

2009 SENATE AGRICULTURE

SB 2208

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2208

Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: January 22, 2009

Hearing Date: Recorder Job Number: 7534

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the hearing on SB 2208 a bill relating to oilseed assessments; to provide an effective date and declare an emergency. Members present (6), absent (1)- **Sen. Taylor**.

Sen. Klein testified in favor of the bill and proposed amendment 90634.0101 see attachment #1.

Sen. Flakoll- when would this become effective?

Sen. Klein- July 1st the law becomes effective but it would start the 1st of the quarter.

Stan Buxa, farmer and chairman of the ND Oilseed Council testified in favor of the bill, see attachment #2.

Sen. Klein- are other states working on sunflowers or are we still number one?

Stan Buxa- yes we are still the number one producer.

Sen. Klein- could we team up with other states that would have similar problems that we have?

Stan Buxa- only part of the oilseed money goes to sunflower.

Sen. Flakoll- do you know about how much a planter would cost?

Stan Buxa- \$180,000.

Sen. Miller- I struggle with the increase of check off dollars.

Stan Buxa- our check off refund is between 4 and 5% and that is a risk that we have to take.

Sen. Klein- so even in your group 4% seems to be the refunding amount?

Stan Buxa- really looking at that most individuals that get there check off back get everything back.

Dan Wiltse, ND Oilseed council testified in favor of the bill and went over a attachment that he passed out, see attachment #3.

Sen. Klein- when was the last time that we changed this?

Dan Wiltse- 1997.

Anita Thomas, Legislative council came to talk to the committee about the bill and why the emergency date is the way that it is.

Sherri Coleman, Executive Director of AmeriFlax, testified in favor of the bill. See attachment #4.

Sen. Miller- why are flax acres decreasing primarily?

Sherri Coleman- primarily it is getting taken over by competitive acres.

Sen. Wanzek- is there still a market with flax fibers?

Sherri Coleman- they are doing a lot of research with this in Canada and we are working together and it will be coming here.

Mike Beltz, farmer and chairman of the ND Ag Coalition, testified in favor of the bill see attachment #5.

Dan Wogsland, Executive Director of the ND Grain growers association testified in favor of the bill.

Dan Wogsland- We contract with the ND wheat commission and Barley council so that is our primary focus but none the less we come here to support this effort today. Research is key

and critical to the success to the future of this country and to Agriculture and with that we support this.

Sen. Flakoll- what is it in terms of dollars but also in the number of people requesting refunds?

Dan Wogsland- I think that in the past history you will see how it has gone upwards as far as refund requests after checkoff is increased. Another fact is that if you take a look at all the councils what you really have is only 30,000 farmers in the state of ND and these farmers are not only with the councils but they grow all of the different products this ends up being a good idea cause they are growing all of these and are willing to invest in the future of their industry.

Robert Runck, ND Soybean growers association, testified in favor of the bill.

Robert Runck- I think that these check off dollars are very important in research, you need to keep public research. I think that in many cases the private research is taking over and the price of seed costs are going up, I appreciate what they are doing with research but future generations in this state that farm are going to pay a large price if we do not keep public research in this state.

No opposition to the bill.

Sen. Flakoll closed the hearing on the bill.

Sen. Klein motioned to pass his amendment and was seconded by **Sen. Wanzek** roll call vote #1 6 yea, 0 nay, 1 absent and not voting. **Sen. Klein** motioned to do pass as amended and rerefer to appropriations and was seconded by **Sen. Behm**. Roll call vote 6 yea, 0 nay, 1 absent and not voting. **Sen. Klein** was designated to carry the bill to the floor.

FISCAL NOTE
Requested by Legislative Council
03/03/2009

Amendment to: Engrossed
SB 2208

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	\$2,083,574	\$0	\$2,770,181	\$0	\$2,770,181
Expenditures	\$0	\$2,196,568	\$0	\$2,590,000	\$0	\$2,590,000
Appropriations	\$0	\$0	\$0	\$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).*

The bill proposes to increase the current assessment on flax, canola and sunflower grown in the state or sold to a first purchaser.

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 of the bill proposes to increase the current 2 cents per bushel assessment on flax to 3 cents per bushel and also proposes to increase the current 3 cents per hundredweight assessment on sunflower and canola to 4 cents per hundredweight on all sunflower, canola and flax grown in the state or sold to a first purchaser. Section 2 of the bill amends HB1025 changing the assessments to match the assessments proposed in this bill.

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.*

The program at the current assessment for flax has the potential to generate \$370,000 in gross revenues per biennium, based on a five-year average of the North Dakota flax crop. The proposed increase could raise potential gross revenues by \$185,000 per biennium based on similar assumptions of average production. The program at the current assessment for sunflower has the potential to generate \$800,000 in gross revenues per biennium, based on a five-year average of the North Dakota sunflower crop. The proposed increase could raise potential gross revenues by \$267,000 per biennium based on similar assumptions of average production.

The program at the current assessment for canola has the potential to generate \$746,000 in gross revenues per biennium, based on a four-year average of the North Dakota canola crop. The proposed increase could raise potential gross revenues by \$246,180 per biennium based on similar assumptions of average production.

Projected revenue for the 2007-2009 biennium is \$2,187,425. The proposed increase in checkoff for sunflower, canola and flax will potentially increase total revenue to \$2,885,605.

Producers are allowed a refund of these assessments. In the 2007-2009 biennium, the expected refund rate is approximately 4%. The refunds in the 2007-2009 biennium would reduce the total potential gross revenue of \$2,187,425 to a net revenue estimate of \$2,083,574. The impact of producer refunds during the 2009-2011 and 2011-2013 bienniums would reduce the total potential gross revenue of \$2,885,605 to a net revenue estimate of \$2,770,181, a reduction of \$115,424.

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 assessment is the only source of NDOC funding and is used for research, development, marketing and promotion of the NDOC oilseed crops. With the increase in checkoff, total expected expenditures would increase to \$2,590,000 in the 2009-2011 biennium. In the 2011-2013 biennium, we expect expenditures to remain at \$2,590,000. Prospective expenditures in the next two bienniums will be focused on the core program areas of marketing and promotion with enhanced production research for sunflower, canola and flax. The current estimates also allow for the NDOC to address other important issues and industry needs that to date have been relegated to lower priority under present budget demands.

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.*

All funds are special funds and are non-appropriated, with continuing appropriation authority granted under NDCC 4-10.2-08.

Name:	Lerrene Kroh	Agency:	ND Oilseed Council
Phone Number:	701-328-5107	Date Prepared:	03/04/2009

FISCAL NOTE
Requested by Legislative Council
01/26/2009

Amendment to: SB 2208

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	\$2,083,574	\$0	\$2,533,848	\$0	\$2,533,848
Expenditures	\$0	\$2,196,568	\$0	\$2,450,000	\$0	\$2,450,000
Appropriations	\$0	\$0	\$0	\$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).*

The bill proposes to increase the current assessment on flax and sunflower grown in the state or sold to a first purchaser.

