

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2171

2001 SENATE AGRICULTURE

SB 2171

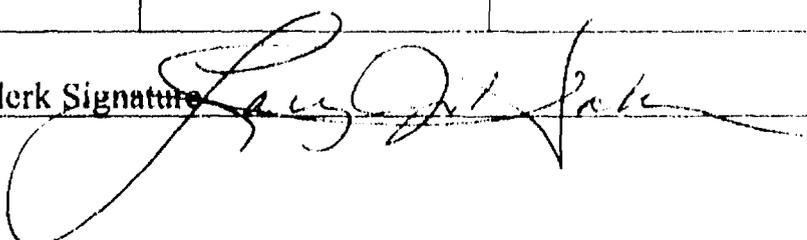
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2171

Senate Agriculture Committee

Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
Jan. 25 2	X		4.9 - 10.5
Committee Clerk Signature 			

Minutes:

SENATOR ANDRIST; was unable to introduce the bill. SENATOR WANZEK spoke in his behalf. He is supportive of the bill.

ERIC BARTSCH; Administrator and representative of the ND Dry Pea and Lentil Council, testified in support of this bill. See attached testimony.

SENATOR WANZEK; The Dry Pea and Lentil Council presented a report at the opening of this session, was that done even though you weren't required to?

ERIC BARTSCH; We were not required, we were asked to give a report.

SENATOR URLACHER; We are talking financial interest, where is it going?

ERIC BARTSCH; It all goes into the general fund.

SENATOR WANZEK; This would be in line with the same provisions as the other commodity group have.

ERIC BARTSCH; It is just adding our name to it.

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Senate Agriculture Committee
Bill/Resolution Number SB 2171
Hearing Date January 25, 2001

SENATOR WANZEK; And it would only pertain to the dollars that the Dry Pea and Lentil Council brings in.

ERIC BARTSCH; Yes.

SENATOR KLEIN; Is that money part of the check-off dollars?

ERIC BARTSCH; Our main income comes from assessments. We have about, consistently \$15,000 in reserves.

SENATOR KLEIN; What is that assessment right now?

ERIC BARTSCH; One percent of the net value of the Dry Peas and Lentils.

Hearing was closed.

SENATOR ERBELE moved for a DO PASS of this bill.

SENATOR KLEIN seconded the motion.

Role call vote; 6 Yeas, 0 No, 0 Absent and Not voting.

SENATOR ERBELE will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/17/2001

REVISION

Bill/Resolution No.: SB 2171

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$1,536)	\$1,536	(\$1,664)	\$1,664
Expenditures	\$0		\$0		\$0	
Appropriations		\$0		\$0		\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Decrease in general fund interest by 80%

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Included in North Dakota Dry Pea and Lentil Council budget.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Joan Becker	Agency:	Treasuere
Phone Number:	328-2646	Date Prepared:	01/17/2001

FISCAL NOTE
 Requested by Legislative Council
 12/27/2000

Bill/Resolution No.: SB 2171

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$0		\$1,536		\$1,664	
Appropriations		\$0		\$1,536		\$1,664

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Decrease in general fund interest by 20%

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Included in North Dakota Dry Pea and Lentil Council budget.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Joan Becker	Agency:	Treasuere
Phone Number:	328-2646	Date Prepared:	01/17/2001

REPORT OF STANDING COMMITTEE (410)
January 25, 2001 1:18 p.m.

Module No: SR-13-1614
Carrier: Erbele
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2171: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2171 was placed on the
Eleventh order on the calendar.

2001 HOUSE AGRICULTURE

SB 2171

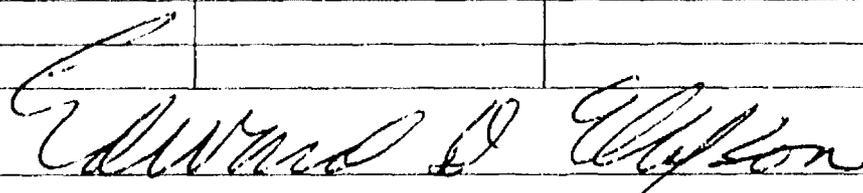
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2171 A

House Agriculture Committee

Conference Committee

Hearing Date 3--2--01

Tape Number	Side A	Side B	Meter #
TWO	A		3359 to 4850
Committee Clerk Signature 			

Minutes:

CHAIRMAN NICHOLAS: Committee Members. We have 2171. I don't think there is anything from yesterday.

