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Industry, Business and Labor Interim Committee

Wednesday, April 28, 2010

Presented by Eric Aasmundstad, president

Good afternoon, Mr. Chairman and members of the IBL Committee. Thank for you the invitation to be on your agenda. My name is Eric Aasmundstad, president of North Dakota Farm Bureau.

While agriculture is a business, it is also somewhat unique. Unique in that we cannot pass on our costs to the consumer. Therefore, we will individually carry the burden of the increased cost of this health care legislation.

Other businesses will pass on the cost to the consumer and that will result in increased costs of goods and services for consumers and businesses, including the price of food and the by-products that are made from ag commodities. These costs will also be reflected in increased input costs for farmers and ranchers.

Agriculture too will be subject to the tax increases designed to pay for this legislation. Escalating input costs, coupled with tax increases, will result in decreased net profit.

Not unlike many other small businesses farmers and ranchers operate on tight profit margins, this mandated health insurance program could well be the tipping point that drives some farmers and ranchers out of business – just like it could force other small businesses to close up. It will be a further erosion of our rural communities in North Dakota.

We believe this legislation will drive up health care costs and reduce the standard of care. Under this legislation, we keep hearing that we will have shortages of doctors and nurses. That's already a challenge in rural North Dakota. This legislation will only exacerbate the rural health care problem.

NDFB believes in the free enterprise system. While some regulation may be a necessary evil we believe government domination of any sector of our economy is just plain wrong. Farm Bureau believes that health care is primarily the responsibility of the individual and we stood opposed to mandates that require individuals to have health insurance or mandates that require employers to provide it for their workers.

Farmers and ranchers needed market-based reforms, not costly government mandates. Reforms should lower costs and increase choices of private health insurance. Furthermore, Farm Bureau believes the reform should have included tort reform.

In summary I will leave you with a quote that I believe goes to the heart of this issue.

"I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them." Thomas Jefferson, April 13, 1743 – July 4, 1826