

SB2020

Government Operations Division of the House Appropriations Committee

3/11/25

Sarah Hall Lovas, SBARE Chair

Chairman Monson and members of the Government Operations Division of the House Appropriations Committee. My name is Sarah Hall Lovas and I am an agronomist from Hillsboro, ND. I currently have the opportunity to serve as the Chair for the State Board of Agricultural Research and Education (SBARE). Thank you for this opportunity to come before you and share some information regarding the research conducted by the North Dakota Agricultural Experiment Station (NDAES), NDSU Extension (Extension), and SBARE.

First, thank you for your past support of the NDAES and Extension. The investments that the Legislature has made into the NDAES and Extension have resulted in significant and positive impacts for North Dakota agriculture and will last for future generations. Thank you.

I stand before you today in support of SB2020 and I ask you to support this bill with the critical ask to reinstate the base budgets for these agencies. In SB2020's current form, it contains base budget reductions for the Main Station of 3% and NDSU Extension of 4.7%. I ask for the restoration of these budgets.

SBARE within the policies of the State Board of Higher Education, is responsible for the budgeting and policy making associated with the Agricultural Experiment Station and Extension. Our role applies equally to both. I won't go through all the duties of SBARE, but they can be found in North Dakota Century Code and are also outlined on page 1 in your budget book. As required by the ND Century Code, SBARE develops the biennial budget report by receiving grassroots information from individual producers, commodity groups, organizations, stakeholders, constituents, and agribusinesses across the state. Through this process, SBARE creates three priority lists, which include: 1) The programmatic request list for Extension; 2) programmatic research request list for the Agricultural Experiment Station; and 3) the Capital request list for the Agricultural Experiment Station.

SBARE takes the process of receiving stakeholder input and creating these priority lists very seriously. This biennium, we began receiving stakeholder input on September 14, 2023 and concluded receiving input on January 3rd, 2024. Stakeholder input was received via three in-person input receiving sessions held in Minot, Dickinson, and Fargo as well as by mail submissions and electronic submissions. Once input was received, the prioritization process started on January 10, 2024 and concluded on February 21, 2024, and it took a total of three SBARE meetings over four days to develop these priority lists. The SBARE members worked very hard reviewing the stakeholder input that was received and formulating the priority lists you see before you. SBARE has a goal to develop priorities that are sound investments for the future of North Dakota's agriculture industry and address agriculture issues in a state with an extremely diverse agriculture industry. The 3 priority lists are included in your budget book and Vice-President Lardy will explain the priority lists in detail during his testimony. However, I would

like to highlight the priorities that request operating support which are included on both the NDAES as well as the Extension priority lists. I am highlighting the operating support priority for both agencies because SB2020, in its current form, has base budget reductions of 3% for the Main Research Station and 4.7% for Extension. Increased operating funds were a priority for us before this base budget reduction was implemented in our bill. If this budget reduction is implemented in this biennium, it would greatly impact the ability for NDAES and Extension to conduct their mission. Again, as Chair of SBARE, I ask for the restoration of our base budget and also give due regard to our need for increased operating support. Operating support helps the agencies be responsive to the range of critical needs that occur in our agricultural production systems and our communities throughout the state. They ensure the agencies can respond in a timely manner when needs arise.

North Dakota's agriculture industry has a significant economic impact to North Dakota's economy! Further, North Dakota's agriculture industry's economic impact touches every community in North Dakota. This year, we released a study which showed that North Dakota Agriculture industry contributes over \$41 billion dollars to North Dakota's economy! Agriculture accounts for about 20% of all North Dakota's employment. If you have a dollar in your pocket, approximately twenty cents of that dollar would be attributed to North Dakota's agriculture industry. North Dakota's agriculture industry continues to expand, the economic impact numbers will increase also. North Dakota is currently realizing the expansion of value-added agriculture. In recent years, we have had two new soybean crush plant facilities open in Spiritwood and Casselton. Plans have been announced for a new potato processing facility in Grand Forks, and we anticipate the dairy industry to expand into our state as well.

Investing in agriculture is a sound investment. For every dollar invested in agriculture research, it returns \$37 in economic returns. Research has shown that between 1960 and 2011, agriculture research has a 24.9% return on investment.

