

2025 HOUSE AGRICULTURE

HB 1509

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1509
1/30/2025

A BILL for an Act to amend and reenact section 4.1-09-19 of the North Dakota Century Code relating to refunding of assessments collected by the oilseed council.

3:30 p.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Rios, Schreiber-Beck, Tveit, Vollmer

Member Absent: Representative Olson

Discussion Topics:

- Refund of checkoff dollars
- Lessen the process
- Transparency
- Online form availability
- Consistent funding
- Significant uncertainty
- 3.7% current refunds
- Efficiencies
- Producibility

3:30 p.m. Representative Ty Dressler, District 36, Richardton, ND, introduced, testified and submitted testimony #33016.

3:43 p.m. Jody Hoff, Richardton Farmer, testified in support.

3:45 p.m. Jon Wert, ND Oilseed Council, testified in opposition.

3:56 p.m. Barry Coleman, Executive Director, Northern Canola Growers Association (NCGA), testified in opposition.

4:03 p.m. Jade Koski, ND Stockman's Association testified in opposition.

4:05 p.m. Lesley Icenogle, ND Corn Growers Association, testified in opposition and submitted testimony #32884.

4:06 p.m. Annika G. Plummer, Administrator, ND Ag Coalition, testified in opposition and submitted testimony #32905.

4:12 p.m. Scott Huso, Steele County Canola Representative, testified in opposition.

Additional written testimony:

Jess Kouba, ND, submitted testimony in favor #33002.

Jim Bobb, Farmer, Stark County, ND, submitted testimony in favor #33005.

Rick Mittleider, Farmer, Tappen, ND, submitted testimony in favor #33006.

Paul Jespersen, Farmer, ND submitted testimony in favor #33007.

4:19 p.m. Chairman Beltz closed the hearing.

Diane Lillis, Committee Clerk



In Opposition to HB 1509
House Agriculture
January 30, 2025

Chairman Beltz and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in opposition to House Bill 1509.

NDCGA supports protecting commodity checkoff organizations and their investment in our agriculture industry. These organizations are critical to the sustainability of the industry through research to increase profitability and quality, domestic and international market development, and education for producers and consumers.

HB 1509 increases the time for the Oilseed Council to receive refund applications from ninety days to one year from the assessment. This length of time creates financial uncertainty for the Oilseed Council when budgeting their vital research, promotion, and education programs. Additionally, altering the refund time frame for one checkoff organization puts other commodity checkoffs at risk.

We urge a Do Not Pass recommendation on HB 1509 to protect commodity checkoffs. Thank you for your consideration, and I will stand for questions.



1605 E Capitol Ave., Suite 204
Bismarck, ND 58501
701-425-0095

House Agriculture Committee

Hearing for HB 1509

January 30, 2025

Testimony of Annika Plummer, North Dakota Ag Coalition

Chairman Beltz and members of the committee, my name is Annika Plummer. I am here today as the Administrator of the North Dakota Ag Coalition. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 40 years. Today, we represent 49 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Our members seek to enhance North Dakota's agriculture industry through membership in the Ag Coalition.

The Ag Coalition considers policy action items, brought forward by our members, seriously. It takes a policy position on a limited number of issues every session and only on those that have a significant impact on North Dakota's agriculture industry. The North Dakota Ag Coalition opposes House Bill 1509, a bill that intends to change the refund process for the oilseed council.

The current refund process allows a producer to submit a written request for a refund application within 60 days after the date of assessment or final settlement, complete the refund application, and return it, along with a record of the assessment collected, within 90 days after the date of the assessment or final settlement. The oilseed council is then tasked with refunding the net amount of the assessment. These terms were chosen with great care 15 years ago after a lengthy and engaging input session where uniform language was adopted for applying for a refund.

The North Dakota Ag Coalition and its members are concerned about the changes to the refund process and how it would affect budgeting and financial stability for the oilseed council. The oilseed council, with the current process, can prepare for potential refunds and accordingly budget throughout the year. If this bill passes, giving a one-year window for producers to complete the refund process, it could negatively impact the oilseed council's ability to budget and balance its accounts.

In addition, the North Dakota Ag Coalition is concerned that if the refund process for the oilseed council changes, it could impact other checkoff organizations and organizations our members support. The research and promotion that checkoffs provide arms North Dakota

producers with the knowledge and tools to remain competitive in the world market. Producers are not asking for a change in the refund process. This bill is a quick response to a process that was carefully considered and adopted with considerable input. The system currently works, and a vast majority of producers choose to invest.

