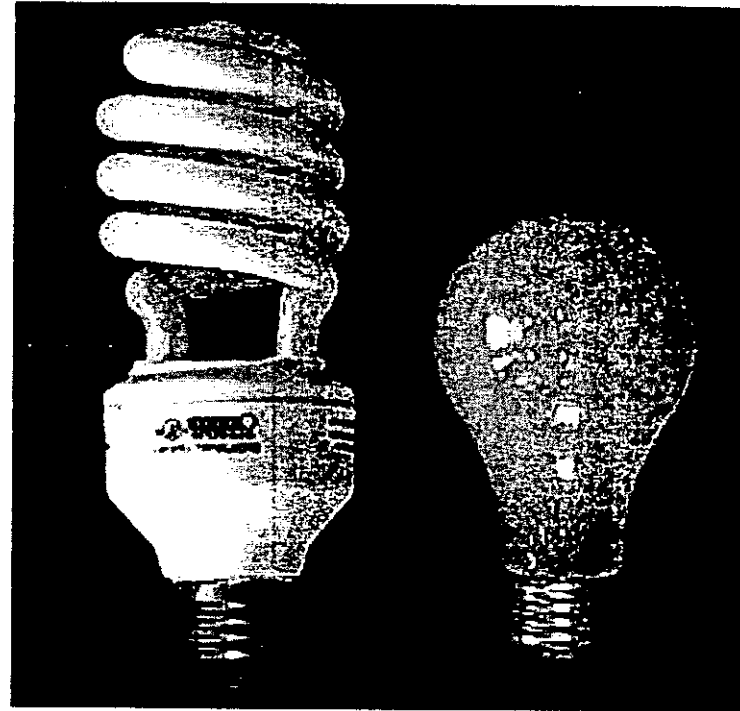


The Keystone Center Field to Market

- The Keystone Center is a non-profit organization founded in 1975 to ensure that present and future generations approach environmental and scientific dilemmas and disagreements creatively and proactively
- Overall objective of Field to Market:
 - Create a single platform that can be used throughout the agricultural supply chain to improve the overall sustainability of production agriculture, rather than any one entity.
 - Start the effort with a focus on the agriculture supply chain in the US, establishing methods that can be applicable to other chains and geographies.



The broad conversation on sustainability has matured in many sectors



Common sense and technology are teaming up to create practical solutions



There are opportunities to better define sustainability in agriculture – the global picture

Key environmental impacts of global agriculture:

- 37.7% of total world land area
- 70% of human use of water
- 46% of agricultural land moderately degraded and 16 per cent strongly degraded.
- 30% of greenhouse gases that contribute to climate change
- Other environmental impacts include energy use and waterway pollution.

Source: World Wildlife Fund
<http://www.wwf.org.uk/researcher/issues/agriculture/0000000219.asp#impacts>

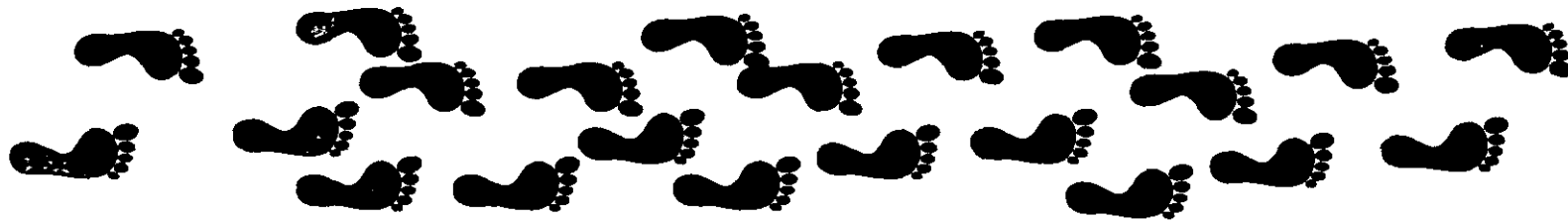
And some key realities:

- Global food demand will double in 50 years
- Increased income (globally 2.4 times by 2050) will lead to increased consumption
- Per capita arable land globally is decreasing
- Renewables and biofuels are also a part of overall demand for agricultural production
- The poorest people on the planet have no land and can spend 75% of income on food and still go hungry
- Better production systems exist for virtually all crops, but they are often disseminated too slowly



The need

- Companies throughout the supply chain are trying to define and reduce their sustainability footprints, field to table
- “Inside the farm gate” footprints are not yet captured in broader strategies
- To successfully meet the needs of a growing population, climate change, and increasing consumer expectations we need to be inclusive, not reward a few

