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**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Agriculture and Veterans Affairs Committee
March 23, 2023**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on House Bill No. 1276. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members.

NDFU supports HB 1276, which provides \$30 million in funding for the Agriculture Diversification and Development (ADD) Fund and establishes an Agriculture Infrastructure Grant program.

Agriculture Diversification and Development Fund

The ADD Fund was established during the 2021 legislative session and is one of North Dakota's unique tools for developing value-added agriculture in our state. The ADD Fund provides interest buydowns and grants to support new or expanding value-added projects of all types. The ADD Fund has demonstrated its value in supporting processing expansion. It will also serve as a key tool for supporting livestock development in the years ahead.

In its first 18 months of operation, the ADD Fund has supported a variety of value-added projects. ADD Fund recipients include meat processors, ethanol facilities, craft malting, pea flour processing and more. NDFU has had the opportunity to work with a couple projects that have received support from the ADD Fund. We can confidently say the program is a game changer for those projects and for North Dakota agriculture.

Agriculture Infrastructure Grants

Section 1, Subsection 5 authorizes new Agriculture Infrastructure Grants. These grants will address external costs associated with livestock and commodity processing facilities. These new developments are often accompanied by increased truck traffic, requiring road and bridge upgrades and improvements. The program would provide cost-share of up to \$1.25 million or 80% of road improvement costs to support infrastructure projects. New value-added projects often also face high costs to access natural gas, three-phase power, and water and sewer infrastructure. The program provides up to \$350,000 per project to address those "last mile" infrastructure needs.

Agriculture Infrastructure Grants help promote local acceptance of livestock and agriculture processing facilities. The external costs of these projects are often a valid concern for local residents. The program helps mitigate those concerns, supporting broader efforts to build local support for new projects.

The Agriculture Infrastructure Grants program is modeled after South Dakota's Agribusiness Access Grant program. It is a proven model that will support continued growth in value-added agriculture in our state.



NDFU supports amending HB 1276 to clarify that the Agriculture Infrastructure Grants program is a unique program within the ADD Fund. We also support changes that gives the Agriculture Commissioner authority over policy development, administration and granting decisions under the fund. We believe this streamlined administration is more appropriate for this specific program.

Thank you for the opportunity to testify. NDFU respectfully requests a "Do Pass" recommendation on HB 1276. I will stand for any questions.