

2011 HOUSE AGRICULTURE

HB 1302


2011 HOUSE STANDING COMMITTEE MINUTES

House Agriculture Committee
Peace Garden Room, State Capitol

HB 1302
February 11, 2011
Job #14449

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to soybean council elections

Minutes:

Chairman Johnson, Co-Sponsor: This bill is redrawing district lines and adding districts to their organization. Current Soybean Council Map (Map A) shows present districts. They have been concentrated in the eastern part of the state. The western part of the state is one district. The organization has grown from 500,000 acres to 4 million acres. The industry will continue to grow. They desire to have the districts reformulated to give better representation from the western part of the state. With the amount of work they have they would like to see four more members on the board which would increase it from 8-12 members. The bill talks about the voting process and how they will formulate the board. We have amendments that address that issue also.

Scott Rising, ND Soybean Growers Assn.:

Section 1 amends and reenacts. It redistributes the current 8 soybean districts and creates 4 new districts based on acres planted as follows. (Refers to Maps A & B attached)

Section 2 addresses council membership terms. It's worded to allow the current 8 member council to function until March 31, 2012. The new 12 member council begins functioning the first of April, 2012. It lays out by district the start of terms so the rotation starts right away. The terms are 3 years which is the same as the current statute.

Section 3 deals with how county representatives are elected in each county that grows soybeans for the purposes of representing the growers in that county. That is the proposed amendment with Rep. Johnson. The amendment says that currently the county representatives are elected at a time and place with a face to face meeting. This allows for a mail ballot process. Currently the election process is overseen by the extension service. That will remain the same in the new provisions. So there will be oversight outside the Soybean Council process for the election of county representatives.

Section 4 has very little change. This section deals with how those elected county representatives elect a person to their district. That is currently done that way. County

representatives meet face to face. They choose one among them if there is more than one county representative in their area. That doesn't change except at the discretion of the director of the extension service. What used to be face-to-face can be by phone or with email.

Representative Rust: The current is an 8 member board and you are increasing it to 12. Generally as boards get larger it is harder to reach a consensus. What is the reason for increasing?

Scott Rising: It is a product of a strategic planning process that current council members went through last summer. They identified the need for additional help to do core things that the council does.

Representative Rust: What about cost when increasing the size? Can they return the check off dollar with an application?

Scott Rising: The soybean community check off process is under federal statute. The federal statute doesn't allow for a member to request a refund of the check off dollars.

Representative Rust: What is the total amount of check off that you get? What is the cost of an 8 member council and how does it compares to a 12 member council.

Scott Rising: I will defer that to following testimony.

Representative Wrangham: Currently you don't use a mail in ballot. Are the directors elected by secret ballot?

Scott Rising: I don't know.

Mike Beltz, ND Soybean Council board member: We are entrusted to spend money on someone's behalf. There are two organizations in the state. The ND Soybean Council handles the check off dollars. The national counterpart to that is USB (United Soybean Board). The other organization is the growers' organization. Their national counterpart is ASA (American Soybean Association). They handle policy and lobbying. We cannot do that. No funds from the check off are allowed to be used for lobbying, testifying, or being involved politically. The federal check off is .5% of the value of the commodity. It is nonrefundable. There is a mechanism with a referendum every 7 years. If enough people are disgruntled, it goes up for a vote. It took place about two years ago. There weren't enough votes to support a ballot so it continues as it is. In 2010 there were 4 million acres planted in North Dakota with 138 million bushels produced at about 34 bushels per acre. Collections in 2009 would be 6.8 million. Half of the money goes to USB for programs run nationally. ND has three representatives on the USB board which is based on acres grown. The other half is spent in state following guidelines of USB. We are audited by both USB and the state.

Three areas we focus on both locally and nationally:

1. Research
2. Transportation
3. Market and development

Communications is also an important duty. We have a **research committee** that functions very well. It looks at variety development, aphids, etc. Nationally the counterpart to our local research committee is the North Central Soybean Research Project. It is a consortium of 12 states that pool their money to work on projects.

Transportation: 90+% of soybeans are exported through the BMW. The Upper Great Plains Transportation Institute is funding a study of the needs of roads in nonoil producing counties throughout the state. We work with railroad issues and containers. Since beans end up in Asia, shipping is an issue.

Market development: 64% of exports go to China. Trade is a two-way street. Buyers come here to see where beans come from. We as sellers need to visit our buyers. We work with private companies such as AGP (Ag Processing, Inc.) on trade issues. The last 13 months we have a person in Chile because we have winter nurseries there, Brazil and Panama to study shipping, China, Indonesia, Philippines, and Thailand. There are four people who went to Vietnam and Indonesia this past month.

In the planning process last March, we took a look at who we are, what we do, where we are going, and how to get there. In June our Executive Director resigned. We have a new director on board by December 1. We are not as far into our strategic planning process as we would like. The issue with redistricting is a time-sensitive matter so it can be done through the session. Through the planning we are looking at the council and growers under one roof so we can be more effective. It will be more efficient because we can share staff.

The reason for expanding from 8 to 12 is to look at a committee structure. Instead of all people dealing with all issues, we can break it up into committees. Currently all issues come before the board and we spend too much time dealing with the issue. We haven't decided the number in committee. We know there is extra cost for a larger board. Expenses for a board member are picked up by the council and reimbursed at state rate at \$135/day. There are four scheduled meetings of the council per year. Last year including travel costs it was \$200,000 for board. We won't send larger numbers of people on trips.

The main reason for expanding our board is to be more effective in our work. There are side benefits to increasing our board.

1. Investing in our own growers.
2. Developing leaders that will serve us as well as all of agriculture in the future.
3. Getting a good message of check off to producers.

(Refers to Map A attached) The western $\frac{3}{4}$ of the state was district 8. You can see the acres and bushels produced in 2009. The proposed 12-district map (Map B attached)

shows the acres moving northwest. The northeast corner is a smaller district. District 11 is smaller at this time but there is expansion.

The election process: Even though there is a cost, the rationale is to give every grower the opportunity to vote. A mail ballot avoids travel. All twelve districts are up for election at the same time. There are staggered terms so we get into a rotation. We have term limits of 2 to 3-year terms. The bill does not address term limits so we have continuity to the board. In 2012 half of the board will be new members.

Representative Mueller: What will the structure of the board with subcommittees look like?

Mike Beltz: The three areas I mentioned which are research, transportation, and market development are the ones we would set up committees.

Representative Boe: You referenced efficiencies on combining executive directors. There are two separate groups?

Mike Beltz: There is a council which has 8 members on it and then there is a growers' board. There are two separate boards. In the past they were under one roof. Then the growers split off. Now we are talking about recombining the two groups. There would be one administrator instead of two. Support staff would go in to cover both.

Representative Boe: The growers' group is independent? No overlapping or same membership?

Mike Beltz: The way the growers are funded is through memberships or projects they conduct. Council money cannot be used for lobbying.

Representative Schmidt: Is there any opportunity within the council to have an executive board?

Mike Beltz: We do have an executive committee—chairman, vice chairman, treasurer, and secretary. That is current and will be continued in the future.

Representative Headland: You sit on the council. Does that give a seat on the national?

Mike Beltz: You are elected to the council. We serve on various boards. The USB board is an appointed position by the Secretary of Agriculture. Locally we would have someone apply for the position but it is determined and passed by the Secretary of Agriculture. It is not determined at our level.

Chairman Johnson: Let the record show the answer is NO.

Representative Wrangham: Does each producer have one vote?

Mike Beltz: Some of the check off comes in per entity whether there are multiple parties or not. The ballots will be sent out. I don't know if we are going to limit it to one per entity?

Representative Wrangham: Do you have any concerns about the secrecy of the vote with a mail in ballot?