As you know, North Dakota producers have been – and will continue to be – the driving force in the future of North Dakota’s number one industry and the state’s economy. It is essential that we listen to them and carefully consider any changes to processes that were developed thoughtfully and deliberately.

The North Dakota Ag Coalition encourages your opposition to HB 1509. Thank you for the opportunity to provide this testimony.

North Dakota AG COALITION

Providing a unified voice on behalf of North Dakota agricultural interests.

The North Dakota Ag Coalition is a nonpartisan federation of 50 organizations representing specific commodities and/or associations with a direct interest in agriculture, for the specific purpose of addressing issues that affect North Dakota agriculture. Organized in April 1982, the North Dakota Ag Coalition has been successful in providing a unified voice on behalf of North Dakota agricultural interests for more than 40 years.

Issues of Interest:

- Agriculture research and extension ● Value-added agriculture
- Renewable fuels ● Commodity check-offs
- Rural infrastructure ● Conservation

Executive Committee:

Jim Bahm, Chair

Crops Interest
New Salem, ND
701-471-9423
jrbahm@gmail.com

Brian Amundson, Vice Chair

Livestock Interest
Jamestown, ND
701-269-0532
brian.amundson@barvranch.net

Gary Beck, Small Grains Representative

ND Barley Council
Munich, ND
701-682-5546
gary.beck@ndbarley.net

Annika Plummer, Administrator

Clearwater Communications
Bismarck, ND
701-355-4458 (office)
701-425-0095 (direct)
701-590-5204 (cell)
aplummer@clearwatercommunications.net

Brian Leier, Row Crop Representative

ND Corn Growers
Linton, ND
701-321-2345
bcleier@yahoo.com

Lowell Malard, Livestock Representative

ND Stockmen's Association
Bismarck, ND
701-527-8892
Lowell.Malard@hotmail.com



The North Dakota Ag Coalition and its member organizations look forward to working with you during the 2025 Legislative Session

GENERAL MEMBERSHIP:

I-BAND

Milk Producers Association of ND Inc.

Minn-Dak Farmers Co-op

ND Ag Aviation Association

ND Ag Consultants

ND Agricultural Association

ND Agri-Women

ND Barley Council

ND Beekeepers Association

ND Corn Growers Association

ND Corn Utilization Council

ND Dry Bean Council

ND Elk Growers

ND Ethanol Producers Association

ND Farm Credit Council

ND Farmers Union

ND Grain Dealers Association

ND Grain Growers Association

ND Irrigation Association

ND Lamb and Wool Producers Association

ND Oilseed Council

ND Pork Council

ND Soybean Growers Association

ND State Soil Conservation Committee

ND Stockmen's Association

ND Wheat Commission

Northern Canola Growers Association

Northern Pulse Growers Association

Northland Potato Growers Association

Northwest Landowners Association

Red River Valley Sugarbeet Growers

US Durum Growers Association

Winery Association of North Dakota

ASSOCIATE MEMBERS (NON-VOTING):

Ellingson Companies

Garrison Diversion Conservancy District

Grand Farm Research and Education Initiative

ND Association of Agricultural Educators

ND Association of Soil Conservation Districts

ND Beef Commission

ND Department of Agriculture

ND Department of Water Resources

ND Farm Management Education Association

ND Grazing Lands Coalition

ND Rural Water Systems Association

ND Soybean Council

ND State Seed Commission

ND Water Resource Districts Association

NDSU Agriculture

Northern Crops Institute

Red River Retention Authority



HB1509

From: Jess Kouba

To: Dressler, Ty

Date: Thu, Jan 30, 2025, 8:14 AM

[You don't often get email from koubajess@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Richard And myself
Are interested in lengthening
The time to apply for check off refunds
Sent from my iPhone
For oilseeds

Thanks Ty

Jess Kouba

Testimony on HB 1509, which I'm in favor of proposed changes

From: Jim Bobb

To: Dressler, Ty

Date: Wed, Jan 29, 2025, 10:57 PM

You don't often get email from jim.bobb.farms@gmail.com. [Learn why this is important](#)

My name is Jim Bobb a family farmer in Stark County, we raise Canola and Flax along with other cereal crops and hay. I agree that a simplified method of requesting a refund is needed. At times economics or lack of understanding of what the collected monies are used for drives a producer to request a refund. The ability to make the request online helps those of us who have a limited workforce.

