

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS
SUBCOMMITTEE ON NATURAL RESOURCES
January 20, 1981

The meeting was called to order by CHAIRMAN STOBIE. Roll was called with SEN. STIMATZ and REP. MANUEL excused.

THE HEARING FOR THE DEPARTMENT OF AGRICULTURE was the agenda for this January 20th meeting.

GORDON MC OMBER, Director, Agriculture Department, introduced their department as one of the smaller of the state's departments and stated that they are responsible to pesticides, PCB, and regulations. He said that they have requested several people in areas they feel they are needed in order to run an efficient program. He said that they are pretty much self-supporting and operate on fees besides picking up federal grants from the Old West Regional Committee in Marketing. The Central Service's earmarked funds have cut back the general fund.

It was the strong opinion of all those appearing that Wheat Research money be used for research purposes only. The Old West grant is assured through September 1981. EPA grants will be continued, but reduced.

There has been a recommendation that this Department become involved in an automated computerized licensing system. There is a study on the advantages of this system being conducted.

MR. MC OMBER said that they were also becoming involved in many legal actions now.

SEN. STIMATZ and REP. MANUEL have joined the meeting.

SEN. BOYLAND asked about grants received from the Federal government at 13.9% for Administration vs. the University getting about 20% for Administration which shows about a 6% difference. MR. MC OMBER answered that Federal government used 13.9% for administration purposes and the University 20% for administration.

MR. ROBERT BRASTRUP of the Montana Wheat Research & Marketing Commission (EXHIBIT A) presented a copy of a grant that was submitted showing that money was allotted to the University for research and they are not paying for administrative costs.

The request for an apiary inspector has been withdrawn, but not for two additional people at the grain lab in Great Falls, a feed technician and an Ag inspector. SEN. SMITH asked if the Federal government sent out inspectors like the state does and Mr. Mc OMBER stated that they do.

THE BUDGET (EXHIBIT D, see January 19, 1981 meeting):

MARY EVANS, of the Agriculture Department stated that the Deputy

Director was omitted from Centralized Services under the LFA recommendation. The position was vacated because of re-organization but is a necessary position to be filled by Mr. Kelly who will take over the rural programs, remarking that they have a lot of loans out. Mr. McOmber said that Mr. Kelly will be involved in marketing and transportation and pushing a lot of paper. Mr. McOmber can then get out into the field more.

MARY EVANS stated that an attorney, showing a 1/4 FTE in 1982 and 3/4 in 1983 was omitted from the LFA's budget.

An operation difference in Contracted Services was also noted. The Executive and LFA expending funds in the Old West grant used a base for supplies and rent but were paid by Contracted Services. Mrs. Evans stated that they needed the money they requested for rent.

THE RURAL DEVELOPMENT PROGRAM (PROGRAM 20) has put out about 175 loans. They get \$45,000 earmarked funds a year for operating this unit. The Agriculture Department recommended to go with the OBPP recommendations.

HAIL INSURANCE UNIT: The Agriculture Department goes with the OBPP recommendations.

CROP AND LIVESTOCK UNIT: The Agriculture Department goes with the OBPP recommendation.

MARKETING AND TRANSPORTATION: The Department of Agriculture supports the Executive Budget except for the amount of funding from the Wheat Research and Marketing. They support transportation funding from the General Fund primarily. They stated that they have been successful in large savings in the transportation unit and played a vital role in looking after all the shippers in the state of Montana.

In response to SEN. BOYLAN's question, they stated that they have worked quite often with Consumer's Council.

WHEAT RESEARCH & MARKETING: The Agriculture Department recommended to go with the OBPP 1982 and 1983 budget.

SEN. SMITH stated that he believes Montana Wheat Research and Marketing Commission is more knowledgeable about appropriating Wheat Research money than the Legislature. ROBERT BRASTRUP stated that the refund figure for the first six months from Wheat Research was \$1,665.25 to growers that asked for a refund. They refunded 82 people. There were \$376,000 assessments for six months.

PROPOSERS in favor of taking Wheat Research money out of transportation and back into research, but support the Executive Budget:

ANN SCOTT, Representative for Montana Farmers Union presented her statement: (EXHIBIT B) opposing the transfer of any functions of funding of the Marketing and Transportation Division from the general fund to the Wheat Research & Marketing Commission.

