

MINUTES OF THE MEETING
AGRICULTURE COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 11, 1985

The meeting of the Agriculture Committee was called to order by Chairman James Schultz on Monday, March 11, 1985 at 3:30 p.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Ellerd who was excused by the Chairman.

CONSIDERATION OF SENATE BILL NO. 154: Senator Ed Smith, District #10, sponsor of the bill, testified in support of SB 154. He stated that this is an act amending the swine assessment that funds the Montana Pork Research and Marketing Committee. He feels that the American Hog Producing Association has done a great deal in the production of this product. All this bill does is change the percentage of value.

PROPOSERS: Les Graham, representing the Department of Livestock, stated that first of all this adds no cost of time at all and they have had no problems with it. They are willing to continue with the same program. He further stated that the checkoff brought in \$48,800 and as of January 31 they have used \$30,000 of it. He stated that last year they had \$1,500 left over.

Roger Jergenson, who is from Chinook and Chairman of the Pork Producing Council, testified in support of the bill. He stated that a recent vote from the P.R.C. shows that they are in favor of an increase in the checkoff. These funds can help in research and marketing.

Sue Huls, executive secretary of the Montana Pork Producers, testified in support of the bill. She informed the committee that they support the increase because it helps fund the national council in the producer and consumer areas. Since 1975 there has been an average of 1-3% requests for refunds. The change from 20 cents per head to a percent of value will do some important things and it will also even out income from year to year because prices are high when hog numbers are low and vice versa. Her testimony was marked as Exhibit A and is attached. She also handed in testimony for Dewey Schmitt and it was marked as Exhibit B and also attached.

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Marg Green, representing the Montana Farm Bureau Federation, testified in support of the increase for the pork producers which would enable them to fund their own research.

There being no further proponents, Chairman Schultz called for the opponents.

OPPONENTS: Mr. Kurt Almay from Ismay, Montana submitted his testimony over the telephone. It was marked as Exhibit C and attached hereto.

There being no further proponent or opponents, Senator Smith closed.

DISCUSSION OF SENATE BILL NO. 154: Representative Ellison asked "if the checkoff is from a fixed percentage to a 3/10, what are you contemplating?" Mr. Graham stated that they feel they will get more bank for our bucks.

Representative Schultz asked Ms. Huls "how does a person get his refund?" She stated that in the original bill it states the procedure you would go about to get your refund. She further stated that you must send a 90 day or less receipt to the Department of Livestock and they will refund your money.

Representative Schultz asked "what percentage goes to the National Pork Producers?" Ms. Huls informed him that the funds are split 50/50.

Representative Jenkins asked Ms. Huls if the Montana Pork Producers Council lets the people know the procedure of getting their money back. Ms. Huls stated that they publish a quarterly magazine in which they have talked about the checkoff. They started their magazine in 1975 and it was probably in that issue. She also stated that if they ask their hog buyers, they should deffinitely be able to tell them the procedure.

There being no further questions from the committee, the hearing on Senate Bill No. 154 was closed.

CONSIDERATION OF SENATE BILL NO. 201: Senator Paul Boylan, District #39, sponsor of the bill, appeared and offered testimony. He stated that this is a request by the Department of Agriculture to change the number of the board and also to take a percentage of the fees being charge to the manufacturers. The fees go to research in the state of Montana.

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PROPOSERS: Jim Welsh, Dean of the Montana Agriculture Experiment Station, stated that interest is centered around the funds. These funds are used by the Department of Agriculture, the experiment station and the Cooperative Extension Services.

Roy Bjornson, speaking on behalf of Keith Kelly for the Department of Agriculture, testified in support of the bill. He stated that the method of collection will be put back to the manufacturers. The bill is strongly supported by the industry.

There being no further proponents or opponents, Senator Boylan closed.

DISCUSSION OF SENATE BILL NO. 201: Representative Rapp-Svrcek asked Senator Boylan what is manipulated manures. Senator Boylan referred the question to Mr. Welsh who stated that this system would not apply to "cleaning out the barn". Mr. Bjornson stated that sterilized cow manure is manipulated manure.