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 of the bill proposes to increase the current 2 cents per bushel assessment on flax to 3 cents per bushel and also proposes to increase the current 3 cents per hundredweight assessment on sunflower to 4 cents per hundredweight on all sunflower and flax grown in the state or sold to a first purchaser. Section 2 of the bill amends HB1025 changing the assessments to match the assessments proposed in this bill.

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.*

The program at the current assessment for flax has the potential to generate \$370,000 in gross revenues per biennium, based on a five-year average of the North Dakota flax crop. The proposed increase could raise potential gross revenues by \$185,000 per biennium based on similar assumptions of average production. The program at the current assessment for sunflower has the potential to generate \$800,000 in gross revenues per biennium, based on a five-year average of the North Dakota sunflower crop. The proposed increase could raise potential gross revenues by \$267,000 per biennium based on similar assumptions of average production. Projected revenue for the 2007-2009 biennium is \$2,187,425. The proposed increase in checkoff for sunflower and flax will potentially increase total revenue to \$2,639,425.

Producers are allowed a refund of these assessments. In the 2007-2009 biennium, the expected refund rate is approximately 4%. The refunds in the 2007-2009 biennium would reduce the total potential gross revenue of \$2,187,425 to a net revenue estimate of \$2,083,574. The impact of producer refunds during the 2009-2011 and 2011-2013 bienniums would reduce the total potential gross revenue of \$2,639,425 to a net revenue estimate of \$2,533,848, a reduction of \$105,577.

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 assessment is the only source of NDOC funding and is used for research, development, marketing and promotion of the NDOC oilseed crops. With the increase in checkoff, total expected expenditures would increase to

\$2,450,000 in the 2009-2011 biennium. In the 2011-2013 biennium, we expect expenditures to remain at \$2,450,000. Prospective expenditures in the next two bienniums will be focused on the core program areas of marketing and promotion with enhanced production research for sunflower and flax. The current estimates also allow for the NDOC to address other important issues and industry needs that to date have been relegated to lower priority under present budget demands.

- 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.*

All funds are special funds and are non-appropriated, with continuing appropriation authority granted under NDCC 4-10.2-08.

Name:	Lerrene C. Kroh	Agency:	ND Oilseed Council
Phone Number:	701-328-5107	Date Prepared:	01/26/2009

FISCAL NOTE
Requested by Legislative Council
01/14/2009

Bill/Resolution No.: SB 2208

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	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
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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).*

The bill proposes to increase the current assessment on flax and sunflower grown in the state or sold to a first purchaser.

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 of the bill proposes to increase the current 2 cents per bushel assessment on flax to 3 cents per bushel and also proposes to increase the current 3 cents per hundredweight assessment on sunflower to 4 cents per hundredweight on all sunflower and flax grown in the state or sold to a first purchaser. Section 2 of the bill amends HB1025 changing the assessments to match the assessments proposed in this bill.

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The assessment is the only source of NDOC funding and is used for research, development, marketing and

promotion of the NDOC oilseed crops. With the increase in checkoff , total expected expenditures would increase to \$2,450,000 in the 2009-2011 biennium. In the 2011-2013 biennium, we expect expenditures to remain at \$2,450,000. Prospective expenditures in the next two bienniums will be focused on the core program areas of marketing and promotion with enhanced production research for sunflower and flax. The current estimates also allow for the NDOC to address other important issues and industry needs that to date have been relegated to lower priority under present budget demands.

- 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.*

All funds are special funds and are non-appropriated, with continuing appropriation authority granted under NDCC 4-10.2-08.

Name:	Lerrene C. Kroh	Agency:	ND Oilseed Council
Phone Number:	701-328-5107	Date Prepared:	01/16/2009

Attachment #1

90634.0101
Title.

Prepared by the Legislative Council staff for
Senator Klein
January 20, 2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2208

Page 1, line 9, overstrike the first comma and insert immediately thereafter "grown in this state or sold to a first purchaser. An assessment at the rate of three cents per hundredweight [45.36 kilograms] must be levied and imposed upon all"

Page 2, line 26, overstrike "oilseeds, other than flax," and insert immediately thereafter "sunflowers"

Page 2, after line 29, insert:

"3. An assessment at the rate of three cents per hundredweight [45.36 kilograms] is imposed upon all other oilseeds grown in this state or sold to a first purchase."

Renumber accordingly

JK
1-22-09

PROPOSED AMENDMENTS TO SENATE BILL NO. 2208

Page 1, line 9, overstrike the first comma and insert immediately thereafter "grown in this state or sold to a first purchaser. An assessment at the rate of three cents per hundredweight [45.36 kilograms] must be levied and imposed upon all"

Page 1, line 10, overstrike ", and an" and insert immediately thereafter ". An"

Page 2, line 26, overstrike "oilseeds, other than flax," and insert immediately thereafter "sunflowers"

Page 2, after line 29, insert:

"3. An assessment at the rate of three cents per hundredweight [45.36 kilograms] is imposed upon all other oilseeds grown in this state or sold to a first purchaser."

Renumber accordingly

Date: Jan 22, 2009
 Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2008

Senate Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken more amendment 90634.0101

Motion Made By Klein Seconded By Wanzek

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		
Joe Miller	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment _____

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

Date: Jan 22, 2009
 Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2008

Senate Agriculture 2 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended rerefer to Approps

Motion Made By Klein Seconded By Behm

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		
Joe Miller	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen. Klein

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

REPORT OF STANDING COMMITTEE

SB 2208: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2208 was placed on the Sixth order on the calendar.

Page 1, line 9, overstrike the first comma and insert immediately thereafter "grown in this state or sold to a first purchaser. An assessment at the rate of three cents per hundredweight [45.36 kilograms] must be levied and imposed upon all"

Page 1, line 10, overstrike ", and an" and insert immediately thereafter ". An"

Page 2, line 26, overstrike "oilseeds, other than flax," and insert immediately thereafter "sunflowers"

Page 2, after line 29, insert:

"3. An assessment at the rate of three cents per hundredweight [45.36 kilograms] is imposed upon all other oilseeds grown in this state or sold to a first purchaser."

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2208

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2208

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-30-09

Recorder Job Number: 8211

Committee Clerk Signature

Rose O'Leary

Minutes:

Chairman Holmberg called the committee hearing to order at 10:45 am in regards to SB 2208 relating to oilseed assessments.

Senator Jerry Klein came in to say he supports the bill, but the experts are here to testify.

Stan Buxa, North Dakota Oilseed Council

Testified in favor of SB 2208. (Written attached testimony # 1)

V. Chair Bowman asked, with all the money spent on the blackbird problem, if he'd seen any results? And did getting rid of cattails help?

