

2011 SENATE AGRICULTURE

SB 2222

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Agriculture Committee**  
Roosevelt Park Room, State Capitol

SB 2222  
February 3, 2011  
13914

☐ Conference Committee

Committee Clerk Signature

## **Explanation or reason for introduction of bill/resolution:**

Relating to the development of crop insurance proposals; and to provide an appropriation.

Attachments: #1, #2, #3, #4, #5, #6

## **Minutes:**

**Senator Larsen:** Begin the hearing for SB 2222 at 9:15 am, Thursday, February 3, 2011. Testimony in favor of SB 2222.

**Senator Flakoll;** Senator from District 44 (Attachment #1)

**Senator Larsen:** Discussion?

**Doug Goehring:** Agriculture Commissioner (Attachment #2)

**Senator Klein;** We are hoping to develop opportunities that we can move on to federal crop because of their inability to get product available to the producers. We are going with our pool of money and our resources and our group ....listen and try to get this forwarded to them or are we creating our own separate program?

**Doug Goehring;** What we have is the ability to create a board help facilitate in that process that takes hundreds of thousands of dollars, even to millions of dollars to create these products themselves. That amount of money that is received to develop at those levels actually comes more through the federal crop insurance corporation's board. When they award them money to develop those products further. We are falling through the gaps concerning new concepts, next generation concepts, and crops that don't see the light of day to even be heard or to have a concept developed because we don't have any start-up funds to assist. What would be unique about this board, our ability engages a developer to engage the agriculture community when they have a need.....have them put a concept together. This board would vet that process and vet those concepts and offer suggestions, things they needed to do to tweak it to make it more sound. Ways to address what the issues are....maybe they can do it in better manner. If we find that through the vetting process, the product has merit, then the board could make decision to award funds to take it further and research and development costs. At that point, they could develop it further

and then take it on the federal crop insurance corporation board. This would be at the beginning.....initial step. A lot of the ag group worked on this for 5 years...had the ability to tweak it, re-design, work the whole system and finally after 2 hearings, got the federal crop insurance board to accept it and move forward. It appears by 2121, we may have a new next generation crop insurance product available in a pilot program in ND for our producers.

**Senator Klein;** We are unique....first in the country...why is it taking so long?

**Doug Goehring:** Politics and some guarding ones territory within risk management agency. We recognize that how we need to move forward and address this....the other thing is with next generation crop insurance products, they are unique as they are not going to operate on just yield and market. Sometimes we are looking at other aspects as input costs, expenses that are variable. It is difficult for others to look at crop insurance concepts to really grasp because the focus was just on yield and price. Moving in this next area, it takes a while to get them use to it and warm up to it. The other aspect, when you look at ND and the multiple crops we have, they are not grown in any great degree any place outside of our region. We fall through the gaps and they get minimal coverage under NAP or programs that don't offer much protection or coverage to those producers.

**Senator Klein;** Concern....will we possibly loose our direct payments? Would the New generation type insurance be an opportunity and have a fall back?

**Doug Goehring:** A lot of discussion at the national level about the next farm bill contains best serve, and rep agriculture? A ground swell coming from Ag producers and recognizing the value of crop insurance products. Corn Belt (little insurance) is seeing the value and need in it. There is going to be more emphasis put on crop insurance ....not sure what degree. We are starting to see the Ag become very engaged and concerned because crop insurance products are based solely on yield and price.

**Senator Luick;** The program itself....are you setting it up so you can look at other crops besides what you have listed? Problem with the national insurance program? Can other crops be added into the program?

**Doug Goehring:** I will look at any of those concepts as they come forward. We always have to be cognoscente is you have to have that crop grown within that region so that as they put the concept together, they build a program. They have the ability to have the risk spread out and pooling of premiums to determine how sound it will be. We could address for those crops you listed.....southern programs have this designed. There could be types of crops that could have been missed. When you look at ND, we have been very active in crop insurance for over 20 years. We have some unique and intelligent people in this state I have been able to work with for many years. I feed off them because of their knowledge.....we need to tap their experience and knowledge.

**Senator Larsen;** Is this in completion with our universities?

**Doug Goehring:** This would be a crop insurance product....universities don't work on insurances.

**Senator Murphy:** How do insurance crop sales person view this?

**Doug Goehring:** Many calls in support of crop insurance. Many other states were interested supporting the idea. Support and facilitate the development that can be moved forward o the FCIC Board.

**Senator Flakoll:** Would this be another option for somebody (on his shelf) for him to sell?

**Doug Goehring:** Once the concepts were developed and moved forward, and all bugs worked out, well received by board and went through pilot process. They would be available wherever they decide to do the pilot program. Ultimately, we would perceive then made available to producers across the country.

**Senator Flakoll:** What percentage of farmers has or uses crop insurance in ND?

**Doug Goehring:** Very high at one time....80-90% depends on the year, value of crop, on the risk that you are trying to manage. Cost is going up and prices.....premiums are high.

**Senator Flakoll;** Do we have any data that shows us for any given time what percentage of a farmers income comes from getting insurance from these products?

**Doug Goehring:** Depends on the year and loss and type of coverage you purchased.

**Senator Flakoll;** Put these in lay terms, what gaps would this covered?

**Doug Goehring;** Depends on the concept forward.....what risk trying to accomplish. Is there a gap in coverage as stated earlier....the product that was heard by the federal crop insurance corp. moving forward to develop into a pilot program in ND. That looked at variable cost associated with production Ag....something totally new, specific to spring wheat. Could that be something that could be developed into further crops....we hope so? A good place to start because of the amount of acres that exist in ND is spring wheat and hopeful that in 2015 or beyond, the product would actually be developed nationwide and incorporate other crops into it. It depends on what the developer brings forward, but means the ag community being engaged in the process and identity what coverages they would like to see covered. Bring those concepts forward to have them vetted, discussion and tweak and refine for a product that can pass the test and feasibility with FCI Corp.

**Senator Flakoll;** Could you comment on Section 5 .....Confidentiality

**Doug Goehring:** Under section 5 this program is being developed in mirrors exactly what the FCCIC board is and how function works. Once a product has gone through and is being designed and put in a pilot program, then the information is released. They can talk the company and how much awarded, but can't talk about the concept itself.....it is of intellectual property. The Attorney General felt it covered it much like we operate and function with the industrial commission .... We do have to go in a closed meeting to discuss concept brought forth to the industrial commission and then approved.

**Senator Luick;** Who would be the owner of the information generated out of here....the state the owner or private insurance companies?

**Doug Goehring:** State program to award funds to help with of development of crop insurance concepts. The concept is owned by the developer and respect organization individuals that they are working with. Comes back to intellectual property ...we have developer watching what is happening with different developers because if they can see an opportunity to snatch a concept, not think of it on their own, or they see something done and looks refined it and created something much better than what they have/had on the books. If they try to steal information....but concept is much like what exists now when you deal with the federal crop insurance corporation. The concept and product itself is owned by them until it meets approval by the federal crop corporation and developed into a crop insurance product that will be made available to the public. Then the developer gets recognition for what is developed....then becomes ownership of the federal gov or risk management agency. They will continue working with the developer and tweak to make it actuarially sound.

**Senator Flakoll;** Page 2 line 21 walk us through that.

**Doug Goehring:** If it would have gone into a revolving fund would have been great to have the funds available all the time. We see the sensitivity with that issue, and chose to have the funds put back into the general fund. Concerning of funds to a crop insurance concept product....the board has a risk....if there is money put forward to develop a concept to put that initial money that is the start up funds.....and never get this product off the floor, move it forward the Fed Crop In Corp and they choose not to fund it, that would be the area that we would have to negotiate and work with the developer or entity concerning how or if there would be repayment. Concerning if we did our job and help move these products forward and had another set of eyes looking and got it to the level of the Fed Crop Corp and they awarded funds back, for further development and actuarial costs. We could request repayment of those funds that were used to help them start up.

**Terry Weckerly:** Farmer/retailer, Hurdsfield, ND President of ND Grain Growers Association (Attachment #3)

**Senator Flakoll;** Are a number of your members (80 -90%) seem like a reasonable range?

Terry Weckerly: Very reasonable

**Sandy Clark:** ND Farm Bureau. We stand in support of SB 2222. You have heard good testimonies....we want to acknowledge the effort that the Grain Growers have put into these programs.

**Senator Flakoll;** Can you answer what percent of the average farmer income would come from such as this?

**Sandy Clark;** Off the top, no.

**Senator Flakoll;** Just a comment.....correction in testimony.

**Alexis Brinkman:** ND Ag Coalition Administrator (Attachment #4)

**Dana Bohn:** Senate Ag Committee (Attachment #5)

**Dana Bohn:** the answer to your question ... 50% at least of farmer's income comes from crop insurance.

**Tom Lilja:** Executive Director of ND Corn Growers Association. We would like to compliment the commissioner's office for this concept. We think it is well over needed....in the central ND, there are many farmers who cannot get corn qualified in their actuarial bases and they were fighting the problem..... the federal gov came in to say the 15 counties now qualify for corn coverage that you have to go off the bases from 1980 in terms of your yield data. The corn growers view the proposal is not only for new products, but also address some of the things Fed Gov is not addressing ....we feel there could be improvement for those products. We are excited the leadership Goehring is doing with this type concept.....the corn growers stand in favor of it.

**Senator Murphy:** What is the percentage crop insurance that is sold to people in ND and Fed subsidized?

**Tom Lilja:** If you are paying one dollar in premium, the Fed Gov (depending on coverage level) most take the 70% level, so the gov is subsidizing at 58%. Tax payer is paying ....another product at 50% called "cat coverage" About \$200 and can insure half of his acres for 50% of the value . This market environment 50% is a huge loss ....what congress has done they intentionally those levels to try get them to get 65- 75% coverage level. If go to 80% coverage, the payout would be too much.

**Senator Flakoll:** Corn producers have seen great strides in yield per acre, but been tremendous increase inputs whether of variety of cost and industry. Costs for safety .... Is that why this need has grown or merged?

**Tom Lilja:** If you were insuring an acre of corn, with current yield bases.....you're insuring \$180-220 of value. Today with the market close yesterday, we're looking at over \$900 an acre and coverage on a corn acre for spring of 2011. The need for products that address the input side of thing are the next generation of crop insurance products. As corn growers, we are for that.

**Steve Edwardson:** Executive Administrator for ND Barley Council. We are in support of the SB 2222 and see it as a well thought out product. USDA May book of business to give numbers for accuracy. [USDA.armac.gov](http://USDA.armac.gov)

**Mike Beltz:** Farmer of Eastern Traill County. It is our hope in the next farm bill, that it is strengthened and not cut.

**Dan Marm:** Credit Services of Mandan. Clarify statistics of 2006....well over 50% of the income came from crop insurance. A good year as 2010, the percentage is much lower. 90% producers at Farm Credit is a good statistic.

**Senator Flakoll:** In that section, not state wide for the 50%

**Dan Marm:** Correct

**Senator Klein;** If you are loaning money, don't you require crop insurance.

**Dan Marm:** It can be a requirement for some producers.....not for all producers. They are required to be eligible for disaster payments, so most will carry it.