Representative Rapp-Svrcek asked why are you changing the make-up of the board. Mr. Welsh informed him that as they looked at the composition of the board they found it appropriate to include the fertilizer industry themselves.

Representative Schultz asked for a rundown on the cost of the fee being collected. Mr. Bjornson stated that a flat fee of 55 cents is on each ton of fertilizer.

Representative Schultz further asked how is the money divided. Mr. Bjornson said that approximately 440,00 tons of fertilizer was used in Montana last year which averaged out to about \$220,000. That amount is divided approximately 1/3 to the Department of Agriculture; 1/3 to the cooperative Extension Services and 1/3 to the experiment station.

There being no further questions from the committee, hearing on Senate Bill 201 was closed.

EXECUTIVE SESSION

DISPOSITION OF SENATE BILL NO. 154: Representative Fritz made a motion that Senate Bill 154 BE CONCURRED IN. Representative Cody seconded the motion. Discussion was held.

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Representative Devlin felt that the 20 cents to a 30 cent increase was quite a jump.

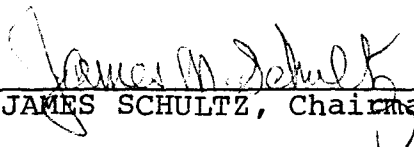
Representative Cody stated that this was based on the price of the hogs in 1975 and a 10 cent increase in 10 years is not a lot.

Representative Devlin stated that he thought that Mr. Almay was against the checkoff because they closed the experiment station in Miles City and that is why he wanted to get his money back.

There being no further discussion, the question was called and Senate Bill No. 154 CARRIED with Representative Devlin and Representative Patterson voting no.

DISPOSITION OF SENATE BILL No. 201: Representative Jenkins made a motion that Senate Bill No. 201 BE CONCURRED IN. The motion CARRIED.

ADJOURN: There being no further business before the committee, the meeting was closed at 4:10 p.m.



JAMES SCHULTZ, Chairman

DAILY ROLL CALL

Agriculture COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3-11-85

NAME	PRESENT	ABSENT	EXCUSED
James Schultz, Chairman	✓		
Gay Holliday, V-Chairman	✓		
Bob Bachini	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gerry Devlin	✓		
Robert Ellerd			✓
Orval Ellison	✓		
Harry Fritz	✓		
Ramona Howe	✓		
Loren Jenkins	✓		
Vernon Keller	✓		
Francis Koehnke	✓		
John Patterson	✓		
Bing Poff	✓		
Paul Rapp-Svrcek	✓		
Gary Spaeth	✓		✓
Dean Switzer	✓		

STANDING COMMITTEE REPORT

March 11

19 35

MR. Speaker

We, your committee on Agriculture

having had under consideration Senate Bill No. 201

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color

REVISING COMMERCIAL FERTILIZER LAW

Respectfully report as follows: That Senate Bill No. 201

BE CONCURRED IN
EXPASS

STANDING COMMITTEE REPORT

March 11 19 33

MR. Speaker

We, your committee on Agriculture

having had under consideration Senate Bill No. 154

Third reading copy (Blue)
color

AMENDS SWINE ASSESSMENT THAT FUNDS MONTANA PORK RESEARCH
AND MARKETING COMMITTEE

Respectfully report as follows: That Senate Bill No. 154

BE CONCURRED IN
SO PASSED



Exhibit H
SB 154
3-11-85

Montana Pork Producers Council

MONTANA STATE UNIVERSITY • LINFIELD HALL • BOZEMAN, MONTANA • (406) 994-3595

March 11, 1985

Testimony to the House Agriculture Committee Supporting Senate Bill 154

Pork producers in Montana are very supportive of the programs funded by the Montana hog checkoff through the Pork Research and Marketing Committee including producer education activities sponsored by Montana Pork Producers Council, the promotion and consumer education activities developed by the National Pork Producers Council and periodic grants made by the committee to such groups as Agriculture in Montana Schools and hog marketing organizations.

Montana is an isolated state as far as pork production is concerned and its producers need a way to make their small numbers count to support the future of the industry. The state and national pork producers councils have given them a way to participate which enriches their knowledge of the industry.