Stan Buxa said he felt it did. It wasn't a cure all but it was the little tools that actually helped. It isn't realistic to say that we're going to go from X amount of dollars to none. Blackbirds are responsible for \$10 M loss annually to sunflower crop in 2008. It was the little tools that helped.

Barry Coleman, AmeriFlax

Testified in favor of SB 2208. (Written attached testimony # 2)

Senator Krauter asked for the names of the ND members on the AmeriFlax Board and they were supplied.

Mike Beltz, ND Ag Coalition

Testified in favor of SB 2208. (No written testimony)

Chairman Holmberg asked if anyone else wished to testify – or should we pass the bill.

V. Chair Bowman MOVED DO PASS.

Senator Robinson seconded the motion.

Chairman Holmberg asked for any discussion.

Senator Christmann: In this end of barley assessment, it's been mentioned in testimony that these are refundable, but I never see it in the bill. Is that a whole separate section of law or is it in the bill.

Barry Coleman: It's in the Oilseed Statute.

Chairman Holmberg asked for a roll call vote.

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

Lindaas

SB 2208 DO PASS.

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2208

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Senator Bowman Seconded By Senator Robinson

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

Total Yes 12 No 0

Absent 2

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE (410)
February 3, 2009 10:12 a.m.

Module No: SR-21-1459
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2208, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed SB 2208 was placed on the Eleventh order on the calendar.

2009 HOUSE AGRICULTURE

SB 2208

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2208

House Agriculture Committee

Check here for Conference Committee

Hearing Date: February 27, 2009

Recorder Job Number: 9864

Committee Clerk Signature

Re Mae Kuehn

Minutes:

Senator Klein, Sponsor: This bill does increase the sunflower check-off from 3 cents/hundred to 4 cents/hundred and the flax assessment from 2 cents to 3 cents/hundred weight. This is an attempt to get additional dollars for promotion and research. There may be an additional amendment.

Stan Buxa, Chairman of ND Oilseed Council: (Written testimony attached #1)

A letter was sent to the growers. We received no opposition from them.

Representative Wall: Does this apply to confection flowers also?

Stan Buxa: Yes.

Representative Uglem: This does not increase the check-off on canola and crambe. Is there some reason that didn't go along with the sunflowers?

Stan Buxa: The oilseed council met in December and asked these groups if they wanted increases. At that time they opted to not go on board.

Representative Uglem: Flax and sunflowers "grown" in the state. Do you have any way of collecting if they are not sold in the state.

Stan Buxa: Yes, we do. If you sell in Minnesota, they know that they come from ND and participate in the check-off. I'm sure there are times if you sell a semi load of bird seed to

South Carolina that might be hard to track. Most are sold in the state or on the edges of the state and they participate in the check -off and that comes back to the state.

Representative Mueller: You mentioned innovative new things in regards to the war on blackbirds. Can you elaborate?

Stan Buxa: There have been a couple of studies on repellents. They've tested some that have not worked. So that saved some growers some money. There are a few things now that are being tested that look promising.

Representative Boe: Are you aware of a possible amendment?

Stan Buxa: I haven't seen the written amendment but I've heard about it. I have no problem with it.

Sheri Coleman, Executive Director of AmeriFlax: (Written testimony attached #2a)

Also brought testimony from Jan Topp, Board President for AmeriFlax who was not able to attend. (attached #2b)

Representative Schatz: How does flax help the dairy industry?

Sheri Coleman: They've been doing research on adding flax to the dairy rations. It increases the Omega 3 content. It is in the milk and meat so as human consumption it is beneficial.

Dan Wiltse, ND Oilseed Council: I've been working with USDA research on purchasing modern equipment for them. The price tag of a planter and combine is almost a half million dollars. We've also received money for research from Titan Equipment, CHS, and ADM. We need these dollars to show that the sunflower industry wants this too.

Deana Wiese, Administrator of ND Ag Coalition:

(Written testimony attached #3)

Ryan Pederson, President of Northern Canola Growers Assn.:

(Written testimony attached #4a)

(amendment LC#90634.0201)

We appreciate your understanding in our delay in coming forward. It's not that we didn't need the funds but we were unable to get a sense of what our growers wanted at the time. We were uneasy in asking for the check-off without the support of the growers. The first available time to find out was a week and a half ago Tuesday when we had our annual meeting. At that time we polled the growers and we had roughly 70% support. A large portion of the increase would go into research. The first thing we'd like to start at the Northern Crops Institute in Fargo in examining the characteristics of the canola crop and developing a short course for canola which would further promote its use and application in baking and frying and institutional markets. The second would support a breeding program which would seek to develop varieties that are suited for our growing conditions and also have an increase in yield and oil characteristics. We want to get a handle on how we can rotate canola behind other crops. An additional thing we started is a canola survey. An individual from NDSU came out and surveyed one field eight times during the growing season. The reason for doing that is so they can see from seeding through harvest what's going on in the fields. Also, they get a sense of rotation, not only crops, chemicals, fertility, type of drill, and seeding rates. What happens at an experiment station is brought to the real world of farming. The U.S. Canola Assn. has helped with funding but they have limited funds. There is also a lot of talk about healthy oils in the country. We've had to cut \$15,000 in marketing funding because of budgets.

Representative Mueller: What didn't happen in terms of polling your growers?

Ryan Pederson: The end of December our Board of Directors had a conference call. As a board we didn't think it was our job to increase the check-off. Our job is to appropriate the funds. Our first good opportunity to work with our general members was at Canola Days in Langdon where we have our annual meeting. They supported it overwhelmingly.

Representative Mueller: What do you have in terms of staff?

Ryan Pederson: We hire Progressive Consulting, Barry Coleman and Sheri Coleman who you just heard also helps with flax. They have one administrative assistant in the office. I would consider it a very limited staff but very capable.

Representative Mueller: So your intent would be to not add to that staff.

Ryan Pederson: No, our intent is mostly research with some marketing opportunities.

Representative Rust: About how much additional dollars would this check-off increase?

Ryan Pederson: It would be roughly \$100 – 125,000 per year. Current acres could be down 15%.

Chairman Johnson: This increase would be from 3 to 4 cents a hundred weight?

Ryan Pederson: Correct.

Bernie Bachman, Board Member of the Northern Canola Growers Assn. and the ND

Oilseed Council: Our county, Cavalier Co., is the largest canola growing county in the state.

(Written testimony attached #5)

Representative Mueller: In conversation with your Canadian neighbors, how much is their check-off?

Bernie Bachman: They do have a canola council which promotes canola. Yes, they have a check-off but I can't tell you how much.

Representative Boe: In 1997 what were we selling canola for?

