

**2021 SENATE AGRICULTURE**

**SB 2171**

# 2021 SENATE STANDING COMMITTEE MINUTES

## **Agriculture Committee** Fort Union Room, State Capitol

SB 2171  
1/21/2021 AM

A BILL for an Act relating to the international business and trade office; to provide a continuing appropriation; and to provide an appropriation.
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**9:00 AM Chair Luick** called the meeting to order. Roll call was taken. Present: Chair Luick, Vice Chair Myrdal, Senators: Klein, Lemm, O.Larsen, Hogan.

### **Discussion Topics:**

- Transfer of International business and trade office.
- provide continuing appropriation.

**9:01 AM Senator Klein** District 14 introduced the Bill

**9:04 AM Doug Goehring, Commissioner Agriculture** testified in favor and provided Testimony # 1995

**9:38 AM James Leiman, Director of Strategy for ND Dept. of Commerce** in a neutral position and provided Testimony # 1888 and # 1930.

**10:12 AM Matt Gardner, Greater North Dakota Chamber (GNDC)** testified Neutral.

**Additional written testimony:** # 1877 and.# 2097.

**10:17 AM Chair Luick** recessed until call of the Chair or 2:00 pm today.

*Alice Delzer, Committee Clerk*

**SB 2171**

1. Breakdown of industries served by the NDTO, in percentages.
  - a. 36% Food/Value Added Ag
  - b. 28% Machinery/Manufacturing
  - c. 21% Service Providers/Associations (Partnerships)
  - d. 7% Energy
  - e. 4% Aviation/UAS
  - f. 3% Technology
  - g. 1% Health
  
2. The number of current employees (4 fulltime and 1 intern). Historically a higher number of staff. At the highest, 11 FTE and 4 market specific contractors. Funding issues decreased staff numbers beginning in 2015.



**Testimony of Doug Goehring  
Agriculture Commissioner  
Senate Bill 2171  
Senate Agriculture Committee  
January 21, 2021**

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Chairman Luick and members of the Senate Agriculture Committee, I am Agriculture Commissioner Doug Goehring and I am here to support Senate Bill 2171.

SB 2171 is a bill to transfer the North Dakota Trade Office (NDTO) from the Department of Commerce and into the Department of Agriculture. NDTO is designed to provide support and assistance to all North Dakota companies, industries, and exporters. The recommendation from the executive branch was to split NDTO into two entities but this is not an agency of the state. NDTO is not an extension of any state department, rather, it is a stand alone organization with a contract for service. NDTO is a public private partnership with the state agency providing oversight of the contract.

In recent years, we have seen how budget cuts have created an environment of uncertainty and anxiety. The proposal to split NDTO into two entities only plants more doubt with the members, North Dakota companies and exporters. SB 2171, in contrast, keeps NDTO whole and includes funding at the base level which keeps the board focused on assisting and supporting all North Dakota companies and exporters.

We manage over 500 contracts for service in a biennium with entities as varied as ombudsman, credit counselors, and mediators, to Market News, Wildlife Services, and numerous contracts with NDSU. We would have no difficulty doing the same work with NDTO if that is the wish of the legislative assembly.

Chairman Luick, members of the Senate Agriculture Committee, thank you for your consideration of SB 2171. I will stand for any questions.

Good Morning Mr. Chairman and Members of the Committee,

My name is James Leiman and I proudly serve as Director of Strategy for the North Dakota Department of Commerce. Over the last three years, I have had the distinct honor to lead amazing public and private sector teams on the attraction of Foreign Direct Investment, the deployment of an Intermodal facility in Minot and expanding trade markets into areas not previously considered due to rapidly evolving trade dynamics and patterns.

The Department of Commerce would like to present a neutral position on this bill however would like to emphasize the following:

1. Commerce has worked to attract in excess of \$3B in projects spanning energy, value-added agriculture as well as tech. In fact, it was successful in recruiting the world's largest innovation platform which introduces a minimum 40 new agricultural technology startups each year to the State of North Dakota.
2. Commerce led a dormant intermodal project which took 20 years to accomplish; this project saves ag shippers an average of 25% on their drayage cost. Considering the impacts on supply chains from COVID-19, trade conflicts and a shortage of capital in some markets, this transforms the ability for producers to make more money while outcompeting peer states and Canadian provinces.
3. Commerce continues to lead the attraction of a petrochemical industry which could yield tens of billions in foreign investment (primarily from multinational companies). Just this week, the first critical proof of concept was announced with the Bakken Midstream project being announced where flared natural gas will be converted to electrons that the region can use to support its burgeoning growth.

The Department continues to enjoy a great working relationship with elected officials, private sector partners and the NDTO board and would like to continue this fast-paced trajectory for accelerated economic resilience and growth. In addition, Commerce wishes to continue providing real-time and future focused data to most impactfully plan trade missions and the success of the business community.

We humbly request that the Governor of North Dakota, whether this administration of future, continue to retain the role as Chief Diplomat as this leadership will be critical in the years to come, especially as we navigate a highly complex energy economy. In addition, given its successes, Commerce requests that its role as lead state agency for the attraction of Foreign Direct Investment be retained. It has been an absolute pleasure to work with the Commissioner of Agriculture and his staff given their historic successes on trade missions, relationships across the globe, can do attitude and desire to help farmers and processors across the state. Thank you in advance for your consideration and I stand for any questions.

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We humbly request that the Commerce Department, continue to retain the role as Chief International Relations entity as this leadership will be critical in the years to come, especially as we navigate a highly complex energy economy. In addition, given its successes, Commerce requests that its role as lead state agency for the attraction of Foreign Direct Investment be retained. It has been an absolute pleasure to work with the Commissioner of Agriculture and his staff given their historic successes on trade missions, relationships across the globe, can do attitude and desire to help farmers and processors across the state. Thank you in advance for your consideration and I stand for any questions.

