

1999 HOUSE APPROPRIATIONS

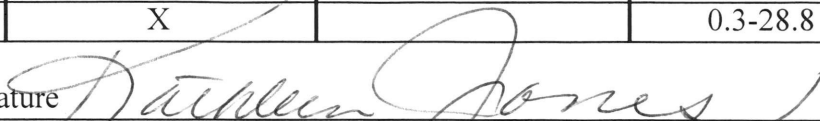
HB 1434

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HOUSE BILL 1434

House Appropriations Committee

Hearing Date JANUARY 26,1999

Tape Number	Side A	Side B	Meter #
ONE	X		0.3-28.8
Committee Clerk Signature 			

Minutes:

A BILL for an Act to amend and reenact section 15-20.1-03 of the North Dakota Century Code, relating to the powers and duties of the state board for vocational and technical education; and to provide an appropriation.

1A: .3 Chairman Dalrymple called the hearing on HB 1434 to order.

1A: Rep. Nichols, District 4, spoke in favor of HB 1434. This bill creates and expand marketing club in the state of North Dakota under the farm management programs in the state. The appropriation would be divided among the twenty clubs in the state. This would educate the farmer as to the marketing vehicle available to market or hedge his products. Some state already have programs available.

1A: 2.8 Rep. Aarsvold asked why a marketing program in place currently? Rep. Nichols stated that we have failed to expand on the marketing areas.

1A: 4.4 Rep. Huether asked if the marketing club members would have to sign off on liability issues when hedging. Rep. Nichols stated that members would have to sign off.

1A:5.1 Chairman Dalrymple asked if the term "marketing club" had a definition? Is it joint marketing? Rep. Nichols states in his opinion it is a group of people learning about the markets that are available and increasing income. It is not a closely defined group, but it is not joint marketing. But the if income increases within the community could effect the community.

1A:6.0 Discussion took place regarding the methods of selling farm commodities.

1A: 8.6 Steve Zimmerman, Vocational Technical Education, spoke in support of HB 1434. Currently the Vo-Tech is working closely with NDSU for in trying to decide what to do in this time of crisis for the farmer. This would be a benefit in helping know what the farmers inventories are, what the crop options are, and if there are markets for the products. The need for this type of club is educational and would continue for about two years and perhaps longer depending on the producers needs.

1A:13.6 Rep. Delzer asked if there is any other industry in which we are developing a government intervention for assist the farmers? Isn't this the responsibility of the producer to education themselves as business people? Mr. Zimmerman stated this isn't telling the farmers this is the best way to market. This is an option to let the producers know what marketing possibilities for producers. My personal opinion is that the state does need to offer support for this program. The Commission on Future of Agriculture put together a rise management program for training the trainers for marketing clubs. Meetings have been held in several states for the development of marketing clubs. The only government intervention would be the opportunity for education.

1A: 18.7 Richard Schlosser, North Dakota Farmers Union, spoke in favor of HB 1434. The 1996 Farmer Bill indicated the need for producers to be aware of the marketing possibilities for their products.

1A: 21.2 Rep. Byerly asked if ND Farmers Union provide this type of service for their members? And if they do not, why not. Mr. Schlosser stated that Farmers Union has started a program and plan to continue it.

1A: 24.6 Brain Kramer, North Dakota Farm Bureau, expressed the views of the members in support of this bill. The changes in ag. Marketing is the next frontier. The advancement of technology had create the need for creative marketing with the producers.

1A: 27.1 Lance Gaebe, North Dakota Grain Growers Association, stated that the association is taking steps across the state in marketing clubs. The problem is finding expertise in the area of marketing. The Association is supporting HB 1434.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 11, 1999			
Tape Number	Side A	B Side	Meter #
1		x	0.0-5.0
Committee Clerk Signature <i>Randall Cussias</i>			

Minutes:

A Bill for an Act to amend and reenact section 15-20.1-03 of the North Dakota Century Code, relating to the powers and duties of the state board for vocational and technical education; and to provide an appropriation.

Tape 2, B, 0.0 Chairman Dalrymple opened committee work for HB 1434.

.8 Rep Hoffner moves for a do pass, 2nd by Rep Gullefson.

1.1 Rep. Byerly asked if could this program be done with existing funding of State Board of Vocational and Technical Education or the funding of the Extension. Chairman Dalrymple states that it is one of the duties of the Vocational Education in this case it is the education of farmers through the Farm Management Program.