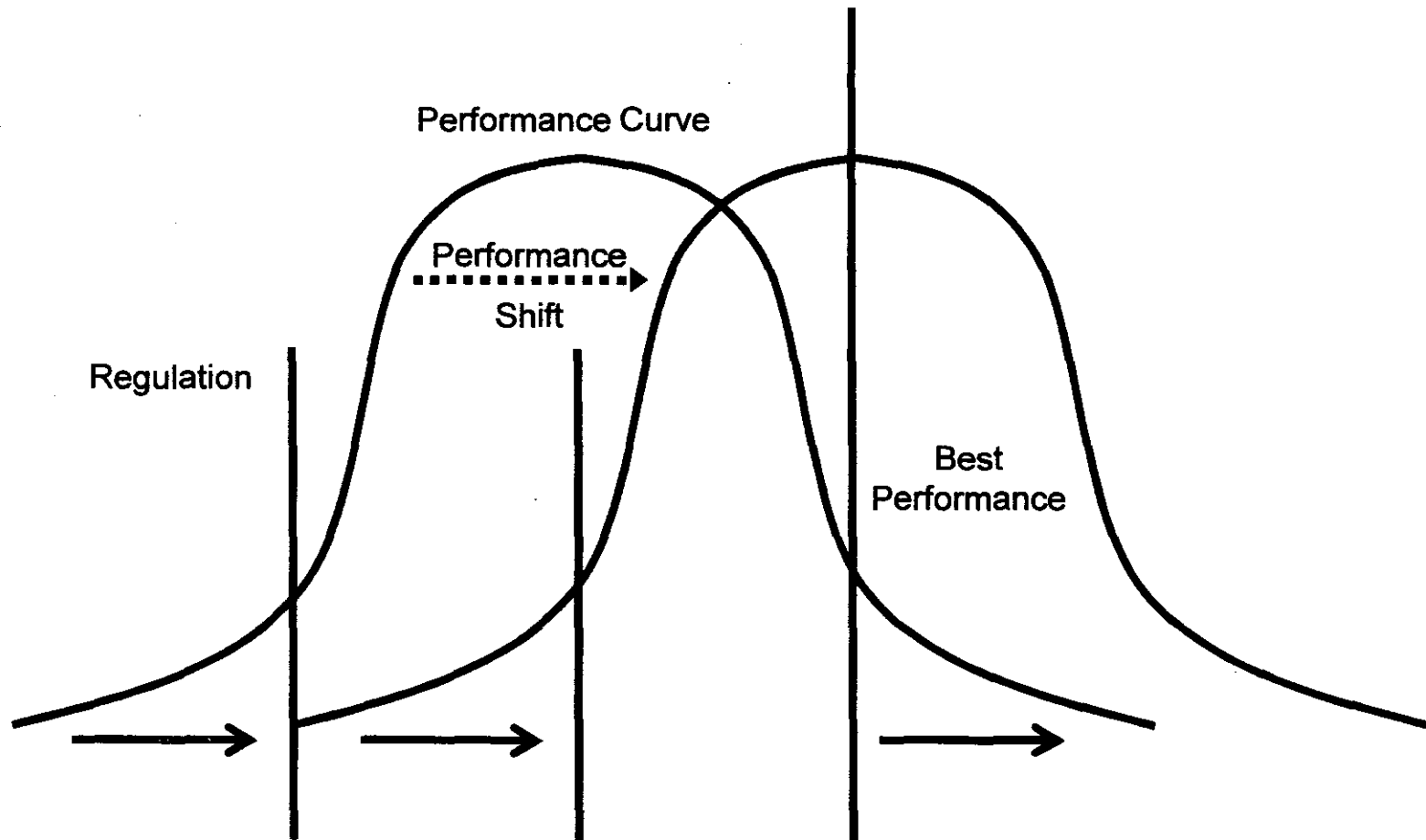


Premise: We can shift the discussion on sustainability in agriculture

- We can:
 - Focus on outcomes and results and allow producers to find the best way to achieve results through a full range of agricultural technology choices
 - Apply information at the grower level in support of larger, overarching goal of shifting the entire sustainability curve
 - Drive change where the opportunity is greatest – throughout conventional agriculture
 - Create pull through the production system
 - Use peer-reviewed science to identify goals and measure impacts, progress, and results



Accelerating better practice adoption



Source: World Wildlife Fund - US





Our working definition of sustainable agriculture

Sustainable agriculture will meet the needs of the present while improving the ability of future generations to meet their own needs by:

- Increasing productivity to meet future nutritional and fiber needs while decreasing impacts on the environment
- Improving human health through access to safe, nutritious food
- Improving the social and economic well being of agricultural communities

The initial work will focus on the first aspect of sustainable agriculture (first bullet above).





Steering Committee Members and Participants

- American Farm Bureau Federation
- American Soybean Association
- Bayer CropScience
- Bunge
- Cargill
- ConAgra Foods
- Conservation International
- Cotton Incorporated
- DuPont/ Pioneer
- Fleishman-Hillard
- General Mills, Inc.
- Grocery Manufacturers of America
- John Deere
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- National Cotton Council of America
- National Potato Council
- Syngenta
- The Coca-Cola Company
- The Fertilizer Institute
- The Nature Conservancy
- United Soybean Board
- World Wildlife Fund
- University of Arkansas
- University of Wisconsin