BOB STEPHENS, Montana Grain Growers Association, also voiced the association's opposition of Wheat Research funds going into Transportation. (EXHIBIT C).

YVONNE B. SNIDER, Montana Ranch Beef representative, read and submitted a letter (EXHIBIT D) supporting the Executive Budget.

NANCY ESPY, representative of W.I.F.E. voiced a Do Support for the Department of Agriculture's Executive Budget. (EXHIBIT E).

ENVIRONMENTAL MANAGEMENT DIVISION: The Department of Livestock agreed to go with the OBPP budget.

GARY GINGERY of the Environmental Management Division of the Department of Agriculture, made a statement in favor of the Executive Budget. He also said that the enforcement grant will continue to slowly decrease. This means the decrease is only in total money and not people or work load. (EXHIBIT F)

There are three modifications in this Division:

The Pesticides Program which was \$20,000 for the biennium, should be supported on a state level.

The Air Monitoring Program collects samples and sends them to the EPA for testing.

IPM Program has a modification of \$30,000. The objective of this program is to evaluate how long a program should last. The program will support one group of producers at a time in the integrated pest program, such as potatoe producers and then they will have to start paying for it while they move onto another group of producers. While in the program, the producer pays 55% of the pesticides.

PLANT INDUSTRY DIVISION: The Agriculture Department endorsed OBPP recommendations. Differences show in Rent. The LFA increase in Travel and Office Rent is paid in Billings, Missoula, Kalispell, Sidney, and Helena. Helena rent for one year was \$4,794 and outlying areas for \$3,120.

ROY BJORNSON, of the Department of Agriculture (EXHIBIT G) spoke in support of the OBPP budget asking for additional FTEs. Two Grain Inspectors, one Feed Inspector and one Ag Inspector. He also stated that these inspectors must be trained, a requirement by the Federal government.

The LFA reduced funds under Contracted Services. Automation has been asked for and shows in the OBPP recommendations.

MR. MC OMBER stated that they are working with the Department of Livestock on the Rodent Control Program and consider blending it into the Agriculture Department.

OTHER WITNESSES:

DAVID J. HOSS, of the Montana Feed Manufacturers & Dealers Association addressed the subcommittee (EXHIBIT H) and presented a written statement.

ROSS PEASE, representative of Montana Agri Business Association, presented a written statement to the subcommittee. (EXHIBIT I)

Other witnesses attending signed witness sheets attached.
Meeting adjourned at 11:00 a.m.



CHRIS STOBIE, Chairman

lmw

EXHIBIT A

NAME ROBERT BRASTRUP Bill No. _____

ADDRESS GREAT FALLS DATE JAN 20, 81

WHOM DO YOU REPRESENT MONT. WHEAT RESEARCH & MKT COM.

SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support the budget for Dept of Ag.

NAME Ann Scott Bill No. Appropriation for
ADDRESS Great Falls DATE 1/27/79 Ag Dept
WHOM DO YOU REPRESENT Montana Farmers Union EXHIBIT
SUPPORT _____ OPPOSE _____ AMEND _____ B

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Montana Farmers Union opposes the transfer of any functions or funding of the marketing and transportation division from the general fund to the wheat Research & marketing commission. The transfer suggests that only grain producers benefit from marketing & transportation activities. Grain production is ~~is~~ less than 1% of the total agricultural production in the state. All commodities are benefited by the activities of the transportation division. We support an increase in the budget to offset the future effects of deregulation.

NAME Bob Stephens Bill No. _____

ADDRESS Dutton Mt. DATE 1-20-81

WHOM DO YOU REPRESENT Montana Grain Growers Assn

SUPPORT _____ OPPOSE ✓ AMEND ✓

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Yvonne B. Snider Bill No. _____ **EXHIBIT D**
ADDRESS Gilt Edge Rt. DATE _____
WHOM DO YOU REPRESENT Montana Ranch Beef
SUPPORT _____ OPPOSE AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:



MONTANA RANCH BEEF

Gilt Edge Route
LEWISTOWN, MONTANA 59457
406-538-9805

January 19, 1981

Representative Chris Stobie, Chairman
Agriculture Appropriations Committee
Capitol Station
Helena, Mt. 59620

Dear Representative Stobie,

I am writing to ask you and your committee members for the continued funding for the Marketing and Transportation Division of the Department of Agriculture.