3.2 Rep. Delzer moves to remove lines 21-25 in section 2, 2nd by Rep. Carlisle. The motion carries.

3.9 Rep. Tollefson moves a do pass HB 1434, 2nd by Rep. Wentz. The vote 20 yes, 0 no, 0 absent. Rep. Hoffner carries the bill to the house floor.

FISCAL NOTE

MAR 10 1999

Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1434

Requested by Legislative Council _____ Date of Request: 3-9-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

The Bill assumes creating and expanding 20 marketing clubs throughout the state at a cost of \$3,750 per club per biennium for a total cost of \$75,000.00

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:	75,000	75,000	75,000
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- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: None
- b. For the 1999-2001 biennium: + 75,000
- c. For the 2001-03 biennium: +75,000

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

State Board for Vocational and Technical Education

If additional space is needed, attach a supplemental sheet.

Signed Mel Olson

Typed Name Mel Olson

Department State Board for Vocational and Technical Education

Date Prepared: 3-9-99

Phone Number 328-2259

FISCAL NOTE

Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1434

Requested by Legislative Council _____ Date of Request: 3-9-99

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Narrative:

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2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	75,000		75,000		75,000	
Expenditures:	75,000		75,000		75,000	

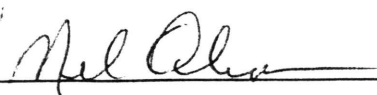
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- a. For rest of 1997-99 biennium: None
- b. For the 1999-2001 biennium: + 75,000
- c. For the 2001-03 biennium: +75,000

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
State Board for Vocational and Technical Education								

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Mel Olson

Department State Board for Vocational and Technical Education

Phone Number 328-2259

Date Prepared: 3-9-99

Date:
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1434

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Di Pass

Motion Made By Tollefson Seconded By Wentz

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson	X				
Hoffner	X				
Huether	X				
Kerzman	X				
Lloyd	X				
Monson	X				

Total (Yes) 20 No 0

Absent 0

Floor Assignment Hoffner

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

REPORT OF STANDING COMMITTEE

HB 1434: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1434 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "; and"

Page 1, line 3, remove "to provide an appropriation"

Page 2, remove lines 21 through 25

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 270 - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

HOUSE - This amendment removes Section 2 of the bill, which provided a general fund appropriation of \$75,000 to the State Board for Vocational and Technical Education for expanding marketing clubs as adjuncts to farm management programs.

1999 SENATE EDUCATION

HB 1434

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1434

Senate Education Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1	x		2111-5122
1		x	330-1325
1		x	318-1318
Committee Clerk Signature <i>Sinda Christman</i>			

Minutes:

SENATOR FREBORG opened the hearing on HB1434. All senators were present.

REPRESENTATIVE NICHOLS, DISTRICT 4 introduced HB1434. HB1434 relates to the powers and duties of the state board relating to vocational education and if you look at page 2 of the bill, especially line 16 it relates one of those powers and duties of the board. That is to coordinate and existing prime management programs offered by any state agency or entity.

The new language in this bill, line 17 & 18 would be to create and expand marketing clubs as adjunct to new and existing farm management programs. The purpose of this bill is that many of us as farmers and ranchers are at the point of doing a pretty good job of producing but at the same time I don't think we've done nearly as good a job of learning how to market what we produce. One of the things that I think that definitely helps, relates directly to the farm management groups and to anything that is done in a similar way whether it is individual farmers

and ranchers doing their own analysis of their enterprises, but we need to know what the cost of our productions are. If we know what it costs to produce a bushel of wheat, then at least we know at what point we can make a profit. We don't always tend to hit the very best price. This language at least would seem to encourage some additional emphasis on this area and I know in the last few weeks I've watched on TV some other states that are getting involved in marketing clubs or groups as an improvement to their agriculture sector. Now the appropriation of \$75,000 which would have provided about somewhere in the neighborhood of \$3,600 for each of these 20 existing farm management groups has been taken out of this bill. It was amended out in the House. The purpose was to provide some money for these clubs to set up a curriculum, get involved with some marketing information services, hopefully bring in some speakers that would help them with regard to contracts, etc. It would be nice if you would consider putting that \$75,000 back in but if that is not possible I would hope you would support the bill simply for the language and the emphasis it would lend to marketing.

SENATOR O'CONNELL : Does the board have the power to do this now without the \$75,000? What are we accomplishing.

Rep. Nichols: There has been some marketing activities within the management group. But I don't think it has ever been real important. It would be hard for the local organizations to take on additional work without some kind of financial help.