I can see where the oilseed council for budget purposes may think that a year is too long of a request for a refund and I would suggest 180 days.

Thank-you for the opportunity to testify.

Jim Bobb

3780 91st Ave SW

Taylor, North Dakota 58656

c) 701-290-5107

Fw: Rick Mittleider Testimony h1509

From: Ty Dressler
To: Dressler, Ty
Date: Mon, Jan 27, 2025, 5:06 PM

Ty Dressler
Director of Operations
Stone Mill

From: Joy Faul <rcmittleiderfarms@gmail.com>
Sent: Monday, January 27, 2025 5:00:45 PM
To: Ty Dressler <ty.dressler@stonemill.net>
Cc: Rick & Char Mittleider <rickmitt@bektel.com>
Subject: Rick Mittleider Testimony h1509

To whom it may concern,

My name is Rick Mittleider and I am an organic farmer from Tappen, ND. I grow oil crops on our family farm and I am in favor of bill h1509.

Thank you,

Rick Mittleider
R&C Mittleider Farms, Inc.
4190 40th Ave SE
Tappen, ND 58487
701-400-1154

Letter of support For House Bill 1509

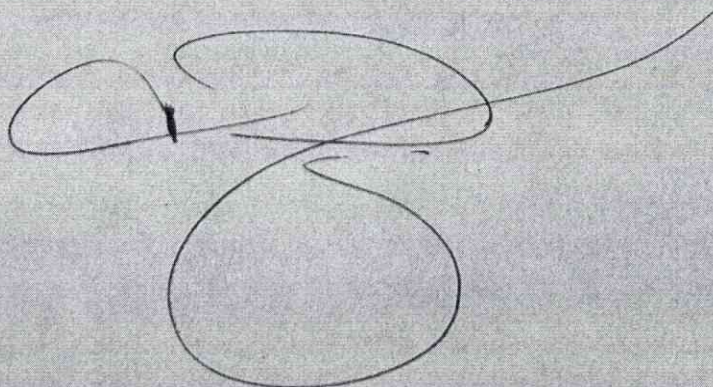
Representative Tye Dressler of district 36 called me last evening to ask my thoughts on supporting House Bill 1509 regarding the Oil Seed console current check off refund requirements. Tye took the time to explain how House Bill 1509 would benefit Ag Producers in the process of acquiring

A refund of their Check Off dollars if so desired by producers. It seems that most Ag Producers are forced to market grains through out the year trying to capture the best market value and net returns for their grains. These changes that House Bill 1509 would make would help give Ag Producers more time to make these decisions.

As a long time 4th and now 5th generation Family Farm we would like to cast our support to Tye and his efforts to bring House Bill 1509 to a vote!!

The Jespersen Family Farm supports the passage of
House Bill 1509

Sincerely Paul Jespersen

A handwritten signature in black ink, appearing to be 'Paul Jespersen', with a large, stylized loop at the end.



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Ty Dressler

District 36
8872 38th Street SW
Richardton, ND 58652-9305
tdressler@ndlegis.gov

COMMITTEES:

Finance and Taxation
Transportation

January 30, 2025

Chairman Beltz and members of the House Ag Committee:

For the record, my name is Ty Dressler and I represent District 36 in the House of Representatives. District 36 stretches from the edge of Dickinson to Judson along I-94. I'm here in front of you today to introduce HB 1509.

This is an agricultural producer-focused bill. It has to do with the process farmers must undertake to request a refund of their check-off dollars from the ND Oilseed Council. Through the years, I've talked with numerous farmers who are frustrated with the current process. Currently, there exists a two-step process of first submitting a written request for a refund application within 60 days of the assessment, then submitting this application along with documentation of the assessment within 90 days of the assessment. This bill would ease that burden on the producer, allowing them 1 year to ask for their money back. Also, HB 1509 requires that the Council place the form on their website so that is easily accessible. The final part codifies that the Council would then issue the refund within 30 days of receiving the request. Currently I don't see a timeframe listed in Century Code for the refund.

Placing the form online, on the Council's website will be quite easy to do, as they already have a website that contains other forms relating to first-purchasers becoming certified. Also, I believe the ND Beef Commission has their refund form on their website, so there is precedence in this matter.