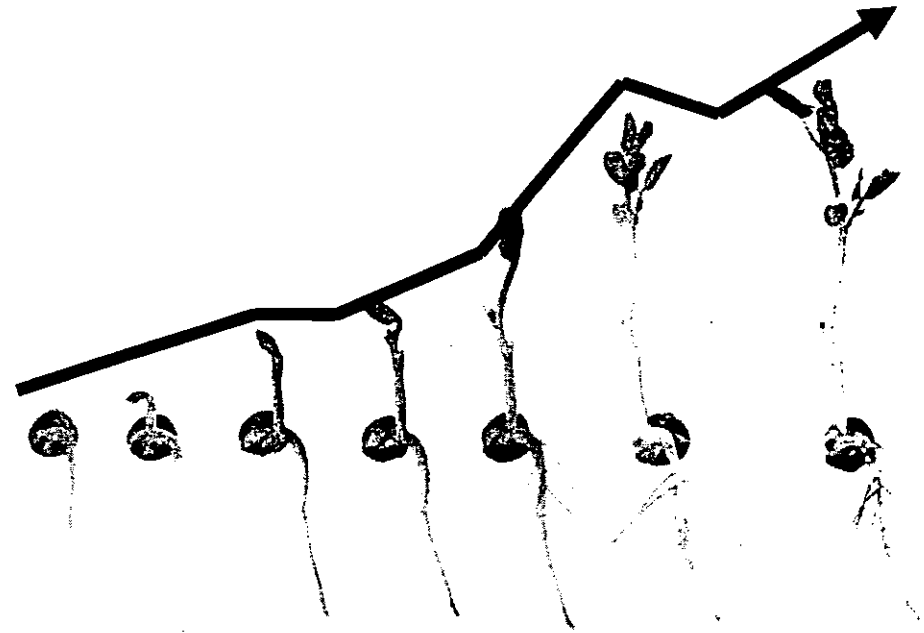
Proposed outcomes

- **Indicators** based on measurable outcomes that can assist in setting performance goals
- A **sustainability tool** for growers to map and improve their own performance
- **Better informed decision-making** throughout the agricultural supply chain from grower to consumer
- **Documented improved performance** over time
- **A single platform that entities** throughout the supply chain can use in their sustainability efforts



Sustainability Indicators

- ✓ Environmental Indicators
 - ✓ Land Use
 - ✓ Water Use
 - ✓ Soil
 - ✓ Energy
 - ✓ Climate
 - ✓ Water Quality
 - ✓ Biodiversity
- ✓ Productivity Indicators
- ✓ Grower economic index
- ✓ Social Indicators
- ✓ Health indicators
- ✓ Ability to meet global demand

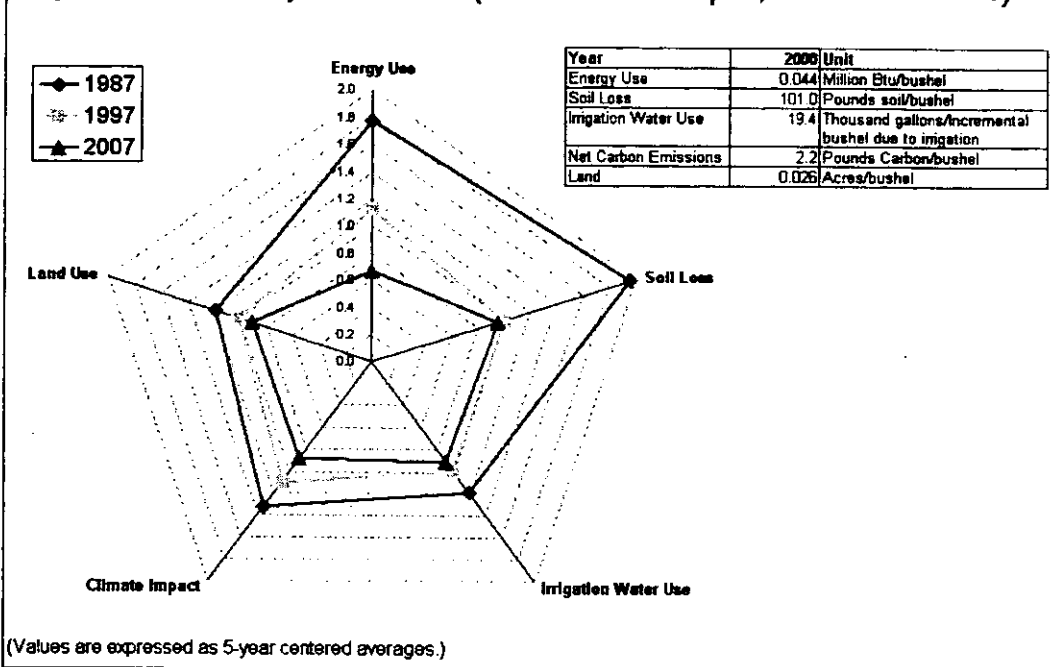


Sample Results: Soybeans

Over the study period (1987-2007),

- **Productivity** (yield per acre) increased steadily by 29 percent.
- **Land use** increased in absolute terms and by 31 percent while land use efficiency per bushel improved by 26 percent.
- **Soil loss** per acre decreased roughly 31 percent while soil loss per bushel decreased 49 percent. These trends coincide with significant changes in farming practices in states that grow the bulk of all soybeans.
- **Irrigation water use** per acre has changed little over time and water use per bushel improved 20 percent. However, only four to seven percent of the crop utilizes supplemental water.
- **Energy use** per acre has decreased 48 percent while per bushel energy use decreased 65 percent. Soybeans have seen the most dramatic shift in inputs used, particularly herbicides and fuel for tillage, enabling per-unit energy requirements to decline substantially over time.
- **Greenhouse gas emissions** per acre declined 14 percent and emissions per bushel decreased 38 percent.

Soybean Efficiency Indicators (Per Unit of Output, Index 2000 = 1)



- **Total annual trends** over this time period indicate soybean production's total energy use decreased 29 percent, total soil loss decreased 11 percent, total irrigation water use increased 39 percent, and climate impact increased 15 percent.



Measuring Sustainability

- How do we measure the impact of agriculture in terms of environmental and natural resource sustainability?
- Is there a credible and cost effective way to quantify these impacts and report on them over time?
- If so, can the knowledge of these landscape measures of environmental impacts serve to enhance the performance of agriculture over time with respect to sustainability?