SENATOR WANZEK : Can you give me any insight as to why vocational ed versus say extension service is doing that.

Rep. Nichols: The extension service does hold some meetings with regard to the marketing and with regard to some of the things that help a farmer/rancher make a better decision. One of the

first parts is the production phase of it, knowing what the cost is. Experiment stations and extension have to some extent concentrated more on production. One of the things that could be possible for a farm management group and for instance a county agent is for them to work together to hold meetings and to do those types of things.

SENATOR WANZEK : What you are looking for is more so assistance or help in showing farmers how to get the clubs started and the details of start up.

Rep. Nichols: I think that is true and get them in a regular setting.

Testimony In Favor: Steve Zimmerman, State Supervisor for Ag Education. When I initially testified for this bill on the House side we had the appropriation in place of \$25,000. The more I thought about the bill, the more I feel we have a problem of people understanding exactly what we are talking about when we're talking about ag marketing clubs. We do see a lot of things going on in adult farm management with the extension service and I see it a lot more this year because those two entities have worked so close together in what we referring to as current farm crisis. Extension is providing some excellent educational material on marketing for farmers, the adult farm management programs through their progression of instruction is providing a lot of instruction. Until a group gets to the point where they are investing in that type of an organization it is just another marketing class. The effort is being made, the adult farm management instruction of ND, SD and MN combined their efforts with industry leaders to provide training the trainer programs at seven different sites throughout these three states. To train instructors how to lead agriculturists into establishing marketing clubs. The \$75,000 is almost essential for the continuation of that type of a project.

SENATOR COOK : Is it fair to say that only two of the tools that are missing is technology

or the ability to use a computer and the ability to take advantage or understand the constantly changing farm programs.

Steve: The most essential tools in both I feel are being addressed through extension service and through adult farm management program. What I see with that \$75,000 would be more in the form of bringing in qualified personnel to lead those people. Most farmers either have computers or have access to them. They have to have facilitator in place to get it going.

SENATOR FREBORG : The \$75,000 was for one person.

Steve: The \$75,000 would be distributed among the adult farm management programs currently in the state specifically targeted for the development of marketing clubs.

SENATOR FLAKOLL : Do we have the people in ND already who could help teach or instruct those sort of classes at NDSU or some other place. Could these be the people you would bring in as experts or do we have to bring people in from out of state.

Steve: I feel that we have more than enough qualified people in our own state who are experienced in marketing.

SENATOR WANZEK : Understanding cost production is the first key. I have spent the last 15 years finding anything I could about marketing.

Steve: I agree, but there are a lot of things we need to bring us closer together and I think the effort is started.

SENATOR WANZEK : Too many people are basing their marketing decisions on emotions rather than on the information, record keeping, etc.

Steve: Here's where I'll put my foot in my mouth. As the bill is currently written, the engrossment that is before you right now without the appropriation I really don't see where it is

needed. Because as I've already said quite frankly the concepts and that the implementation is occurring. It is going to progress a lot slower without the funding but we are going to do the job.

SENATOR FLAKOLL : What is the membership in those 20 clubs.

Steve: Currently we are serving 846 farm families full time in adult farm management programs in addition we are serving approximately 400-500 through the farm business management for profit and training program.

SENATOR FLAKOLL : The people you would bring as example of extension service or agents, experts in the field that are already in the system, you would not have to pay any part of their salary correct, you would just have to pay per diem.

Steve: That would be correct, occasionally there may be some funding needed for bringing in experts from industry but in most situations I feel that once a marketing club has been established and put in place, that part of the dues that they may pay to that organization could be used for that type of thing.

SENATOR FLAKOLL : On the line of dues do they currently pay dues and how much.

Steve: \$450-500 level but after that person has been in the program for three years they go to a graduated rate of perhaps \$350-400 a year.

Testimony in Favor: Brian Kramer representing ND Farm Bureau. We support this bill.

There have been a number of changes in the farm program and due to the changes in the farm program there is a lot more emphasis for farmers to build market and market wisely. We believe this bill helps in that aspect giving those people educational opportunities to learn more about marketing. ND has some of the best producers in the world unfortunately the marketing expertise is somewhat lacking.

SENATOR KELSH : If you had a note due especially operating, you have to sell a substantial amount. Are lending institutions granting at least some or quite a bit of latitude in that area. Do you know.

Brian: I think they are coming in that direction. There is a lot of education that needs to be done with the bankers. The lending institutions are learning a lot and have come a long way.