My intent is NOT to harm any councils. I recognize the value of the Oilseed Council in promotion, education, and research of these crops. I have grown flax before and did not request any refunds and I do the same with my beef

cattle. We are focusing only on the process the farmer must adhere to regarding a voluntary program and trying to lessen that burden. I also recognize there may be some concerns over how the Council may handle budgeting. I, however, have to stress that this bill does not change the process that a first-purchaser must use to administer this program. They will continue to collect the assessment on behalf of the Council and send in the reports and assessment dollars on a quarterly basis.

If more refunds are requested, though, it may mean a few different things:

1. The process was too onerous on the producer before these changes, or
2. The producer may have some issues with how the money is being spent,
or
3. The producer is in hard economic times and needs every dollar to make ends meet.

I believe this is a simple, straightforward bill, simplifying a process and adding transparency for all parties involved. Mr. Chair, thank you for your consideration and I'll stand for questions.

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee Room JW327C, State Capitol

HB 1509
1/31/2025

A BILL for an Act to amend and reenact section 4.1-09-19 of the North Dakota Century Code relating to refunding of assessments collected by the oilseed council.

3:47 p.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Timeline
- Electronic form

3:47 p.m. Representative Henderson moved to amend by changing the 1-year to 90 days on line 11.

3:48 p.m. Representative Kiefert seconded the motion.

Voice vote.

Motion passed.

4:00 p.m. Representative Hauck moved to further amend by changing the word "form" to "information".

4:00 p.m. Representative Schrieber-Beck seconded the motion.

Voice vote.

Motion passed.

4:00 p.m. Representative Henderson moved Do Pass as amended.

4:00 p.m. Representative Vollmer seconded the motion.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	AB
Representative Gretchen Dobervich	N
Representative Donna Henderson	Y
Representative Dawson Holle	Y

Representative Jeff Hoverson	Y
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 12-1-1.

4:03 p.m. Representative Henderson will carry the bill.

4:03 p.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

January 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1509

Introduced by

Representatives Dressler, Dockter, Foss, Hoverson, Kasper, Koppelman, Nehring, Porter,
Schatz, Toman

Senator Schaible

- 1 A BILL for an Act to amend and reenact section 4.1-09-19 of the North Dakota Century Code,
2 relating to refunding of assessments collected by the oilseed council.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 4 **SECTION 1. AMENDMENT.** Section 4.1-09-19 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-09-19. Refund of assessment.**

- 7 1. To receive a refund of any assessment paid in accordance with this chapter, a
8 producer shall submit to the council a written request for a refund application within
9 sixty days after the date of the assessment or final settlement.
- 10 2. The producer shall complete the refund application and return the application to the
11 council, together with a record of the assessment collected, within ninety days
12 after ~~one year of~~ the date of the assessment or final settlement. The council shall then
13 refund the net amount of the assessment ~~that had been~~ collected within thirty days of
14 receiving the refund application.
- 15 2. The council shall provide the refund application form on the council's publicly
16 accessible website through secured electronic means.
- 17 3. If a request for a refund is not submitted to the council within the prescribed time
18 period, the producer is presumed to have agreed to the assessment.
- 19 4. A producer is not entitled to a refund under this section unless the refundable amount
20 meets or exceeds five dollars.

**REPORT OF STANDING COMMITTEE
HB 1509**

Agriculture Committee (Rep. Beltz, Chairman) recommends **AMENDMENTS** ([25.1176.01001](#)) and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1509 was placed on the Sixth order on the calendar.

2025 SENATE AGRICULTURE AND VETERANS AFFAIRS

HB 1509

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1509
2/20/2025

A bill relating to refunding of assessments collected by the oilseed council.

3:42 p.m. Chairman Luick opened the hearing.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Agriculture producers
- Examples of oilseeds
- Current refund process and history
- Printable PDF refund forms on website
- Time extension
- Budgeting changes and process
- Department of Government Efficiency (DOGE)
- Timeframe and accessibility
- Checkoff amount
- Refunds on other commodities and uniformity
- Traditional mail and email
- Numbered forms and auditing
- ND Agriculture Coalition
- Efficiency and financial stability
- Compliance and cyber-security concerns

3:43 p.m. Representative Ty Dressler, District 36, testified in favor and submitted testimony #38225.

3:51 p.m. John Wert, President of the ND Oilseed Council, testified in opposition.

