

MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK AND IRRIGATION
MONTANA STATE SENATE

February 9, 1987

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date, in Room 415 of the State Capitol at 1:00 p.m. by Chairman Boylan.

ROLL CALL: All members present.

CONSIDERATION OF HB 360: Representative Gene DeMars, HD 29, presented the bill which changes the name of the MT Wheat and Research and Marketing Committee to the MT Wheat and Barley Committee. He said this bill is at the request of the Dept. of Agriculture. Testimony attached as exhibit #1.

PROPOSERS: Gregory B. Holt, President, MT Grain Growers Assoc., on record in support. Exhibit #2.

Larry Barber, Director, MT Wheat Research and Marketing Committee, said the bill will greatly facilitate their work in the barley field. He said there has been trouble with buyers and marketers knowing this is a barley organization as well as wheat.

Keith Kelly, MT Dept. of Agriculture, in support. Testimony, exhibit #3.

OPPOSERS: None.

COMMITTEE QUESTIONS: Senator Bengtson asked if there was any barley research being done. Keith Kelly answered there has been barley research. The barley people pay \$360,000 into the program while wheat producers pay in \$750,000.

Senator Bengtson asked why they don't say Wheat and Barley Marketing and Research Committee. Jim Christianson, Director of the Wheat Research and Marketing Committee, said that MT Wheat and Barley Marketing Research Committee is a big mouthful, especially for a Japanese. Both organizations have joined the US Feeds Council collectively. This gives credibility to both foreign and domestic markets with both names included. He said it should have been written into the bill in 1973 when the marketing program was started.

DISPOSITION OF HB 360: Senator Kolstad moved HB 360 BE CONCURRED IN. Motion carried. Senator Thayer will carry the bill on the Senate floor.

CONSIDERATION OF SB 277: Chief Sponsor, Sam Hofman, SD 38, had been called home because of the death of his mother, so Senator Ray Lybeck, SD 4, Kalispell, presented the bill.

Senate Agriculture Committee
February 9, 1987
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The bill clarifies the procedure for setting up a state-wide milk pool. He pointed out a change on page 6, starting on line 15 regarding who can petition a pooling hearing. Page 7, lines 4 through line 6 on page 8 also refer to this. Page 8, lines 7 through 10 defines setting up the fund and collecting and paying the monies from this fund.

PROPONENTS: Larry Kaufman, President, MT Dairymen's Assoc., in support. Full testimony, exhibit #4.

K. M. Kelly, MT Dairy Processors, in favor. Exhibit #5.

OPPONENTS: None.

COMMITTEE QUESTIONS: None.

Chairman Boylan told the committee that, due to Senator Hofman's absence, the hearing will be continued at a later time when he could be present.

FURTHER DISCUSSION OF SB 207: Senator Lybeck said he would like to withdraw his recommendation for a committee bill. After listening to committee questions and further research regarding the bill, it was decided that what the bill was presented to do was already in the law. If problems do arise, they could bring a bill up during the next session of legislature.

DISPOSITION OF SB 207: Senator Lybeck moved to take no action on the Committee Bill. Motion carried.

Senator Kolstad moved to LAY SB 207 ON THE TABLE. Motion carried unanimously.

Senator Boylan announced the committee will hold a joint hearing with the House Ag. Committee Friday, February 13 at 7:00 p.m. in Room 325 of the Capitol, to hear SB 268 and a mediation bill by Senator Jergeson.

There being no further business, the meeting adjourned.



SENATOR PAUL BOYLAN, Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-9-87

NAME	PRESENT	ABSENT	EXCUSED
<u>ABRAMS, Hubert J.</u>	✓		
BENGTSON, Esther G.	✓		
BECK, Tom	✓		
JERGESON, Greg	✓		
KOLSTAD, ALLEN C.	✓		
LYBECK, Ray	✓		
STORY, Peter R.	✓		
THAYER, Gene	✓		
GALT, Jack VICE CHAIRMAN	✓		
BOYLAN, Paul CHAIRMAN	✓		

Each day attach to minutes.