JOHN ANDERSON: I don't know that much about dried peas but because I want to help a friend. What I do know, is you know to is this whole area of dry pea and lentils offers this whole area hope for the farmers in our area. They are traditional durum farmers. and some of the things that have happened to durum on top of the price collapse, and the disease problems that have cropped up the last couple of years through out our region and probably throughout the rest of the state. We got hit with that wet weather and early September. That is just the beginning of our harvest. We had people selling their durum for a dollar a bushel. THERE IS A PRINT OUT FROM A TOWN PAPER. PLEASE SEE THE ARTICLE. JOHN REFERS TO THIS ARTICLE IN HIS TESTIMONY.

Representative Lloyd: Do chick peas fall into this category, or do you know?

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House Agriculture Committee

Bill/Resolution Number SB 2171

Hearing Date 3--2--01

JOHN: I think they are. I know this is part of the whole new menu of crops that they are growing here. The chick peas. This fellow that I told you about is he developed quite a few foreign pipe lines and he sells direct overseas. I think.

LLOYD: The chick peas are considered a bean I think is what there problem is and I don't think so I don't know where they fit in.

ERIC BARTSCH: I can address that. Chick peas and your garbanzo beans are the same and not considered a dry bean. They are in that vegetable category. When you deal with the farm program they are in the vegetable category.

LLOYD: My question is that they don't fit under any of these programs. Commodity programs. That was my original question.

ERIC BARTSCH: My name is Eric Bartsch from the Dry Pea Council. Chick peas is included under the dry pea a lentils. Under the assessment. Rep. Onstad said that chick peas are considered a fruit vegetable but according to EPA and risk management they are considered dry beans.

LLOYD: Just to help you out, I got a call from EPA asking me what chick peas were.

CHAIRMAN NICHOLAS: O.K. we will take additional testimony.

ERICK BARTSCH: My name is Eric Bartsch. of the North Dakota Dry Pea and Lentil Council.

PASSED OUT PRINTED TESTIMONY: PLEASE SEE ATTACHMENT.

I URGE A DO PASS ON 2171. I would be happy to answer any questions.

REPRESENTATIVE FROELICH: What is the check off fee right now and dues.

ERICK: Right now the amount is 1 percent of the net value of dry peas and lentils.

The last fiscal year we collected around \$85,000.00. This year we are projecting a collection of a little over \$100,000.00 dollars for the fiscal year.

REPRESENTATIVE MUELLER: The fiscal note talks about 15 or 16 hundred dollars. What are going to do with this money? Is that going to do you much good?

ERIC: We are right know under a tight budget as far as getting things done. I would be nice to use some of these dollars toward research. Maybe use some of the dollars to, right now we have an individual going through India. representing us. It would be nice to help on some of those issues. I guess the money would be well spent. as far as go back towards the industry and as we do gain more dollars and acres in the state of ND. that interest it would grow and.

CHAIRMAN NICHOLAS: Any other questions?

ANYONE ELSE WISHING TO OFFER TESTIMONY IN FAVOR OF SB2171? ANY
WISHING TO APPEAR IN OPPOSITION OF 2171?

THE CHAIR WILL ENTERTAIN A MOTION ON SB 2171. REPRESENTATIVE RENNER
MOVES FOR A DO PASS AND REPRESENTATIVE PIETSCH SECONDED. IS THERE
ANY DISCUSSION? THE CLERK WILL TAKE THE ROLL CALL.

THERE WERE''''''''''14 YES''''''0 NO''''''''ONE ABSENT''''''

REPRESENTATIVE WHANGHAM WILL CARRY THE BILL. WE WILL CLOSE ON
SB2171.

3-2-2001

Date:
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

SB 2171

House AGRICULTURE Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By RENNER Seconded By PIETSCH

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chairman	✓		Rod Froelich	✓	
Dennis E. Johnson - Vice Chairman	✓		Doug Lemieux	✓	
Rick Berg			Philip Mueller	✓	
Michael Brandenburg	✓		Kenton Onstad	✓	
Joyce Kingsbury	✓		Sally M. Slandvig	✓	
Myron Koppang	✓		Dennis J. Renner	✓	
Edward H. Lloyd	✓		Dwight Wrangham	✓	
Bill Pietsch	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment WRANGHAM

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

REPORT OF STANDING COMMITTEE (410)
March 2, 2001 1:22 p.m.