Mike Beltz: The current system when it is done in conjunction with an extension meeting, they hand out ballots, you mark it, and the extension service opens the ballots. With a mail-in ballot, we have a list of names of known producers that we send ballots to. There is a mechanism where the extension service look at the return ballots to make sure they are valid

Representative Belter: How much cooperation is there between adjoining states with promotion and other activities?

Mike Beltz: Most councils function independently. USB does promotions that cover the whole country. The radio ads advertising soy quality come from USB and are played locally.

Representative Belter: What troubles me about the expansion of the board—I've seen assaults on commodity groups by disgruntled growers over excessive expenditures. We've come to the aid of the various commodity groups and defending them. My concern is that with the expansion you are opening the door to increased grower resistance from the standpoint that this will cost you more money. Was there any discussion about that?

Mike Beltz: Yes. Our justification is valid. We are trying to do a better job and need more people. A council always struggles with showing constituents what we do. Our books are open for anyone to look at. We get out the contact information on our website.

Representative Headland: When farmers go to pick up their checks, with prices at \$13, it is painful to see how much goes to the check off. Farmers are really going to question. They won't be happy.

Mike Beltz: We don't have the markets we have today without the check off system.

Representative Headland: You have done a good job opening markets for soybeans. It does open it up for questions.

Representative Rust: Your referenced consecutive terms?

Mike Beltz: We have terms limits. They are eligible to serve two 3-year terms. Someone in the middle of a term is eligible to run.

Representative Rust: Experience level – a lot of new people on board?

Mike Beltz: That is correct. That is why we felt it important to keep the experience available.

Chairman Johnson: How do you acquire a mailing list to be eligible to vote?

Mike Beltz: People we know that grow soybeans. We get list from USB of growers in North Dakota.

Representative Mueller: Whose idea is this? Are the growers themselves behind this? I haven't received any negatives from soybean growers. That says we are paying our check offs so a better way to be served is by expanding the board. You've increased by a third the communication ability.

Mike Beltz: It came through the planning process. We have received no negative comments.

Representative Boe: The election process at the district level, are these highly contested races?

Mike Beltz: No. The nomination process is open. We want elections not appointments.

Representative Boe: My concern is that by adding 4 more people, will we have these people to step up?

Mike Beltz: We have had that discussion. A person should feel compelled to serve. As a council we should be recruiting board members.

Representative Boe: The grower group part, how often do we see members of the grower group stepping up to take the position of directorship?

Mike Beltz: We have one in the audience. He was on the growers' board and is now on the council.

Representative Boe: So we have a grooming process already?

Mike Beltz: There is a representative elected from each county. There are four counties that have their own district. The rest are multiple counties. We do plan to get county representatives more involved.

Representative Boe: (inaudible)

Mike Beltz: There is a nomination process to get to choose between multiple people.

Representative Schmidt: Are you subject to the United States Department of Agriculture Office of Inspector General audits?

Mike Beltz: Yes, half our money goes federal. We can't just spend our money anywhere we want. For example, we have been struggling to contribute to the greenhouse project for two years at NDSU. They don't like bricks and mortar projects.

Representative Belter: The council cannot do any lobbying. What constitutes lobbying? As a farmer, the most important issues are political and environmental. Are you allowed, as a council, to be involved in dealing with those kinds of issues?

Mike Beltz: No we are not as a council. That is the function of the growers' board.

Representative Belter: We as an industry of growers are placing emphasis in the wrong area. Those are the issues that are going to break us—those international trade issues. I don't believe it takes an expansion of the board to deal with those issues.

Mike Beltz: That is the system. I don't have control over it.

Bob Runck, Legislative Chairman for the NDSGA (see attached #2)

The referendum is opening up every five years. The federal check off is working.

Representative Holman: Another role of boards is communication and connection to the growers. How would this help?

Bob Runck: When creating this much check off revenue, people need to understand what it is that you are doing for them. We have a chart that shows everything we do. We are in agreement to expansion to a twelve-member board.

Chairman Johnson: With the expansion of acres, are you going to have a hard time to spend the money?

Bob Runck: I'm sure you folks will find a way for us to spend it.

Scott Rising, ND Soybean Growers Assn.: In your packet there is testimony from the Executive Director of the Soybean Council. (See attached #3)

In answer to your question of what to do with so much money? Wouldn't that be a great story?

(See attached #1)

Representative Boe: The amendment you are referencing is the amendment that is in the bill?

Scott Rising: It is the one passed out for Section 3. The language in the bill proper is fairly onerous for the extension service.

Dennis Renner, Farmer South of Mandan: I support this bill. I served on council for two 3-year terms. I was a representative from District 8 which is like a state-wide election due to the size of the district. It needs to be redone and get more people involved. One project

the council was involved in was the Grays Harbor project where a lot of our ND beans are shipped out of Grays Harbor, Washington.

Alexis Brinkman, ND Ag Coalition Administrator: (See attached #4)

Larry Syverson, Farmer from Mayville: I am pleased the Soybean Council has invested in Research, Promotion, and Transportation to make soybeans one of the most important products of our state.

Opposition: None

Chairman Johnson: Closed the hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Agriculture Committee
Peace Garden Room, State Capitol

HB 1302
February 17, 2011
Job #14659

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Committee Work—relating to soybean council elections

Minutes:

Chairman Johnson: The amendments proposed to us, the district lines stay the same as far as the proposed new districts. They fine tuned the election process.

Representative Headland: Moved the amendment 11.0464.01001

Representative Wall: Seconded the motion

Voice Vote taken. Amendment passed.

Representative Mueller: Moved Do Pass as amended

Representative Wall: Seconded

A Roll Call vote was taken. **Yes:** 14, **No:** 0, **Absent:** 0,

DO PASS as amended carried.

Representative Wall will carry the bill.

February 17, 2011

VR
2/18/11
1082

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1302

Page 3, remove lines 6 through 31

Page 4, replace lines 1 through 27 with:

"SECTION 3. AMENDMENT. Section 4.1-11-04 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-04. Election of county representative.

4. a. ~~No later than March first of the year in which the term of a council member is to expire, the extension agent for each county in that member's district shall hold a meeting of soybean producers for the purpose of electing a county representative.~~
- b. ~~The county extension agent shall publish notice of the meeting in the official newspaper of the county for two consecutive weeks. The last notice must be published no fewer than five nor more than ten days before the meeting.~~
- c. ~~The meeting must be held within the county.~~
- d. ~~During the meeting, the county extension agent shall conduct the election.~~
- e. ~~Any producer who resides in the county may vote in the election.~~
- f. ~~The county extension agent shall canvass the votes, notify the director of the North Dakota state university extension service and the council that the election has taken place, and provide to the director and the council the name and address of the newly elected county representative.~~
2. ~~Subsection 1 does not apply if the county extension agent, in consultation with the executive director of the county farm service agency office, determines and notifies the council that no soybean producers willing to serve as county representatives reside within the county.~~
1. Before January first, the council shall identify each district represented by a council member whose term is about to expire and notify the extension agent for each county in that member's district that an election to select a county representative must occur before March first.
2. Each year during the month of January, each county extension agent required to conduct an election in accordance with this section shall publish notice of the election in the official newspaper of the county for one week. The notice must contain a description of the election process, a request for the nomination of potential candidates for the position, and a deadline for the receipt of all nominations.