Bernie Bachman: I couldn't tell you exactly but it took a long time before we ever broke 10 cents on canola.

Representative Boe: And today we're at . . . ?

Bernie Bachman: Right now we were at \$14.86 at Velva.

???????: It's (check-off) about 75 cents per acre in the provinces.

Opposition: None

Chairman Johnson: Closed the hearing.

Representative Boe: Moved to adopt amendment LC #90634.0201.

Representative Schatz: Seconded

Representative Mueller: I'm going to support the amendment. I don't know if this is quite the right way to do this. The other commodity groups did their background work. I kind of get the sense this is a late-in-the-game "me too."

Voice vote taken. Passed. One nay.

Representative Boe moved Do Pass as amended.

Representative Uglem seconded.

Representative Rust: Could you explain the revenue and expenses?

Chairman Johnson: The last one with the wheat assessment we passed it right through to the floor. I understand in the Senate, on the wheat assessment, they sent it to appropriations.

Representative Boe: My understanding is that these never go into our general fund. It does not affect the State of ND.

Chairman Johnson: I think on the House side I'm just going to send it to the floor. This is growers' dollars. The amendment would change the fiscal note.

A Roll Call vote was taken. **Yes: 13, No: 0, Absent: 0.**

Representative Schatz will carry the bill.

Chairman Johnson: This will go to conference committee with the Senate, if they so desire, since it was amended. When I visited with the chairman this morning, if this amendment was adopted, he would like to see it in conference committee.

VR
2/27/09

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2208

Page 1, line 9, after the overstruck comma insert "and rapeseed or canola"

Page 1, line 10, overstrike the comma

Page 1, line 11, overstrike "rapeseed or canola,"

Page 2, line 28, after "sunflowers" insert "and canola"

Renumber accordingly

Date: 2/27/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2208

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number 90634.0201

Action Taken Do Pass Do Not Pass Amended

Motion Made By _____ Seconded By _____

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:

add canola

Date: 2/27/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2208

House Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number 90634.0201

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	✓				

Total (Yes) 13 No 0

Absent 0

Bill Carrier Rep. Schatz

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

REPORT OF STANDING COMMITTEE

SB 2208, as engrossed: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2208 was placed on the Sixth order on the calendar.

Page 1, line 9, after the overstruck comma insert "and rapeseed or canola"

Page 1, line 10, overstrike the comma

Page 1, line 11, overstrike "rapeseed or canola,"

Page 2, line 28, after "sunflowers" insert "and canola"

Renumber accordingly

2009 SENATE AGRICULTURE

CONFERENCE COMMITTEE

SB 2208

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2208

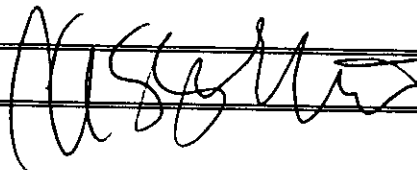
Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: April 16, 2009

Recorder Job Number: 11899

Committee Clerk Signature



Minutes:

Sen. Klein opened the conference committee on SB 2208, senate members **Sen. Wanzek, Behm** and house members **Rep. Brandenburg, Rust, Holman**.

Rep. Brandenburg- as it came to the senate relating to oil seed assessment and the canola people came to us and they explained that they had meet with their producers earlier in the year and they had talked with producers and such and had not had consensious on whether or not they wanted to have the check off increase or not. When they had their convention 70% voted to approve the check off increase for canola. It was at that time that they came in and asked for an increase in canola, by that time the bill went through the senate and was in the house and we heard it and with everyone in support and seeing no opposition we than embraced the check off and we are here to ask the senate to concur with the house amendments.

Sen. Wanzek motioned for the senate to accede to the house amendments and was seconded by **Sen. Behm**.

Sen. Klein dismissed the conference committee.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 2208 (, as (re)engrossed):

Date: April 16, 09

Your Conference Committee Senate Agriculture

For the Senate:

For the House:

		YES / NO				YES / NO	
Sen. Klein	x	x		Rep. Brandenburg	x	x	
Sen. Wanzek	x	x		Rep. Rust	x	x	
Sen. Behm	x	x		Rep. Holman	x	x	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

X, and place 2208 on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Wanzek

SECONDED BY: Behm

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

SB 2208, as engrossed: Your conference committee (Sens. Klein, Wanzek, Behm and Reps. Brandenburg, Rust, Holman) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 667 and place SB 2208 on the Seventh order.

Engrossed SB 2208 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

SB 2208

Testimony of Stan Buxa
North Dakota Oilseed Council
Before the Senate Agriculture Committee
Thursday, January 22, 2009
SB 2208

Chairman Flakoll, members of the Senate Agriculture Committee, I am Stan Buxa; I farm near Harvey and am the Chairman of the North Dakota Oilseed Council. On behalf of North Dakota sunflower farmers, I would encourage your support of SB 2208.

The North Dakota Oilseed Council has had many discussions over the past two years about the need to increase the sunflower check-off to help sunflower producers with their blackbird problems and devote more dollars toward sunflower research. As a result, the council unanimously agreed to increase the sunflower check-off from the current 3 cents per cwt. to 4 cents per cwt. and to ask for the change during this Legislative session.

At the current assessment, sunflower has the potential to generate \$800,000 in gross revenues per biennium, based on a five-year average of the North Dakota sunflower crop. The proposed increase could raise potential gross revenues by \$267,000 per biennium based on similar assumptions of average production. Producers are allowed a refund of these assessments. The average refund rate for the past five years is approximately 4%. The refunds would reduce the total potential gross revenue of \$1,067,000 to a net revenue estimate of \$1,024,320 if the increase is passed by the Legislature and signed by the Governor.

The North Dakota Oilseed Council through the National Sunflower Association (NSA) provides grants to public researchers to stimulate new or additional research work that results in lower production costs, increased quality and higher yields. Many achievements have been made such as Clearfield and Express tolerant hybrids, the misting system work at ND locations for work on Sclerotinia tolerance in head and stalk rot and more chemicals such as Spartan, Express, Beyond, etc. are now available for use in sunflower production.

Even with these accomplishments more work remains. Federal funding for the USDA-ARS Sunflower Research Unit located on the NDSU campus in Fargo, which conducts the vast majority of sunflower research, has been reduced in recent years and is creating the need for more state funds to make up for the loss of this funding.

The funding per scientist has declined to the point where programs have been severely limited. That leaves items like equipment improvement on the far "back burner." The unit's plot planting equipment, for instance, dates back to the 1960s. Depth control and planting various seed sizes is an obvious challenge with such outdated equipment. The unit's staff overplants plots by 200% and then "hand-thins." This inefficiency is costly in labor and seed — especially when working with breeding lines, which often have a limited seed supply.