The Montana hog checkoff has functioned since 1975 averaging between 1 and 3% requests for refunds of the money checked off; this almost entirely from Hutterite Colonies. This 97 to 99% participation level shows that producers in the state believe in the checkoff and what it does for them.

The increase in funds is in response to the desire of producers nationwide and in Montana to fund activities they feel are necessary but are not currently possible.

The change from 20¢ per head to a percent of value checkoff will do some important things. It will even out income from year to year because prices are high when hog numbers are low and vice versa. Producers will make the greatest contribution per hog when prices are high and they can best afford it. This system is easily adaptable to buyer's and market's accounting systems. The percent of value will allow the checkoff to grow as inflation causes the average price of hogs to rise over a period of time, eliminating the need to change the checkoff rate often.

I believe the concepts represented in Senate Bill 154 have wide producer acceptance, will allow a small individual producer contribution to form a revenue pool which can accomplish a big job, and is a sound method of assessment. I recommend your acceptance of Senate Bill 154.

Sue Huls
Executive Secretary
Montana Pork Producers Council

Exhibit B
SB 154
3-11-85



Montana Pork Producers Council

MONTANA STATE UNIVERSITY • LINFIELD HALL • BOZEMAN, MONTANA • (406) 994-3595

March 11, 1985

Testimony to the House Agriculture Committee supporting Senate Bill 154

Montana Pork Producers Council is an important organization to the state's pork industry. It is the only organization committee solely to the problems of pork producers.

Educational activities for producers such as the quarterly magazine, annual educational meeting, farrowing schools, leadership development meetings, youth projects and others are only possible in Montana because of the pork producers council.

The checkoff also makes possible a Montana contribution to the nationwide promotional and consumer education programs of the National Pork Producers Council which are so necessary in this time of wide misrepresentation of red meat products by the popular press.

Pork producers in Montana voted at their 1984 Annual Meeting to support the concept of a .3 of 1% of market value checkoff as a national checkoff rate. This rate change from 20¢ was accepted by all NPPC member states at American Pork Congress in 1984.

In January 1985, Montana producers again reaffirmed their support of the revised checkoff rate at their annual membership meeting and voted to request Senator Ed Smith to sponsor legislation amending the checkoff law.

Pork producers are aware that these are very difficult times for agriculture and the pork industry needs to inform producers how to produce high quality hogs and inform consumers of the good nutrition available in pork products. This will only be done through producer contributions.

I recommend support of Senate Bill 154 as a self-help program for pork producers in Montana.

Dewey Schmitt
MPPC President

Exhibit C
HB 154
3-11-85

TESTIMONY IN OPPOSITION TO SB 154:

MY NAME IS KURT ALMAY AND I AM FROM ISMAY, MONTANA.

I AM OPPOSED TO SB 154. THE PORK PRODUCERS ORGANIZATION ONLY REPRESENTS 11.6% OF THE PEOPLE THAT RAISE HOGS IN THE STATE OF MONTANA AND RIGHT NOW THE HOGS THAT I HAVE BEEN SELLING HAVE BEEN MAKING 15 CENTS A HEAD. I THINK THEY DON'T NEED A 72% INCREASE. IT ONLY SEEMS FITTING THAT THIS ORGANIZATION SHOULD HAVE TO PAY THE SAME THING.

MY SUGGESTIONS TO THE BILL ARE:

1. I WOULD LIKE TO SEE THE ENTIRE SYSTEM VOLUNTARY
2. IF THE COMMITTEE DOESN'T LIKE IT, I WOULD LIKE TO SEE A HAND BILL POSTED EXPLAINING TO THE PEOPLE HOW TO GET THEIR MONEY BACK.
3. VOTE DOWN THE BILL IN WHICH CASE THE BILL OFFERED WOULD DIE, BUT KEEP THE PRESENT LAW.

THANK YOU FOR YOUR TIME AND I URGE YOUR OPPOSITION TO THIS BILL.

VISITORS' REGISTER

COMMITTEE

DATE 3-11-85

SPONSOR Senator Ed Smith

Senator Boylan

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.