**Senator Flakoll;** Opposition?

**Jack McDonald:** ND Newspaper Association and ND Broadcaster Association (Attachment #6)

**Senator Flakoll:** Is this the big story that somebody developing that some kind of insurance that the newspaper folks would really be wanting to report?

**Jack McDonald:** If there were new products that went out there, it would certainly be news worthy. News items .....we are not looking for the media, but for the public....the interest is more on the conduct of state government.....the board is going to do a lot more than just consider crop insurance. Under this law all would be confidential because everything it does is in the nature of doing this. News is of new concepts.

**Senator Flakoll:** You're talking about just taking out that little section?

**Jack McDonald:** We think this will give this closure that will cloud the work of the committee....once you have closed meetings.....raises a red flag.

**Senator Flakoll;** Bad experience last session with the newspaper media

**Senator Miller;** There was a time period where the meetings could be closed and later that information made available. Is there a purpose to keep the lid on and later brought forward.

**Jack McDonald:** There is already that law. (Film development example) We recognize a time to do this. This law closes everything.

**Senator Flakoll:** Closed hearing on SB 2222.

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Agriculture Committee**  
Roosevelt Park Room, State Capitol

2222 Part 2  
February 3, 2011  
13966

☐ Conference Committee

Committee Clerk Signature

*Greta Nelson*

## **Explanation or reason for introduction of bill/resolution:**

Relating to the development of crop insurance proposals; and to provide an appropriation.

Second meeting for SB 2222

## **Minutes:**

Attachment : #1,

**Senator Flakoll;** Meeting come to order. Let the record show it is 2:46 pm this 3<sup>rd</sup> day of February 2011. At the end of our hearing SB 2342 the power went out one minute the last person to testify was complete. We had him finish completing his testimony....the clerk transcribed and he was basically he was reading the printed material. Any questions deferred until the bill was brought up because it was dark, no power. Were there any other questions or clarifications?

**Senator Flakoll;** SB 2222 second meeting

**Senator Flakoll;** Handed out amendments (Attachment #1) they are the concerns expressed by the gentleman from ND Newspaper Association this morning. Ask to Doug to come to the podium and explain what the amendments are.

**Doug Goehring;** Agricultural Commissioner; the amendments being offered up addresses the issue of confidentiality replaces the lines 26 -28 with access to board records and reads as the following..... (Attachment #1)

**Senator Flakoll;** Question for Doug?

**Senator Klein;** Everybody on board?

**Doug Goehring;** Spoke with Mr. McDonald and feels this will work.

**Jack McDonald;** We do agree with the amendment.

**Senator Flakoll;** so they fully cover your concerns?

**Jack McDonald;** Yes



**Senator Flakoll:** If would be on the House side, you would not feel the need to testify in opposition to the bill if it had no additional amendments on it?

**Jack McDonald:** I don't foresee any opposition on the other side.

**Senator Heckaman;** I move the amendment to SB 2222

**Senator Klein;** second

**Senator Flakoll** Moved and second at 2:52 pm Feb 3, 2011

**Senator Flakoll;** Discussion? Clerk take roll for amendment relative to access to board records

**Clerk:** 7-0-0

**Senator Flakoll;** Motion carries

(Coffee spilled)

**Senator Flakoll** Other amendment passed out page 2 line 20 Grants maybe awarded up to 75% of the first \$50,000 and after 50% thereafter for the future actuarial and development cost ....renumber accordingly. Anyone need any more information?

**Senator Luick;** More explanation

**Doug Goehring:** Agriculture Commissioner the reason this was done as there is a concern if we don't have something spelled out as to how much money could be made available, would it swing the doors wide open when we talk about initially creating a program and would model somewhat of the federal crop insurance corp. board. They do fund 50% or certain levels. We want a little more flexibility and that is why on the first 50 thousand we would allow up to 75% at the boards discretion and any remaining amount of cost that would be associated with research and development could only be up to only 50%. So it leaves a lot of latitude.

**Senator Murphy;** What does that leave us for a fiscal note?

**Senator Flakoll;** We have up to a one million dollar appropriation in the bill. To the extent that funds are available type language.

**Dan Wogsland:** Executive Director ND Grain Growers Association. I appreciate this opportunity. Commissioner Goehring did a fine job. We felt when we putting together the SB 2222 that some point there should be some "skin in the game". That is the reason you have the graduated amounts before to make sure someone has something....we feel sponsoring the organization. Otherwise that is good public policy.

**Senator Flakoll** Is there more state involvement early on because those early works.....there is assurance, risk...the further you get along in the process the better you chance of success.

**Dan Wogsland:** Precisely... what we have is start up money. Senator Luick brought up a good point talking about specialty costs..... yet need be crop insurance risk protection that is necessary, yet they may or may not have the ware with all to get a crop insurance product going. Most of these products are going to cost around \$50,000 (start up cost). That is an average....giving those specially crops along with wheat, barley, etc gives the opportunity to get the risk management products on the ground for producers. We have a chance here in ND something no other state is doing.....folks in the federal level are watching this.....great opportunity for all of us. Producers say risk protection is the most important things that they have.

**Senator Flakoll;** A couple months ago, we talked about this proposal and specific amendment....were you thinking you would have 5 -7 in the stage one process, two in secondary phase, ....how might you envision the money flowing out as far as first sage...50% vs. second stage where we are 50-50?

**Dan Wogsland:** My sense is most is going to be in the first, initial phase. ... the start up phase. This is the opportunity.

**Senator Flakoll;** Talking numbers or dollars?

**Dan Wogsland:** Start up initial phase of the development process.

**Senator Flakoll;** More in terms of numbers of participants vs. dollars?

**Dan Wogsland:** No, you asked if you would have more folks that need the money ....you have many proposals around the \$50,000 range , but all of them will be in the initial phase of the crop insurance process.

**Senator Luick;** Premium costs...how would they compare?

**Dan Wogsland;** Determined by the development procedures.

**Senator Luick;** If you want to make this fly, reduce your premiums for tile fields.

**Dan Wogsland:** Been discussed

**Senator Miller;** Is this going to be a program where there will be competition?

**Dan Wogsland:** The crop insurance will be developed for all...no competitive, could be offered by anyone.

**Senator Murphy;** I consider to be an insurance incubator as well as should the feds stumble on the farm bill something that established a model that we can move forward on a larger scale?

**Dan Wogsland:** Correct.....incubator

**Senator Klein;** Move the amendment as proposed this morning and re-referred to appropriations

**Senator Luick;** Second

**Senator Flakoll;** moved and second

**Senator Murphy:** Is it fair that this program is being instituted by the state because the start up cost are too onerous for private insurance to do and private industry to do on their own?

**Senator Flakoll;** Not just companies, various groups that you want to make sure we have proper insurance tools. The value is having those tools in place for the producers so that they have the proper safety.

**Senator Flakoll;** Clerk take roll vote for Do Pass as amended SB 2222 and re-refer to committee on appropriation

**Clerk:** 7-0- 0

**Senator Flakoll** Motion carries..... Senator Flakoll carries the bill

**Senator Flakoll:** Adjourned

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Agriculture Committee**  
Roosevelt Park Room, State Capitol

SB 2222  
March 31, 2011  
Job #16222

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to the development of crop insurance proposals; and to provide for crop insurance development grants.

## Minutes:

You may make reference to "attached testimony."

**Senator Flakoll;** Meeting called to order this 31<sup>st</sup> day of March, 2011 Committee meeting at 10:00am. Clerk take roll call.

**Clerk:** Roll call: 7-0-0

**Senator Flakoll;** Trouble keeping track bills, they have amended SB 2222 on insurance products; we may go to conference committee on that one. Now it is going to be run through the Ag Dept., not the governor's office. Dropped it down to \$100,000 from \$400,000, we will disagree with them.

**Senator Miller;** That is probably lost.

**Senator Heckaman;** Beet bill?

**Senator Flakoll;** The House killed that bill.....7 to 83

**Senator Flakoll;** The composition of State Board of Animal Health after was defeated with a Do Not pass recommendation 13-0.

**Senator Flakoll:** The study on humane treatment of animals was killed in the House and all the resolutions have passed unscathed and un-amended...

**Senator Flakoll;** Stand adjourned.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2222

Page 2, line 20, after the period insert "Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent thereafter of the future actuarial and development costs."

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2222

#1

Page 2, replace lines 26 through 28 with:

**"Access to board records.**

Materials and data submitted to, or made or received by, the board, to the extent that the board determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the board or receiving board services under this chapter are subject to section 44-04-18.4. The names or identities of the independent technical reviewers on any project or program are confidential and may not be disclosed by the board."

Renumber accordingly

Date: 2-3-11  
Roll Call Vote #: 7-0-0

①

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. \_\_\_\_\_**

Senate Senate Agriculture Committee

☐ Check here for Conference Committee

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

Action Taken Amendment

Motion Made By Senator Heckaman Seconded By Senator Klein

Representatives	Yes	No	Representatives	Yes	No
Senator Tim Flakoll	✓		Senator Joan Heckaman	✓	
Senator Oley Larsen	✓				
Senator Jerry Klein	✓				
Senator Larry Luick	✓				
Senator Joe Miller	✓				
Senator Bill Murphy	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 2-3-11  
Roll Call Vote #: 7-0-1

(2)

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2222

Senate Senate Agriculture Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass & refer on appropriation

Motion Made By Senator Klein Seconded By Senator Luick

Representatives	Yes	No	Representatives	Yes	No
Senator Tim Flakoll	✓		Senator Joan Heckaman	✓	
Senator Oley Larsen	✓				
Senator Jerry Klein	✓				
Senator Larry Luick	✓				
Senator Joe Miller	✓				
Senator Bill Murphy	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Flakoll

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



**REPORT OF STANDING COMMITTEE**

**SB 2222: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2222 was placed on the Sixth order on the calendar.**

Page 2, line 20, after the underscored period insert "Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent thereafter of the future actuarial and development costs."

Page 2, replace lines 26 through 28 with:

**"Access to board records.**

Materials and data submitted to, or made or received by, the board, to the extent that the board determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the board or receiving board services under this chapter are subject to section 44-04-18.4. The names or identities of the independent technical reviewers on any project or program are confidential and may not be disclosed by the board."

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2222

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2222  
February 11, 2011  
Job # 14424

☐ Conference Committee

Committee Clerk Signature

*Rose Loring*

### Explanation or reason for introduction of bill/resolution:

A bill relating to the development of crop insurance proposals.

### Minutes:

See attached testimony # 1-4.

**Chairman Holmberg** called the committee hearing to order on SB 2222.  
Sheila M. Sandness – Legislative Council; Lori Laschkewitsch of OMB.

**Senator Tim Flakoll - District 44 – Bill Sponsor** – See written testimony.

**Doug Goehring - Agriculture Commissioner, State of North Dakota** –See written testimony.

**Senator Robinson** – Asks if this is a re-referral.

**Chairman Holmberg** – Explains this is a bill that was re-referred from the Ag Committee.

**Senator Robinson** – Ask if there was any discussion in the Ag committee about including any members of the minority party to the Board.

**Goehring** – Replies this wasn't about politics, but giving the Legislature representation.

**Senator Robinson** – Responds that it's always good to have broad based representation.

**Goehring** – Says they would certainly welcome anyone to put their names forward and those in leadership would take that in advisement.