Sustainability Indicators: Criteria

- Outcomes-based
- Outcomes are within growers' influence
- Scalable to the national, regional, and farm level
- Crop-specific for corn, soybeans, wheat, and cotton
- Utilizes accessible and credible data and peer-approved methodology
- Transparent



Environmental Resource Indicators

Methodology and Data

- **Methodology**
 - Developed national scale indicators for land use, soil loss, water use, energy use, and greenhouse gas emissions for corn, cotton, soy, and wheat.
 - Measured per acre, per bushel or pound (efficiency), and total annual use or impact values
 - For efficiency trends, the base year of measurement is 2000 where the actual Resource Indicator Values are set to equal 100, with one index point equal to a one percent change from the actual values observed in year 2000

- **Data**
 - Sources include the National Agriculture Statistics Service (NASS), Natural Resources Conversation Service (NRCS), Natural Resources Inventory (NRI), USDA's Agricultural Resources Management Survey (ARMS), International Plant Nutrition Institute (IPNI), Conservation Technology Information Center (CTIC)

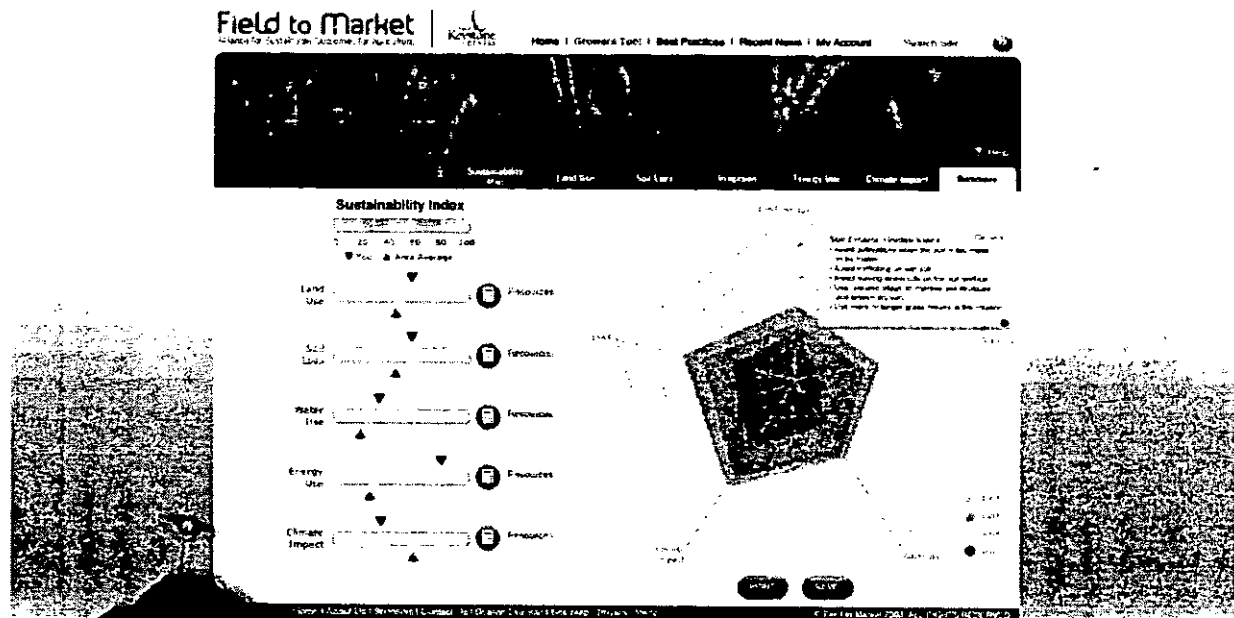
- **Peer reviewed by 17 experts**
 - Feedback was incorporated into revisions.



A Grower Tool

Enables
Growers to:

- view individual performance on sustainability indicators
- compare themselves to national, regional, and state averages
- access information on natural resource management



Field to Market Next Steps

- Develop water quality, biodiversity, socio-economic, and health indicators
- Explore application of indicators at various scales
- Develop grower tools and website
- Develop supply chain strategies
- Engage in outreach





Questions/Contact Information

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**Testimony of Doug Goehring
Before the Senate Agriculture Committee
SB 2438
February 5, 2009**

Mr. Chairman, members of the Senate Agriculture Committee, for the record my name is Doug Goehring; I farm in the Menoken area and I am currently Secretary-Treasurer of the North Dakota Grain Growers Association.

I am testifying today in support of SB 2438.

Mr. Chairman, members of the Committee, SB 2438 offers North Dakota farmers a new avenue for the marketing of our state's agricultural products. As the people of our nation look both to their pocketbook and to the environment, the bill before you places our state's agricultural products, the finest products in the nation, in a unique marketing position to take advantage of the "sustainable" craze that is sweeping the country. North Dakota ag producers feed the world, and they provide the safest and the most reliable food products on earth. Showcasing the excellence in North Dakota agriculture is the right thing to do for both the producers and the consumers of this nation.

Agriculture of today isn't our father's agriculture. Farming practices in place 10 or even 20 years ago have been replaced by the necessity of practicing sustainable agriculture in today's world. Farming practices such as deep tillage and extensive tillage, requiring excessive fuel use, and excessive pesticide and fertilizer use, which threaten the environment, have given way to the new era of sustainability in agriculture. Reduced and no-till farming practices, variable rate seed and fertilizer applications, precision pesticide applications using global positioning are but some of the ways today's North Dakota agriculture addresses the cost and ecological challenges present in today's agricultural environment.

