

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2235

2001 SENATE AGRICULTURE

SB 2235

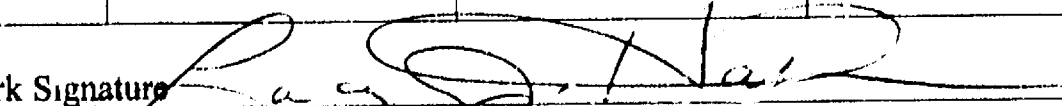
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2235

Senate Agriculture Committee

Conference Committee

Hearing Date January 26, 2001

Tape Number	Side A	Side B	Meter #
Jan. 26 2	X		13.8 - End
		X	0.0 - 6.1
Committee Clerk Signature 			

Minutes:

SENATOR WANZEK; Sponsor, introduced the bill. See attached testimony.

REPRESENTATIVE POLLERT; Sponsor, testified in support of this bill.

KEN BERTSCH; ND State Seed Commissioner, testified in support of this bill. See attached testimony.

SENATOR NICHOLS; How do you plan to pay for this?

KEN BERTSCH; There are two things that are an issue here, we are self funded and we internalize the development cost and that is what we have chosen to do.

SENATOR KROEPLIN; What are field inspections intended for?

KEN BERTSCH; We are unsure of how this is going to happen. We are trying to be flexible enough in setup.

DAVID MORKEN; Unity Seed Co., Casselton, testified in support of this bill.

NEAL FISCHER; ND Wheat Commission, testified in support of this bill.

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Senate Agriculture Committee
Bill/Resolution Number SB 2235
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CLYDE KREBS; ND Grain Dealers, testified in support of this bill. See attached testimony.

JOAN JIRIK; testified in support of this bill.

BRIAN KRAMER; ND Farm Bureau, testified in support of this bill. This is not just a GMO bill, it is a variety protection bill and identity preservation bill. We will be able to determine whether or not those crops are GMO and segregated. The non GMO crops are going to benefit from this program just as much or more than GMO products.

The hearing was closed.

SENATOR KLEIN moved for a DO PASS on SB 2235.

SENATOR URLACHER the motion.

Roll call vote: 6 Yeas, 0 No, 0 Absent and Not voting.

SENATOR WANZEK will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/17/2001

Bill/Resolution No.: SB 2235

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$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.*

Service development costs are internalized in department program budgets. Costs in excess of normal are funded through contingency line item as unanticipated expenses.

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.*

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:	Ken Bertsch	Agency:	Seed Department
Phone Number:	701-239-7210	Date Prepared:	01/22/2001

Date: 1-26-01
Roll Call Vote #: /

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2235

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By SEN. KLEIN Seconded By SEN. URLACHER

Senators	Yes	No	Senators	Yes	No
Senator Wanzek - Chairman	✓		Senator Kroeplin	✓	
Senator Erbele - Vice Chairman	✓		Senator Nichols	✓	
Senator Klein	✓				
Senator Urlacher	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment SEN. WANZEK

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

REPORT OF STANDING COMMITTEE (410)
January 26, 2001 12:35 p.m.

Module No: SR-14-1721
Carrier: Wanzek
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2235: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2235 was placed on the
Eleventh order on the calendar.

2001 HOUSE AGRICULTURE

SB 2235

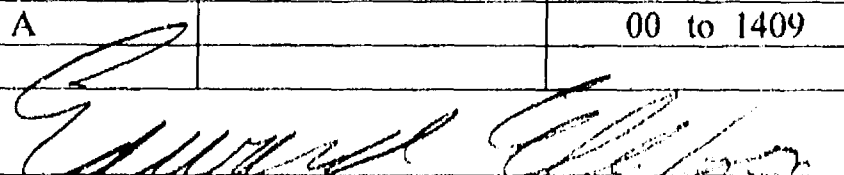
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2235

House Agriculture Committee

Conference Committee

Hearing Date 3--09--01

Tape Number	Side A	Side B	Meter #
ONE	A		2120 to 6256
TWO	A		00 to 1409
Committee Clerk Signature 			

Minutes:

VICE CHAIRMAN JOHNSON: We will go to SB 2235.

SENATOR WANZEK: RELATING TO THE INSPECTION, ANALYSIS AND VERIFICATION OF SEEDS AND CROPS; AND TO PROVIDE FOR A REPORT:

When I had this Bill in the senate, I had a prepared statement. This is a bill that I feel quite close to. It is a proactive approach to our seeds and our markets, It provides our producers a mechanism for a tool that they can use to go to their customers. With a verification that the product or the commodity that they are selling to the end user has the characteristics or traits that that end user wants. I know personally that we have marketed soy beans to Koreans. Some other farms have. Some of the exporters tell me that when they go to Korea and into a buyers room that you see a map of ND. on the wall. We are recognized for the high quality of our beans and food grade grains. They also look at official looking documents which we have. Certified seed and verification. We need this as a positive thing to address the future of Agr.

and what I think will come down the pike. We are not going to be growing commodities any more we are going to be growing special end use crops. It needs this kind of service to verify and keep separate and segregated. This Bill essentially just authorizes the seed commission to start adopting or putting together the rules and regulations and implementing a program like this.