- 3. In order for a nomination to be valid, it must be submitted to the county extension agent in writing and signed by a nominating producer who resides in the county. The county extension agent shall determine if a nomination is valid. A decision by the county extension agent under this subsection is final.
- 4. The county extension agent shall:
 - a. Compile all valid nominations;
 - b. Contact each nominee to determine if the nominee consents to being on the ballot; and
 - c. Forward the name of each nominee to the council.
- 5. The council shall prepare the election ballots and mail to each producer of record in the county:
 - a. A ballot;
 - b. A stamped self-addressed return envelope;
 - c. Instructions for completing and returning the ballot; and
 - d. A statement indicating the last date by which the ballots must be postmarked or filed with the county extension agent.
- 6. The county extension agent shall publish notice of the pending election in the official newspaper of the county for one week. The notice must announce the election, provide information regarding the manner in which a producer may obtain a ballot if one was not received by mail, and indicate the deadline by which all ballots must be returned.
- 7. Any producer who resides in the county may vote in the election.
- 8. Immediately after the passing of the deadline by which the ballots must be returned, the county extension agent shall:
 - a. Tabulate the ballots;
 - b. Notify the director of the North Dakota state university extension service and the council that the election has taken place and provide to the director and the council the name and address of the newly elected county representative; and
 - c. Notify the newly elected county representative.
- 9. Subsections 1 through 8 do not apply if the county extension agent, in consultation with the executive director of the county farm service agency office, determines and notifies the council that no soybean producers willing to serve as county representatives reside within the county."

Renumber accordingly

Date: 2/17/11

Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1302

House **Agriculture** Committee

Legislative Council Amendment Number 11.0464.01001

Action Taken: Do Pass Do Not Pass Amended
 Rerefer to Appropriations

Motion Made By Representative Headland Seconded By Representative Wall

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair			Tracy Boe		
Joyce Kingsbury, Vice Chair			Tom Conklin		
Wesley Belter			Richard Holman		
Craig Headland			Phillip Mueller		
David Rust					
Mike Schatz					
Jim Schmidt					
Wayne Trottier					
John Wall					
Dwight Wrangham					

Total Yes _____ No _____

Absent _____

Bill Carrier _____

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

Date: 2/17/11

Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1302

House **Agriculture** Committee

Legislative Council Amendment Number 11.0464.01001

Action Taken: Do Pass Do Not Pass Amended
 Rerefer to Appropriations

Motion Made By Representative Mueller Seconded By Representative Wall

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair	X		Tracy Boe	X	
Joyce Kingsbury, Vice Chair	X		Tom Conklin	X	
Wesley Belter	X		Richard Holman	X	
Craig Headland	X		Phillip Mueller	X	
David Rust	X				
Mike Schatz	X				
Jim Schmidt	X				
Wayne Trottier	X				
John Wall	X				
Dwight Wrangham	X				

Total Yes 14 No 0

Absent 0

Bill Carrier Representative Wall

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

REPORT OF STANDING COMMITTEE

HB 1302: Agriculture Committee (Rep. D. Johnson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1302 was placed on the Sixth order on the calendar.

Page 3, remove lines 6 through 31

Page 4, replace lines 1 through 27 with:

"SECTION 3. AMENDMENT. Section 4.1-11-04 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-04. Election of county representative.

- ~~1. a. No later than March first of the year in which the term of a council member is to expire, the extension agent for each county in that member's district shall hold a meeting of soybean producers for the purpose of electing a county representative.~~
 - ~~b. The county extension agent shall publish notice of the meeting in the official newspaper of the county for two consecutive weeks. The last notice must be published no fewer than five nor more than ten days before the meeting.~~
 - ~~c. The meeting must be held within the county.~~
 - ~~d. During the meeting, the county extension agent shall conduct the election.~~
 - ~~e. Any producer who resides in the county may vote in the election.~~
 - ~~f. The county extension agent shall canvass the votes, notify the director of the North Dakota state university extension service and the council that the election has taken place, and provide to the director and the council the name and address of the newly elected county representative.~~
- ~~2. Subsection 1 does not apply if the county extension agent, in consultation with the executive director of the county farm service agency office, determines and notifies the council that no soybean producers willing to serve as county representatives reside within the county.~~
 1. Before January first, the council shall identify each district represented by a council member whose term is about to expire and notify the extension agent for each county in that member's district that an election to select a county representative must occur before March first.
 2. Each year during the month of January, each county extension agent required to conduct an election in accordance with this section shall publish notice of the election in the official newspaper of the county for one week. The notice must contain a description of the election process, a request for the nomination of potential candidates for the position, and a deadline for the receipt of all nominations.
 3. In order for a nomination to be valid, it must be submitted to the county extension agent in writing and signed by a nominating producer who resides in the county. The county extension agent shall determine if a nomination is valid. A decision by the county extension agent under this subsection is final.

4. The county extension agent shall:
 - a. Compile all valid nominations;
 - b. Contact each nominee to determine if the nominee consents to being on the ballot; and
 - c. Forward the name of each nominee to the council.
5. The council shall prepare the election ballots and mail to each producer of record in the county:
 - a. A ballot;
 - b. A stamped self-addressed return envelope;
 - c. Instructions for completing and returning the ballot; and
 - d. A statement indicating the last date by which the ballots must be postmarked or filed with the county extension agent.
6. The county extension agent shall publish notice of the pending election in the official newspaper of the county for one week. The notice must announce the election, provide information regarding the manner in which a producer may obtain a ballot if one was not received by mail, and indicate the deadline by which all ballots must be returned.
7. Any producer who resides in the county may vote in the election.
8. Immediately after the passing of the deadline by which the ballots must be returned, the county extension agent shall:
 - a. Tabulate the ballots;
 - b. Notify the director of the North Dakota state university extension service and the council that the election has taken place and provide to the director and the council the name and address of the newly elected county representative; and
 - c. Notify the newly elected county representative.
9. Subsections 1 through 8 do not apply if the county extension agent, in consultation with the executive director of the county farm service agency office, determines and notifies the council that no soybean producers willing to serve as county representatives reside within the county."

Renumber accordingly

2011 SENATE AGRICULTURE

HB 1302

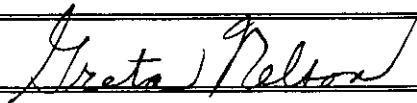
2011 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee
Roosevelt Park Room, State Capitol

HB 1302 (Engrossed)
March 24, 2011
Job # 15920

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to soybean council elections.

Minutes:

Attachment: #1, #2, #3

Senator Flakoll; Meeting called to order on this 24th day of March 2011, at 9:00 on HB1302. Clerk take roll call

Clerk: Roll call 7-0

Rep. Dennis Johnson: District 15: Sponsor of the HB 1302 and it is looking at the make-up of the soybean council and you probably noticed the explosion of the production of soybeans across North Dakota. We have gone from 500,000 acres to 4 production of soybeans across North Dakota. We have gone from 500,000 acres to 4 million acres in recent years and continue to grow; with that comes the extra duties of board in place with the 8 districts....represent the valley in eastern with western ND being one district. We are trying to accomplish with this bill is going to 12 districts and drawing new lines to have more representation more for where the beans are grown/or the expansion of the production of the beans. The bill sets up 12 districts 12 districts/members rather than 8 members.

Senator Murphy; Who are the losers....who stand to have their power diluted?

Rep Johnson: This would be a win for everybody...more people brought to the table to direct the focus of what they want to accomplish/mission....better representation from where the beans are grown.

Senator Klein; The map, it looks like everyone can maintain their districtredistricting hasn't made a changethey just added to the state. Wouldn't it be better to expand all districts and re-district and stay within that? We are clustered to the east.

Rep Johnson: Counting soybeans rather than people and this where the production is. We are getting more representation where the soybeans are grown.

Senator Miller: I see some differences in the bushels produced between various districts, is there any consideration of trends....about 10 year trends. And a 12 people on a board seems to be a big board....concern about that many on a board.