3:56 p.m. Renea Nelson, Office Manager, ND Oilseed Council, testified in opposition.

4:00 p.m. Barry Coleman, Executive Director of the Northern Canola Growers Association testified in opposition.

4:02 p.m. Brian Amundson, Vice Chair of the ND Agriculture Coalition, testified in opposition and submitted testimony #38227.

4:07 p.m. Dan Wogsland, Lobbyist, ND Grain Growers Association, testified in opposition and submitted testimony #38219.

4:09 p.m. Chairman Luick closed the hearing.

4:09 p.m. Senator Myrdal moved a Do Not Pass.

4:10 p.m. Senator Weber seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

Senator Myrdal will carry the bill.

4:11 p.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1509 ([25.1176.02000](#))**

Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1509 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.



**North Dakota Grain Growers Association
Testimony in Opposition to HB 1509
Senate Agriculture and Veterans Affairs Committee
February 20, 2025**

Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association (NDGGA). I appear before you today in opposition to HB 1509.

HB 1509 proposes significant changes to the oilseed council's assessment refund process. We believe these changes are detrimental to the council's operations, the stability of the agricultural checkoff system, and ultimately, the interests of North Dakota oilseed producers.

The current refund process, codified in Section 4.1-09-19 of the North Dakota Century Code, is the result of extensive legislative and stakeholder input and has served the industry effectively for the past 15 years. It provides a balanced approach, allowing producers to access refunds while ensuring the council can effectively manage its budget and plan for critical research, promotion, and education initiatives.

HB 1509 introduces four key changes that pose serious concerns:

* **Elimination of the Initial Refund Request:** Removing the requirement for a written request within 60 days of assessment significantly hampers the council's ability to forecast refund requests and budget accordingly. This lack of predictability could lead to financial instability and jeopardize essential programs. It also takes out the personal responsibility for requesting a refund, which is an important balance for the greater than 95% (vast majority?) of producers that support the check-off and the value it provides to all producers.

* **Extended Refund Application Period:** Expanding the application window from 90 days to a full year, coupled with the 30-day processing requirement, creates a prolonged period of financial uncertainty. This extended timeframe makes long-term planning for research, market development, and education initiatives extremely challenging. How can the council

effectively commit resources when a significant portion of its funding could be subject to refunds up to a year later? As stated previously, the current 60-day period was the result of extensive work and review by the Legislature, and seems to work very well.

* Vague Electronic Application Mandate: The bill mandates electronic applications through "secured electronic means," a term that is undefined and ambiguous. This lack of clarity creates confusion and potential compliance issues for the council. What constitutes "secured electronic means"? This ambiguity places an undue burden on the council and could lead to unnecessary costs and administrative hurdles. It also could foster fraud and abuse.

*Broader Industry Implications: HB 1509 could set precedent affecting other checkoff organizations. This would threaten stability of commodity checkoff system across agricultural sectors and risk undermining critical industry functions such as research, market development and producer education.

Furthermore, these changes are being proposed despite a clear lack of demand from oilseed producers. The current system is supported by the majority of producers and functions efficiently. Why fix what isn't broken?

In conclusion HB 1509 threatens the stability of the entire checkoff system, which is vital for funding research to improve profitability and quality, developing domestic and international markets, and providing essential education programs for producers and consumers.

Therefore, Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, the North Dakota Grain Growers Association stands in opposition to HB 1509 and would hope the Committee and the full Senate concur.



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

North Dakota Oilseed Council

Audit Report for the Two-Year Period Ended June 30, 2024

Client Code 608



TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	4
Comparative Statement of Revenues and Expenditures	4
Notes to the Financial Statement	5
EXHIBITS	7
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	7
Financial Statement Finding	9



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Capitol
600 E. Boulevard Ave. Dept. 117
Bismarck, ND 58505

www.nd.gov/auditor

ndsao@nd.gov

Independent Auditor's Report

Members of the Legislative Assembly

Members of the North Dakota Oilseed Council

Jon Wert, North Dakota Oilseed Council Chairman

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying Comparative Statement of Revenues and Expenditures of the North Dakota Oilseed Council Fund, for the two years ended June 30, 2024, and the related notes to the financial statement, as listed in the table of contents.