The farmers and ranchers of this state do a tremendous job of producing agriculture products but they do not have the knowledge, the finances or the time to market and transport their products outside the boundaries of Montana. If Montana is to compete with other Western States for the domestic and/or export market it is imperative that those efforts be directed and supported by our Department of Agriculture.

I am the President and Business Manager of Montana Ranch Beef, a very small company but one that has great potential in the processing and marketing of Montana's greatest raw material - beef. Since our company began its operation in 1978 we have been trying to penetrate the export market. We have had the encouragement, advice, and assistance of the Marketing Division in these continuing efforts. If other Montana firms are going to negotiate sales outside of Montana it is essential that they have the expertise and technical assistance

MONTANA RANCH BEEF

Gilt Edge Route
LEWISTOWN, MONTANA 59457
406-538-9805



(C.I.F. prices, letters of credit, telex contacts, freight forwarders, etc.) that are available only from the marketing and transportation specialists in the Department of Agriculture.

Please approve the necessary funding for the Marketing and Transportation Division of the Department of Agriculture so that all Montanans can benefit from the sale and distribution of our agricultural products in both domestic and world markets.

Sincerely,

A handwritten signature in cursive script that reads "Yvonne B. Snider".

Yvonne B. Snider

NAME: Nancy Espy Bill No. Ug Dept Supp

ADDRESS Box 158 Boyes Mt. 59316 DATE 1-20-81

WHOM DO YOU REPRESENT WIFE

SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Gary Gingery Bill No. _____

State Union Environmental Mgt. Div

(F)

ADDRESS _____ DATE 1-20-81

WHOM DO YOU REPRESENT Mt. Dept. of Agric

SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

support executive budget

(6)

NAME Roy Lyonsen Bill No. _____

ADDRESS _____ DATE 1-20-81

WHOM DO YOU REPRESENT NY Dept. of Agr.

SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Support executive budget.

NAME DAVID J HESS Bill No. _____

ADDRESS GREAT FALLS DATE _____

WHOM DO YOU REPRESENT MONTAGUE FRED MANUFACTURERS & DEALERS ASSN

SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

H



MONTANA FEED MANUFACTURERS & DEALERS ASSOC.

19 West Babcock, P.O. Box 392, Bozeman, MT 59715 406 587-5489

January 20, 1981

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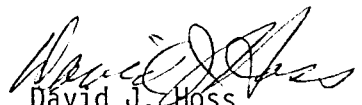
To: The Joint Committee on Appropriations

I am Dave Hoss, President of the Montana Feed Manufacturers and Dealers Association. I am here to testify on behalf of this organization in regard to the proposed change recommended by the Fiscal Analyst as to the disposition of the feed tonnage tax.

This fee was originally proposed by the industry in cooperation with the Department of Agriculture as a means to provide finished feed and ingredient analysis, control and protection of our industry. Funds generated by these fees to a large extent funded the laboratory in Bozeman and salaries for several inspectors. It is our opinion that if these funds are put into the general fund the intent for which they were created would be lost.

It is apparent from last year's PCB incident that the Department of Agriculture is under-funded when exposed to a situation of this type. We feel that if excess funds have been generated, a larger ingredient inspection effort should be made or a reduction in fees -- as was allowed for in the original legislation should be in order.

We therefore respectfully request that the ear marked funds as created by the tonnage tax inspection fee and dealers license remain as they currently are, in the Department of Agriculture.


 David J. Hoss
 President

DJH:dw

NAME Morona Agri Business Assoc. Bill No. _____

ADDRESS Ly Lass Place, Fairfield DATE 1-20-81

WHOM DO YOU REPRESENT _____

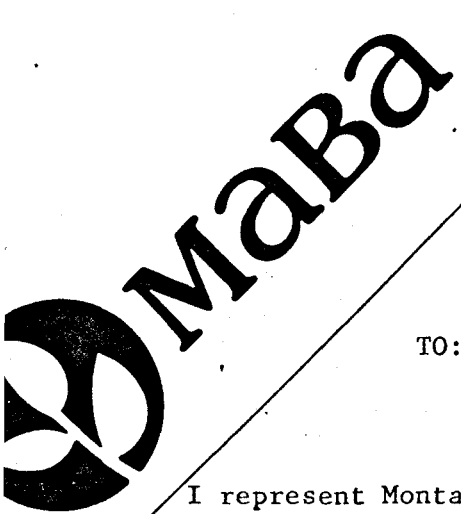
SUPPORT _____ OPPOSE AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Comments relating to maintenance of earmarked revenue funds.