Rep Johnson: These are discussions we had hearings....the work load has increase for the 8 members and we need more members serving on the subcommittees....spread the work load out. Right now the soybeans have become a large productionour entire farm is going to be planted into soybeans. The trend, 5 years from now, but for now this is the best we can see for crop.

Rep Mueller: District 24: Today, we have about 2,000 acres in soybeans on our farm land. Our state has an explosion in soybean production....good for all of us. The bill tries to reflect that and speaks of the demographics of soybean production....what and where. The other part of the bill is bringing into line what common models are in regard to the selection an increase number of board members. The 12 member increase because of the subcommitteesreally requires more members than what they have to get the job done. What is important about the bill is that it didn't come from a legislative group, this group came together stressing their need to change and grow. I recommend a Do Pass.

Senator Luick; No fiscal note?

Rep Mueller: None

Scott Rising: Soybean Growers Association (Attachment #1) Map shows the changes of districts of the soybean districts.

Monte Peterson: Chairman NDSC (Attachment #2)

Senator Flakoll; How did your organization get to the point to say we're behind this? Would you briefly explain the process where the organization was acted upon.....how did you decide you wanted to do this?

Monte Peterson: For years, we have witnessed the expansion of the acres and production of soybeans across ND. A year ago we did some strategic long term planning within our organization. Through that process, it became inevitable we needed to look at this more closelywe put a committee together who worked on restructuring the districts across the state. We looked at up to 15 districts which created many different districts and lines of changes. This is the plan was a unanimous plan the board came up with.

Senator Luick; The results you have for productions now, are the majority of the beans being used for crushing or large number food grade processing. Acres you are expanding on in ND.....what is being given up to increase the acreage for the soybean production?

Monte Peterson: Expanded acres, they are taking over other crop acres. Barnes County, wheat acres. 90% of soybean are commercial grade and shipped to foreign exportediblesdon't have the number, but can provided. The council has tried to support the domestic use in the state.....gotten behind pork, dairy, many studies for

processing.....we need to focus in direction of where our soybeans are going. We will continue supporting the domestic market, but 90% leave the state.

Senator Larsen; Percentage of the check-off dollars go into research?

Monte Peterson; 35% goes for research.....we want to increase that in 2012 because of the opportunity we found in plant breeding with NDSU

Senator Larsen ; Percentage to the export market?

Monte Peterson: Approximately 20%

Senator Flakoll; What do you have when voted on....is it passed if the majority (first need a quorum) of the member of the elect, no matter how many were attending or would majority of the quorum present to pass?

Monte Peterson: Quorum of people on the floor

Senator Flakoll; Do both brothers get a vote.....family farm. How many votes/ballets do they get?

Monte Peterson: Any producer that has planted soybeans is eligible. If brothers are farming and registered at the FSC office, they are both entitled to vote.

Senator Klein; 1985 they talk about the expansion.....what do we contribute this to? Why are we growing so rapidly?

Monte Peterson: The expansionthere are a number of reasons. Soybeans, producers, combat weed species, think about the variety that have become available to producers. We have to think about the rotational advantages that sb have provided. Barnes County was devastated by head scab in wheat.....we had to make changes and in a hurry. Soybeans was the logical fit.

Senator Murphy: Incredible all these are well known faces in Japan....all the exports of soybeans in foreign countries. Tell us the top 5 countries we export to.

Monte Peterson: China, Japan. SE Asia, Mexico, Taiwan

Senator Luick; With all the production, how much emphasis put on new crushing plants....is there any interest in that? Or more interest in exporting as a raw bean or as a finished added product.

Monte Peterson: We are in full support of domestic use in ND and we have been participating with groups. Don't see the domestic use increasing...would like to see more developing more domestic use and even biofuel industry.

Mike Beltz: ND Farmer Hillsboro. Grand Forks County they combine as they don't have enough acreage on their own to justify individual districts to continue that way. Combining

them as one, perhaps would be considered a loser....they still have representation but just one district. The way we looked at the re-districting approach....doing the House to represent production equally in districts, but also doing Senate NE and SW is a smallest districts but production varies from north to south to east to west within the state. Increase the board members from 8 to 12it is for the reason subcommittee assignments....we have 3 basic areas we work on. Research, transportation, and market development. We haven't decided on how many on each committee....12 is a more workable number to divide for members to work. Mail ballot is best to get all results. Crushing facility, we don't have enough chickensnot enough numbers to justify the crushing of beans in state to feed. Export the beans as a whole ...we are a west coast bean. Support the HB 1302

Senator Murphy; Mapwe aren't going to have troubles selling this?

Mike Beltz: It was published on front page of News Letter....we have heard no negative comments.

Senator Flakoll; Would you typify many of the votes to be more on the lines of simple majority vote or 8 to 0 a unanimous vote?

Mike Beltz: Most go like 7 to 1 or 8 to 0. Once was an outside vote that was a tie.

Allan Tellmann: ND Ag Coalition Chairman (Attachment #3) Support HB 1302

Senator Flakoll; Is that because of the genetic varieties?

Allan Tellman: Yes...they tolerate some things out west which 25 years ago, they wouldn't have.

Senator Luick; Do you foresee this expansion to continue as far as the number of participants on this board to increase also or districts to get larger? Ten to twenty years in the future....expand districts?

Allan Tellman: Can't tell the future changes or arrangements

Larry Syverson: Farmer from Mayville, ND; I want you to know my appreciation of the investment for the soybean council. These have resulted in the importance of soybeans in ND and most important product at my farm. I support HB 1302 and ask for your consideration.

Senator Flakoll; Opposition?

Senator Flakoll; Scott Rising to podium....

Scott Rising: We see it as a win, win

Scott Rising; Those county reps select among themselves who would rep the district, representing the county. Overseen by the county extension service.

Senate Agriculture Committee
HB 1302
March 24, 2011
Page 5

Senator Flakoll; Close hearing on HB 1302

Senator Murphy Move the Do Pass (Engrossed)

Senator Larsen: second

Senator Flakoll; Discussion? Clerk

Senator Flakoll; Appreciation of broad minded in terms of helping a variety of enterprises. Realize how it helps the state of ND in a variety ways. Good citizens and helping accomplish and research and will continue with future board.

Clerk: 7-0-0

Senator Flakoll; passed Senator Murphy carries.

Date: 3/24/11

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. AB 1302

(ENGROSSED)

Senate Agriculture Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Murphy Seconded By Senator Larsen

Senators	Yes	No	Senators	Yes	No
Chairman Flakoll	✓		Senator Heckaman	✓	
Vice-Chair Oley Larsen	✓				
Senator Klein	✓				
Senator Luick	✓				
Senator Miller	✓				
Senator Murphy	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Murphy