Better farming practices are just a part of the equation. As agriculture moves forward research into new technologies becomes an integral part of agriculture's sustainability and viability. As the world continues to grow, it is essential that North Dakota's producers are given the technological tools to meet the world's ever growing needs for food and fiber. Agronomic traits that meet the needs of producers and consumers alike are essential to meet the challenge of feeding the globe. In addition, research into traits that are "green", traits such as nitrogen efficient, drought tolerance and disease resistant, will be critical in making the new agriculture environmentally friendly.

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.

Recognizing these challenges, SB 2438 seeks to give North Dakota ag producers another tool in the marketing tool chest. North Dakota agriculture is a leader in the sustainability movement. Our state's producers are some of the most innovative on earth; we lead the U.S. in the production of at least 14 different commodities. As we have moved from the past into the present and look toward the future, allowing North Dakota producers to be recognized in a new and innovative marketing endeavor is good thing to do.

Therefore, Mr. Chairman, members of the Senate Agriculture Committee, the North Dakota Grain Growers Association request your support for SB 2438. This legislation is an innovative step in the right direction.

Thank you!



Bringing ag home

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North Dakota Farm Bureau Testimony on Senate Bill 2438

Presented by

Brian Kramer, ND Farm Bureau Public Policy Director

February 5, 2009

Good afternoon Chairman Flakoll and members of the Senate Agriculture Committee. My name is Brian Kramer and I am here representing North Dakota Farm Bureau. We recognize the importance and value of promoting sustainably grown North Dakota products. The most important aspect of this bill is defining what sustainable is and what it is not. We believe it is important to include language to clarify legislative intent via a preamble:

The legislature finds it in the best interest of the state's agricultural community to establish a working definition of the term "sustainability," or "sustainable" as it relates to agricultural production practices and subsequent marketing principles. To achieve true sustainable production across all forms of production practices, efficiencies in land, water and energy use must be attained and maintained for both present and future generations. The departments of Agriculture and Commerce are commissioned with implementation of a voluntary certification program, that indicates that raw product or products, produced in a sustainable manner as defined by this act, have been recognized by the state, and may be sold or marketed as "sustainably" produced.

We encourage coordination between the departments of Agriculture and Commerce as they both have an important role to play in marketing our agriculture products for export.

We support a definition of sustainable in SB 2438 with the inclusion of the following amendments:

Line 22, page 1

5. For the purposes of this section:

1. Expand definition of “sustainability” to specifically include application to all forms of production and that biotechnology and conventional practices, in particular, are considered forms of production in which sustainability may be achieved.
2. Further, the state shall recognize “sustainable” production as those practices which strive to meet present food and nutritional needs, while contributing to the ability of future generations to meet their needs, with particular focus on:
 - A. Increased agricultural productivity to meet present and future nutritional needs while increasing resource use efficiencies.
 - B. Improving human health through access to safe, nutritious food; and
 - C. Improving social and economic well-being of agricultural communities and enhance the profitability and economic viability of an individual farm or ranch.
3. Sustainable production shall be recognized within this program by demonstrating “increased efficiencies in land, water and energy uses.” These are the areas of future metric evaluation that shall be used to measure success in attaining and maintaining “sustainability,” and subsequent certification.
4. The appropriate agency, or agencies to oversee the program, shall promulgate rules to establish the “certification” program provided all forms of production are deemed “sustainable” upon demonstration of these “efficiencies,” when

normalized to an efficiency indicator, i.e., defined herein as a per unit measurement of "input" and per unit measurement of "output", (ie. per acre, per pound, or bushel of yield). These should be objective measures, capable of independent third party validation, and should be implemented where the use of key resources are "minimized" relative to the "output" achieved.

5. Producers, certified by the state program, may authorize the use of their "certification seal," or logo, as developed by the state (Sustainably Grown in ND), to processors, retail, or other end-users for marketing and packaging purposes.
6. Applicants must submit a written "Sustainability" Plan for review by the appropriate state agency or agencies that assert efficiencies have been achieved in each of three categories, "water, land and energy" uses.
7. Certification shall be annual, for one-year periods.
8. Applications shall carry a nominal fee, to support cost of the agency oversight, or record retention.
9. Applicants must also submit a summary report at the end of each one-year period, and provide demonstrable evidence of "sustainable" production, based on attaining efficiencies in the three categories, for continued participation in the program. First time applicants may qualify, based on a proposed "pro-active" plan.
10. The appropriate state agencies must report to the legislature on the "efficiencies" attained, annually, and the status of the program. The report may also contain a summary of "successful practices and strategies," that may be shared with the larger state agricultural community.

Furthermore we would like to see this established as a pilot program for a two-year trial period. This way we can evaluate the program's success and make any necessary adjustments next legislative session.

Thank you, Chairman Flakoll and committee members for the opportunity to voice our opinions. If you would like, we are willing to work with you to incorporate these amendments into the bill. I would stand for any questions you may have.

Testimony of Christina Dockter
Senior Executive Partner
International Certification Services, Inc
On
Senate Bill 2438

I'm testifying against Bill 2438. To give a little background on my organization, International Certification Services, Inc. has been in business for 30 years and is the only North Dakota based organic certification agency. We not only certify organic producers and processors but also work in a partnership conducting inspections for a Portland, OR based organization, Food Alliance.

Food Alliance certifies farms, ranches and food handlers practicing sustainable agriculture and socially-responsible commerce in the food industry. Clients and buyers alike are supporting a food system that's committed to environmental stewardship and protecting the health and welfare of people and communities. Food Alliance has spent many years in consultation with professionals in order to develop their program in their 16 years of existence.