SENATOR WANZEK : Don't you feel though that the whole intention of something like this is to be pro active to markets rather than reactive. Better than selling when your notes due, we're talking about helping farmers learn how to make a marketing plan that is more pro active and is designed to fit into their yearly plan.

Brian: I agree whole heartedly. Long range plan is much better than trying to hit the market when it is the best or trying to beat a note when it is due.

Testimony in Favor: Jim Moench with the Commission on the Future of Agriculture. You have had some excellent testimony. Think these clubs are somewhat akin to stock market investing clubs where people get together and put a small amount of money on the table and then they use that club to learn the techniques of stock market investing and how to look at a stock, judge the company, all of those kind of things. The club then makes an investment. I see this as somewhat the same kind of an educational tool. The language of this bill does emphasize the idea of marketing. With agriculture changing at an unbelievable rate out there, compared to what my father looked at and what I looked at when I was doing that. Totally different. Support the bill, would like to see the \$75,000 in it if you could but we do support it.

Close the hearing on HB1434

Discussion:

SENATOR WANZEK : Being a farmer myself, I have some strong feelings. Most farmers base marketing on emotion or sell when bills are due rather than being proactive and I think this could be an educational tool. I personally feel that it is important enough that it warrants putting some money in. I make a motion to amend it and appropriate \$25,000 .

SENATOR FLAKOLL : 2nd

Vote: 7 Yes 0 No

SENATOR WANZEK : I move a DO PASS as amended. rerefer to appropriations.

SENATOR O'CONNELL : 2nd

Vote: 7 Yes 0 No

CARRIER: SENATOR WANZEK

Date: 3/9/94
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1434

Senate EDUCATION Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to amend and appropriate \$25,000.

Motion Made By Wanzek Seconded By Flakoll

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

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

Date: 3/9/99
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1434

Senate EDUCATION Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended referred to approp.

Motion Made By Wanzek Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Wanzek

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

REPORT OF STANDING COMMITTEE

HB 1434, as engrossed: Education Committee (Sen. Freborg, 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). Engrossed HB 1434 was placed on the Sixth order on the calendar.

Page 1, line 2, after "education" insert "; and to provide an appropriation"

Page 2, after line 18, insert:

"SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the state board for vocational and technical education for the purpose of expanding marketing clubs as adjuncts to new and existing farm management programs, for the biennium beginning July 1, 1999, and ending June 30, 2001."

Renumber accordingly

1999 SENATE APPROPRIATIONS

HB 1434

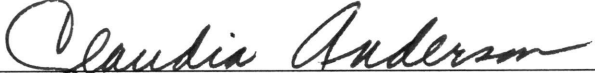
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED HB 1434

Senate Appropriations Committee

Conference Committee

Hearing Date 3/19/99; 4/11/99

Tape Number	Side A	Side B	Meter #
1	0-3970		
3/30/99 1	5214-5736		
Committee Clerk Signature 			

Minutes:

SENATOR NETHING: Opened the hearing on engrossed HB 1434; a BILL for an Act to amend and reenact section 15-20.1-03 of the North Dakota Century Code, relating to the powers and duties of the state board for vocational and technical education.

STEVE ZIMMERMAN: Supervisor for Ag Education with Vocational Technical Education, to testify in support of HB 1434. The concern I have for this bill is the section that would appropriate \$25,000 for the development of Ag Marketing Clubs, in conjunction with our Adult Farm Management Programs around the state. Ag marketing is not just another classroom activity. The marketing activities we are currently doing in our classes is just not enough. Farmers and ranchers need to participate in marketing itself. The goal of the Marketing Clubs would be to actually involve the farmers and ranchers under the leadership of an individual skilled in marketing. The goal would be to have the Club become self-sufficient. I see using the \$25,000 in the following ways: First, put \$3,000 into curriculum development, 2nd have farm management instructors apply for a grant that would outline their intent to use the money-reviewed by our office. In the first year, I would project we would be able to start marketing clubs in 20 locations. It would allow us to give out approximately \$450/program that could be used for site rental, travel for guest speakers, handouts for participants, connecting to Internet sites, interactive TV sites, etc. That would take up about \$9,000. So, in the first year with the \$1,000 reserve to allow for additional funds as needed by individual programs, that would consume \$17,000 of the \$25,000. In the second year, the remaining moneys, again holding back \$1,000 as a reserve for special situations, we would distribute \$350/program for the 20 programs for the remaining \$7,000. We have some very determined instructors who recognize the need for this program to be contained as part of the Adult Farm Management Program. I think they could make it very effective.