**Senator Wanzek** – Comments that as a producer in state, as far as farm program subsidies go, crop insurance is the most vital tool in his operation. He goes on to say that any effort to bolster that and maintain a good crop insurance program is the most vital thing we could do for agriculture.

**Senator Kilzer** – Asks why insurance companies don't grab this business and make a profit. He asks why they have to come to the State.

**Goehring** – Replies that for crop insurance to work, you need to first pool all the premiums and the risk. He says if you cherry picked, the corn states had better loss ratios than the rest of the country and those insurance companies that shared in the risks got a portion of the premiums. He goes on to explain how they fared better than the rest and that some companies took some big hits. He says there is a lot of risk out there. The weather is more of a determining factor than anything else. You can identify your risk. The federal government has to be involved so they can provide most of the underwriting and support and they also provide a large percentage of the premium to make it affordable for producers to participate in the program.

**Senator Kilzer** – Asks if it is higher risk doesn't mean that the premiums should be higher.

**Goehring** - Explains that is true and that North Dakota's loss ratio on corn is at the higher end but eastern ND pays a different premium than central ND. He goes on to explain how the money is pooled to protect the entire US under crop insurance programs. This program looks at developing new or next generation crop insurance products that could be underwritten by the Federal government to provide another layer of coverage to producers that doesn't exist now.

**Senator Wanzek** – Explains that in the federal crop insurance program you can make application and it's a one size program. If a commodity program comes up with something better they can propose a new idea and they will consider it and may grant it. This effort is an effort to look at our unique situations to see if there is a better way to approach it.

**Goehring** – Responds that is true, the largest difficulty right now is to get these concepts developed. He goes on to say this will enable them to look at these crops and move them forward to the federal crop insurance program.

**Senator Wanzek** – Gives the example of a proposal being made that if you use modern seed and technology you could get a reduction in your premium because there is proof that there is more guarantee with the use of certain products.

**Senator Kilzer** – Said he wanted to make sure the government wasn't creating obstacles that were the reason commercial insurance companies don't want to pursue some of this.

**Goehring** - Replies he doesn't think the commercial insurance industry wants to touch crop insurance. He says it has been a losing battle for many years. He says there are a lot of pitfalls and there are some producers left without coverage. He says unlike other insurance products, here you buy a level of coverage you never get to buy 100% of your coverage to at least to keep your operation whole.

**Dan Wogsland - Executive Director, North Dakota Grain Growers** – See written testimony.

**Senator Grindberg** – Asks why his group wouldn't assess themselves and do it.

**Dan Wogsland** – Replies in the 2008 farm bill, the ND Grain Growers went to congress and looked at farm development part of agency law. The ND grain growers can develop a concept

and take it to the federal crop insurance corporation and if they say no then you're out all of that cost. He explains how they see this fund will be reimbursed. He said he thinks this will promote crop insurance development.

**Senator Bowman** – Comments on why he signed onto this bill. He says we are all players and rely on agriculture as our base for running this State and I'd rather have our own State work on a program that is going to reward us rather than destroy us.

**Senator Grindberg** – Asks why this State should put money in it?

**Chairman Holmberg** – Replies we will have discussion next week.

Close the hearing on SB2222

9oAdditional testimony submitted

**Keith Deutsch, President, US Durum Growers Association**  
Written testimony attached # 4.

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2222  
February 17, 2011  
Job # 14705 (Meter starting at 61: 00)

☐ Conference Committee

Committee Clerk Signature

*Rose Lanning*

### Explanation or reason for introduction of bill/resolution:

A committee vote on a bill relating to the development of crop insurance proposals.

### Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg** said they will take up crop insurance and reminded the committee there is an engrossment bill in their book.

**Senator Wanzek** handed out amendment 11.0592.02001 and said it changes the two members of the majority leaders to three legislators appointed by the chairman of the legislative management provided that two members are of the same party that holds the majority in the Senate and one is a member of the minority party. It changes the appropriation from \$1M down to \$400,000. My intent was to replace the money coming in from the general fund from APUC. The amendment says agricultural fuel tax and should say APUC.

**Senator Wanzek** moved Do Pass on amendment 11.0592.02001 with APUC correction.  
**Senator Fischer** seconded.

Roll Call vote was taken. Yea: 10 Nay: 3 Absent: 0

**Senator Wanzek** Moved Do Pass as Amended on SB 2222

**Senator O'Connell** seconded.

A Roll Call vote was taken. Yea: 11 Nay: 2 Absent:0

**Senator Wanzek** will carry the bill.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2222

Page 1, replace lines 9 and 10 with:

"c. Three legislators appointed by the chairman of the legislative management, provided that two are members of the same party that holds a majority in the senate and one is a member of the minority party."

Page 1, line 11, replace "e." with "d."

Page 1, line 13, replace "f." with "e."

Page 1, line 15, replace "g." with "f."

Page 3, line 4, replace "general" with "~~agricultural fuel tax~~ APUC

Page 3, line 5, replace "\$1,000,000" with "\$400,000"

Renumber accordingly

Date: 2-17-11  
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2222

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0592.02001 (Wanzek)

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Wanzek Seconded By Fischer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner		✓
Senator Bowman	✓		Senator O'Connell		✓
Senator Grindberg	✓		Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment \_\_\_\_\_

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



Date: 2-17-11  
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2222

Senate Appropriations Committee

☐ Check here for Conference Committee

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

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Wanzek Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg		<input checked="" type="checkbox"/>	Senator Warner	<input checked="" type="checkbox"/>	
Senator Bowman	<input checked="" type="checkbox"/>		Senator O'Connell	<input checked="" type="checkbox"/>	
Senator Grindberg	<input checked="" type="checkbox"/>		Senator Robinson	<input checked="" type="checkbox"/>	
Senator Christmann	<input checked="" type="checkbox"/>				
Senator Wardner	<input checked="" type="checkbox"/>				
Senator Kilzer		<input checked="" type="checkbox"/>			
Senator Fischer	<input checked="" type="checkbox"/>				
Senator Krebsbach	<input checked="" type="checkbox"/>				
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Wanzek	<input checked="" type="checkbox"/>				

Total (Yes) 11 No 2

Absent 0

Floor Assignment Wanzek

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

**REPORT OF STANDING COMMITTEE**

**SB 2222, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2222 was placed on the Sixth order on the calendar.

Page 1, replace lines 9 and 10 with:

"c. Three legislators appointed by the chairman of the legislative management, provided that two are members of the same party that holds a majority in the senate and one is a member of the minority party."

Page 1, line 11, replace "e." with "d."

Page 1, line 13, replace "f." with "e."

Page 1, line 15, replace "g." with "f."

Page 3, line 4, replace "general" with "agricultural fuel tax"

Page 3, line 5, after "fund" insert "administered by the agricultural products utilization commission"

Page 3, line 5, replace "\$1,000,000" with "\$400,000"

Renumber accordingly

2011 HOUSE AGRICULTURE

SB 2222

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Agriculture Committee  
Peace Garden Room, State Capitol

SB 2222  
March 17, 2011  
Job #15592

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to the development of crop insurance proposals; and to provide an appropriation.

## Minutes:

**Senator Flakoll, Sponsor:** (See attached #1)

**Representative Rust:** Is this in the executive budget?

**Senator Flakoll:** No.

**Representative Holman:** Why did you choose the fuel tax fund?

**Senator Flakoll:** I didn't choose the fuel tax fund. Senate Appropriations chose the fuel tax fund at the direction of people that have their offices next to the chambers.

**Chairman Johnson:** \$400,000, is there that kind of money available in that fund.

**Senator Flakoll:** When it was on the Senate side, it was believed that there was. We feel this is important to the ag. industry which is still the largest industry in the state of ND.

**Representative Holman:** You only have one insurance industry person on the board.

**Senator Flakoll:** I'll defer that to others.

**Doug Goehring, ND Agriculture Commissioner:** (See attached #2)

**Representative Mueller:** Are we talking more about the development of an insurance product for crops that are not currently insured or are we talking about enhancing the insurances that are currently offered on wheat, barley, corn, or are we talking about both?

**Doug Goehring:** It is a mix of both. With this most previous product being considered by FCIC, it will focus primarily on spring wheat. That would be a pilot program that would be established in the northern plains. We are hoping it would be North Dakota primarily because we are number one in the production of spring wheat. If the product is viable and it moves forward, it would be put in place and used across the nation. After that you'd have

to look at other crops that would be able to be used in this type of program. Concerning the other crops that exist in North Dakota—some have very minor or minimal coverage under CAT (Catastrophic crop insurance) or NAP (Noninsured Crop Disaster Assistance Program) and that does cause some problems. Other things that revolve around those are the price selections and how they are set for some of the nontraditional crops that are very exclusive to North Dakota.

**Representative Belter:** Have any other states taken on a project like this?

**Doug Goehring:** No. They have not seen a reason to because the rest of the country looks at traditional crops such corn, soybeans, and winter wheat in general. They have not seen a need to either address it or felt that they were prevented from doing it because they didn't think crop insurance products were viable products for them. They didn't have much for disruptions in the production aspect. We don't start to see an increased usage of crop insurance throughout the corn belt until some catastrophes take place and when the revenue goes up. We do have crops such as cotton and rice that do participate. They have never linked themselves up with anyone else to address their concerns. We've never been unified in this.

**Representative Belter:** There are some relationships we have with Minnesota and South Dakota. Has any attempt been made to work jointly on this? Have these states been approached to join us in this effort?

**Doug Goehring:** That was a joint effort. But that was for a specific product to leverage some support with the Federal Crop Insurance Corporation Board and Risk Management Agency. We did make some headway with developing a board and a program that would help create some new concepts. No one has taken it on. It is watched with great interest by Washington, DC. Risk Management in Kansas City and Billings are watching also. We can offer suggestions and advise.

**Representative Headland:** RMA recently made a decision to lower the quality standards on corn from 46 down to 40 pounds. I think that will be to the detriment of the producer. Do you envision this board dealing with decisions such as that?

**Doug Goehring:** No. This would be very specific in dealing with the concepts. We have organizations that can promote and educate RMA to show them the error or their way. These would include State Ag. Departments, National Farm Bureau, National Farmers Union, Corn Growers, National Wheat Growers, the National Soybean Industry, and others. All of us standing together to say this isn't right will apply enough political pressure to at least get it changed. Maybe not this year, but next year that probably will be addressed.

**Representative Headland:** Could you familiarize the committee on what the ag. fuel tax is funding now.

**Doug Goehring:** I believe that's going towards roads and infrastructure. I was told the funding for this program would come from Agricultural Products Utilization Commission. Knowing they had enough money, I didn't worry about it.

**Representative Headland:** You wouldn't mind if we found a better funding source?

**Doug Goehring:** I'm all for it. I think it is a valuable program. If you can find the funds to do this, that would be great.

**Chairman Johnson:** The funding started at \$1 million. The Senate reduced it to \$400,000. What numbers can you see working with before it becomes ineffective?

**Doug Goehring:** It is hard to assess what that may be. Some products that make minor changes or development in actuarial costs may be very specific with a specific type of crop that's not grown in large quantities. It might be easier to fund a project like that for somewhere between \$20,000 and \$50,000. There are other crops that take a lot more work and resources. Those could surpass \$50,000 easy. If we cut down too much, we will get one or two products off the ground. Reimbursement back would go to general fund.