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

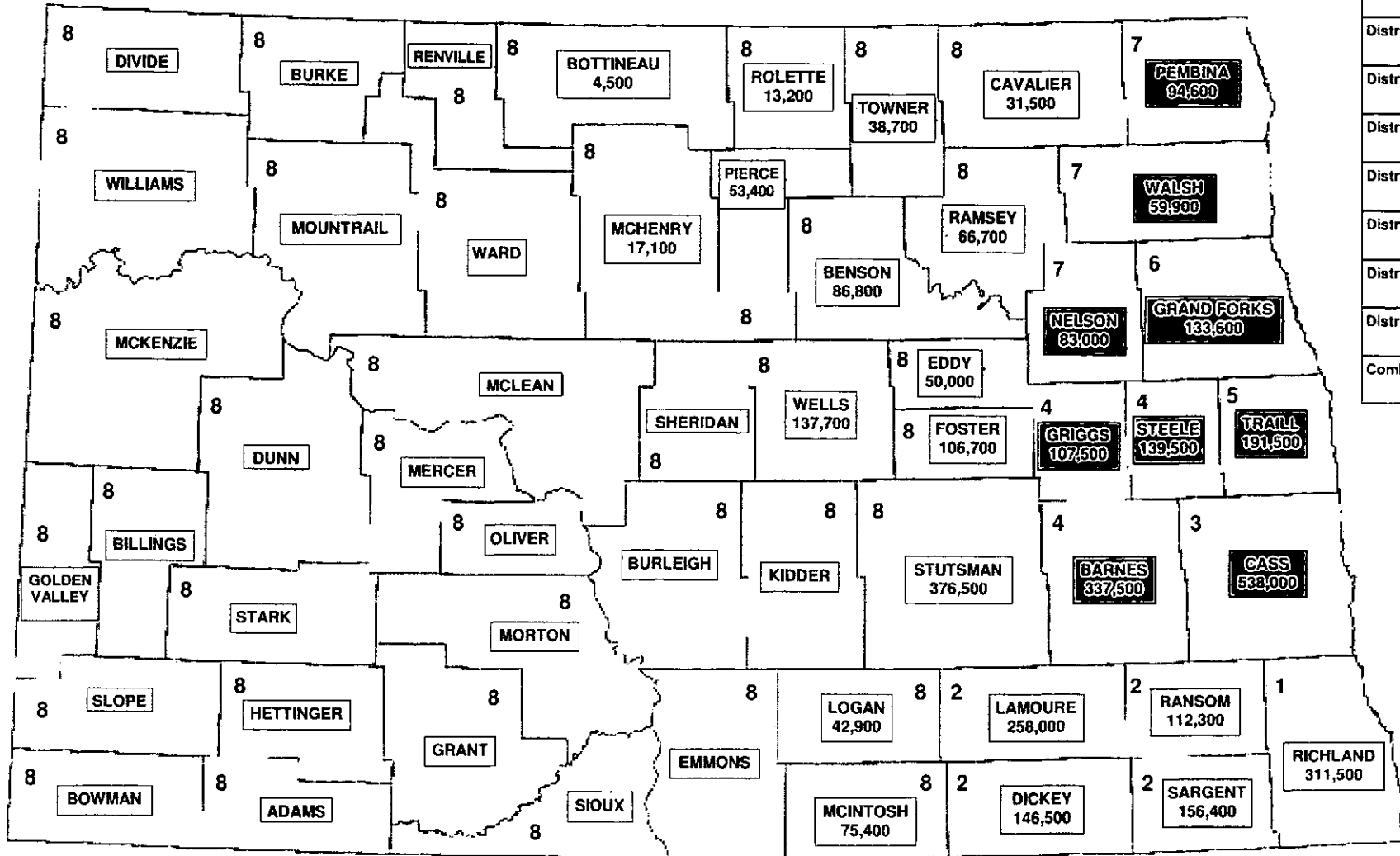
REPORT OF STANDING COMMITTEE

HB 1302, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1302 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1302

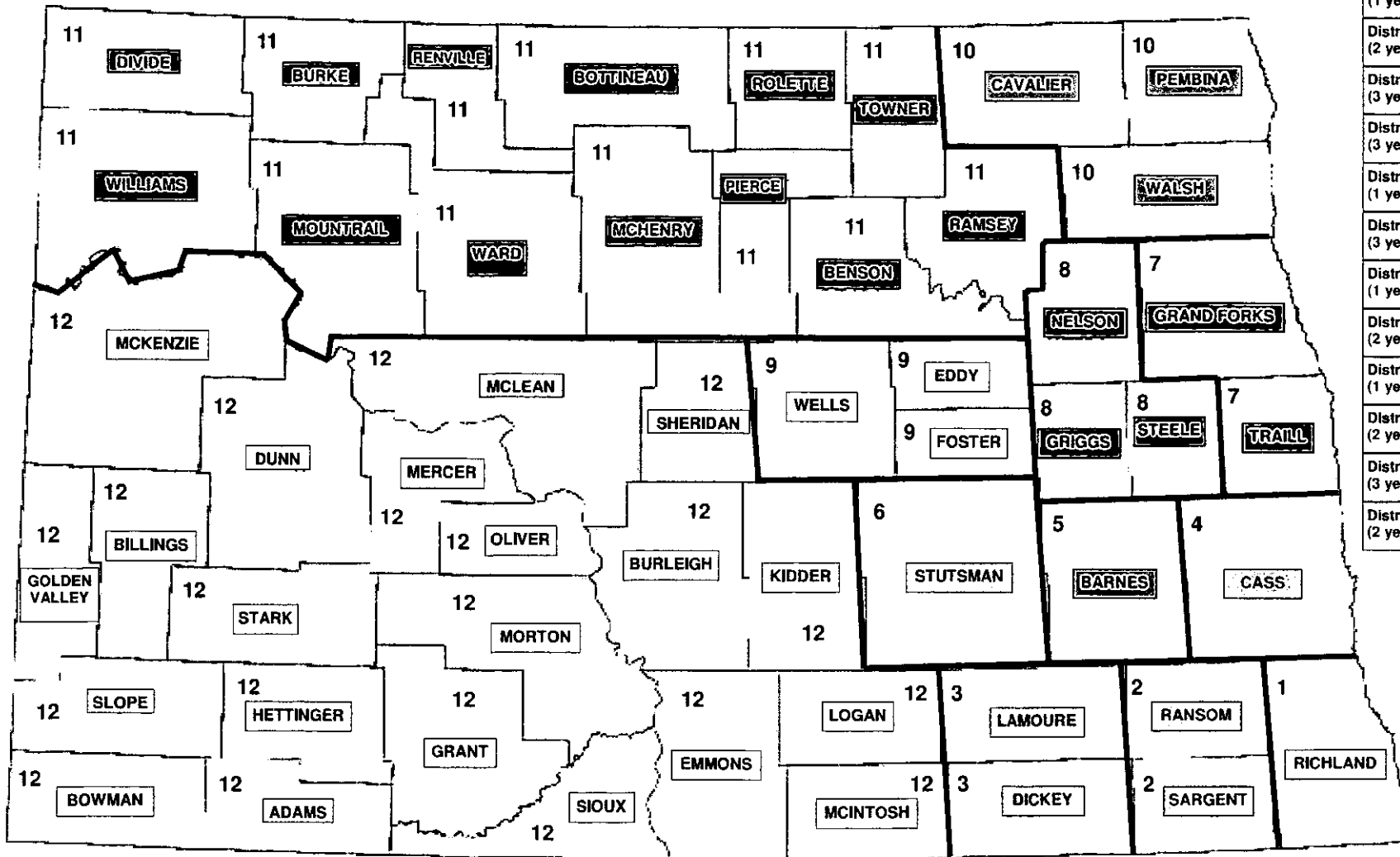
CURRENT ND SOYBEAN COUNCIL 8 DISTRICT MAP



2009 TOTAL PRODUCTION HARVESTED BY DISTRICT	
District 1: Acres 311,500	Bushels 9,270,000
District 2: Acres 673,200	Bushels 22,978,000
District 3: Acres 538,000	Bushels 17,180,000
District 4: Acres 584,500	Bushels 17,380,000
District 5: Acres 191,500	Bushels 5,660,000
District 6: Acres 133,600	Bushels 3,852,000
District 7: Acres 237,500	Bushels 6,276,000
District 8: Acres 1,175,400	Bushels 32,869,000
Combined: Acres 24,800	Bushels 635,000

HB 1302
 Scott Rising
 2/11/11
 Map A

ND SOYBEAN COUNCIL PROPOSED 12 DISTRICT MAP



2009 TOTAL PRODUCTION HARVESTED BY DISTRICT	
District 1: Acres 311,500 (1 year)	Bushels 9,270,000
District 2: Acres 268,700 (2 year)	Bushels 8,936,000
District 3: Acres 404,500 (3 year)	Bushels 14,042,000
District 4: Acres 538,000 (3 year)	Bushels 17,180,000
District 5: Acres 337,500 (1 year)	Bushels 10,140,000
District 6: Acres 376,500 (3 year)	Bushels 9,984,000
District 7: Acres 325,100 (1 year)	Bushels 9,512,000
District 8: Acres 330,000 (2 year)	Bushels 9,446,000
District 9: Acres 294,400 (1 year)	Bushels 8,865,000
District 10: Acres 186,000 (2 year)	Bushels 4,816,000
District 11: Acres 280,400 (3 year)	Bushels 7,711,000
District 12: Acres 192,600 (2 year)	Bushels 5,563,000

HB 1302
 Scott Rising
 2/11/11
 Map B

2/11/11

#1



Testimony for HB 1302

Good morning Chairman Johnson and Agricultural Committee Members. My name is Scott Rising. I am here this morning on behalf of the North Dakota Soybean Growers Association.