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the revenues and expenditures for the North Dakota Oilseed Council Fund, for the two-year period ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the North Dakota Oilseed Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statement presents only the North Dakota Oilseed Council Fund's revenues and expenditures, and does not purport to, and does not present fairly the

financial position of the state of North Dakota as of June 30, 2024 and 2023, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statement is presented and audited in accordance with North Dakota Century Code 4.1-44-04. This financial statement is not intended to be a complete presentation of the North Dakota Oilseed Council Fund's assets and liabilities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Oilseed Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by the Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the North Dakota Oilseed Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Dakota Oilseed Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Dakota Oilseed Council's internal control over financial reporting and compliance.

/s/

Joshua C. Gallion
State Auditor
Bismarck, North Dakota
December 2, 2024

Comparative Statement of Revenues and Expenditures

For the Years Ended June 30, 2024 and 2023

Revenues:

	6/30/2024	6/30/2023
Assessments (Net of Refunds of \$95,478 and \$75,957)	1,674,606	1,611,851
Interest on investments	8,174	4,746
Refund on Warranty	121	-
Total Revenue	1,682,901	1,616,597

Expenditures:

Professional Fees & Services	1,416,715	1,324,630
Salaries	60,580	38,895
Fringe Benefits	42,203	24,936
Sponsorships	103,900	6,719
Professional Development	1,597	1,563
Rental/Leases	12,000	11,500
Travel	3,052	2,215
Operating Fees and Services	3,446	3,834
IT Communications	1,985	1,844
Insurance	863	816
Supplies - IT Software	120	202
Office Supplies	791	208
Postage and Printing	1,140	1,013
Office Equipment	1,341	-
Total Expenditures	1,649,734	1,418,374
Revenue Over/(Under) Expenditures	33,167	198,223

Notes to the Financial Statement

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The responsibility for the financial statement, the internal control structure, and compliance with laws and regulations belongs to management of the North Dakota Oilseed Council. A summary of the significant accounting policies follows:

A. REPORTING ENTITY

For financial reporting purposes, the North Dakota Oilseed Council includes all funds, programs, and activities over which it is financially accountable. The North Dakota Oilseed Council does not have any component units as defined by the Government Accounting Standards Board. The North Dakota Oilseed Council is part of the state of North Dakota as a reporting entity.

The North Dakota Oilseed Council was established by North Dakota Century Code chapter 4.1-09, and is responsible for promoting the production, development, marketing, and advertising of sunflower, safflower, rapeseed or canola, crambe, and flax within North Dakota. The Council receives its funding through an assessment of four cents per hundredweight on sunflowers and canola, three cents per bushel on flax, and three cents per hundredweight on all other oilseeds grown in North Dakota or sold to a first purchaser. The Council operates on a continuing appropriation and received no funding from the state legislature.

B. REPORTING STRUCTURE

The financial statement includes all activities of the reporting entity as defined above. These activities are funded from the North Dakota Oilseed Fund. The comparative statement of revenues and expenditures is a combined statement to give the users an overview of the agency's activity.

C. BASIS OF PRESENTATION

North Dakota Century Code 4.1-44-04 requires certain commodity promotion groups to prepare a report for the legislative assembly. As part of this report the applicable commodity groups are required to prepare a single-page uniform statement of revenues and expenditures.

Revenues and expenditures on the comparative statement of revenues and expenditures are reported on the modified accrual basis of accounting which is generally accepted accounting principles (GAAP) for governmental fund types.

Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e. measurable and available). Measurable means the amount can be determined, available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if they are collected within a year after fiscal year end. Expenditures are recorded when goods or services are received. Exceptions include: principal and interest expenditures which are recorded when due and compensated absences which are recorded when paid.

D. GAAP REPORTING DIFFERENCES

GAAP financial statements would include a balance sheet. GAAP financial statements would also provide additional note disclosures.

NOTE 2 | RELATED PARTIES

The North Dakota Oilseed Council has seven members representing sunflower producers. These members are also on the National Sunflower Association (NSA) board of directors. The North Dakota Oilseed Council contracts with the NSA to promote market development and research for sunflowers. Payments under these contracts totaled \$673,332 for the two-year period ended June 30, 2024.

The North Dakota Oilseed Council has three members representing canola producers. This member is also on the Northern Canola Growers Association board of directors. The North Dakota Oilseed Council contracts with the Northern Canola Growers Association to promote market development and research for canola. Payments under these contracts totaled \$1,950,000 for the two-year period ended June 30, 2024.