**Chairman Johnson:** This is a new program. If this looks like it is going to work, we can come back in two years to see what happened and build on that.

**Representative Boe:** What percentage of payback could we expect from the repayment of these grants?

**Doug Goehring:** Once they received reimbursement for their beginning actuarial and development costs, we would expect 100% at that time.

**Representative Belter:** What is the current process that is used if people are going to advocate for changes to crop insurance?

**Doug Goehring:** A farm organization would engage a crop insurance developer. They would float the need that they have by them. The crop insurance developer would start to work on the concept to address the need when developing it. Then it goes back to concentration of risk and how large of an area are you trying to cover. Previous products took five years to get approved.

**Representative Holman:** What is the makeup of the board? Is one representative of the insurance industry sufficient? I don't see a requirement that anyone on the board is a producer?

**Doug Goehring:** I would like to see a board made up of as many people that have the expertise, skills and talents to make decisions to help move products forward. Then I come back to reality and understand that we are dealing with the political system. The other danger is in creating too large of a board.

**Representative Mueller:** Who are the people who receive the money?

**Doug Goehring:** I am aware of two crop insurance development entities. These are insurance developers that can look at a concept and work it out. This board can help by looking at desirability and feasibility of products.

**Terry Weckerly, President of ND Grain Growers Assn.:** (See attached #3)

This looks like an excellent tool to help producers of ND.

**Representative Headland:** How does CMC (Crop Margin Coverage) work?

**Terry Weckerly:** I can't tell you because they are still working on it. It has been approved for a pilot program. The concept is, we are going to take energy cost, fuel and fertilizer, and have that indexed. I see it is as an add-on like malt barley insurance. We start the year with low energy prices and they escalate as they did in 2008. That is what CMC helps with.

**Representative Trottier:** Do the producer groups have money in their accounts and would they be willing to cooperate with this program?

**Terry Weckerly:** This will participate with the producer groups. It will pay up to a percentage. The producer group still needs to come up with some money. It isn't a free ride.

**Steven Finsaas, South Heart Producer:** (See attached #4)

**Dana Bohn, ND Farm Credit Council:** (See attached #5)

**Representative Mueller:** Has there been any discussion about funding these kinds of efforts?

**Dana Bohn:** Refers to Dan Wogsland.

**Alan Tellman, Chairman of ND Ag Coalition:** (See attached #6)

**Dan Wogsland, Executive Director, ND Grain Growers Assn:** We believe in this bill. Crop insurance and risk protection is one of the most important things that farmers and ranchers can have. This is a proactive approach to developing risk management tools that are good for North Dakota farmers and ranchers.

**Representative Mueller:** Do you know if any of the agencies that do this business with crop insurance, have they been involved in investing in new crop insurance products?

**Dan Wogsland:** With conversations, I have heard of some groups that have talked about developing crop insurance. I do know of other producer groups and commodity groups that are engaged in this activity. This is start-up costs. Start-up is about \$50,000. In answer to Rep. Trottier's question, that is why we have the 75/25 percent in here. We think you have to have some "skin" in the game. With us having 14 different commodities that we lead in, some of those commodities don't have the wherewithal to get some of these things off the ground.

**Representative Headland:** Do you know what we are using the Ag. Fuel Tax Fund for?

**Dan Wogslund:** What we are looking at is Agricultural Products Utilization Commission. On the Senate side there was enough cushion in that fund to take care of this. Getting this off the ground is important.

**Keith Deutsch, President of the U.S. Durum Growers Assn.:** (See attached #7)

**Opposition or Neutral:** None

**Chairman Johnson:** Closed the hearing.

**Representative Boe:** Can we direct the money back to Agricultural Products Utilization Commission or does it have to set there until the next legislative session?

**Chairman Johnson:** We can check into that.



# 2011 HOUSE STANDING COMMITTEE MINUTES

House Agriculture Committee  
Peace Garden Room, State Capitol

SB 2222

March 24, 2011

Job #15991

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Committee Work— Relating to the development of crop insurance proposals; and to provide an appropriation.

## Minutes:

**Chairman Johnson:** This bill started at \$1 million and by the time it got here it is \$400,000. Since the hearing there has been some opposition from the Governor's office for managing this. I've been working with others on amendments trying to look at \$100,000 with the money coming from the fuel tax in Agricultural Products Utilization Commission's possession. We are trying to find some way of granting the money. Now we are looking at Agricultural Products Utilization Commission. Some thought about the Industrial Commission—there is some resistance there.

**Representative Mueller:** This seems to be an unwanted stepchild in terms of agencies. Has anyone approached the Insurance Department to be the lead on this?

**Chairman Johnson:** The only way they have been approached is, not approached, but when we were working on these amendments, others didn't know if they wanted crop insurance in the Insurance Department. Now we are leaning to Agricultural Products Utilization Commission. If it is going to be a grant, we can put into statute that they are the granting entity. By statute they would be in position to grant up to \$100,000 to this group that would hear the proposals.

**Chairman Johnson:** We will continue work on this tomorrow when amendments are ready.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Agriculture Committee  
Peace Garden Room, State Capitol

SB 2222

March 25, 2011

Job #15995

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Committee Work— Relating to the development of crop insurance proposals; and to provide an appropriation.

## Minutes:

**Chairman Johnson:** Passed out amendment 11.0592.04001

When this bill started out there was \$1 million of general fund in there. The Senate reduced it to \$400,000. We are looking at \$100,000 and it would come out of Agricultural Products Utilization Commission fuel tax. They would administer the money. This new board that is developed, if they have a product in mind they would go to APUC for approval. Any funds that would come back to this board from a product would be returned through the treasurer back to the fuel tax portion of APUC funding. Anita drew up these amendments.

There are a couple of other things in the bill that I would like to see done:

--Page 1, line 9, the Senate put it in. When they put it in, it would be to manage the monies if it comes from the general fund. I would like to see Section C removed as I don't see what legislators would bring to the table on this committee.

--Page 2, line 9, Section 3 I would like to see eliminated. By eliminating the legislators, everyone on the board is reimbursed now from the position they have. They wouldn't need any compensation. That would help keep the money part of this bill down.

--Page 1, line 16, concern was brought up in committee of only one crop insurance industry individual with an opportunity to be appointed to this board. I would like to see two rather than one--to have two companies on this board. So the board would be six people.

**Representative Rust:** Moved above three amendments.

**Vice Chair Kingsbury:** Seconded the motion.

**Representative Mueller:** I think it is the right move. The question I have is with line 16, with two individuals, my concern would be with two members of the same crop insurance agency.

**Representative Boe:** In Section d and e, it says to split duties of appointments between the Governor and Agriculture Commissioner. If you were going to add one more crop

insurance industry representative, should we have that one appointed by the Governor's office?

**Chairman Johnson:** Now you have the Governor making some of the appointments and the Commissioner is appointing.

**Representative Boe:** In Section d, the agricultural organization one member is appointed by the Governor. In Section e, the member is appointed by the Commissioner. In Section f, it will be two by the Agriculture Commissioner. To be the same as above, should we have one by the Commissioner and one by the Governor's office?

**Chairman Johnson:** That would work. It doesn't clarify if they could be from same insurance company.

**Representative Boe:** The same dilemma exists in the language above. It doesn't separate that it couldn't be the same farm organization.

**Chairman Johnson:** Rather than have two individuals on f, do you want to go with another letter and have the Governor appoint one from the insurance company too?

**Representative Rust:** I'll add that to my motion.

**Representative Wrangham:** On the compensation end, we are going to have the Governor or designee which often could be someone representing the citizens of the state. If we are not going to compensate them for mileage, that limits some people who live a distance from where the meetings are held. That may be a burden on some. The daily per diem is important but I'm also thinking the travel expenses. I'm not sure I support removing the compensation section.

**Chairman Johnson:** My thoughts of proposing this was looking at the membership. When you take the three legislators out, the Governor or designee I assumed would be close by. The Agriculture Commissioner is here. The others are on a payroll from their company with a travel budget. My thoughts are just trying to get this project started and in two years if this is successful, we could come back with an amendment then.

**Representative Mueller:** Usually it is the agriculture person from the Governor's office and that person would be on the payroll.

**Voice Vote taken on verbal amendments.** Passed

**Representative Boe:** Moved amendment LC #11.0592.04001.

**Representative Schmidt:** Seconded the motion.

**Voice Vote taken on amendment .04001.** Passed

**Chairman Johnson:** We now have before us SB 2222 with .4001 amendments and amendments that removed c on line 9 and add g to allow for another insurance industry member to be appointed by the Governor and on page 2 to eliminate Section 3. It will not have to be referred to appropriations this way.

**Representative Boe:** Moved Do Pass as Amended.

**Representative Wall:** Seconded the motion.

A Roll Call vote was taken. **Yes:** 13, **No:** 0, **Absent:** 1,  
(Representative Belter)

**DO PASS as amended carries.**

**Representative Johnson will carry the bill.**

**Representative Wrangham:** With your comment about appropriations, this is still going to include \$100,000 from the fuel?

**Chairman Johnson:** Rep. Delzer said the way we are doing it, taking the compensation out and having \$100,000 in the gas fuel tax part of APUC that is a revolving fund so it comes out of that account and goes back into that account. It would not have to go to appropriations.

Date: 3/25/11

Roll Call Vote # 1

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** SB 2222

House **Agriculture** Committee

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

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended

☐ Rerefer to Appropriations

Motion Made By Representative Rust Seconded By Vice Chair Kingsbury

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:

Page 1, remove lines 9-11

Page 1, line 16, one individual appointed by the agriculture commissioner and one appointed by the governor

Page 2, remove lines 9-13, which is Section 3.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2222

Page 1, line 1, remove the second "an"

Page 1, line 2, replace "appropriation" with "for crop insurance development grants"

Page 2, replace lines 16 through 26 with:

- "1. The crop insurance development board shall assess the feasibility and desirability of proposals submitted by individuals and by public and nonpublic entities pertaining to the development and implementation of crop insurance instruments. The board may authorize the awarding of grants to assist with future actuarial and development costs.
2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural fuel tax fund."

Page 3, replace lines 4 through 9 with:

**"SECTION 6. CROP INSURANCE DEVELOPMENT GRANTS.** During the 2011-13 biennium, the agricultural products utilization commission shall expend up to \$100,000 from the agricultural fuel tax fund for the purpose of awarding grants that have been approved by the crop insurance development board in accordance with this Act."

Renumber accordingly

Date: 3/25/11

Roll Call Vote # 2

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** SB 2222

House **Agriculture** Committee

Legislative Council Amendment Number #11.0592.04001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended

☐ Rerefer to Appropriations

Motion Made By Representative Boe Seconded By Representative Schmidt

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:

\$100,000 would come from APUC fuel tax.

March 25, 2011

VR  
3/25/11

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2222

Page 1, line 1, remove the second "an"

Page 1, line 2, replace "appropriation" with "for crop insurance development grants"

Page 1, remove lines 9 through 11

Page 1, line 12, replace "d." with "c."