SENATOR KRAUTER; Can you be specific? Are we talking futures, options, value-added? (tape 1, A, 515)

ZIMMERMAN: I don't know that we could actually give you specifics at this time. One of the things I see as a plus, would be that it would be developed at a local level, by the local people.

SENATOR KRAUTER: Can you be more specific? We have county agents that do these marketing classes, research centers, MEY groups that are meeting, etc. What is different about this?

ZIMMERMAN: I don't know that there is anything that extremely different, other than we are already working with a clientela with the Farm Management Programs. I see this as more of an addition to the programs already in place. I'm not saying we'd restrict it just to the clients that are there. But, the fact we are already bringing these people for program instructions, I feel gives up the opportunity to take it a step further. (tape 1, A, 664)

SENATOR ST. AUBYN: Can you explain the fiscal note that talks about \$75,000 and the amendment talks about \$25,000; but they are both dated March 9.

ZIMMERMAN: I'm not sure on the dates. I know the original bill was the \$75,000 which was passed out without appropriation. Then the \$25,000 was reinserted.

SENATOR BOWMAN: What would this club do differently than the Farm Management Classes are doing? (tape 1, A, 780)

ZIMMERMAN: The intent of the Ag Marketing Club is that eventually the Club would become self-sufficient, would require the members of the Club, depending on how they want to set it up at their local level, invest in the Club to work toward developing marketing skills. I was in contact yesterday with 6 of our Adult Farm Management Instructors who have over the year developed marketing clubs. The greatest concern I noted is there is no unified curriculum. As it stands today, only one of those 6 currently has a marketing club.

SENATOR HOLMBERG: I'd like you to expand on the interface between this marketing club program and the role of Extension.

ZIMMERMAN: I'm supportive of the Extension programs in the field of marketing. We have a clientela being brought together on a regular basis. The regionalized workshops as they are currently being presented by industry, the extension service, that if the individual client has time to come in, they will. If they don't, it brushes off.

SENATOR LINDAAS: Some of the lending institutions, banks, etc. sponsor marketing clubs and offer information like this. Would they become part of your system, or would you help them in anyway in this regard?

ZIMMERMAN: That is an excellent point. We have to make these ties with industry. If we establish a curriculum using what they're already offering, carrying it a step further, that it may even be that they'll like what we're offering for a curriculum, and expand on their own marketing efforts.

SENATOR ANDRIST: Would this be like an investment club except they'd be working in farm commodities?

ZIMMERMAN: That's a good analogy. That is what eventually should take place.

SENATOR NETHING: You get a different perspective in reading the intent of the fiscal note as presented. I'd like to have you write out the ideas you have presented.

RON NICHOLS: Representative, District 4, to testify, in support of HB 1434, as sponsor of the bill, and as a member of the State Board as it relates to Vocational-Technical Education. This bill was introduced because of the amount of work farm managers are currently doing. They can't do any more. The creation of the marketing club would be beneficial in educating farmers about marketing. Marketing is difficult for farmers. The club would help develop this concept. (tape 1, A, 1450-1915)

SENATOR ANDRIST: What is your vision for how this marketing concept could be expanded?

NICHOLS: I think if we can fund these clubs adequately to allow these farmers to pick up good marketing skills is the key. It is important not to try to do too much and fail at it all.

SENATOR BOWMAN: I'm trying to understand what this club will do that the Farm Management classes should be doing.

NICHOLS: Farm Management instructors are swamped - time and resource wise. They can't take on any more responsibilities. I urge your support of this bill.

SENATOR NETHING: I see this much like a college course, where you begin with generals and become more specific each year. (tape 1, A, 2355)

LANCE GAEBBE: ND Grain Growers Association, testified in support of the bill. A group of growers in Langdon copied a club in the Hope area and has become involved in a club similar to this. They each invested \$400 each. They bring in speakers, and provide programming that teaches the concepts of marketing including calls, puts, contracts, etc. The Minnesota Dept. of Agriculture has contributed funds to their wheat growers to develop marketing expertise. (tape 1, A, 2420-2700)

BRIAN KRAMER: ND Farm Bureau, to testify in support of the bill. We've seen major changes in farming. Anything we can do as a state to help farmers develop marketing skills, we need to do. (tape 1, A, 2830)

RICHARD SCHLOSSER: ND Farmer's Union, to testify in support of the bill. The last several years, the ND Farmer's Union have stepped our initiatives with respect to risk management, and that includes some of the new products with the crop insurance, particularly CRC, and running that in conjunction with some marketing strategies, classes, etc. That is the first step. But, I think what we need to do is to take that another step into what we call these marketing clubs. A

marketing club would allow farmers to share ideas, concepts, concerns, and eliminate marketing fears. (tape 1, A, 2830-3112)

SENATOR SOLBERG: Would your organization go along with this if some of these clubs got into the idea that maybe contract production is a good marketing tool? You see that in hog production right now.