We have many concerns with Bill 2438 including:

1. Who would develop the standards? The bill states The Department of Commerce shall implement but is the Department of Commerce qualified or have the staff to develop the standards for this sustainable program?
2. Who would apply the standards?
3. Who would certify the program applicants?
4. Who would administer the program? It will cost a lot of money and staff if this is to have any meaning at all for consumers and there are no appropriations indicated on the bill.
5. Who would inspect the fields to make sure they are in compliance?
6. If they are going to certify practices they would have to have some type of audit sheets and production records to make sure all grain met the standards and no "non sustainable grain" reaches the markets.
7. In short, to have any meaning in the marketplace at all, a certification, must be able to be backed up by a rigorous and robust inspection regime, and there absolutely must be a strong administrative structure to support the certification program overall.

As many producers who follow the latest trends know, "sustainability" has become a buzzword in the world of agriculture and without good, solid standards and the infrastructure to support it, consumers won't go for this type of sustainable program.

From the point of view of an organization with 30 years of certification experience, Bill 2438 raises more questions than answers.

Thank you for your time and consideration of this testimony.

Testimony - SB 2438

Terry Wanzek

District 29 Senator

Same given to House

Chairman and members of the House Appropriations Committee, my name is Senator Terry Wanzek from District 29. SB2438 is a bill that will establish a voluntary program within the Dept. of Commerce to promote agricultural commodities that are sustainably grown in ND.

The program will establish criteria for sustainable crop production and develop a logo indicating the commodity was grown sustainably in ND using objective scientific metric measurements to measure outcomes. Let me emphasize this would be a voluntary marketing program whereby those farmers desiring to use it could for their customers who require it. It should not be forced on anyone.

The bill provides a general definition of "sustainably grown" as a crop grown using research based practices that result in:

1. Increased efficiencies in soil and nutrient preservation;
2. Decreased reliance on tillage and other soil-depleting practices;
3. Increased efficiencies in use of water;
4. Increased efficiencies in the use of other necessary and measurable agriculture inputs;
5. Increased yield efficiencies

This will be a challenge for the Dept. of Commerce. This is why we delayed the effective implementation of this program until July 1, 2011. The bill also would put an advisory committee in place to assist Dept. of Commerce in developing the program over the next two years.

Okay, where am I coming from?

There is a national example; it is called the Keystone Field to Market Initiative. Our producers are going to face this issue sooner or later. Why not start sooner rather than later and put ND producers on the cutting edge.

By being prepared two years from now can place our producers in a position of competitive advantage over what is a very competitive global market place for commodities. We can be

prepared. This bill is an effort where we look forward and hopefully be prepared for what the future demands. (Wayne Gretzky quote.)

I ask for your support of SB 2438. Thank you.



NORTH DAKOTA STATE UNIVERSITY

SEARCH

NDSU Extension Service

ND Agricultural Experiment Station

New Energy Economics: Japanese Consumers: What is Carbon Footprint of N.D. Grains?

The grain industry is getting more questions from Japanese consumers who want to know what the carbon footprint is of the foods they are consuming.

By Cole Gustafson, Biofuels Economist

NDSU Extension Service

Academics often are asked where ideas for new research projects come from. In my case, I strive to listen to the problems expressed by North Dakota agricultural producers and rural citizens. I then proceed to find solutions. Periodically, though, new research ideas come from people in other regions. Such was the case recently and will lead me to place greater emphasis on carbon tracking and markets.

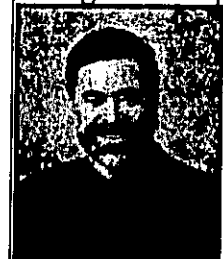
In January, I received a call from a commodity organization that had a request from Japanese grain buyers. To summarize, the grain industry is getting more questions from Japanese consumers who want to know what the carbon footprint is of the foods they are consuming. People worldwide are becoming more cognizant of global warming, climate change and the role carbon management/sequestration plays in the food production process. Evidently, Japanese consumers are striving to lessen their reliance on carbon-emitting production practices.

To illustrate how important this is becoming to Japanese consumers, new labels documenting a food product's carbon footprint are appearing. The labels are very analogous to food nutrition labels that are required by most federal governments to more fully inform consumers of a product's nutritional attributes. A can of Japanese Sapporo beer now contains a carbon label stating that 295 grams of carbon were released to produce the beer. It is interesting that the 123 grams of carbon needed to produce the aluminum container was not mentioned.

The question posed to me: Was what are the carbon footprints of grains produced in North Dakota? In addition, how can grain with a low carbon footprint be segregated and documented through the entire elevator, marketing and transportation system so Japanese consumers can be assured that the product label is accurate?

As this was relayed to me over the phone, my mind quickly raced to develop a response. My first thought was to reply that there is no way! My reasoning was that many North Dakota farmers are not aware of what their carbon footprint is. Usually, producers haul their production in bulk to an elevator that comingles their grain with everyone else's in the area. The grain then is shipped overseas in a large

Images



Cole Gustafson, NDSU Biofuels Economist



Japanese Sapporo beer now contains a carbon label stating that 295 grams of carbon were released to produce the beer.

boat. Documentation of any carbon benefit would be nearly impossible.

I knew my initial thought wasn't what the caller or the Japanese consumer wanted to hear, so I quickly came up with a second possible response: Pay for it! North Dakota farmers have had many opportunities to raise specialty crops and products in the past. In most cases, they readily embrace new markets, but usually find that sufficient profit doesn't exist to make the new venture viable. Therefore, if the Japanese consumers really desire low-carbon grains in their food, they should start paying a premium for their purchased grains and North Dakota farmers will do their best to change production practices, collect the necessary information and then provide the needed documentation.