Page 1, line 14, replace "e." with "d."

Page 1, line 16, replace "f." with "e."

Page 1, line 16, replace "One individual" with "Two individuals"

Page 1, line 16, after the underscored comma insert "one appointed by the governor and one"

Page 2, remove lines 8 through 13

Page 2, replace lines 16 through 26 with:

- "1. The crop insurance development board shall assess the feasibility and desirability of proposals submitted by individuals and by public and nonpublic entities pertaining to the development and implementation of crop insurance instruments. The board may authorize the awarding of grants to assist with future actuarial and development costs.
2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural fuel tax fund."

Page 3, replace lines 4 through 9 with:

**"SECTION 5. CROP INSURANCE DEVELOPMENT GRANTS.** During the 2011-13 biennium, the agricultural products utilization commission shall expend up to \$100,000 from the agricultural fuel tax fund, for the purpose of awarding grants that have been approved by the crop insurance development board in accordance with this Act."

Renumber accordingly



Date: 3/25/11

Roll Call Vote # 3

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** SB 2222

House **Agriculture** Committee

Legislative Council Amendment Number 11.0592.04002

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended

☐ Rerefer to Appropriations

Motion Made By Representative Boe 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	AB		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** 13                      **No** 0

**Absent** 1

**Bill Carrier** Rep. Johnson

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

**REPORT OF STANDING COMMITTEE**

**SB 2222, as reengrossed: Agriculture Committee (Rep. D. Johnson, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
Reengrossed SB 2222 was placed on the Sixth order on the calendar.

Page 1, line 1, remove the second "an"

Page 1, line 2, replace "appropriation" with "for crop insurance development grants"

Page 1, remove lines 9 through 11

Page 1, line 12, replace "d" with "c."

Page 1, line 14, replace "e." with "d."

Page 1, line 16, replace "f." with "e."

Page 1, line 16, replace "One individual" with "Two individuals"

Page 1, line 16, after the underscored comma insert "one appointed by the governor and one"

Page 2, remove lines 8 through 13

Page 2, replace lines 16 through 26 with:

- "1. The crop insurance development board shall assess the feasibility and desirability of proposals submitted by individuals and by public and nonpublic entities pertaining to the development and implementation of crop insurance instruments. The board may authorize the awarding of grants to assist with future actuarial and development costs.
2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural fuel tax fund."

Page 3, replace lines 4 through 9 with:

**"SECTION 5. CROP INSURANCE DEVELOPMENT GRANTS.** During the 2011-13 biennium, the agricultural products utilization commission shall expend up to \$100,000 from the agricultural fuel tax fund, for the purpose of awarding grants that have been approved by the crop insurance development board in accordance with this Act."

Renumber accordingly

2011 SENATE AGRICULTURE

CONFERENCE COMMITTEE

SB 2222

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Agriculture Committee  
Roosevelt Park Room, State Capitol

SB 2222  
April 7, 2011  
Job #16430

☒ Conference Committee

Committee Clerk Signature

*Greta Nelson*

## Explanation or reason for introduction of bill/resolution:

Relating to the development of crop insurance proposals; and to provide an appropriation.

## Minutes:

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**Senator Flakoll:** Meeting called to order this 7<sup>th</sup> day of April, 2011 SB 2222. Clerk take roll call.

**Clerk:** Roll call. 6-0-0

**Senator Flakoll;** House walk us through the changes made on the House side.

**Representative Johnson:** Realizing this bill started out at 1 million dollars was down at 400 thousand, we had concerns of being able to get this through our assembly at 400 thousand rate with the monies that are available. Not necessarily in order of explaining, but one of the goals to get it down to 100 thousand dollars so we could keep the concept in place and another amendments was to take off the 3 legislators off the Senate had put on for membership on for the board. Questioning what the 3 legislators would bring to this process as the folks who are in the field and familiarity of the projects. By doing that, it would eliminate the section on compensation of the board members because, the makeup of board, all on board would be fulfilling two duties having the income that needing that day so wouldn't have to reimburse board members. Main objective was to get the number down to 100 thousand and line 13 E concerns on committee, we had one individual representative in insurance industry and majority of committee felt there should have 2 individuals who more representation the insurance industry in ND.

**Senator Flakoll;** Want to comment on the source of funds?

**Representative Johnson:** The source of funds was 100 thousand from the gas tax coming section of APUCK .....a grant in process from APUCK ....development board could go to have the money administrated from this granting source APUCK with any money coming back in this process would automatically go back to the source, replenishing the 100 thousand.

**Senator Flakoll;** Is there any carry over ability continuing the appropriation?

**Representative Johnson:** The 100 thousand dollars ..... there is more than that in the fund and would be earmarked for these projects.

**Senator Flakoll;** You didn't allow it to be a revolving fund? After this session, the program would be essentially over?

**Representative Johnson** If that would want it to be, it would be our intent was to be a revolving funds so it would always be available.

**Senator Klein;** Taking out the legislators because of their lack of knowledge, why the governor designee still on there?

**Representative Johnson:** Governor likes to be involved .....Not wanting to belittle the legislatures, just finding a way to everyone on this board had a source of income so not necessary to be reimbursed. Nothing from keeping the legislator from being appointed.

**Senator Klein;** Gov and his appointees and Ag Commissioner appointee. Still representing and cut the board back 5.

**Representative Johnson:** Amending those parts of the bill, we only took off the possibility of the committee was that the legislators were on here when we had the hearing. Those questions came up.

**Representative Trottier;** Only thing to add was testimony inferred that this would be an on going as the results of the studies would take longer than 2 years.

**Senator Flakoll;** Bill as it is before us, there is no provision to pay the citizen board member who is serving on it? (Per diem?)

**Representative Johnson:** None

**Senator Klein;** How many projects/grants can we do with the 100 thousand? Are we a little short on that end....going from wherever we were which was a lot, 400 thousand going to 100 thousand .....are we going to be in a position to get these grants to work done?

**Representative Johnson:** Concerns did not want to put this much money in this project. We have the bill passed substantial as 100 thousand dollars, visited with Ag Commissioner about the opportunity and would like to see a little move money. Proposing 150, but would like to visit with appropriations ....they may put up a road block.....without losing the chance of getting it.

**Senator Flakoll;** Both sides agree there should be a revolving sort of funds.

**Senator Flakoll;** We are different how many dollar....carry over/revolving funds. Affirmative comfortable with source of funds? Limit on that issue ....question a grind on commit Let's start at the bottom starting with Page 1 on the 5000 version....familiar (page 1) E -ok commissioner D - ok C - ok B - ok Governor 5 or 6...what are your thoughts?

**Senator Klein;** Opportunity Governor to have 3 appointments .....sounds like a designee and see that is workable with 5.

**Representative Johnson:** Question .... The one on their ABCD were the original bill.....taking off the 3 and one we added in the insurance.

**Senator Flakoll;** Composition is changing somewhat....play into it.

**Representative Holman:** Back to A, that implies it would be someone from the governor's staff....back to E would not necessarily re-staff? Eliminate another staff?

**Senator Klein;** Gov office will sit in on meeting....we are looking for some people with knowledge from the industry...ask the governor....do they understand crop insurance or just be in attendance to learn. ....report and has 3 other reports

**Senator Heckaman;** Clarification.....3 other appointees

**Senator Klein;** 2 appointed

**Senator Flakoll;** On the composition, do you have any comments that need to be made on the crop insurance board?

**Senator Heckaman;** I see that there is not a need for a legislator to be on the committee...6 people and then a tie vote a problem. Leave the governor on.....a legislator on there doesn't seem necessary.

**Senator Flakoll;** Do you think they should be resident of ND?

**Senator Heckaman;** Serving each 2 years?.....staggering on board.....consecutive terms?

**Senator Heckaman:** Do other boards list in bi-laws that their members must be a resident of ND.

**Senator Flakoll;** Example: Must be a tax payer for past 5 years...raises red flags.....if not a resident. Discussions back and forth.

**Senator Klein;** I believe the appointees will be naturally appointed from ND

**Senator Flakoll;** Conversation to see what level amount to put on this .....mistake if could only have one project as out of money.....could fail and cause problem for the next time.

**Representative Trottier;** The organization/industry ....it wasn't going to be easy to get a lot of money to fund/grants.

**Senator Flakoll;** Depends on the organization and we cover the first 75% of the first 50,000 and changes thereafter....it could be just one. There is the initial stage in testimony was believed to be the initial cost of something if you want to keep marching to final goal....expensive very quickly.

**Representative Johnson:** What numbers are we looking at? Don't want to get out of box.

**Senator Flakoll;** Not 250

**Senator Klein;** Start at 200,000 and hope to end with at least 150,000 .....200 to work with. We don't want to short change us.

**Representative Holman;** What is the size of the grant.....more than one grant in operation, how many grants would we get?

**Senator Flakoll;** Depends on how fast push down road.....initial phase, some possible could filter out.....not all survive. Next phase cost could rise significantly.

**Senator Klein;** This comes back to the fund and could have a pool that could be self sustaining.

**Senator Flakoll;** Timing of that is not a custodial fund over a year ....anyone disagree as far as the roll back time? Let's try to get 2 in the pipeline. Settle at 200,000 a favorable which is 20% of what the original bill called for ...it would be a favorable negotiation point for the House in that it is not a midway point of the two. Not unreasonable to ask for. When we are talking about impact this could have on this agriculture industry, it is reasonable in terms of what insurance products have done to the agriculture committee in the state of ND ....transformational as far as insuring that producers can have a successful year

**Representative Johnson:** We put it at 100,000 to keep it alive to get to this point and build on it to keep it going and not lose it because of the money.

**Senator Flakoll;** Adjourned

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Agriculture Committee**  
Roosevelt Park Room, State Capitol

SB 2222 Re-Engrossed  
April 12, 2011  
16504

☒ Conference Committee

Committee Clerk Signature

*Greta Nelson*

Relating to the development of crop insurance proposals; and to provide for crop insurance development grants.

**Minutes:**

**Senator Flakoll;** Meeting called to order this 12<sup>th</sup> day of April, 2011 on SB 2222. Clerk will take the roll call.

**Clerk:** All present

**Senator Flakoll;** Committee, you have the 4004 amendments which encompasses what we talked about last meeting. They reduced the number on the committee down to 5 members, so will take 3 of 5 to pass something....removes the governor of the governor's designee. Splits the language on the crop industry folks. Main issue for this is it changes the amount the Senate had \$400,000 ....the proposed amendment has \$150,000, it allows for carry over authority and for continuation for the 2015 biennium. Those monies could be a carryover or roll back in until 2015 year.

**Representative Johnson:** Remove lines 8 – 13 and page 1D.....are we removing "E"?

**Senator Flakoll:** What was done by Legislative council, those were split so rather than having 2 by the Ag Commissioner.....one by Governor and one by Ag Commissioner.....now they are separately, same thing, just written differently. Now a "stand alone" so the count is 5 members.

**Representative Johnson:** Discussion

**Senator Flakoll;** Did you share the marked up version with the House members in context?

**Representative Johnson:** Shared the amendments.

**Senator Flakoll;** Questions/concerns....(time for reading over the bill)

**Representative Johnson:** Last page on page 4; section 6 why we want a "sunset" on this?



**Senator Flakoll;** We went from 2 year program to a 4 year program, we need some stretching because some will be in the pipeline and we don't want a concern by not being completed and then rely on the legislature to finish. Giving a 4 year span.....it could be extending past that date and has a chance to evaluate. What is the right amount of dollars and what are the outcomes, time, and dollars of investment.