SCHLOSSER: As far as contract production, we have a statement on that that we prefer the production remain with the individual producer. As far as elevator contracts, minimum price contracts, and I understand agricultural production contracts are another concept that are coming and are legal in the state, as I understand it visiting with some people at the Attorney General's office, and, again our vision of ND that we have individual family farmers that are in control of management and production, and again the sale of that particular commodity into the market.

SENATOR SOLBERG: So, if a club came along and said it looks like a good venue would be contract hogs whereby x company would furnish the hogs, furnish the feed, and you'd be guaranteed a profit, you would not endorse that concept for that club?

SCHLOSSER: I don't know that particular club would deal with that particular concept. I think it is a different marketing concept. I think with the experience I've had with marketing clubs, I belonged to one about 7-8 years ago. We dealt particularly with going on the board or with call options, minimum price contracts with our elevator which would in a sense purchase a call to offset the sale of the grain at that time. We dealt specifically with those particular marketing options. Contracts per se, contract production per se, I would say would not necessarily be a part of that. Again, philosophically our organization would have a problem with that, Senator.

SENATOR SOLBERG: Things are changing and contract production is a marketing too nowadays. I can see that as part of a marketing club.

SENATOR ANDRIST: What can we do to encourage some real collaboration between you, other farm groups, extension, vo ed, etc. to really make this get out there?

SCHLOSSER: The partnering between the above groups as well as insurance agencies, we deal with risk management. I think crop insurance is a big part of that, particularly with the revenue insurance Farm Bureau is talking about, with crop revenue coverage that we have with other programs, the farmer then can with very minimal risk go out and forward contract crops that can be covered with the CRC coverage. You need a partnering with the insurance agencies, marketing managing, etc.

MEL OLSON: State Director, Vocational and Technical Education, to testify in support of the bill. We believe the future of agriculture is dependent upon educating farmers concerning marketing. We do work with extension and are holding meetings with them to expand those cooperative efforts. Earlier comments noted how busy farm managers are. I testified before this committee earlier about the need for 3 more adult farm management programs in the state, and the need to lower the clientele in many of our programs. Currently, the way adult farm management programs are funded by a certain percentage from our agency and the rest is made

up by enlisting clientele. We've gotten to the point we've had to enlist so many people, they aren't able to service their clientele like they need to. We're very interested in doing what we can in this area. (tape 1, A, 3610-3755)

JIM MINNIK: Commission on the Future of Agriculture. I agree with everything that has been said. The idea of the stock marketing club, is a great analogy to what we're trying to do here. We support the bill and the appropriation.

SENATOR NETHING: Appointed a subcommittee chaired by Senator Holmberg; Senator Grindberg, and Senator Lindaas, and closed the hearing on HB 1434. (tape 1, A, 3970)

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3/30/99 tape 1, A, 52114-5736

SENATOR NETHING: Reopened the hearing on HB 1434.

SENATOR HOLMBERG: Presented and explained the proposed amendment.

SENATOR HOLMBERG: Moved, in lieu of the amendments adopted by the Senate as printed on page 664 of the Senate Journal, engrossed HB 1434 do pass.

SENATOR KRAUTER; Seconded the motion.

ROLL CALL: 14 yeas; 0 nays; 0 absent & not voting.

MOTION CARRIED, IN LIEU OF THE AMENDMENTS ADOPTED BY THE SENATE AS PRINTED ON PAGE 664 OF THE SENATE JOURNAL, TO DO PASS ENGROSSED HB 1434.

CARRIER: SENATOR HOLMBERG

SENATOR NETHING: Closed the hearing on engrossed HB 1434.

Date: 3/30/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Reengrossed HB ~~1089~~ 1434

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass without other Committees
AMENDMENT

Motion Made By Senator Holmberg Seconded By Senator Krauter

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Senator Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1434, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends that, in lieu of the amendments adopted by the Senate as printed on page 664 of the Senate Journal, the Senate **Appropriations Committee** recommends Engrossed HB 1434 **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1434 was placed on the Fourteenth order on the calendar.