Again, I didn't think this is exactly what the Japanese were looking for. They, like most consumers, don't want to pay more. The Japanese just desire a higher-quality product at the existing market price.

So, my actual response was to indicate that North Dakota farmers have considerable experience selling grains with different quality attributes, such as protein, variety and color. Through time, markets provide enough of an incentive to induce behavior change. Classic examples are protein and other milling attributes in wheat. Moreover, the grain industry has a vast infrastructure that is capable of segregating, transporting and preserving these characteristics through the marketing chain.

I suspect that carbon likely will be one more quality characteristic that all of us in the industry will start to keep track of.

As always, your comments and questions are appreciated. You can reach me at cole.gustafson@ndsu.edu.

NDSU Agriculture Communication

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#3
Scott Rising
3/13/09

Testimony for SB 2438

Good morning Chairman Johnson & House Agriculture Committee Members. My name is Scott Rising. I am here this morning on behalf of Soybean Growers seeking your favorable consideration of SB 2438.

The term . . . "Sustainable" . . . What does that mean to you?

I would guess that if we each wrote our definition down separately . . . they would not match exactly.

I would also venture to guess that most, if not all, would contain the concept, in some format, of . . . doing or caring for something in a way so that it could be used again, expecting success. True?

So . . . "Sustainability" for each of us is a little like beauty in two ways,

. . . it is left to the eye of the beholder,

. . . and we all know what it is when we see it!

In that context, here is what I am seeing in this bill . . . Three things . . .

First. It pulls together a group of knowledgeable Ag participants and asks them to examine the concept of "Sustainable" as it relates to "make sense" farming practices that facilitate long-term desirable results such as meeting the sustenance and nutritional needs of the world.

Second. It intends to provide opportunity to identify, and make available for ND producers, a set of metrics to measure their individual operation's progress . . . toward achievable outcomes . . . beyond the yield monitor or statement of net worth; reaching beyond themselves, at their option.

Third. It has potential to provide a statewide program that recognizes individual producer success . . . providing a "Good Housekeeping Seal of Approval" or "Star City" type designation; positive recognition with the Ag profession. The icing on the cake comes when that same designation can be used to promote ND Ag production here, and beyond, as a marketing tool capable of evolving to meet consumer demands in global markets.

Thank You.

Contact Information:
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Calculator available 15 Mar 09
at www.fieldtomarket.org



March 12, 2009

SB 2438

Chairman Johnson and members of the House Agriculture Committee,

For the record, my name is Woody Barth. I am here representing North Dakota Farmers Union. I stand in support of SCR 401SB 2438 for the overall intent of the bill. North Dakota Farmers Union has concerns over some areas of the bill, including: The program being housed in the Department of Commerce, the department's ability to create a definition for the term "sustainability", and the makeup of the committee.

What is "sustainability"? The term has become somewhat philosophical, yet still important.

Conventional farming has evolved extensively over the years, and it varies from producer to producer. Many would argue for and against it in terms of sustainability and efficiency, depending on their day-to-day practices. The same paradigm goes for industrial farming. Some would argue that it is sustainable because of the production rate and the increase in yields. Others would oppose this sentiment because of some of the practices it entails.

Congress took its first stab at defining sustainability in the 1990 Farm Bill. In this law, the term sustainable agriculture means "an integrated system of plant and animal production practices having a site-specific application that will, over the long term:

- Satisfy human food and fiber needs;
 - Enhance environmental quality and the natural resource base upon which the agricultural economy depends;
 - Make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
 - Sustain the economic viability of farm operations; and enhance the quality of life for farmers and society as a whole."
- (SOURCE: USDA Website, www.nal.usda.gov)

Agree or disagree, a definition for sustainability has yet to be widely accepted. The term "sustainability" means different things to different individuals.

North Dakota Farmers Union believes only the family farm system of agricultural production can provide the opportunities of individual enterprise to all farm families in our society. No other system can achieve the economic and social stability, the soil and environmental stewardship and the production efficiency of the family farm. To our organization, this is an important part of the sustainability puzzle. However, our organization does recognize that if the term becomes too broad, it will lose its significance.

Therefore, North Dakota Farmers Union believes it is too soon to definitively label a practice as such, and believes it may be a difficult task for the Department of Commerce to undertake.

We urge further study of the issue. We think that the committee would be a great way to tackle this issue, but we feel that it should encompass all groups that are affected. Whether it be a conventional farmer or an organic farmer, a GMO or non-GMO crop producer, every individual has valuable input and should be brought to the table in order to come to a consensus.

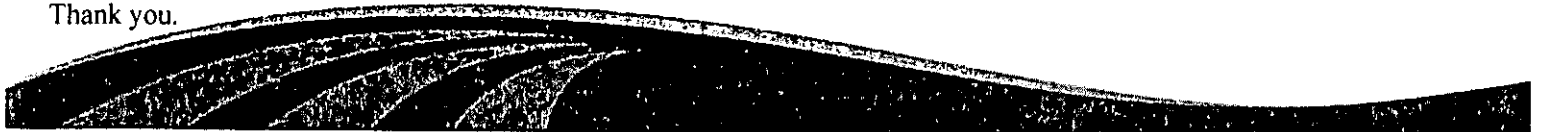
North Dakota Farmers Union believes that if these changes are considered, everyone can benefit from the promotion of sustainably grown commodities in North Dakota.

Thank you.