**Senator Klein;** I move amends to the 4004 amendments

**Representative Johnson:** Second

**Senator Flakoll;** Discussion? Reasonable amount for passage and is account that can be revolving in nature. Some of the discussion at the Federal level, the Insurance programs seem to be up for discussion....as far as what the federal government might participate in.....making this timely. Clerk take the roll for the 4004 amendments to SB 2222

**Clerk;** 6-0-0

**Senator Flakoll;** Motion carries

**Senator Flakoll;** Adjourned

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: AGRICULTURE

Bill/Resolution No. SB 2222 as (re) engrossed

Date: 4/7/11 / 4/12/11

Roll Call Vote #: \_\_\_\_\_

## Action Taken

- ☐ SENATE accede to House amendments  
☐ SENATE accede to House amendments and further amend  
☐ HOUSE recede from House amendments  
☒ HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) 1119-1120 - 1214-1215

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed)

of business on the calendar

was placed on the Seventh order

Motion Made by: Senator Klein Seconded by: Rep. Johnson

Senators	<u>4/7/11</u>	<u>4/12/11</u>	Yes	No		Representatives	<u>4/7/11</u>	<u>4/12/11</u>	Yes	No
T. FLAKOLL	✓	✓	✓			REP. JOHNSON	✓	✓	✓	
J. KLEIN	✓	✓	✓			REP. HOLMAN	✓	✓	✓	
J. HECKAMAN	✓	✓	✓			REP. TROTTER	✓	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier Senator Flakoll House Carrier Rep. Johnson

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 8, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2222

That the House recede from its amendments as printed on pages 1119 and 1120 of the Senate Journal and pages 1214 and 1215 of the House Journal and that Reengrossed Senate Bill No. 2222 be amended as follows:

Page 1, line 1, remove "and to provide an"

Page 1, line 2, replace "appropriation" with "to provide for crop insurance development grants; and to provide an expiration date"

Page 1, line 7, remove "The governor or the governor's designee."

Page 1, line 8, remove "b."

Page 1, remove lines 9 through 11

Page 1, line 12, replace "d." with "b."

Page 1, line 14, replace "e." with "c."

Page 1, line 15, after the semicolon insert:

"d. One individual involved in the crop insurance industry, appointed by the governor."

Page 1, line 16, replace "f." with "e."

Page 2, line 6, replace "4" with "3"

Page 2, remove lines 8 through 13

Page 2, replace lines 16 through 26 with:

- "1. The crop insurance development board shall assess the feasibility and desirability of proposals submitted by individuals and by public and nonpublic entities pertaining to the development and implementation of crop insurance instruments. The board may authorize the awarding of grants to assist with future actuarial and development costs.
2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural fuel tax fund."

Page 3, replace lines 4 through 9 with:

**"SECTION 5. CROP INSURANCE DEVELOPMENT GRANTS.** During each biennium, the agricultural products utilization commission shall reserve \$150,000 from the agricultural fuel tax fund for the purpose of awarding grants that have been

approved by the crop insurance development board in accordance with this Act. If any portion of the reserved amount remains unexpended at the conclusion of a biennium, the unexpended amount must also be made available for the purpose of awarding grants during the ensuing biennium.

**SECTION 6. EXPIRATION DATE.** This Act is effective through June 30, 2015, and after that date is ineffective."

Renumber accordingly

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: AGRICULTURE

Bill/Resolution No. SB 2222 as (re) engrossed

Date: 4/12/11

Roll Call Vote #: 1

## Action Taken

- ☐ SENATE accede to House amendments  
☐ SENATE accede to House amendments and further amend  
☐ HOUSE recede from House amendments  
☒ HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) 1119-1120 -- 1214-1215

- ☐ 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

Motion Made by: Senator Klein Seconded by: Rep. Johnson

Senators	<u>4/7</u>	<u>4/12</u>	Yes	No		Representatives	<u>4/7</u>	<u>4/12</u>	Yes	No
T. FLAKOLL	✓	✓	✓			REP. JOHNSON	✓	✓	✓	
J. KLEIN	✓	✓	✓			REP. HOLMAN	✓	✓	✓	
J. HECKAMAN	✓	✓	✓			REP. TROTTER	✓	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier Senator Flakoll House Carrier Rep. Johnson

LC Number 11.0592.04004 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2222, as reengrossed:** Your conference committee (Sens. Flakoll, Klein, Heckaman and Reps. D. Johnson, Holman, Trottier) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1119-1120, adopt amendments as follows, and place SB 2222 on the Seventh order:

That the House recede from its amendments as printed on pages 1119 and 1120 of the Senate Journal and pages 1214 and 1215 of the House Journal and that Reengrossed Senate Bill No. 2222 be amended as follows:

Page 1, line 1, remove "and to provide an"

Page 1, line 2, replace "appropriation" with "to provide for crop insurance development grants; and to provide an expiration date"

Page 1, line 7, remove "The governor or the governor's designee;"

Page 1, line 8, remove "b."

Page 1, remove lines 9 through 11

Page 1, line 12, replace "d." with "b."

Page 1, line 14, replace "e." with "c."

Page 1, line 15, after the underscored semicolon insert:

"d. One individual involved in the crop insurance industry, appointed by the governor."

Page 1, line 16, replace "f." with "e."

Page 2, line 6, replace "4" with "3"

Page 2, remove lines 8 through 13

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2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural fuel tax fund."

Page 3, replace lines 4 through 9 with:

**"SECTION 5. CROP INSURANCE DEVELOPMENT GRANTS.** During each biennium, the agricultural products utilization commission shall reserve \$150,000 from the agricultural fuel tax fund for the purpose of awarding grants that have been approved by the crop insurance development board in accordance with this Act. If any portion of the reserved amount remains unexpended at the conclusion of a

biennium, the unexpended amount must also be made available for the purpose of awarding grants during the ensuing biennium.

**SECTION 6. EXPIRATION DATE.** This Act is effective through June 30, 2015, and after that date is ineffective."

Renumber accordingly

Reengrossed SB 2222 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

SB 2222



SB2222  
Senator Tim Flakoll  
February 3, 2011

Mr. Chairman and members of the Senate Appropriations committee for the record I am Senator Tim Flakoll of District 44. I am pleased to serve as prime sponsor of SB2222 and will make a few brief comments before turning the podium over to others including Commissioner Goehring who will walk you through the bill.

Agriculture continues to evolve as evidenced by:

- New markets – especially international markets which have greatly improved the income of farmer's during my lifetime.
- New varieties which have greater insect resistance, drought and weather tolerance and overall improved yield/acre.
- Insurance tools which increase a farmer's predictability of income to buffer bad years.

SB2222 deals with the development, expansion of insurance tools. It casts a wider tent of protection and will help stabilize our North Dakota economy.

## General information for SB2222:

- \* - This legislation is the first of its kind at a state level
- X - It will spur the development of new crop insurance products for North Dakota producers by providing seed money to ND organizations and individuals with board approved crop insurance concepts and ideas.
- ND is very diverse in the type of crops that we produce. In fact we have 14 crops that we are #1 in production throughout the state. As such, we have more diverse and significant needs due to the large number of significant crops that we produce.
- X - New crop insurance products will help producers minimize risk and ultimately stay in business, which ensures a continuation of a safe and abundant food supply to feed North Dakota, the United States, and the World.
- The fund will benefit our major crops in the state along with the more specialty crops that we grow.
- X - This is a companion program to the one in place at the Federal Crop Insurance Cooperation. This fund will help new crop insurance concepts move through the initial stages of research and development.
- SB2222 requires that a seven member board be established to review crop insurance proposals and to

Bill  
Ag payments  
to ND  
- Farm Bill  
always being  
uncertain

award grants for research and development of the concepts. The committee is a diverse group of experts and they are shown below and in the bill.

- a. The governor or the governor's designee;
- b. The agriculture commissioner or the commissioner's designee;
- c. An individual appointed by the senate majority leader;
- d. An individual appointed by the house majority leader;
- e. An individual representing an agriculture organization appointed by the agriculture commissioner;
- f. An individual representing an agriculture organization appointed by the governor;
- g. An individual involved in crop insurance and appointed by the agriculture commissioner.

**### End ###**

Not down here 10 times a session asking for money.

In fact I have been chair of Senate Ag for 5 sessions and this might be the first time I have been here to request funding for a bill I sponsored - This is that important to me

COMMISSIONER  
DOUG GOEHRING



ndda@nd.gov  
www.agdepartment.com

#2

**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E BOULEVARD AVE DEPT 602  
BISMARCK ND 58505-0020

**Testimony of Agriculture Commissioner Doug Goehring  
Senate Bill 2222  
Senate Agriculture Committee  
Roosevelt Park Room  
9:15am, February 3, 2011**

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Chairman Flakoll and members of the Senate Agriculture Committee, I am Agriculture Commissioner, Doug Goehring. I am here today in support of SB 2222, which will create the Crop Insurance Development Board that will distribute grants for the development of new crop insurance products. This bill would provide start-up money for research and development of next generation crop and livestock insurance products.

North Dakota is unique. We are number one in the nation for the production of 14 different commodities including barley, durum, pinto beans, peas, lentils, flax, canola, sunflowers, etc. Farmers and ranchers need to best manage their risk in order for their operation to survive. Their operations are at risk from variability in the weather, commodity markets, input costs, etc. Crop insurance is very important in managing these risks, and gaps in the current coverage levels need to be filled. This program will help facilitate and spur development of new crop insurance products that will fill these gaps.

This bill will create a board that will review and evaluate new crop insurance proposals submitted by individuals and by public and nonpublic entities. The board will review the feasibility and desirability for the new product and may award grants to assist in the future actuarial and development costs associated with creating the new crop insurance product. The board may award up to 75% of the first \$50,000 and up to 50% thereafter of the future costs. Development of crop insurance products is expensive and these grants are intended to help through the stages of development.

This program would work in conjunction with the Federal Crop Insurance Corporation (FCIC) Section 508(h) program. Here is how I envision the process:

1. An individual, public, or nonpublic entity brings forward a crop insurance proposal to the Crop Insurance Development Board.
2. Based on the Board's determination, a grant may be awarded to the entity for developing the insurance concept into an actual insurance product.
3. The entity utilizes the grant to further develop the concept proposal to meet requirements established by the FCIC board. Currently, preliminary development costs typically range from \$20,000 to \$50,000 just to meet the initial requirements of the FCIC board.
4. The FCIC board hears the proposal and may approve the entity for advance payment to reimburse insurance product development costs.
5. The entity would reimburse the state based on conditions set by the board. All monies received as repayment are deposited into the general fund.

#### **Crop Insurance Development Board Membership:**

The board consists of the governor, the agriculture commissioner, a member appointed by the senate majority leader, a member appointed by the house majority leader, a member representing an agriculture organization appointed by the governor, a member representing an agriculture organization appointed by the agriculture commissioner, and a member involved in the crop insurance industry appointed by the agriculture commissioner. Appointed members serve two-year terms and may serve consecutive terms. The board shall elect a chairman on a biennial basis and the chairman may serve consecutive terms. The board shall meet on the call of the chair.