North Dakota agriculture is an important industry to our state economically and investing in agriculture research is a sound investment. However, what impact does the NDAES and NDSU Extension have on North Dakota's agriculture industry and the people of North Dakota? There are many success stories from the NDAES and NDSU Extension. I could not compile all them into a timeframe that would fit into our schedule today. I will, however, highlight some examples.

NDSU Extension's purpose is "extending education to North Dakota residents of all ages and walks of life". NDSU Extension provides education to our state in areas such as, agriculture (livestock and crops), family and consumer sciences, food and nutrition, leadership and civic engagement, and also 4-H youth development. Here are some NDSU Extension impacts to the citizens of North Dakota:

- Overall, in 2023, NDSU Extension had 312,589 individual contacts through 7,425 educational sessions and over 15,261 recorded educational hours
- NDSU Extension Pesticide program trained and certified 5,300 farmers, ranchers, and commercial applicators in 2023, ensuring safe pesticide use
- NDSU Extension's Ag Finance Program assisted landowners and operators in managing \$1.3 billion in annual land rents across 22 million acres in 2024, supporting better decision-making and financial forecasting. NDSU Extension had 41,217 youth

educational contacts in 2023 which was a 40.3% increase from the previous year. 4-H reached 1 in 5 youth in North Dakota in 2023.

- One in thirteen North Dakotans needs to take on a government or non-profit leadership role in North Dakota, which underscores the need to effective leadership development initiatives. In response, NDSU Extension trained over 350 individuals in its leadership programs during 2023.

North Dakota leads the nation in producing wheat, sunflowers, canola, flax, dry beans, rye, and oats and honey. North Dakota also ranks in the top 5 states for the production of barley, dry edible peas, lentils, chickpeas, potatoes, sugarbeets. North Dakota also has a vibrant beef industry. The research conducted by the NDAES is critical to providing information to keep North Dakota's agriculture industry vibrant and competitive. Here are a few samples of how the NDAES agriculture research impacts North Dakota agriculture:

- NDSU has research working in the soil microbiome that is currently working on biological nitrogen fixation breakthroughs which include development of elite rhizobia optimized for optimized for nitrogen fixation in legume crops.
- NDAWN has over 200 individual weather stations across North Dakota and neighboring states. These weather stations provide weather information for agricultural pest forecasting models, which help farmers implement timely management strategies to protect their crops. In western North Dakota, these weather stations also help counties manage truck traffic in the Bakken region. This ultimately means better returns for the oil and gas industry and increased tax revenue for the state.

- Economic studies of custom feeding equips cow-calf operators with information to evaluate custom feeding options, reduce risk, and maximize profitability.
- Plant breeding efforts are extremely important to North Dakota agriculture producers.
 - 38% of North Dakota and 21% Minnesota certified potato seed is from NDSU's potato breeding program. The Dakota Russet, a potato variety accepted by McDonalds for their French fries.
 - NDSU spring wheat varieties have an economic impact of \$69-284 million dollars.
 - NDSU's woody plant breeding program has 62 ornamental plant releases and in 2023, they resulted in \$6 million in retail sales.
- As stated earlier, North Dakota has a diverse cropping system. Many of those crops are specialty crops. Nationally, they have limited acreage. However, North Dakota is responsible for a large portion of the production for these commodities, and these are crops economically important to our state and individual producers. While these crops may not garner attention on a national scale, they are critical to our producers. In these cases, large multi-national corporations may not have significant research budgets to devote to these crops, emphasizing the critical need for public investments in these sectors to ensure North Dakota farmers have access to key information as they plan their crop rotations. The NDAES has filled that gap and worked on many important issues for these crops. The NDAES has a dry bean breeding program which is critical to that crop's sustainability and future competitiveness. Further, the NDAES has conducted pesticide research to provide the EPA with data so that existing pesticides can have their labels be expanded and include specialty crops.

These are some examples of how NDSU Extension and NDAES are impacting the lives of ND citizens and North Dakota Agriculture. These agencies are critical to the success of North Dakota agriculture.

Thank you again for your time today. Thank you for your past support.

Request: Please support SB2020. Please restore the base budget for the NDAES and Extension.

Please support the SBARE Priority List.

Respectfully Submitted,
Sarah Hall Lovas
SBARE Chair