Resolving Sclerotinia continues to be a high priority and will remain a key issue in the foreseeable future. More research is needed to improve desiccation techniques to achieve earlier harvest. Researchers need to continue looking for ways to control insects through conventional insecticide means or host plant resistance. A great deal of work is ongoing in plant resistance to a number of insects. The NSA is funding two scientists to work exclusively in this area. The Oilseed Council also supports finding new weed and disease control methods using existing herbicides and fungicides and to test experimental or new-to-market products for potential sunflower application.

Sunflowers don't see the level of private research dollars that are available to the corn and soybean industries. Thus, it is necessary that the public sector fund research that the private sector cannot justify economically. Seed companies do a great job of developing new hybrids with improved yield, oil content and confection characteristics. But most have limitations in identifying desirable production traits such as disease and insect resistance. Plant breeding has always been considered a numbers game. The more you test, the greater opportunity for finding good material. The enhanced research funding that the Oilseed Council could provide with an increase in the checkoff will reduce the time required for getting new and improved material out to the grower.

Lastly, we continue to support research and any innovative new approaches to control blackbird damage.

There is a great deal of interest in growing sunflowers in the country side. Sunflower prices are very firm and North Dakota State University crop analysis shows that sunflower is one of the most profitable crops to produce. The unfortunate fact, however, is that many producers cannot risk the impact of blackbirds destroying all or a portion of their crop.

USDA Wildlife Services estimates that blackbirds are responsible for \$10,000,000 dollars in losses annually to the sunflower crop in North Dakota. In 2008, USDA Wildlife Services sprayed 3,900 acres of cattail wetlands. These wetlands were treated with an aquatic herbicide to make them less attractive to blackbirds. This assistance was provided on 90 tracts of land in 7 counties. Propane cannons and pyrotechnic frightening devices were also loaned and distributed to 260 landowners in 35 counties. Even with efforts such as these the blackbird population continues to increase and cause more damage to crops in North Dakota. Sunflower farmers are looking for another strategy to deal with this huge problem. We will leave no stone unturned in fighting this pest. There are some promising new ideas to do this but they need to be tested before they can be used by producers.

I hope you will support this increase in the check-off as it is needed in order for sunflowers to keep up with other crops and to remain a viable option for producers. If you have any questions I would be glad to answer them and I encourage you to help sunflower farmers in North Dakota by giving SB2208 a do pass recommendation.

Investing in Research

NSA Wants to Aid ARS Sunflower Unit

By Larry Kleingartner

The National Sunflower Association (NSA) is embarking on a major investment in the future of sunflower research. The NSA Board of Directors decided at its recent budget meeting that now is the time to move public research forward in an aggressive way.

The USDA Agricultural Research Service Sunflower Unit located in Fargo, N.D., is the key sunflower public research group in the United States. This unit is comprised of seven scientists from various disciplines. (A detailed story on the unit appeared in the October/November 2008 issue of *The Sunflower*.)

One of the key missions of the ARS unit is to release improved breeding lines to the private seed industry for inclusion into commercial hybrids. Seed companies do a great job of developing new hybrids with improved yield, oil content and confection

characteristics. But most have limitations in identifying desirable production traits such as disease and insect resistance. For example, Sclerotinia resistance requires multiple genes. The identification of those genes is a long and exacting process requiring a considerable investment in time and dollars. The potential payoff for a commercial company is long into the future, with no guarantees.

Thus, it is necessary that the public sector fund research that the private sector cannot justify economically. Most often, that relates to matters like disease, insect and drought tolerance.

A mounting problem within public sector research is the lack of funding. Within the USDA-ARS Sunflower Research Unit, funding per scientist has declined to the point where programs have been severely limited. That leaves items like equipment improvement on the far "back burner." The unit's plot planting equipment, for instance, dates back to the 1960s. Depth control and planting various seed sizes is an obvious

challenge with such outdated equipment. The unit's staff overplants plots by 200% and then "hand-thins." This inefficiency is costly in labor and seed — especially when working with breeding lines, which often have a limited seed supply. And now there is a crying need for more plot work.

The need for more field testing is growing dramatically. The ARS group's geneticist, Dr. Brent Hulke, is placing greater emphasis on confection sunflower, which is adding new volumes of material for testing. The unit's molecular geneticist, entomologist and pathologist are all working on projects that need field testing.

Dr. Steve Knapp at the University of Georgia (who also was featured in the October/November 2008 issue of this magazine) is doing a great deal of genomics work on sunflower. This material also needs field testing to confirm lab findings — a scale of field testing that is not possible, given the present equipment situation.

The genetic material identified by these various scientists needs to be field tested — or, in the absence of field testing, it will simply be left on the shelf until adequate funding is in place sometime in the future.

Because of the equipment limitations, the ARS unit has been limited to plot locations within easy reach of Fargo. The Fargo location offers challenges of its own. It is located in the heart of the Red River Valley, noted for its heavy clay soil and water-holding capacity. This environment is not conducive to sunflower plot work. Also, weather conditions in the Fargo area are not typical of most of the sunflower production region — which is located in more-arid sections of the country. For example, it is difficult to do drought tolerance testing in Fargo, where rainfall often averages well above the regional norm.

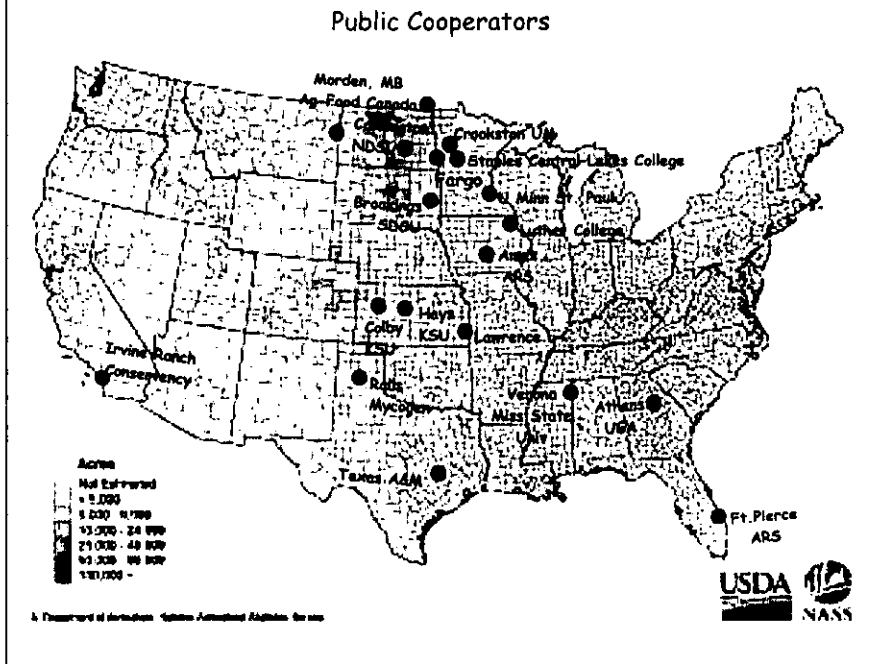
Purchasing a new plot planter will retire a planter that, as noted previously, was purchased in the 1960s. The new planter will have up-to-date GPS and all of the electronic gear necessary for seed placement, depth control and seed cleanout. A new plot harvester will also retire equipment from the early 1990s. The existing combine is not well suited to sunflower. It requires three people to run it, including one feeding sunflower into the machine. It is dangerous and inefficient.