Chairman Flakoll and committee members, I urge a "do pass" on SB 2222. I would be happy to answer any questions you may have.

Thank you.



#3

Your voice for wheat and barley. [www.ndgga.com](http://www.ndgga.com)

**North Dakota Grain Growers Association  
Testimony on SB 2222  
Senate Agriculture Committee  
February 3, 2011**

Mr. Chairman, members of the Senate Agriculture Committee, for the record my name is Terry Weckerly; I am a fourth generation farmer and ag retailer from Hurdsfield, North Dakota. I am also President of the North Dakota Grain Growers Association. The North Dakota Grain Growers Association is in full support of SB 2222; the bill seeks to promote the development of crop insurance concepts to enhance the risk management capabilities of North Dakota farmers and ranchers.

Mr. Chairman, members of the Senate Agriculture Committee, crop insurance is a top priority for North Dakota agriculture. This fact has been reinforced by countless surveys, as well as in meetings and discussions with farmers across the state. Giving farmers and ranchers the opportunity to develop products to better meet their risk management needs is the purpose of the bill you have before you today.

In the 2008 Farm Bill changes were made in crop insurance which created a more user friendly "ground up" approach to crop insurance development. These changes, which were to the 508h provisions of the federal crop insurance law, were due in a large part because of input from the North Dakota agricultural community. The 2008 Farm Bill makes it feasible for organizations such as NDGGA to develop crop insurance products that better meet the needs of farmers. One example of this is a new product called Crop Margin Coverage (CMC), which is currently in development for spring wheat producers in North Dakota, South Dakota, Minnesota, and Montana. CMC is but one example of what farmers and ranchers can do to protect their investment when given the chance.

SB 2222 is the next generation in the crop insurance development process. SB 2222 will provide seed money to aid in defraying the startup costs associated with crop insurance development. By providing the seed monies necessary to begin the crop insurance development process, those interested in pursuing better risk management tools will be better able to bring products to the marketplace. This results in better risk protection for all concerned.

*NDGGA provides a voice for wheat and barley producers on domestic policy issues – such as crop insurance, disaster assistance and the Farm Bill – while serving as a source for agronomic and crop marketing education for its members.*

NDGGA quickly learned through the CMC that the crop insurance development process is both time consuming and costly. For example, CMC development had a startup cost of \$40,000 to NDGGA and has been 5 years in development up to this point. In total, development for the CMC spring wheat product could very well exceed \$1 million; through the 508h process on the federal level some of these costs will be recouped.

Let's be clear, SB 2222 will not be used to reimburse past crop insurance development efforts such as CMC; the bill is intended for use in future development. However using the CMC experience of the past displays a graphic need for this concept in future risk management development. As federal budgets tighten better risk protection products will be essential to the future success of agriculture in North Dakota. Development of those products is accomplished best by those who need them most; providing the tools necessary to accomplish this goal is a pro-active approach to protecting our state's leading economic sector.

Mr. Chairman, members of the Senate Agriculture Committee, SB 2222 is the first program of its kind in the nation; federal and state decision-makers are taking note. Other farm programs will come and go, but crop insurance and risk protection is something people across the U.S. can understand. Crop insurance development is best accomplished by those who know it best, the farmers and ranchers of this state. Providing the means to enhance risk protection products is a positive approach to farm policy.

Therefore the North Dakota Grain Growers Association strongly supports SB 2222 and urges a Do Pass from the Senate Agriculture Committee and the North Dakota Senate.



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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 Potato 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

**SB 2222**

**February 3, 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 SB 2222, which would develop and provide an appropriation for crop insurance proposals.

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.

Crop insurance is an essential risk management tool for the state's producers and providing the funding necessary to begin the crop insurance development process will ensure better protection for the entire industry. This protection is crucial to the future success of North Dakota's agriculture industry.

We encourage your favorable consideration of SB 2222.





# **North Dakota Farm Credit Council**

**AgCountry Farm Credit Services   Farm Credit Services of Mandan   Farm Credit Services of North Dakota**

#5

**Testimony of Dana Bohn  
North Dakota Farm Credit Council Executive Director  
SB 2222  
February 3, 2011**

Chairman Flakoll and members of the Senate Agriculture Committee, my name is Dana Bohn. I am here today on behalf of the North Dakota Farm Credit Council (NDFCC) in support of SB 2222, which establishes a state fund to support the development of new crop insurance products for North Dakota producers.

NDFCC is comprised of three farmer/rancher-owned independent Farm Credit associations that provide credit and financial services to farmers, ranchers and agribusinesses of all sizes and income ranges in every county in North Dakota. As one of the state's largest ag lenders, North Dakota Farm Credit associations provide about \$5.5 billion in credit and financial services to nearly 19,700 customers.

Farm Credit Services provides a significant amount of crop insurance and crop insurance is a very good risk management tool for our producers. As a result, we believe there is also a need to continually seek new and improved products in this sector. We feel providing this type of resource for the development of new crop insurance products is beneficial to North Dakota producers and the state's agriculture industry and we ask for your support of SB 2222.

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#6

Thursday, February 03, 2011

SENATE AGRICULTURE COMMITTEE SB 2222
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CHAIRMAN FLAKOLL AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing here today on behalf of the North Dakota Newspaper Association and the North Dakota Broadcasters Association. We oppose just a teeny portion of this bill and respectfully request that you consider amendments regarding that portion.

Our position on open meetings and records has always been that if closure is needed, then it should be very specific and limited just to the items that need protection. This mirrors the Attorney General's position in many of his opinions.

Section 5 of this bill takes the opposite approach and says that anything the board wants to keep confidential it can since practically everything it does will be "in the course of approving a concept for advanced payments." That's all the board does. The other problem is that state law now says that if a board is considering confidential documents, it can meet in closed session to do so. So Section 5 in effect makes all of the board's meetings and records closed. This will hardly build confidence or support from the public for what the board is attempting to do.

There are already provisions in state law to protect trade secrets and proprietary information of companies submitting information to public agencies, including financial information such as tax records. State agencies such as the Public Service Commission, the Commerce Department, and the Insurance Commissioner, as well as state and local economic development commissions, use these provisions to protect this information while at the same time keeping the majority of their meetings and records open to the public.

For your information I've attached copies of those laws to my testimony. We respectfully ask that you keep public agencies public and amend SB 2222 to delete Section 5. If you have any questions, I will be happy to try to answer them.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

PROPOSED AMENDMENTS TO SB 2222

Page 2, delete lines 25 through 28

Renumber accordingly.

**§ 44-04-18.4. Confidentiality of trade secret, proprietary, commercial, and financial information.**

1. Trade secret, proprietary, commercial, and financial information is confidential if it is of a privileged nature and it has not been previously publicly disclosed.
2. "Trade secret" includes:
  - a. A computer software program and components of a computer software program which are subject to a copyright or a patent, and any formula, pattern, compilation, program, device, method, technique, or process supplied to any state agency, institution, department, or board which is the subject of efforts by the supplying person or organization to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or organizations that might obtain economic value from its disclosure or use; and
  - b. A discovery or innovation which is subject to a patent or a copyright, and any formula, pattern, compilation, program, device, method, technique, or process supplied to or prepared by any public entity which is the subject of efforts by the supplying or preparing entity, person, business, or industry to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, any person who might obtain economic value from its disclosure or use.
3. "Proprietary information" includes information received from a sponsor of research conducted by a public entity, as well as any discovery or innovation generated by that research, technical, financial, and marketing information and other documents related to the commercialization, and any other discovery or innovation produced by the public entity which an employee or the entity intends to commercialize.
4. This section does not limit or otherwise affect a record pertaining to any rule of the state department of health or to any record pertaining to the application for a permit or license necessary to do business or to expand business operations within this state, except as otherwise provided by law.
5. Unless made confidential under subsection 1, the following economic development records and information are exempt:
  - a. Records and information pertaining to a prospective location of a business or industry, including the identity, nature, and location of the business or industry, when no previous public disclosure has been made by the business or industry of the interest or intent of the business or industry to locate in, relocate within, or expand within this state. This exemption does not include records pertaining to the application for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.
  - b. Trade secrets and commercial or financial information received from a person, business, or industry that is interested in or is applying for or receiving financing or technical assistance, or other forms of business assistance.

6. Unless made confidential under subsection 1 or made exempt under subsection 5, bids or proposals received by a public entity in response to a request for proposals by the public entity are exempt until such time all of the proposals have been received and opened by the public entity or until such time that all oral presentations regarding the proposals, if any, have been heard by the public entity. Records included with any bid or proposal naming and generally describing the entity submitting the proposal shall be open.

**§ 44-04-18.5. Computer software programs exempt.** Any computer software program or component of a computer software program contracted, developed, or acquired by a public entity or state agency, institution, department, or board and for which the public entity or state agency, institution, department, or board acquires a license, copyright, or patent is exempt from section 44-04-18 and section 6 of article XI of the Constitution of North Dakota. After receiving written approval from the governor, a state agency, institution, department, or board may enter into agreements for the sale, licensing, and distribution of its contracted, licensed, patented, or copyrighted computer software programs. A state agency, institution, department, or board may take any needed action, including legal action, to protect the state's interest in the computer software against improper or unlawful use or infringement and may collect and enforce the collection of any sums due for the licensing or sale of the computer software. A public entity may enter into agreements for the sale, licensing, and distribution of its licensed, patented, or copyrighted computer software programs.

#1

SB2222  
Senator Tim Flakoll  
March 17, 2011

Chairman Johnson and members of the House Agriculture committee for the record I am Senator Tim Flakoll of District 44. I am pleased to serve as prime sponsor of SB2222 and will make a few brief comments before turning the podium over to others for their remarks and then Commissioner Goehring who will walk you through the bill.

Agriculture continues to evolve as evidenced by:

- New markets – especially international markets which have greatly improved the income of farmer's during my lifetime.
- New varieties which have greater insect resistance, drought and weather tolerance and overall improved yield/acre.
- Insurance tools which increase a farmer's predictability of income to buffer bad years.

SB2222 deals with the development, expansion of insurance tools. It casts a wider tent of protection and will help stabilize our North Dakota economy.

It does NOT get North Dakota into the insurance selling or marketing business.

**General information for SB2222:**

- This legislation is the first of its kind at a state level
- It will spur the development of new crop insurance products for North Dakota producers by providing seed money to ND organizations and individuals with broad approved crop insurance concepts and ideas.
- ND is very diverse in the type of crops that we produce. In fact we have 14 crops that we are #1 in production throughout the state. As such, we have more diverse and significant needs due to the large number of significant crops that we produce.
- New crop insurance products will help producers minimize risk and ultimately stay in business, which ensures a continuation of a safe and abundant food supply to feed North Dakota, the United States, and the World.
- This is a companion program to the one in place at the Federal Crop Insurance Cooperation. This fund will help new crop insurance concepts move through the initial stages of research and development.

The bill was originally at \$1 million from general funds, but the Senate amended it to \$400,000 from APUC funds. I am comfortable with at and will note that YTD figures show that there is room in the fund to accommodate the inclusion of this program under their umbrella.