That will be done through the seed commission. It would be patterned after like our certified seed program is now. We have an inspector come out, they do lab inspections and do certification and verification. that your seed is of good quality and certain variety of germination values. This will be patterned after that but extended beyond.

REPRESENTATIVE ONSTAD: As crops have gone overseas to different countries. We need to be streamlined. With this bill it will be verifications of the product.

REPRESENTATIVE DELZER: DIST: 22 I support this Bill. We are in a new era. with the GMO crops. I think that there is a definite need for us to be able to have better access to identifying GMO crop. On our farm we purchase seed from a company. Raise the seed non GMO crop raise the seed and probably keep some of the seeds back for one year. That is entirely legal. When I keep that seed back, I think that we have reached a point now where I may want to test that seed even before I plant it or know that it has been tested so that I know that it is GMO FREE. Because if I am purchasing a crop that I think is GMO free, plant it, keep it for seed, replant it I could unknowing be violating the law. We want to make sure that we have the facilities and testing available.

REPRESENTATIVE LLOYD: Testing is not simple. 5 to 15 percent is the error rate. Testing can take time. Labor can be expensive. Significant labor. I hope people aren't going to think it

is going to be easy to take a sample from the grain bin and have it easily identified whether it is contaminated or not because I don't think it will be that easy. This is more of a statement.

REPRESENTATIVE DELZER: Just not cleaning up your bins, your seeders etc and you can exceed tolerances. Testing is not a perfect science. We want to identify what we are going to be planting

SENATOR WANZER. Considering that there is not a perfect science, I hope that we will be cautious and I have complete faith in the state seed commission that they will be careful in stating how far we will go with this and making statements that this is certified zero non GMO. I would never sign an agreement as a producer saying I am certifying that there is zero GMO crops. I would certify that I planted Non GMO. Maybe some day we will have better testing.

REPRESENTATIVE LLOYD The level of Zinc in our seed is minimal. Other countries like that low percentage.

KEN BERTSCH: ND. STATE SEED COMMISSIONER: Please see printed testimony.

I am going to walk through the Bill. There are two things happening here. GMO controversy. Relating to crops. Please see Bill as to walk through. In section one Analysis means the laboratory examination of seeds, crops or plant tissue to determine the genetic identity or physical traits of the seeds or crops. See page two line four and down.

We have the dispute

There are going to be dozens of different patented trades that are contracted. We are establishing programs over the next few years that will work.

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House Agriculture Committee

Bill/Resolution Number SB 2235

Hearing Date 3---09---01

WE have Field inspections, Inspection and analysis fees, laboratories and facilities, identity preservation, segregation, trace ability, labels, documentation, contract for services, protection of growers, deposit of fees, investment, warranties regarding seeds or crops.

REPRESENTATIVE BERG: On your revenues. Is this how they are all split, 20 % general fund and the balance on a revolving basis?

KEN: 20% OF OUR INTEREST GOES INTO THE GENERAL FUND. 80% STAYS WITH THE DEPARTMENT. THE REST OF OUR REVENUES ARE ALL FEES FOR SERVICES AND BECOME A PART OF THE BUDGET.

PAGE TWO LINE 29 WARRANTIES REGARDING SEED CROPS. How can you guarantee with any certainty what you have is zero. This section is standard language again. It is a standard disclaimer. We can't as a state agency say this seed is GMO FREE. It scientifically impossible.

Please read the entire printed text and the actual Bill There are no international standards out there. There is no such thing as a set tolerance of what is allowed in the industry. This is just an example. In the absence of National and International standards we are floating around on are own out here. That is why we started thinking about this Bill Actually put some teeth in what we do at a state level. We have an opportunity to pick up a strong leadership roll on this issue. nationwide. Hopefully this will really help the producers. Putting stewardship in the genetically modified material.

REPRESENTATIVE PIETSCH: This strikes me that we are moving from certification to verification of input to a vital product for verification in terms quality exists in the product that is going into the market place. I can see this as a massive increase in the business of the seed

commission. Do you believe that if that were to happen, do you have the capacity to expand

There will be private companies coming in this area in five or so years. Do you envision your self and have the service capacity to meet this market because I think it is going to happen quickly. It won't be a slow steady growth. Do you think the seed commission is in a position to handle this.

KEN: I HOPE SO. Once the federal standards are put in place we certainly hope so.

There is internally set up costs and once we start producing revenues exactly as you are saying meets before we are able to have the capacity to do that. We do have some money in a reserve fund. We are already doing similar things. Doing lab test to the best of our abilities.

We give the state seal as to our tests. Over seas it is a wonderful thing.

REPRESENTATIVE PEASCH: Can you use NDSU for help.

KEN: Yes we use them frequently and go back and forth. In a number of areas.

In the plant pathology our we will be going back and forth also.

REPRESENTATIVE ONSTAD: We are basically expanding the seed commission. Do you see an increase of fees to handle this expansion.

KEN; Not an expansion. We will put different fees for different services. For different programs that we put together. An example, We are expanding our capabilities of our diagnostic capabilities Different type of corn GMO test or SOYBEAN TESTS ETC. We must approximate the cost of service. That is how we try to set our fees. The expansion issue is not going to mean that the rest of our fees are going to be higher, it's going to mean we are going to have more of them, based on the number of services that we are providing.