I am here today in support of HB 1302.

Commodity boards all across North Dakota provide outstanding opportunities for farmers and ranchers to engage their respective industries beyond the farm, seeking to provide ever expanding service and leadership opportunities commensurate with their member's talent and time across a broad spectrum of local, state and national positions. This legislation seeks to provide additional opportunities for those in North Dakota's Soybean community to do exactly that. We in North Dakota have had several Soybean Growers, who have served in our State organizations; go on to serve in National positions. Many commodity groups in North Dakota have experienced similar successes, with some member's serving as National organization presidents.

In this instance, the board reorganization is the result of a very deliberate strategic planning process, which, while identifying grower opportunities, also identified the need for additional help to shoulder the growing board work load associated with the research, marketing & promotion, and the transportation missions of the Council. Funds supporting the growing work load are reinvested in growing the capability of North Dakota's Soybean Growers themselves vs. additional staff or consultants. This constitutes a win-win-win scenario for North Dakota.

Current Council members benefit from the assistance, providing opportunity for increased focus

and productivity; more Soybean Growers are provided opportunity to understand and affect their industry; and lastly, we as citizens, enjoy the growing leadership capability of these individuals across our communities and state.

The second, and equally important change, is the County Representative election process. The proposed change is an effort to directly engage more Soybean Growers in the election process through the use of a mail ballots. The cost of this effort and the majority of the administrative work will be borne by the Council, with oversight from the Extension Service, as it is now. The amendment to the original bill is to accommodate the Extension Service's input and we enjoy their full support.

The Soybean Council members conceived the proposed reorganization in a deliberate strategic planning process. They vetted many options and settled on the proposal before you today. The Council unanimously approved both the reorganization and the County Representative election processes. The Soybean Growers Board of Directors unanimously endorsed the Council's proposal on behalf of the Soybean Growers across North Dakota. The impacts of these changes are funded by growers for the benefit of growers. We ask you to endorse the proposed structure changes by voting yes on HB 1302.

As always, Thank You for your time and attention this morning and Thank You again, each of you, for your service and the leadership you provide to our State. I'll try and answer any questions you may have of me.

Contact Information:
Scott Rising
701-527-1073 (cell)
grwbeans@earthlink.net

Good morning Chairman Johnson and Committee members, I am Bob Runck, most of you I know or have met in the past. I am the Legislative Chairman for the NDSGA and also a soybean farmer from the Casselton area. I am here today to ask for your support on House Bill 1302 the reorganization plan for the North Dakota Soybean Council.

I would first like to explain a little bit about how the Soybean check-off as it is different from most check-offs that you are familiar with.

First it is a Federal non-refundable check-off which is different from a state voluntary check-off that is refundable when requested.

Since it is a federal check-off that is non refundable the money it generates cannot be used for any Legislative Lobby efforts whatsoever. But we the NDSGA a brothering body who does not receive direct check-off funds can, because we are a member driven, grassroots organization and are main purpose is advocacy work.

So the North Dakota Soybean Council and the United Soybean Board are the state and federal recipients of the check-off dollars $\frac{1}{2}$ staying with the states and $\frac{1}{2}$ going to the national organization. Those dollars go for: Research, Promotion, Educations and other similar activities. The check-off is $\frac{1}{2}$ of 1% of total sales of soybeans within the US.

The North Dakota Soybean Growers Association and the American Soybean Association are the state and federal organization that's main objective is policy making for the soybean community.

The soybean industry within the state has changed dramatically over time since the board structure of eight was first implemented years ago. Through technology in varieties, pesticides, and equipment soybeans have

moved in many directions within the state, mostly north and west of which was first thought of as soybean areas.

Through the Strategic Planning done by the NDSC they have come to realize that expansion of their board is necessary to compliment this rapid growth in our industry.

When I first was elected to the NDSGA five years ago they had a Research budget of about \$600,000.00 yearly that went out to improve the productivity of the soybean industry, and now this year that budget is over \$1,000,000.00, with many new research projects being done. As we move farther down the road in soybean production in this state there becomes more challenges that always need to be address, such as variety traits for different region to pest management practices in areas where beans have been grown for many years. We need to stay ahead of the game so not to fall behind and lose acreages to other competitive crops. As I was told a long time ago if you stand still and the world around you is moving, you're going to be moving backwards.

In my own personal experience in life I have sat on six (6) boards to date. Some with as few as four board members up to a board of thirteen. Some may say increasing board size may slow down efficiency's of the board, but I know from experience if you have a board that is too small to establish effective committees the board soon becomes ineffective because of the amount of work load created is too much for too few. The most important ingredient for an effective board is truly strong leadership and with a board of twelve you do have the opportunity to nurture those qualities.

The desire I believe of the North Dakota Soybean Council is to have self motivated, intelligent individuals willing to serve their respective regions on the North Dakota Soybean Council Board to the best of their abilities, without over consuming their regular duties as; farmers, spouses, and most importantly of all parents.



That is why I ask you to support this important Bill and it's structural changes

Thank You

Q&A



H3

February 11, 2011

The Honorable Dennis Johnson
Chairman, Agriculture Committee
North Dakota House of Representatives
North Dakota State Capitol
600 East Boulevard
Bismarck, ND 58505

Re: Information Relative to HB 1302: A Bill to reorganize the ND Soybean Council Districts

Dear Chairman Johnson and Members of the Agriculture Committee:

As Executive Director of the North Dakota Soybean Council, I thank you for this opportunity to provide you with background information on HB 1302.

- In 1985, when the North Dakota state law established the ND soybean checkoff, according to USDA North Dakota harvested 490,000 acres of soybeans. In 2009, soybean production in the state was estimated at 3.87 million acres harvested according to USDA. The landscape of soybean production in North Dakota has changed significantly since the inception of the state's legislation to form the Council and its eight district board.
- As a result, the Council is in unanimous support of expanding the Board from eight to 12 members and from eight to 12 districts.
- If enacted, elections will be held in all twelve districts in 2012 with staggered terms established to ensure some consistency in Board membership.
- Expanding the Board will:
 - Enable the Council to take on new projects that will bring greater value to soybean farmers
 - Increase the effectiveness of each Board member by allowing them to focus on specific portfolios and projects that directly benefit soybean farmers.
 - Ensure soybean farmers from Districts outside of our current structure have representation on the Council Board.
 - Expand leadership opportunities for ND soybean growers in the areas of research and international and domestic marketing.
- There will be a financial impact to the Council in expanding the Board, as there will be four additional Directors attending in-state meetings and traveling domestically and abroad as warranted. The Council will work to contain these expenses, as being good stewards of soybean producer checkoff dollars is a priority.
- This Bill also modifies the election process for county representatives. It is the Council's desire to transition from an election process conducted at county extension meetings to a mail ballot process in order to engage more producers in the process.
- The Southwest District Director of the North Dakota Extension Service has been engaged in the Council's effort to transition to a mail ballot process for county elections,

has reviewed the language in this Bill and has agreed to work within the guidelines established.