The North Dakota Oilseed Council has one member representing flaxseed producers. This member is also on the AmeriFlax board of directors. The North Dakota Oilseed Council contracts with AmeriFlax Inc. to promote market development and research for flaxseed. Payments under these contracts totaled \$110,000 for the two-year period ended June 30, 2024.

NOTE 3 | OTHER SIGNIFICANT ITEMS

North Dakota Oilseed Council has cash and investment reserves of \$1,905,599.91 and \$1,773,251.04 at June 30, 2024 and June 30, 2023, respectively. Based on the average monthly expenditures for fiscal years 2024 and 2023, this amount represents approximately 13.86 and 15 months of expenditures, respectively.



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Capitol
600 E. Boulevard Ave. Dept. 117
Bismarck, ND 58505

www.nd.gov/auditor

ndsao@nd.gov

**Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditor's Report

Members of the Legislative Assembly

Members of the North Dakota Oilseed Council

Jon Wert, North Dakota Oilseed Council Chairman

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Comparative Statement of Revenues and Expenditures of the North Dakota Oilseed Council, for the two-year period ended June 30, 2024, and the related notes to the financial statement and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered North Dakota Oilseed Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Oilseed Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Dakota Oilseed Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of audit findings as items 2024-01, to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota Oilseed Council's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/S/

Joshua C. Gallion
State Auditor
Bismarck, ND
December 2, 2024

North Dakota Oilseed Council
Schedule of Audit Findings
For the Year Ended June 30, 2024

Financial Statement Finding

2024 – Material Audit Adjustments – North Dakota Oilseed Council – Material Weakness

Condition

During the audit of the North Dakota Oilseed Council, we proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). These adjustments were approved by management and are reflected in the financial statements.

Effect

There is an increased risk of material misstatement to the North Dakota Oilseed Council's financial statements.

Cause

The North Dakota Oilseed Council may not have procedures in place to ensure the financial statements are complete and accurate.

Criteria

The North Dakota Oilseed Council's internal control structure should be designed to have an adequate system for recording and processing entries material to the annual financial reports in accordance with GAAP.

Repeat Finding

No.

Recommendation

We recommend the North Dakota Oilseed Council review its procedures and requirements for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

North Dakota Oilseed Council's Response

We agree with the audit finding regarding the proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). We understand the importance of insuring that our financial statements are complete and accurate.

In the future, the North Dakota Oilseed Council will record all expenditures and revenues in the proper fiscal year by considering when the revenue are earned and the expenditures are incurred, rather than the dates that the payments are due.

These actions will help ensure that future statements are prepared accurately and in accordance with GAAP, thereby reducing the risk of material misstatement.



NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

600 E. Boulevard Ave. Dept. 117 | Bismarck, North Dakota 58505

 [ND.gov/Auditor](https://nd.gov/Auditor)

 NDSAO@nd.gov

 701-328-2241

 Facebook - nd sao.link/ebs

 YouTube - nd sao.link/f2d

 LinkedIn - nd sao.link/ww



1605 E Capitol Ave., Suite 204
Bismarck, ND 58501
701-425-0095

Senate Agriculture and Veterans Affairs Committee

Hearing for HB 1509

February 20, 2025

Testimony of Brian Amundson, North Dakota Ag Coalition

Chairman Luick and members of the committee, my name is Brian Amundson. I am here today as the Vice Chair of the North Dakota Ag Coalition. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for more than 40 years. Today, we represent 49 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Our members seek to enhance North Dakota's agriculture industry through membership in the Ag Coalition.

The Ag Coalition considers policy action items, brought forward by our members, seriously. It takes a policy position on a limited number of issues every session and only on those that have a significant impact on North Dakota's agriculture industry. The North Dakota Ag Coalition opposes House Bill 1509, a bill that intends to change the refund process for the oilseed council.

While we appreciate the House Agriculture Committee's amendment to reduce the refund request period from one year to 90 days, we still strongly prefer the original 60-day request window and 30-day submission window. The current system was carefully designed to ensure that refunds are processed efficiently without creating financial instability for the oilseed council. Extending the window to 90 days still creates unnecessary uncertainty and complicates budgeting for checkoff investments in research, market expansion, and promotion.