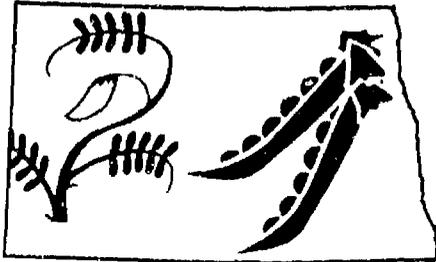
Module No: HR-36-4726
Carrier: Wrangham
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2171: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2171 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

SB 2171



North Dakota Dry Pea & Lentil Council

PO Box 1352 • Bismarck, ND 58502

January 25, 2001

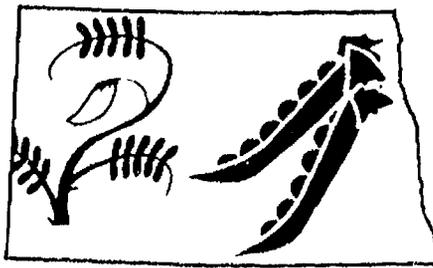
Senate Agriculture Committee Hearing
North Dakota Dry Pea and Lentil Council Testimony
Senate Bill 2171

Chairman Wanzek, members of the Senate Agriculture Committee. My name is Eric Bartsch and I am the current Administrator and a representative of the North Dakota Dry Pea and Lentil Council.

According to the current law the North Dakota Dry Pea and Lentil Council is not able to receive interest from the Council funds. Senate Bill 2171 would allow the North Dakota Dry Pea and Lentil Council to revenue interest from our funds. This bill would also add the councils name to the group of agriculture commodity promotion groups that report to legislative assembly. These laws that we are asking to be added to were created before North Dakota Dry Pea and Lentil Council was created in 1997.

The additional council funds that would be created through the interest received can be utilized through market development, research and education and communication. The North Dakota Dry Pea and Lentil Council has worked hard to promote and expand our states industry. The pea, lentil and chickpea industry is a growing industry in the state of North Dakota.

I thank you very much for your time.



North Dakota Dry Pea & Lentil Council

PO Box 1352 • Bismarek, ND 58502

Testimony of Eric Bartsch

North Dakota Dry Pea and Lentil Council

Senate Bill 2171

House Agriculture Committee

Peace Garden Room

March 2, 2001

Chairman Nicholas, members of the committee, my name is Eric Bartsch of the North Dakota Dry Pea and Lentil Council. I am here to offer support for SB 2171, which allows the North Dakota Dry Pea and Lentil Council to collect interest on our funds in the State Treasurer and add the Council to the list of groups that report to the legislative assemble between the first and tenth legislative day of each regular legislative session.

When the North Dakota Dry Pea and Lentil Council was created in 1997 we were not added to the list of agriculture commodity groups that are able to collect 80% of the interest from the assessment funds that are in the State Treasurer. Currently 100% of the interest goes back into the general fund. The additional council funds that would be created through the interest received can be utilized through market development, research and education and communication. The North Dakota Dry Pea and Lentil Council has worked hard to promote and expand our states industry. The pea, lentil and chickpea industry is a growing industry in the state of North Dakota.

Chairman Nicholas and committee members, I urge a do pass on SB 2171. I would be happy to answer any questions you may have.

More farmers are taking the pulse of diversity

By Cecile Wehrman

With high fertilizer costs and bargain basement prices for wheat and durum, new interest in pulse crops has sprouted among northwestern North Dakota farmers.

Organizers were overwhelmed, though not completely surprised, by the turnout of farmers at a pulse crop meeting in Williston last week. Over 270 farmers from North Dakota and Montana showed up.

"I spent most of the morning trying to figure out how to feed the crowd we had attracted," said Keith Brown, Divide County Extension Agent. He and several agents from Montana organized the program at the Ernie French Center.

"I kind of felt there was a lot of interest in these crops," Brown said, but high costs and low prices for traditional crops have combined to create new interest in peas and lentils.

"There were guys at this meeting you wouldn't have been able to pull into a pulse meeting on a stretcher five years ago," joked Dick Roland, Crosby, an associate director of the N.D. Dry Pea and Lentil Association. As the operator of Legume Logic, Roland was involved in planning the event.