- There will be a financial impact to the Council in transitioning to a mail ballot process as it will assume responsibility for the printing and mailing of the ballots and return envelopes. The cost is estimated to be \$10,000 the first year, as elections will be held in all 52 counties, and less thereafter depending on the number of counties required to hold elections.
- The Council budget will accommodate this additional cost without sacrificing other line items or priority projects.

I am pleased to be able to provide you with written testimony presenting factual information and hope that you will find it of value as you draw closer to taking action on HB 1302.

Respectfully submitted,

Diana Beitelspacher
Executive Director



P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

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

#4

**Testimony of Alexis Brinkman
North Dakota Ag Coalition Administrator
HB 1302
February 11, 2011**

Mr. Chairman and members of the Committee, my name is Alexis Brinkman, and I am the administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of HB 1302, which would expand the North Dakota Soybean Council board to 12 members and districts.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry.

Expanding the council to 12 districts ensures all North Dakota soybean farmers have representation on the Council board. Re-districting will expand leadership opportunities for ND soybean growers, bring more expertise to the board, increase the efficiency and effectiveness of the board, and ultimately, provide greater value to soybean farmers.

We appreciate your past support and would encourage your continued support of HB 1302 and North Dakota's agriculture industry.

February 4, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1302

Page 3, remove lines 9 through 31

Page 4, replace lines 1 through 18 with:

- "1. Before January first, the council shall identify each district represented by a council member whose term is about to expire and notify the extension agent for each county in that member's district that an election to select a county representative must occur before March first.
2. Each year during the month of January, each county extension agent required to conduct an election in accordance with this section shall publish notice of the election in the official newspaper of the county for one week. The notice must contain a description of the election process, a request for the nomination of potential candidates for the position, and a deadline for the receipt of all nominations.
3. In order for a nomination to be valid, it must be submitted to the county extension agent in writing and signed by a nominating producer who resides in the county. The county extension agent shall determine if a nomination is valid. A decision by the county extension agent under this subsection is final.
4. The county extension agent shall:
 - a. Compile all valid nominations;
 - b. Contact each nominee to determine if the nominee consents to being on the ballot; and
 - c. Forward the name of each nominee to the council.
5. The council shall prepare the election ballots and mail to each producer of record in the county:
 - a. A ballot;
 - b. A stamped self-addressed return envelope;
 - c. Instructions for completing and returning the ballot; and
 - d. A statement indicating the last date by which the ballots must be postmarked or filed with the county extension agent.
6. The county extension agent shall publish notice of the pending election in the official newspaper of the county for one week. The notice must announce the election, provide information regarding the manner in which a producer may obtain a ballot if one was not received by mail, and indicate the deadline by which all ballots must be returned.
7. Any producer who resides in the county may vote in the election.

8. Immediately after the passing of the deadline by which the ballots must be returned, the county extension agent shall:

a. Tabulate the ballots;

b. Notify the director of the North Dakota state university extension service and the council that the election has taken place and provide to the director and the council the name and address of the newly elected county representative; and

c. Notify the newly elected county representative."

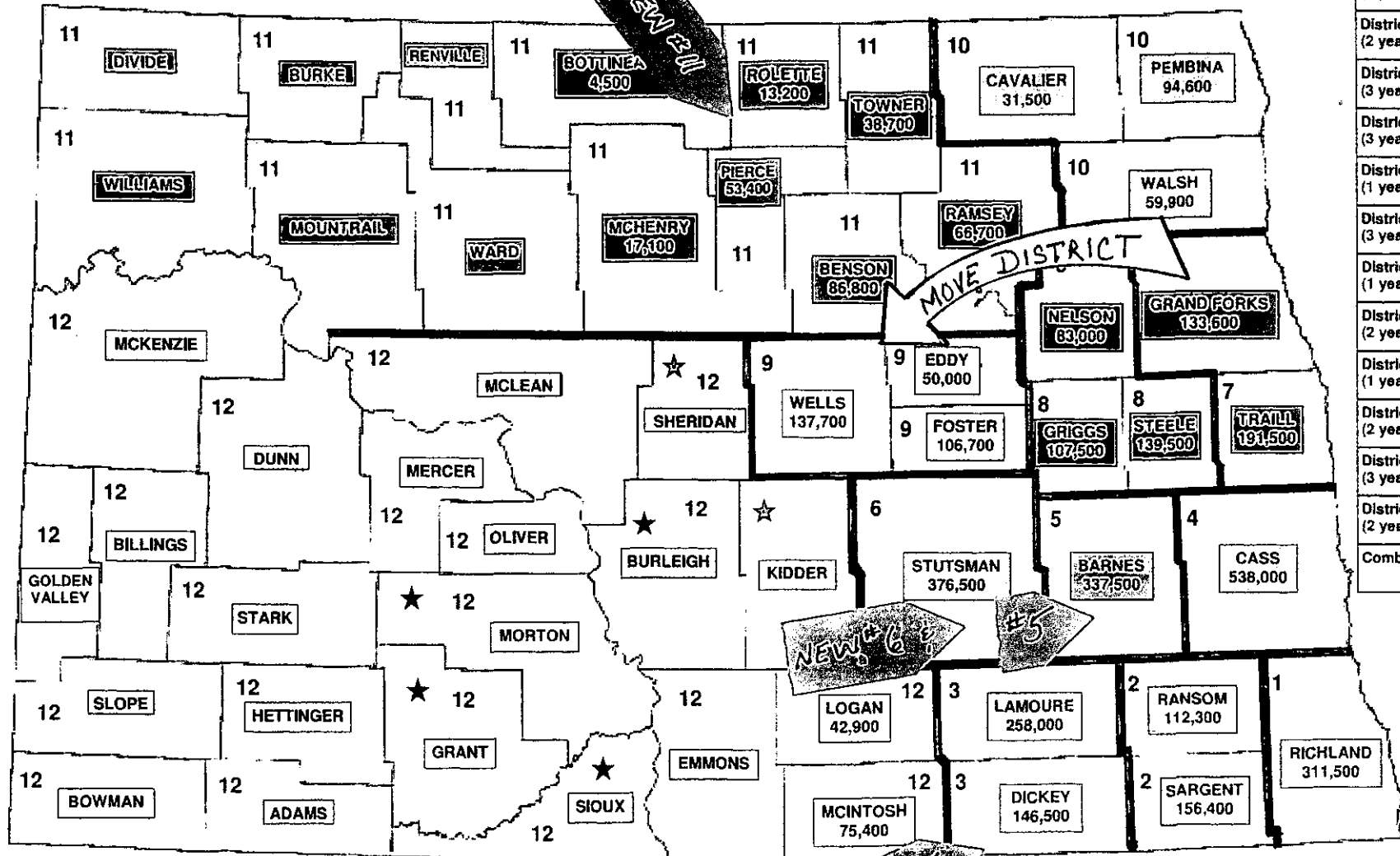
Page 4, line 19, overstrike "2." and insert immediately thereafter "9."