Additionally, we oppose the provision requiring the oilseed council to provide refund applications through "secured electronic means." This language is vague and open to interpretation, creating potential compliance and cybersecurity challenges. Refund applications require Tax Identification Numbers (TINs) or Social Security Numbers (SSNs), as refunds represent taxable income from the sale of commodities. Moving to an electronic system raises serious security concerns, increasing the risk of data breaches and identity theft. Ensuring proper encryption and security protocols would be costly, diverting checkoff dollars away from critical industry investments.

Finally, we remain concerned that changes to the oilseed council's refund process could set a precedent for other checkoff programs. The current refund system was developed 15 years ago with broad producer input and is functioning effectively. There is no widespread producer demand for these changes and modifying the system risks weakening the research and promotion programs that help North Dakota producers remain competitive.

For these reasons, the North Dakota Ag Coalition urges you to oppose HB 1509 and instead reinstate the 60-day request and 30-day submission window to maintain a practical and predictable refund process. Remove the ambiguous "secured electronic means" language to protect producer identification security and checkoff funds.

As you know, North Dakota producers have been – and will continue to be – the driving force in the future of North Dakota's number one industry and the state's economy. It is essential that we listen to them and carefully consider any changes to processes that were developed thoughtfully and deliberately.

The North Dakota Ag Coalition encourages your opposition to HB 1509. Thank you for the opportunity to provide this testimony.

North Dakota AG COALITION

Providing a unified voice on behalf of North Dakota agricultural interests.

The North Dakota Ag Coalition is a nonpartisan federation of 50 organizations representing specific commodities and/or associations with a direct interest in agriculture, for the specific purpose of addressing issues that affect North Dakota agriculture. Organized in April 1982, the North Dakota Ag Coalition has been successful in providing a unified voice on behalf of North Dakota agricultural interests for more than 40 years.

Issues of Interest:

- Agriculture research and extension ● Value-added agriculture
- Renewable fuels ● Commodity check-offs
- Rural infrastructure ● Conservation

Executive Committee:

Jim Bahm, Chair

Crops Interest
New Salem, ND
701-471-9423
jrbahm@gmail.com

Gary Beck, Small Grains Representative

ND Barley Council
Munich, ND
701-682-5546
gary.beck@ndbarley.net

Brian Leier, Row Crop Representative

ND Corn Growers
Linton, ND
701-321-2345
bcleier@yahoo.com

Lowell Malard, Livestock Representative

ND Stockmen's Association
Bismarck, ND
701-527-8892
Lowell.Malard@hotmail.com

Brian Amundson, Vice Chair

Livestock Interest
Jamestown, ND
701-269-0532
brian.amundson@barvranch.net

Annika Plummer, Administrator

Clearwater Communications
Bismarck, ND
701-355-4458 (office)
701-425-0095 (direct)
701-590-5204 (cell)
aplummer@clearwatercommunications.net



The North Dakota Ag Coalition and its member organizations look forward to working with you during the 2025 Legislative Session

GENERAL MEMBERSHIP:

I-BAND

Milk Producers Association of ND Inc.

Minn-Dak Farmers Co-op

ND Ag Aviation Association

ND Ag Consultants

ND Agricultural Association

ND Agri-Women

ND Barley Council

ND Beekeepers Association

ND Corn Growers Association

ND Corn Utilization Council

ND Dry Bean Council

ND Elk Growers

ND Ethanol Producers Association

ND Farm Credit Council

ND Farmers Union

ND Grain Dealers Association

ND Grain Growers Association

ND Irrigation Association

ND Lamb and Wool Producers Association

ND Oilseed Council

ND Pork Council

ND Soybean Growers Association

ND State Soil Conservation Committee

ND Stockmen's Association

ND Wheat Commission

Northern Canola Growers Association

Northern Pulse Growers Association

Northland Potato Growers Association

Northwest Landowners Association

Red River Valley Sugarbeet Growers

US Durum Growers Association

Winery Association of North Dakota

ASSOCIATE MEMBERS (NON-VOTING):

Ellingson Companies

Garrison Diversion Conservancy District

Grand Farm Research and Education Initiative

ND Association of Agricultural Educators

ND Association of Soil Conservation Districts

ND Beef Commission

ND Department of Agriculture

ND Department of Water Resources

ND Farm Management Education Association

ND Grazing Lands Coalition

ND Rural Water Systems Association

ND Soybean Council

ND State Seed Commission

ND Water Resource Districts Association

NDSU Agriculture

Northern Crops Institute

Red River Retention Authority