"They were planning on maybe 100 people," said Jerome Knudson, Superior Grains, Crosby. Knudson was one of the panel members at the discussion.

The meeting may have been held in Williston, but Roland said Divide County has the knowledge and experience with these crops that farmers in other parts of the region are looking for.

"This is really the place where this thing



Keith Brown



Dick Roland



Jerome Knudson

started," Roland said. "It takes about 10 years for something like this to catch on, and that's about the time we started, 10 years ago." Divide County has been first in the state for lentil production the past three years, second in peas, and third in chickpeas. At a time when the Pacific Northwest is cutting back on pulse acreage, our area is poised to become the future of the pulse industry in the United States.

"Other areas haven't had that 10 years of exposure yet," Roland said. "Everybody's made all the mistakes. So it's a matter of growers coming on line now, working with growers that know how to do it."

There are signs that this could be the year when some major shifts in acreage occur.

Roland said inoculant sales are his best indicator of increased acreage. They're up 60 percent this year in a region that includes North and South Dakota, Wyoming, Ne-

braska, Montana and Minnesota.

"Fertilizer is really the thing that's pushing it over the hill," Roland said.

Pulse crops can do amazing things for farmers. Fertilizer bills are lower when you plant a pulse crop, and if you come back into pulse ground and fertilize the following year, protein and yield in a wheat crop will have a noticeable improvement.

"It's difficult to tell the 'pea effect.' People have a hard time believing it until they see it for themselves," said Knudson. He said a protein increase of 1 percent, and 7-10 bushels more per acre have been proven. Lentils bring similar benefits, though not quite as dramatic.

"I would anticipate we're going to see an increase in lentil and probably pea acreage," Brown said. "Chickpeas, that's kind of tough to get a handle on disease." But there's certainly plenty of expertise in Divide County to

help new farmers figure out what works and what doesn't.

There are a growing number of outlets at which to market pulse crops. With Superior Grains in Crosby, Agricorp in Ray, a new pulse buyer coming on line in Estevan, and local elevators, marketing is getting easier. There are even some Canadian companies that will haul pulse crops off the farm and handle the paperwork for U.S. pulse growers.

Superior Grains has expanded and has the capacity to handle the complete capacity of all the pulse crops farmers in the area can grow this year. They're even handling chickpeas from South Dakota. They've already loaded more than 60 rail cars of pulse crops this year, and are on pace to increase their total load out to 250 cars. That's more than double what they did last year. They now employ 17 or 18 people -- Knudson has lost track.

"It's been kind of hectic out here to say the least," Knudson said.

Brown isn't ready to predict a big downturn in durum acreage. He said a lot will depend on the price established for this year's Crop Revenue Coverage on durum. He does predict some increase in pulse acreage, as well as in oil seeds like canola and flax.

Roland said farmers shouldn't be too concerned about the learning curve when it comes to shifting to pulse crops.

"I think guys can enter this thing with fairly large acreage with fairly low risk," he said, provided they do their homework and visit with producers who are knowledgeable. "It's certainly a lot easier now."

Roland has been involved in discussions

to put forward legislation on a pulse crop loan program, and Sen. Byron Dorgan has included pulse crops in loan equalization legislation he's proposing. Roland said it's unlikely, though not entirely impossible, a loan program could be established yet this year. While he doesn't want a loan program so high it sends the wrong signal to farmers, he thinks it could help persuade some farmers to plant pulse crops.

"That's probably the reason a lot of farmers haven't jumped into it," Roland said, though the fact the industry is exploding even without a government program should make farmers feel good.

"At the right price there's a market for millions and millions of bushels of peas. The feed industry will adapt it readily, so it's an unlimited market," Roland said. European countries have a huge potential for feed peas as they replace animal meal linked to mad cow disease.

As far as Roland is concerned, this is the most exciting time in agriculture ever. Pulse crops are good for the soil and they provide a good return.

Bankers need as much educating as producers, though. Roland said bankers must be persuaded to look beyond a single line budget for one year. It takes the full rotation of pulse crops and wheat or durum to show the real value producers will realize.

"Everybody talks about all the bad news. The guys who are diversified are doing very well," Roland said. "Stress brings change. That's why you're seeing 270 people at a pulse crop meeting."