Testifying in favor of these earmarked commodity revenue funds as opposed to monies going from these assessments going into the general fund.



January 19, 1981

TO: Joint Sub-Committee on Natural Resources
of the Senate Finance and Claims Committee
and House Appropriations Committee

I represent Montana Agri Business Association. We are an organization of Agri Business Dealers in Montana. This statement was prepared by the Board of Directors.

We recognize the benefits of quality control of our merchandise; we respect the laws and regulations in this state that allows us to do business in an orderly fashion; we acknowledge the benefits of taxes imposed upon us for quality control; research and education; and we firmly believe that self imposed taxes on us are equally important as public funds for the control and orderly perpetuation of our business for the benefit of all citizenry of Montana.

We testify here today on behalf of all of our membership. We feel that taxes paid on special commodities for a special purpose should be maintained in special ear marked revenue funds and not placed into the general fund for later allocation. We feel that the fertilizer tax funds and the seed, feed, wheat, barley and chemical assessments continue to be deposited in the ear marked revenue funds as they are at the present time. This allows greater flexibility in necessary treatment of unexpected situations that quite often appear in a flexible industry such as agriculture.

Over the years these funds have been promoted by commodity groups for expanded research and education as well as commodity control. The need generated because it was obvious that public funds could not be allocated for all the needs demanded by the agricultural sector. However a healthy agriculture means a healthy tax base for stability in Montana.

We firmly believe that special tax monies continue to be deposited in special earmarked funds and general fund money continue to be appropriated for satisfactory operation.

Respectfully submitted by the Board of Directors of Montana Agri Business Assn.

Harold Schultz, President
Ross Peace, Vice President
Bruce Huffine
C. R. Hunt
Harry Johnson
Mike Karns
Paul Newby
Sally Shortridge
Tom Wood

NAME Mary W. Nielson Bill No. Did not testify

ADDRESS Box 32, Star Rt, Medicine Lake MS DATE Jan 20th

WHOM DO YOU REPRESENT W.I.F.E

SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I am State Transportation Comm. for W.I.F.E. and have worked closely with the Transportation Dept. of the Dept. of Agriculture.

There is no doubt in my mind that the Transportation Dept should not only be retained, it should have increased funding. In the light of recent deregulation of trucking and railroads, there is even more need for more legal staff to work on the problems caused by these new laws.

Agriculture is the largest industry in the State and benefits all Montanans, therefore it should be funded by all Montanans.

Mary Nielson.

VISITORS' REGISTER

HOUSE ~~AGRIC~~ COMMITTEE
JOINT SUBCOM. NATURAL RESOURCES

BILL AGRICULTURE DEPT

Date 1-20-81

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
HARON PETERSON	RT 1 Box 7 ^{WIMIFRED} MONTANA	WIFE	✓	
Whiley Ball	50 Rt 206 Nashua	WIFE	✓	
Eulone Quering	211 Charles - Nashua, MT.	WIFE	✓	
Eva Samblin	None	LWW - obsv.	-	
Dorothy Jensen	Chateau	WIFE	-	
Judy Brown	Chateau	WIFE	-	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME: TERRY WHITESIDE Bill No. _____
ADDRESS _____ DATE 1/20/81
WHOM DO YOU REPRESENT MT DEPT OF AGRICULTURE
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

↳ support executive budget → with reservation -
Transp. should not be funded from Wheat
Research + Marketing Committee funds

NAME Mary G. [unclear] Bill No. _____

ADDRESS _____ DATE 1-20-81

WHOM DO YOU REPRESENT Academics

SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

support executive budget, exceptions in funding. Support LFA in transfer of contracted course to 1 FTE in EMB

NAME: Jim Stephens Bill No. _____
ADDRESS _____ DATE 1/20/81
WHOM DO YOU REPRESENT Mont. Farmer Union
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*we do support the executive budget
we do not feel that the transportation
segment should be funded from
wheat Research + Marketing Funds*