Munch, N.D., grower Don Schommer, newly elected NSA board president, recognizes that getting funds from the federal government to buy this type of equipment is not going to happen for a long time. "We could spend years trying to get this equipment funded via Congress. We want the equipment in place in time for the 2009 growing season. So it is up to us as an industry to put the equipment in place and 'get the ball rolling,'" Schommer states.

The National Sunflower Association

Larry Kleingartner is executive director of the National Sunflower Association.

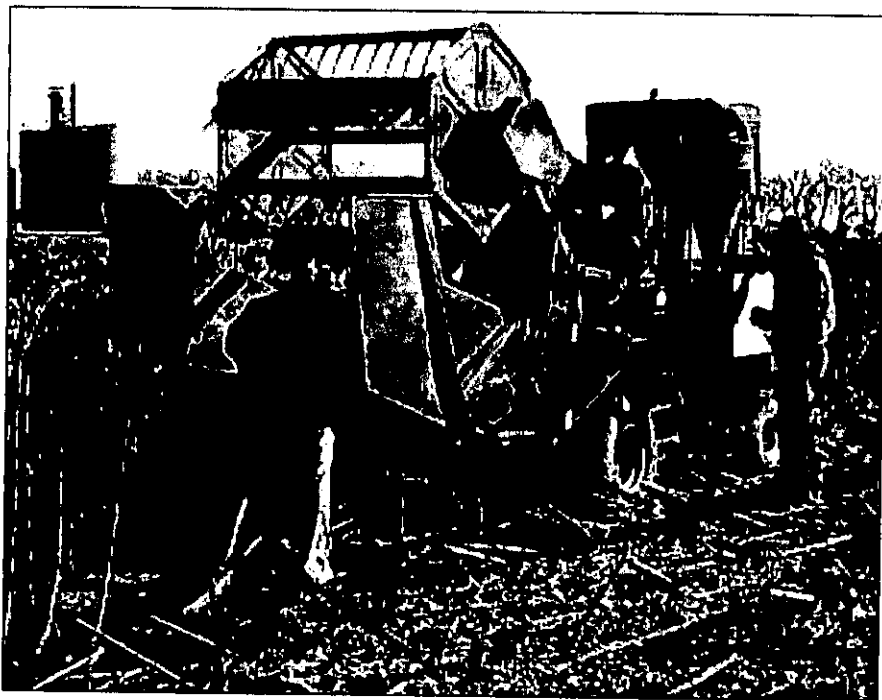
Depicted below are the locations of other entities with which the USDA-ARS Sunflower Research Unit, based at Fargo, N.D., has cooperative working ties.





Above: The proposed new plot planter for the Fargo USDA-ARS Sunflower Research Unit would be similar to this one, except that it would be a four-row unit, not eight.

Below: It's hoped this ARS plot combine also can be replaced.



**For More Information on This Important
Research Investment Effort, Contact the
National Sunflower Association**

Phone: (888) 718-7033

Email: larryk@sunflowernsa.com

has now committed \$200,000 to get the new planter built in time for the 2009 season. The funding will also allow the ARS unit to hire a qualified technician in time for the spring season.

The NSA board is hoping that contributions from NSA members (industry and individuals) will help defray the remaining cost, which is estimated to be another \$200,000. Specialized and sophisticated plot equipment is expensive.

Contributions can be made to the NSA ARS Equipment Fund, 4023 State Street, Bismarck, ND 58503. The gift can be deducted as a full business expense. Several entities have already indicated they want to support this initiative.

— Potential Impact —

What does this mean for the future of sunflower genetics? It means enhanced yield potential with new stacked traits and reduced time to commercialization. Expanded field testing in multiple environments will add greater accuracy to the entire breeding process. Plant breeding has always been considered a numbers game — *"The more you test, the greater opportunity for finding good material."*

"The challenge is to take promising production traits like disease or insect resistance, put them into advanced breeding lines and test them in various environments," says Brent Hulke. "Once we know what we have in the lab, with markers, and in the field through observation, we will get the developed lines to commercial breeders for incorporation into their finished hybrids." That will reduce the time required for getting material out to the grower. "So a combination of reduced time and increased accuracy will greatly aid farmers at the end of the day with better hybrids and increased yield. That alone is well worth the investment," says NSA's Don Schommer.

Hulke will be ready to go in the 2009 growing season. He anticipates taking one field plot to western North Dakota for drought tolerance testing, another to central South Dakota for drought and insect tolerance testing, and a third to a central North Dakota location for disease testing. The following year, in 2010, he is hoping to develop plots in additional areas. University locations in other states have already volunteered land space and staff time for additional test sites.

Dean Sonnenberg, NSA board member and Sterling, Colo., farmer, says this is the kind of research effort that can pay off handsomely. "It brings groups and people together into one common cause — and that alone builds momentum and produces progress," Sonnenberg emphasizes. "It also is a strong message to our customers that we fully intend to meet their needs." ■

Attachment # 4

NEW ADDRESS & FAX NUMBER

2718 Gateway Avenue, Suite 301
Bismarck, ND 58503
Fax: 701-223-4130

Testimony of Sheri Coleman

AmeriFlax

Senate Bill 2208

Senate Agriculture Committee

January 22, 2009

Chairman Flakoll, members of the committee, my name is Sheri Coleman, Executive Director of AmeriFlax. I am here to offer support for SB 2208, which increases the checkoff rate for flax from 2 cents per bushel to 3 cents per bushel.

With decreased acreage of flax in North Dakota, funds for the marketing, research and promotion of flax have decreased significantly. In order to ensure more stability in the promotion and research areas for flax, growers have stated a willingness to invest more funds per bushel to ensure the survival of the industry.

The rate for flax has not been increased since the early 90's and we feel this is a modest increase in grower investment. The increased funds would be used to continue support of the flax research and flax breeding program at NDSU, as well as to continue marketing programs for flaxseed and flaxseed oil.

I urge a do pass on SB 2208. I would be happy to answer any questions you may have.