Page 4, remove lines 23 through 27

Renumber accordingly

#1

ND SOYBEAN COUNCIL PROPOSED 12 DISTRICT MAP



2009 TOTAL PRODUCTION HARVESTED BY DISTRICT	
District 1: Acres 311,500 (1 year)	Bushels 9,270,000
District 2: Acres 268,700 (2 year)	Bushels 8,936,000
District 3: Acres 404,500 (3 year)	Bushels 14,042,000
District 4: Acres 538,000 (3 year)	Bushels 17,180,000
District 5: Acres 337,500 (1 year)	Bushels 10,140,000
District 6: Acres 376,500 (3 year)	Bushels 9,984,000
District 7: Acres 325,100 (1 year)	Bushels 9,512,000
District 8: Acres 330,000 (2 year)	Bushels 8,446,000
District 9: Acres 294,400 (1 year)	Bushels 8,865,000
District 10: Acres 186,000 (2 year)	Bushels 4,816,000
District 11: Acres 280,400 (3 year)	Bushels 7,711,000
District 12: Acres 192,600 (2 year)	Bushels 5,563,000
Combined: Acres 24,800	Bushels 635,000

★ COMBINED ACRES 33,200 ☆ COMBINED ACRES

#2

March 23, 2011

The Honorable Tim Flakoll
Chairman, Agriculture Committee
North Dakota Senate
North Dakota State Capitol
600 East Boulevard
Bismarck, ND 58505

Re: Information Relative to HB 1302: A Bill to reorganize the ND Soybean Council Districts

Dear Chairman Flakoll and Members of the Agriculture Committee:

As Chairman of the Board of Directors of the North Dakota Soybean Council, I thank you for this opportunity to provide you with background information on HB 1302.

- The North Dakota Soybean Council carries out the responsibility of collecting and administering the soybean checkoff.
- Approximately 5,700 soybean producers from across North Dakota are represented through this checkoff program.
- Since 2000, soybean acreage in the Red River Valley has increased 29 percent or by 360,000 acres.
- Soybean acreage outside of the Red River Valley over the same period increased by 247 percent or by 1.6 million acres.
- North Dakota Soybean Council is a state entity and operates in that manner, but the Council also needs to retain certification status from USDA for the collection of the federal checkoff.
- The soybean checkoff program requires all soybean farmers to pay ½ percent of the market price per bushel of soybeans sold. The Council is required by federal law to transfer 50% of this collected revenue to the national program overseen by the United Soybean Board.
- Collections in Fiscal year 2000 were 1.2 million dollars, five years later in Fiscal year 2005 they were 2.4 million dollars and last year in Fiscal year 2010 they were 5.8 million dollars.

- Program areas are divided amongst Board members, but often representation within those areas could be expanded to bring more value to producers' bottom line.

- **Research**

1. Research Committee (12 member committee including non-board and board members and advisors) 15 or more projects
2. North Central Soybean Research Program (10 or more projects)

- **Communication and Education**

1. Consumer and Producer (newsletters, electronic, meetings, public relations, County Agents, Soybean Expo)
2. Soyfoods and Consumer Health
3. Biodiesel
4. School Education

- **Domestic and International Marketing**

1. Northern Crops Institute
2. Soy Transportation Coalition
3. ND Trade Office
4. World Initiative for Soy and Human Health
5. International and Overseas Promotions
6. ND Ag Image Campaign
7. National Biodiesel Board
8. United States Soybean Export Council

- Expansion of the board and the districts they represent would enhance the ability to take on new projects to bring greater value to soybean farmers and expand




the Board's capacity to administer a larger budget to fund more comprehensive programs and activities.

- Increase the effectiveness of each Board member by allowing them to focus on specific portfolios and projects that directly benefit soybean farmers.
- Ensure soybean farmers from Districts outside of our current structure have representation on the Council Board.
- Enable the Board to better represent soybean farmers in North Dakota and better utilize checkoff funds to continue boosting the bottom line of those producers.

Thank you for allowing me to provide you with testimony presenting information about the North Dakota Soybean Council and hope that you will find it of value as you draw closer to taking action on HB 1302.

Respectfully submitted,



Monte Peterson
Chairman, NDSC



Testimony for HB 1302

Good morning Chairman Flakoll and Senate Agricultural Committee Members. My name is Scott Rising. I am here this morning on behalf of the North Dakota Soybean Growers Association supporting the North Dakota Soybean Council's reorganization in HB1302.

Commodity boards all across North Dakota provide outstanding opportunities for farmers and ranchers to engage their respective industries beyond the farm. These opportunities seek to provide ever expanding service and leadership opportunities commensurate with their member's talent and time across a broad spectrum of local, state and national positions. This legislation provides opportunities for those in North Dakota's Soybean community to do exactly that. We in North Dakota have had several Soybean Growers, who have served in our State organizations; go on to serve in National positions. Many commodity groups in North Dakota have similar successes, some serving as national organization Presidents and Board Members.

In this instance, the Council's reorganization is the result of a very deliberate strategic planning process which identified the need for additional help to shoulder the growing board work load associated with the research, marketing & promotion, and the transportation missions of the Council, as well as leadership opportunities. Funds supporting the growing work load are reinvested in growing the capability of North Dakota's Soybean Growers themselves vs. additional staff or consultants. This constitutes a win-win-win scenario for North Dakota. Current Council members benefit from the assistance, providing opportunity for increased focus and productivity; additional Soybean Growers are provided opportunity to understand and affect

March 18, 2011

The Honorable Tim Flakoll
Chairman, Agriculture Committee
North Dakota Senate
North Dakota State Capitol
600 East Boulevard
Bismarck, ND 58505

Re: Information Relative to HB 1302: A Bill to reorganize the ND Soybean Council Districts

Dear Chairman Flakoll and Members of the Agriculture Committee:

As Executive Director of the North Dakota Soybean Council, I thank you for this opportunity to provide you with background information on HB 1302.

- In 1985, when the North Dakota state law established the ND soybean checkoff, according to USDA North Dakota harvested 490,000 acres of soybeans. In 2009, soybean production in the state was estimated at 3.87 million acres harvested according to USDA. The landscape of soybean production in North Dakota has changed significantly since the inception of the state's legislation to form the Council and its eight district board.
- As a result, the Council is in unanimous support of expanding the Board from eight to 12 members and from eight to 12 districts.
- If enacted, elections will be held in all twelve districts in 2012 with staggered terms established to ensure some consistency in Board membership.
- Expanding the Board will:
 - Enable the Council to take on new projects that will bring greater value to soybean farmers
 - Increase the effectiveness of each Board member by allowing them to focus on specific portfolios and projects that directly benefit soybean farmers.
 - Ensure soybean farmers from Districts outside of our current structure have representation on the Council Board.
 - Expand leadership opportunities for ND soybean growers in the areas of research and international and domestic marketing.
- There will be a financial impact to the Council in expanding the Board, as there will be four additional Directors attending in-state meetings and traveling domestically and abroad as warranted. The Council will work to contain these expenses, as being good stewards of soybean producer checkoff dollars is a priority.
- This Bill also modifies the election process for county representatives. It is the Council's desire to transition from an election process conducted at county extension meetings to a mail ballot process in order to engage more producers in the process.
- The Southwest District Director of the North Dakota Extension Service has been engaged in the Council's effort to transition to a mail ballot process for county elections,



P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

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

#3

**Testimony of Allan Tellmann
North Dakota Ag Coalition Chairman
HB 1302
March 24, 2011**

Mr. Chairman and members of the Committee, my name is Allan Tellmann, and I am the chairman of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of HB 1302, which would expand the North Dakota Soybean Council board to 12 members and districts.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry.

Expanding the council to 12 districts ensures all North Dakota soybean farmers have representation on the Council board. Re-districting will expand leadership opportunities for ND soybean growers, bring more expertise to the board, increase the efficiency and effectiveness of the board, and ultimately, provide greater value to soybean farmers.

We appreciate your past support and would encourage your continued support of HB 1302 and North Dakota's agriculture industry.