

Testimony for SB 2245, presented on 3-16-2021 to the ND House Appropriations Committee

Mr. Chairman and Members of the House Appropriations Committee.

My name is Dan Mostad, I am the General Manager of Berthold Farmers Elevator, Berthold, ND. I am here to testify against SB 2245. I come from a farming family, in the Minot area. By the nature of my career and upbringing, I am a staunch supporter of North Dakota Agriculture. I am not against having an intermodal facility in North Dakota.

I listened to the testimony from the Senate Appropriations Committee on 1/26 and 2/10, as well as the Senate floor vote on 2/17.

The \$8 million, in this bill, to pay for assets/improvements from 1<sup>st</sup> Western Bank and the Bank of North Dakota, looks like a bailout. If the numbers are correct from ND Department of Commerce testimony, \$137,500 of savings per week is passed on to growers. Also, according to the testimony, these figures are on the low end, with the potential to grow to \$2.5-\$3MM per month. If the potential is that good, the project should be able to easily find investors other than the taxpayers of North Dakota.

The additional \$2 million is set to build additional trackage at the facility. I question why taxpayers should grant a business those funds. Current Grain Handling Companies in the area, many of which are locally owned Cooperatives, have all Debt Financed or Equity Financed their assets and upgrades. That includes building new elevators, upgrading existing facilities and adding rail track to support those ventures. Those local investments are significant. New Elevators cost between \$20-25 million and expansions can cost into the millions.

Even though this intermodal facility competes on certain bulk commodities with the business I manage, I am not against the business. In fact, just as in the past, Berthold Farmers Elevator has looked at ways to utilize containerized shipments through the port. I am voicing my concern to say, that if this is a viable business model, it needs to stand on its own, without state funding.

Thank you for your time.