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 Soil Conservation Districts
North Dakota Association of Agricultural Educators
North Dakota Barley Council
North Dakota Beef Commission
North Dakota Corn Growers Association
North Dakota Corn Utilization
North Dakota Crop Improvement and Seed Association
North Dakota Department of Agriculture
North Dakota Dry Bean Council
North Dakota Dry Edible Bean Seed Growers
North Dakota Elk Growers
North Dakota Farm Bureau
North Dakota Farm Credit Council
North Dakota Farmers Union
North Dakota Grain Dealers Association
North Dakota Grain Growers Association
North Dakota Lamb and Wool Producers
North Dakota Oilseed Council
North Dakota Pork Producers
North Dakota Soybean Council
North Dakota Soybean Growers Association
North Dakota State Seed Commission
North Dakota State University Agriculture and University Extension
North Dakota Wheat Commission
North Dakota Soybean Growers Association
Northern Plains Potato Growers Association
Northern Pulse Growers Association
Red River Valley Sugarbeet Growers

Attachment #5

**Testimony of Mike Beltz
North Dakota Ag Coalition
In Support of SB 2208
January 22, 2009**

Chairman Flakoll and members of the Senate Agriculture Committee:

For the record, my name is Mike Beltz and I farm near Hillsboro. I am here today as the chairman of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of SB 2208, which would increase the oilseed assessment.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 25 years. Today, we represent 37 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. The Ag Coalition takes a position on a limited number of issues brought to us by our members that have significant impact on North Dakota's agriculture industry.

The Ag Coalition supports commodity check-offs as they provide funding for research and development necessary to arm North Dakota's producers with the knowledge and tools to remain competitive in the world market. The research gained by this increase will allow for advancements resulting in higher yields, higher quality and higher profits for oilseed producers; thus, strengthening the agricultural industry. As North Dakota's top industry, this is essential to the growth of the state.

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

Beltz testimony in support of SB 2208.

Testimony of Stan Buxa
North Dakota Oilseed Council
Before the Senate Appropriations Committee
Friday, January 30, 2009
SB 2208

*Same given
to House Agric.*

1

Chairman Holmberg, members of the Senate Appropriations Committee, I am Stan Buxa; I farm near Harvey and am the Chairman of the North Dakota Oilseed Council. On behalf of North Dakota sunflower farmers, I would encourage your support of SB 2208.

The North Dakota Oilseed Council has had many discussions over the past two years about the need to increase the sunflower check-off to help sunflower producers with their blackbird problems and devote more dollars toward sunflower research. As a result, the council unanimously agreed to increase the sunflower check-off from the current 3 cents per cwt. to 4 cents per cwt. and to ask for the change during this Legislative session. The assessment has not been changed since 1997.

At the current assessment, sunflower has the potential to generate \$800,000 in gross revenues per biennium, based on a five-year average of the North Dakota sunflower crop. The proposed increase could raise potential gross revenues by \$267,000 per biennium based on similar assumptions of average production. Producers are allowed a refund of these assessments. In 1997, sunflowers were \$10.00 per hundredweight. An average sunflower producer that had a 1,500 pound yield per acre paid 45 cents per acre. Today sunflowers are \$15.00 per hundredweight. This same producer would pay 60 cents per acre if this increase is passed. Given the recent rise in all crop production costs the increase in the checkoff is a small price to pay given the potential benefits.

The North Dakota Oilseed Council through the National Sunflower Association (NSA) provides grants to public researchers to stimulate new or additional research work that results in lower production costs, increased quality and higher yields. Many achievements have been made such as Clearfield and Express tolerant hybrids, the misting system work at ND locations for work on Sclerotinia tolerance in head and stalk rot and more chemicals such as Spartan, Express, Beyond, etc. are now available for use in

sunflower production. The NSA has had to help financially for registration of these chemicals as the limited acreage hinders chemical companies from bearing all of the costs of registration.

Even with these accomplishments more work remains. Federal funding for the USDA-ARS Sunflower Research Unit located on the NDSU campus in Fargo, which conducts the vast majority of sunflower research, has been reduced in recent years and is creating the need for more state funds to make up for the loss of this funding.

The funding per scientist has declined to the point where programs have been severely limited. That leaves items like equipment improvement on the far "back burner." The unit's plot planting equipment, for instance, dates back to the 1960s. Depth control and planting various seed sizes is an obvious challenge with such outdated equipment. The unit's staff overplants plots by 200% and then "hand-thins." This inefficiency is costly in labor and seed — especially when working with breeding lines, which often have a limited seed supply. We have recently helped with the purchase of a different planter.

Resolving Sclerotinia continues to be a high priority and will remain a key issue in the foreseeable future. More research is needed to improve desiccation techniques to achieve earlier harvest. Researchers need to continue looking for ways to control insects through conventional insecticide means or host plant resistance. A great deal of work is ongoing in plant resistance to a number of insects. The NSA is funding two scientists to work exclusively in this area. The Oilseed Council also supports finding new weed and disease control methods using existing herbicides and fungicides and to test experimental or new-to-market products for potential sunflower application.

Sunflowers don't see the level of private research dollars that are available to the corn and soybean industries. Thus, it is necessary that the public sector fund research that the private sector cannot justify economically. Seed companies do a great job of developing new hybrids with improved yield, oil content and confection characteristics. But most have limitations in identifying desirable production traits such as disease and insect resistance. Plant breeding has always been considered a numbers game. The more

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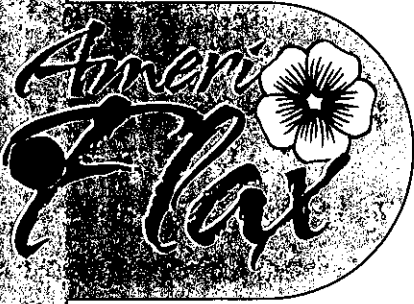
Lastly, we continue to support research and any innovative new approaches to control blackbird damage.

There is a great deal of interest in growing sunflowers in the country side. Sunflower prices are firm and North Dakota State University crop analysis shows that sunflower is one of the most profitable crops to produce. The unfortunate fact, however, is that many producers cannot risk the impact of blackbirds destroying a portion of their crop.

USDA Wildlife Services estimates that blackbirds are responsible for \$10,000,000 dollars in losses annually to the sunflower crop in North Dakota. In 2008, USDA Wildlife Services sprayed 3,900 acres of cattail wetlands. These wetlands were treated with an aquatic herbicide to make them less attractive to blackbirds. This assistance was provided on 90 tracts of land in 7 counties. Propane cannons and pyrotechnic frightening devices were also loaned and distributed to 260 landowners in 35 counties. Even with efforts such as these the blackbird population continues to increase and cause more damage to crops in North Dakota. Sunflower farmers are looking for another strategy to deal with this huge problem. We will leave no stone unturned in fighting this pest. There are some promising new ideas to do this but they need to be tested before they can be used by producers.