#4
2438
3/13/09

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Diverse Group Releases First-of-its-Kind Report Measuring Agriculture Sustainability
Findings show promising trends in reducing environmental footprint of crop production

SAN ANTONIO [Jan. 12, 2009] – A first-of-its-kind report released today creates a framework for measuring agriculture sustainability. Developed to inform long-term continuous improvements in agriculture production, the initial findings indicate crop production is already making progress toward reducing its environmental footprint. The Environmental Resource Indicators report was released at the American Farm Bureau Federation annual meeting by *Field to Market, the Keystone Alliance for Sustainable Agriculture*.

Field to Market is a diverse alliance representing the many links in the food chain, including grower organizations, agribusinesses, food companies and conservation organizations. As demand continues to rise and pressures on natural resources increase, the Alliance views the report as the first step in a long-term effort to quantify and improve the environmental, socio-economic and health impacts of agriculture production. The report evaluated national-scale metrics over the past two decades for land use, water use, energy use, soil loss, and climate impact in corn, soy, cotton and wheat production. In 2007, these crops comprised nearly 70 percent of the 305 million acres of U.S. cropland.

“Several trends are emerging. Importantly, production agriculture has become increasingly efficient, relying on fewer inputs to produce more. However, we recognize there are significant challenges ahead in meeting increased global demand in a sustainable manner,” says Michael Reuter, director of conservation programs for the Central US Region of The Nature Conservancy. “These metrics will be expanded to define other attributes of sustainable agricultural production and lay the foundation for studies that will analyze additional environmental, socio-economic, and health factors.”

Progress has been made. The initial index shows that soil-loss efficiency trends have improved substantially by 30 to nearly 70 percent for the four crops evaluated. Energy use per unit of output is down in corn, soybean, and cotton production by nearly 40 to more than 60 percent. Irrigated water use per unit of output has also decreased 20 percent to nearly 50 percent while carbon emissions per unit of output have dropped by about a third for these three crops. The results are intended to provide meaningful and credible information to shape knowledge-based decisions and allow tracking of trends over time. A next-generation report will assess water quality and biodiversity indicators.

These improvements are especially important when put into the context of global needs for food and fiber. Experts predict demand for agricultural goods will double by 2050 as global population increases by an additional 3 billion people. Agriculture is already the predominant user of all habitable

land and 70 percent of fresh water. By 2030 grain-producing land per capita will drop to just a third of what it was in 1950, while the World Water Council predicts in just a decade we will need 17 percent more water than is available to feed the world. The industry is working diligently on collaborative solutions to meet these challenges.

“Increased productivity and improved natural resource management will be vitally important as we seek to feed, fuel and clothe our growing world population on the same amount or even less land in the decades ahead,” says Kevin Rogers, cotton grower from Arizona. “The best opportunity to achieve this goal is for all groups in the chain to work collaboratively. Participation from farmers and the conservation organizations is vitally important to success.”

In addition to the findings, the report is significant for its direction toward creating a comprehensive methodology that can become the standard for measuring agriculture sustainability. *Field to Market* conducted a broad-based peer-review process that included 17 experts from universities, government and other institutions to help enhance the methodology..

“The peer-review process allowed us to add many different and fresh perspectives to the body of work, allowing for a very objective product,” says Marty Matlock, area director of the Center for Agricultural and Rural Sustainability at the University of Arkansas, who incorporated peer-review comments. “The most valuable aspect of the group’s work has been bringing together very diverse interests and creating mutual understanding and acceptance of one another’s concerns.”

Most notably, *Field to Market* seeks to work with farmers to identify and create best practices that can drive future improvements. The Alliance is beginning an industry-wide dialogue that will lead to programs for continued improvement of economically and environmentally friendly food and fiber production. The group is also creating an online calculator to help individual growers assess the efficiency of their operations, along with cataloging advice from experts and other growers that will help advance future sustainability efforts.

“Increasingly we’re hearing from our consumers who want to make sustainable food and fiber choices,” says John Wolf, vice president of ingredients, commodities and risk management at Kellogg Company. “It’s important consumers understand the progress already being made while recognizing that bringing the entire supply chain together is critical to continue making advances from the farm fields to the supermarket shelves.”

Field to Market is just beginning its efforts to develop and improve sustainability metrics and create practices to promote continuous improvement throughout the agriculture food chain. The group is currently finalizing water quality and biodiversity indicators and expects to issue a next-generation report that assesses these in mid-2009. Future reports will consider additional environmental impacts as well as socio-economic and health factors.

An executive summary and full report can be accessed at http://keystone.org/spp/env-sustain_ag.html.

Field to Market, the Keystone Alliance for Sustainable Agriculture, defines agricultural sustainability as meeting the needs of the present while improving the ability to feed future generations by focusing on increasing ag productivity while decreasing environmental impact, improving human health through access to safe, nutritious food and improving social and economic well-being of rural communities. The Alliance is facilitated by the Keystone Center, a neutral, non-profit organization specializing in collaborative decision-making processes for environment, energy, and health policy issues.

Field to Market members include: American Farm Bureau Federation; American Soybean Association; Bayer CropScience; Bunge; Cargill, Incorporated; ConAgra Foods; Conservation International; Cotton Incorporated; DuPont; Fleishman-Hillard; General Mills; Grocery Manufacturers Association; John Deere; Manomet Center for Conservation Sciences; Mars, Incorporated; Monsanto Company; National Association of Conservation Districts; National Association of Wheat Growers; National Corn Growers Association; National Cotton Council of America; National Potato Council; Syngenta; The Coca-Cola Company; The Fertilizer Institute; Kellogg Company; The Nature Conservancy; United Soybean Board; and World Wildlife Fund.

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