Some of these funds may be “refunded” once they are approved down the line and those funds would then go into the general fund to help replenish costs associated with this program.

**### End ###**

COMMISSIONER  
DOUG GOEHRING



#2  
ndda@nd.gov  
www.agdepartment.com

**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**

STATE CAPITOL  
600 E BOULEVARD AVE DEPT 602  
BISMARCK ND 58505-0020

**Testimony of Agriculture Commissioner Doug Goehring  
Senate Bill 2222  
House Agriculture Committee  
Peace Garden Room  
10:30am, March 17, 2011**

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Chairman Johnson and members of the House Agriculture Committee, I am Agriculture Commissioner, Doug Goehring. I am here today in support of SB 2222, which will create the Crop Insurance Development Board that will distribute grants for the development of new crop insurance products. This bill would provide start-up money for research and development of next generation crop and livestock insurance products.

North Dakota is unique. We are number one in the nation for the production of 14 different commodities including barley, durum, pinto beans, peas, lentils, flax, canola, sunflowers, etc. Farmers and ranchers need to best manage their risk in order for their operation to survive. Their operations are at risk from variability in the weather, commodity markets, input costs, etc. Crop insurance is very important in managing these risks, and gaps in the current coverage levels need to be filled. This program will help facilitate and spur development of new crop insurance products that will fill these gaps.

This bill will create a board that will review and evaluate new crop insurance proposals submitted by individuals and by public and nonpublic entities. The board will review the feasibility and desirability for the new product and may award grants to assist in the future actuarial and development costs associated with creating the new crop insurance product. The board may award up to 75% of the first \$50,000 and up to 50% thereafter of the future costs.

Development of crop insurance products is expensive and these grants are intended to help through the stages of development.



This program would work in conjunction with the Federal Crop Insurance Corporation (FCIC) Section 508(h) program. Here is how I envision the process:

1. An individual, public, or nonpublic entity brings forward a crop insurance proposal to the Crop Insurance Development Board.
2. Based on the Board's determination, a grant may be awarded to the entity for developing the insurance concept into an actual insurance product.
3. The entity utilizes the grant to further develop the concept proposal to meet requirements established by the FCIC board. Currently, preliminary development costs typically range from \$20,000 to \$50,000 just to meet the initial requirements of the FCIC board.
4. The FCIC board hears the proposal and may approve the entity for advance payment to reimburse insurance product development costs.
5. The entity would reimburse the state based on conditions set by the board. All monies received as repayment are deposited into the general fund.

**Crop Insurance Development Board Membership:**

The board consists of the governor, the agriculture commissioner, three legislators appointed by the chairman of the legislative management, a member representing an agriculture organization appointed by the governor, a member representing an agriculture organization appointed by the agriculture commissioner, and a member involved in the crop insurance industry appointed by the agriculture commissioner. Appointed members serve two-year terms and may serve consecutive terms. The board shall elect a chairman on a biennial basis and the chairman may serve consecutive terms. The board shall meet on the call of the chair.

Chairman Johnson and committee members, I urge a "do pass" on SB 2222. I would be happy to answer any questions you may have.

Thank you.



Your voice for wheat and barley. [www.ndgga.com](http://www.ndgga.com)

H 3

**North Dakota Grain Growers Association  
Testimony on SB 2222  
House Agriculture Committee  
March 17, 2011**

Mr. Chairman, members of the House Agriculture Committee, for the record my name is Terry Weckerly; I am a fourth generation farmer and ag retailer from Hurdsfield, North Dakota. I am also President of the North Dakota Grain Growers Association. The North Dakota Grain Growers Association is in full support of SB 2222; the bill seeks to promote the development of crop insurance concepts to enhance the risk management capabilities of North Dakota farmers and ranchers.

Mr. Chairman, members of the Committee, crop insurance is a top priority for North Dakota agriculture. This fact has been reinforced by countless surveys, as well as in meetings and discussions with farmers across the state. Giving farmers and ranchers the opportunity to develop products to better meet their risk management needs is the purpose of the bill you have before you today.

In the 2008 Farm Bill changes were made in crop insurance which created a more user friendly "ground up" approach to crop insurance development. These changes, which were to the 508h provisions of the federal crop insurance law, were due in a large part because of input from the North Dakota agricultural community. The 2008 Farm Bill makes it feasible for organizations such as NDGGA to develop crop insurance products that better meet the needs of farmers. One example of this is a new product called Crop Margin Coverage (CMC), which is currently in development for spring wheat producers in North Dakota, South Dakota, Minnesota, and Montana. CMC is but one example of what farmers and ranchers can do to protect their investment when given the chance.

SB 2222 is the next generation in the crop insurance development process. SB 2222 will provide seed money to aid in defraying the startup costs associated with crop insurance development. By providing the seed monies necessary to begin the crop insurance development process, those interested in pursuing better risk management tools will be better able to bring products to the marketplace. This results in better risk protection for all concerned.

*NDGGA provides a voice for wheat and barley producers on domestic policy issues – such as crop insurance, disaster assistance and the Farm Bill – while serving as a source for agronomic and crop marketing education for its members.*

NDGGA quickly learned through the CMC that the crop insurance development process is both time consuming and costly. For example, CMC development had a startup cost of \$40,000 to NDGGA and has been 5 years in development up to this point. In total, development for the CMC spring wheat product could very well exceed \$1 million; through the 508h process on the federal level some of these costs will be recouped.

Let's be clear, SB 2222 will not be used to reimburse past crop insurance development efforts such as CMC; the bill is intended for use in future development. However using the CMC experience of the past displays a graphic need for this concept in future risk management development. As federal budgets tighten better risk protection products will be essential to the future success of agriculture in North Dakota. Development of those products is accomplished best by those who need them most; providing the tools necessary to accomplish this goal is a pro-active approach to protecting our state's leading economic sector.

Mr. Chairman, members of the House Agriculture Committee, SB 2222 is the first program of its kind in the nation; federal and state decision-makers are taking note. Other farm programs will come and go, but crop insurance and risk protection is something people across the U.S. can understand. Crop insurance development is best accomplished by those who know it best, the farmers and ranchers of this state. Providing the means to enhance risk protection products is a positive approach to farm policy.

Therefore the North Dakota Grain Growers Association strongly supports SB 2222 and urges a Do Pass recommendation from the House Agriculture Committee.

# 4

SB 2222  
House of Representatives  
Agriculture Committee  
March 17, 2011

Ladies and gentlemen of the committee, my name is Steven Finsaas, from South Heart, and I would like to speak in support of this bill. Crop insurance is only one of the tools that producers have in their proverbial toolbox, but it is arguably the most important. How many of you would insure your house, car, or business for 60-80% of its cost? That is all a new producer is able to do in many cases even with the new crop insurance products that have been introduced in recent years.

As an aspiring producer, I would like to see new and better crop insurance products brought to market to help young and beginning producers as we get our start in the number one industry in our state. Insurance is the only financial tool that has the ability to save our family farms in the long run. Disaster payments are not the answer. Commodity/direct payments to producers are not the answer. The money for these programs all come from our Federal government that is out of money and running massive and unsustainable deficits.

I realize that the federal crop insurance program is also subsidized by the Federal government. We all need to sacrifice to help balance the budget while Congress makes substantial and possibly economically painful cuts to all programs. It is my belief that crop insurance is the best way to cut federal spending on agriculture and protect our family farms while cutting total federal spending in the USDA budget.

I further realize that bringing a new crop insurance product to market is a long, expensive, and bureaucratically difficult process. I also know that agricultural groups and a certain domestic insurance company have worked hard to develop new crop insurance products and bring them to market in the last few years. Any help that the State government can provide would be much appreciated.

Finally, in conclusion, I would encourage a do pass recommendation for SB 2222.

Thank you for your time and for allowing me to speak before your committee this morning.



# North Dakota Farm Credit Council

AgCountry Farm Credit Services Farm Credit Services of Mandan Farm Credit Services of North Dakota

#5

**Testimony of Dana Bohn  
North Dakota Farm Credit Council Executive Director  
SB 2222  
March 17, 2011**

Chairman Johnson and members of the House Agriculture Committee, my name is Dana Bohn. I am here today on behalf of the North Dakota Farm Credit Council (NDFCC) in support of SB 2222, which establishes a state fund to support the development of new crop insurance products for North Dakota producers.

NDFCC is comprised of three farmer/rancher-owned independent Farm Credit associations that provide credit and financial services to farmers, ranchers and agribusinesses of all sizes and income ranges in every county in North Dakota. As one of the state's largest ag lenders, North Dakota Farm Credit associations provide about \$5.5 billion in credit and financial services to nearly 19,700 customers.

Farm Credit Services provides a significant amount of crop insurance and crop insurance is a very good risk management tool for our producers. As a result, we believe there is also a need to continually seek new and improved products in this sector. We feel providing this type of resource for the development of new crop insurance products is beneficial to North Dakota producers and the state's agriculture industry and we ask for your support of SB 2222.

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North Dakota Canola Growers Association  
Northern Food Grade Soybean  
Association  
Northern Plains Potato Growers  
Association  
Northern Pulse Growers Association  
Red River Valley Sugarbeet Growers

#6

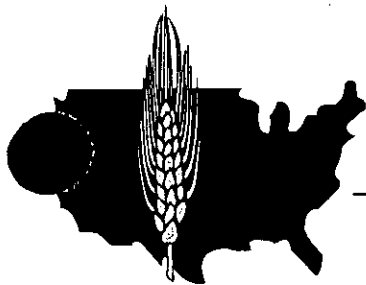
**Testimony of Alan Tellmann  
North Dakota Ag Coalition Chairman  
SB 2222  
March 17, 2011**

Mr. Chairman and members of the Committee, my name is Alan Tellmann, and I am the chairman of the North Dakota Ag Coalition. On behalf of the Ag Coalition, I would encourage your support of SB 2222, which would develop and provide an appropriation for crop insurance proposals.

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.

Crop insurance is an essential risk management tool for the state's producers and providing the funding necessary to begin the crop insurance development process will ensure better protection for the entire industry. This protection is crucial to the future success of North Dakota's agriculture industry.

We appreciate your past support and would encourage your continued support of SB 2222 and North Dakota's agriculture industry.



# **U.S. Durum Growers Association**

*PROMOTING THE PRODUCTION AND MARKETING OF DURUM AND SEMOLINA*

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**Testimony from the U.S. Durum Growers Association  
The House Agriculture Committee  
March 17, 2011  
Senate Bill 2222**

Chairman Johnson and members of the House Agriculture Committee, my name is Keith Deutsch, President of the U.S. Durum Growers Association. On behalf of the U.S. Durum Growers board and the association members we represent, I convey a strong message of support for SB 2222.

We favor the implementation of this crop insurance board because it will provide a means for research and development of new crop insurance products that, if successful, will become essential risk management tools for producers in North Dakota.

Initiating the development process of new and innovative crop insurance products is costly, so the grant money available through the crop insurance development board is an essential part of the security and success of current and future producers in North Dakota.

The U.S. Durum Growers Association strongly supports SB 2222 and urges a DO Pass from the House Agriculture Committee and the North Dakota House.