We have sent a letter to all sunflower county reps explaining the checkoff increase and I have not heard from anyone that they are opposed to it. I hope you will support this increase in the check-off as it is needed in order for sunflowers to keep up with other crops and to remain a viable option for producers. If you have any questions I would be glad to answer them and I encourage you to help sunflower farmers in North Dakota by giving SB2208 a do pass recommendation.

2718 Gateway Avenue, Suite 301
Bismarck, ND 58503
Fax: 701-223-4130



2

Testimony of AmeriFlax
Senate Bill 2208
Senate Appropriations Committee
January 30, 2009

Mr. Chairman, members of the committee, my name is Barry Coleman, and I am testifying today on behalf of AmeriFlax. I am here to offer support for SB 2208, which increases the checkoff rate for flax from 2 cents per bushel to 3 cents per bushel.

With decreased acreage of flax in North Dakota, funds for the marketing, research and promotion of flax have decreased significantly. In order to ensure more stability in the promotion and research areas for flax, growers have stated a willingness to invest more funds per bushel to ensure the survival of the industry.

The rate for flax has not been increased since 1989 and the board of AmeriFlax feels this is a modest increase in grower investment. The increased funds would be used to continue support of the flax research and flax breeding program at NDSU, as well as to continue marketing programs for flaxseed and flaxseed oil.

I urge a do pass on SB 2208. I would be happy to answer any questions you may have.



#2a
2208
Sheri Coleman
2208

NEW ADDRESS & FAX NUMBER

2718 Gateway Avenue, Suite 301
Bismarck, ND 58503
Fax: 701-223-4130

Testimony of Sheri Coleman

AmeriFlax

Senate Bill 2208

House Agriculture Committee

February 27, 2009

Chairman Johnson, members of the committee, my name is Sheri Coleman, Executive Director of AmeriFlax. I am here to offer support for SB 2208.

With decreased acreage of flax in North Dakota, funds for the marketing, research and promotion of flax have decreased significantly. In order to ensure more stability in the promotion and research areas for flax, growers are willing to invest more funds per bushel to ensure the survival of the industry.

The rate for flax has not been increased since the early 1990's. The increased funds would be used to continue support of the flax research and flax breeding program at NDSU, as well as to continue marketing programs for flaxseed and flaxseed oil.

Also attached to my testimony is a copy of a statement from Jan Topp, President of AmeriFlax, from Grace City, supporting the bill as well.

I urge a do pass on SB 2208. I would be happy to answer any questions you may have.

Jan Topp
1255 82 Ave NE
Grace City, ND 58445

#26
Jan Topp
2208
2/27/09

February 25, 2009

This letter is to speak in favor of SB2208. I am the governor's appointment as the flax rep on the ND Oilseed Council. My husband and I also have raised flax for over 20 years and our families raised flax before that. Flax production has been up and down in the past years. This has been caused by fluctuating yields, environmental conditions, and market price fluctuations. Continued research is essential for the industry so we may develop new markets for producers to sell into, which would help increase their profit. New plant breeding research may help increase yield potential and other factors important to flax. As funding for research at the state level has decreased, it is causing commodity groups to find other ways to support it. An increase in the flax check off is one way to do this. As a producer I support this bill and ask you to also.

Sincerely,

Jan Topp

Jan Topp



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 (701) 355-4458
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MEMBERS

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

#3
 2208
 Deana Wiese
 2/27/09

**Testimony of Deana Wiese
 North Dakota Ag Coalition
 In Support of SB 2208
 February 27, 2009**

Chairman Johnson and members of the House Agriculture Committee:

For the record, I am Deana Wiese, administrator of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of SB 2208, which would increase the sunflower and flax assessment.

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

The Ag Coalition supports commodity check-offs, because they provide funding for the research and development necessary to arm North Dakota's producers with the knowledge and tools to remain competitive in the world market. The research gained by this increase will allow for advancements resulting in higher yields, higher quality and higher profits for sunflower and flax producers; thus, strengthening the agricultural industry. As North Dakota's top industry, this is essential to the growth of the state.

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

Wiese testimony in support of SB 2208.

Northern
CANOLA GROWERS
Association



Testimony of Ryan Pederson

Northern Canola Growers Association

Senate Bill 2208

House Agriculture Committee

February 27, 2009

#4a

2208
2/27/09

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northerncanola.com

Chairman Johnson, members of the committee, my name is Ryan Pederson, President of the Northern Canola Growers Association. I farm in Rolette and raise several crops, of which canola is a major portion of my crop acreage. I am here to offer support for SB2208 with the attached amendments adding canola to the list of crops for which an increase is proposed.

With steady to decreased acreage of canola in North Dakota since 2002, funds for the marketing, research and promotion of canola have decreased. In order to ensure more stability in the promotion and research areas for canola, the growers feel an increase in the checkoff rate is necessary at this time and growers have stated a willingness to invest more to ensure the survival of the industry.

The Northern Canola Growers Association has identified several key areas of research for canola. The first is the Northern Crops Institute in Fargo examining the characteristics of the canola crop and developing a short course for canola which would further promote its use in applications in the baking, frying and institutional markets. The second would be supporting a public breeding program for canola in North Dakota which seeks to develop canola varieties that are suited to our growing conditions and also have yield and oil characteristics that will return more profits to the growers. Finally, additional rotational research is needed in canola to identify how it best fits into a rotation involving other broadleaf crops.

All of these research areas will require more funds than the current checkoff generates and allowing an increased investment will help us to ensure that canola acreage in North Dakota is able to compete with acres from Canada. The consumer market in the U.S. at the present time is demanding healthier oil and canola is meeting that demand. The unfortunate part is that Canada is filling that void and we feel it would be in the best interests of our growers if we could maintain and increase our competitiveness to grow more acres of canola in North Dakota that can meet that need.

The rate for canola has not been increased since 1997 and we feel this is a modest increase in grower investment.

I urge a do pass on SB 2208 with these amendments. I would be happy to answer any questions you may have.

Testimony of Bernie Bachman

Northern Canola Growers Association, ND Oilseed Council

Senate Bill 2208

House Agriculture Committee

February 27, 2009

Chairman Johnson, members of the committee, my name is Bernie Bachman. I am a board member of the Northern Canola Growers Association and the ND Oilseed Council. I farm in the Langdon area and raise several crops, of which canola is a major portion of my crop acreage. I am here to offer support for SB2208 with the amendments to add canola to the list.

Being involved with the Northern Canola Growers Association for many years now, I have come to understand firsthand the importance of having an organization that represents the interests of growers and works on issues to keep canola a competitive crop in the state. We deal with competitive issues from the Canadian growers and it is important for us to invest in our crop in the areas of research and promotion to ensure that canola remains a viable alternative.

As Mr. Pederson indicated, the rate for canola has not been increased since 1997 and we feel this is a modest increase in grower investment.

I urge a do pass on SB 2208. I would be happy to answer any questions you may have.