Testimony for 2171 Phil Murphy for the NDSGA

The ND Soybean Growers are in favor of this bill in order to keep the Trade Office as a functioning entity housed in one department.





**North Dakota Grain Growers Association  
Testimony in Support of SB 2171  
Senate Agriculture Committee  
January 21, 2021**

Chairman Luick, members of the Senate Agriculture Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engage in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I appear before you today on behalf of NDGGA in support of SB 2171.

Chairman Luick, members of the Senate Agriculture Committee, you are very aware that SB 2171 transfers the North Dakota Trade Office from the North Dakota Department of Commerce to the North Dakota Department of Agriculture. This, to NDGGA, is not to say the Department of Commerce hasn't done its job but rather this is a reallocation of government resources that will better serve the mission of the office for the betterment for North Dakota citizens. The North Dakota Department of Agriculture has as one of its focuses a large presence in international trade. The move contained in SB 2171 both enhances the activities of the North Dakota Department of Agriculture it will broaden the effectiveness of the North Dakota Trade Office. That is a win-win scenario for all concerned.

With this in mind the North Dakota Grain Growers Association would respectfully request that the Senate Agriculture Committee give SB 2171 a Do Pass recommendation and would urge the Senate to concur.

*"You Raise; We Represent"*

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

# 2021 SENATE STANDING COMMITTEE MINUTES

## **Agriculture Committee** Fort Union Room, State Capitol

SB 2171  
1/21/2021 PM

BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner; to repeal section 54-60-16 of the North Dakota Century Code, relating to the international business and trade office; to provide a continuing appropriation; and to provide an appropriation.

**2:00 PM Chair Luick** opened the discussion on SB 2171. All members present: Senator Klein, Senator Lemm, Senator O. Larsen Vice Chair Myrdal and Senator Hogan.

### **Discussion Topics:**

- Industries served by ND Trade Office (NDTO)
- 

**2:08 PM Doug Goehring, Commissioner Agriculture** submitted written Testimony entitled Breakdown of industries served by the NDTO, in percentages # 1995.

**2:15 AM Senator Jerry Klein** moved a Do Pass and be rereferred to Appropriations.

**2:15 AM Senator Oley Larsen** 2<sup>nd</sup> the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Jerry Klein	Y
Senator Oley Larsen	Y
Senator Randy D. Lemm	Y

**2:16 PM** Roll Call Vote for a Do Pass and Rereferred to Senate Appropriations. Motion passed 6-0-0.

**Senator O. Larsen** will carry the Bill.

**2: 23 PM Chair Luick** adjourned the meeting.

*Alice Delzer, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2171: Agriculture Committee (Sen. Luick, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2171 was rereferred to the **Appropriations Committee**.

**SB 2171**

1. Breakdown of industries served by the NDTO, in percentages.
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Agriculture Commissioner  
Senate Bill 2171  
Senate Agriculture Committee  
January 21, 2021**

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In recent years, we have seen how budget cuts have created an environment of uncertainty and anxiety. The proposal to split NDTO into two entities only plants more doubt with the members, North Dakota companies and exporters. SB 2171, in contrast, keeps NDTO whole and includes funding at the base level which keeps the board focused on assisting and supporting all North Dakota companies and exporters.

We manage over 500 contracts for service in a biennium with entities as varied as ombudsman, credit counselors, and mediators, to Market News, Wildlife Services, and numerous contracts with NDSU. We would have no difficulty doing the same work with NDTO if that is the wish of the legislative assembly.

Chairman Luick, members of the Senate Agriculture Committee, thank you for your consideration of SB 2171. I will stand for any questions.

**2021 SENATE APPROPRIATIONS**

**SB 2171**

# 2021 SENATE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

SB 2171  
1/29/2021  
Senate Appropriations Committee

Relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner.

**Senator Holmberg** opened the hearing at 8:28 AM.

**Senators Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman** were present.

### **Discussion Topics:**

- Bill introduction
- Percentage of Ag trade in Commerce dept.

**Senator Jerry Klein, District 14 – Bill Sponsor** – introduced the bill.

**Doug Goehring, Commissioner, ND Agriculture Department** – testified in favor and submitted testimony #4119 & #4222.

**Levi Kinnischtzke – Legislative Council** - answered questions of the committee.

**Pete Hanebutt, ND Farm Bureau** – testified in favor but submitted no written testimony

**Additional written testimony:** #3998, #4220

**Senator Homberg** closed the hearing at 8:59 AM.

*Rose Laning, Committee Clerk*



COMMISSIONER  
DOUG GOEHRING



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**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E. BOULEVARD AVE. – DEPT. 602  
BISMARCK, ND 58505-0020

**Testimony of Doug Goehring  
Agriculture Commissioner  
Senate Bill 2171  
Senate Appropriations Committee  
January 29, 2021**

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Testimony in Support of SB 2171  
Senate Appropriations Committee  
January 28, 2021**

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# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2171  
2/17/2021  
Senate Appropriations Committee

Relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner.

**Senator Holmberg** opened the committee work at 9:34 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

**Senator Bekkedahl** moved DO NOT PASS on SB 2171.  
**Senator Poolman** second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call Vote – 14-0-0. Motion carried.

**Senator Bekkedahl** will carry the bill.

**Senator Holmberg** closed the committee work at 10:18 a.m.

*Rose Laning, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2171: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2171 was placed on the Eleventh order on the calendar.