January 28, 1987

NAME CHANGE
FOR THE MONTANA WHEAT RESEARCH AND MARKETING COMMITTEE

When the enabling legislation to create the Montana Wheat Research and Marketing Committee was passed by the 1967 Legislature, the program was only for research and marketing of Montana wheat.

In 1973 the Legislature added barley to the responsibility of the Committee but, for some reason, did not change the name.

Domestically, this has made little difference; a slight inconvenience but easily explained to English speaking people. Not so in foreign markets. As the Committee's market development activities have moved from the Pacific Rim countries around the world to the Near East and Africa, entirely too much confusion is caused by trying to explain why an organization with only wheat in its name is concerned with a feed grain called barley.

The "Montana Wheat and Barley Committee" is a title that is short and to the point. A change in name is not a change in responsibility, but a reaffirmation of that responsibility.

SENATE AGRICULTURE

EXHIBIT NO. 1

DATE 2-9-87

BILL NO. HB.360

NAME: Gregory B. Holt DATE: 2/9/87

ADDRESS: 916 25th Avenue S.W., Great Falls MT 59404

PHONE: 727-6530

REPRESENTING WHOM? Montana Grain Growers Association

APPEARING ON WHICH PROPOSAL: WR&MC bill # 360

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: The Montana Grain Growers Association
supports this name change as it
more clearly reflects the functions of this
committee.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE AGRICULTURE
EXHIBIT NO. 2
DATE 2-9-87
BILL NO. HB 360



STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

TELEPHONE:
AREA CODE 406
444-3144

TED SCHWINDEN
GOVERNOR

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.
CAPITOL STATION
HELENA, MONTANA 59620-0201

KEITH KELLY
DIRECTOR

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE SENATE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
ON HOUSE BILL 360
MONDAY, FEBRUARY 9, 1987
HELENA, MONTANA

Chairman Boylan, members of the committee, the 1967
Legislature created the wheat research and marketing program of
the Montana Wheat Research and Marketing Committee and in 1973
legislation added barley to that already existing program.

With the inclusion of barley, one-third of the income the
Committee receives is attributable to this product. The
proposed name change to the "Montana Wheat and Barley Committee"
would better reflect the programs functions as was passed through
legislation.

The Montana Department of Agriculture asks your support of
House Bill 360.

SENATE AGRICULTURE

EXHIBIT NO. 3

DATE 2-9-87

BILL NO. HO 360

FY '86	Wheat	\$406,434.06
	Barley	138,306.90
FY '85	Wheat	\$513,270.14
	Barley	205,193.33
FY '84	Wheat	\$750,505.32
	Barley	359,820.84
FY '83	Wheat	\$611,909.17
	Barley	169,333.35

SENATE AG CULTURE

EXHIBIT NO. 3

DATE 2-9-87

BILL NO. HB 360

TESTIMONY ON SENATE BILL 277

by

**Larry Kaufman, President
Montana Dairymen's Association**

I am Larry kaufman, President of the Montana Dairymen's Association. The Dairymen's Association is an organization representing the dairy farmers in the state; it currently has about 170 members. I am also a dairy farmer in the Billings area.

Senate Bill 277 was drafted and requested by our Association. It has the backing of the dairy industry in general in Montana, including the dairy plants or processors represented by Ken Kelly, who will testify later.

Our Association has officially supported a statewide pool for several years. A pool is essentially a bookkeeping procedure whereby milk producers pool their milk on paper to receive the same price for their milk from the plants they sell their milk to, regardless of location in the state. Most of the milk now produced in this country is produced under a pooling concept, usually under federal Department of Agriculture orders. It is not a new concept nationwide, but Montana has never had one until recently when the four plants in Montana owned by Borden's (formerly Meadow Gold, a divison of Beatrice) instituted their own pool among the four plants which are located in Billings, Missoula, Kalispell and Great Falls.

The idea behind a pool is that all producers will receive the same price for their milk in the state or area in the pool, thereby stabilizing the dairy industry so that milk is produced efficiently and economically for the consumer. A pool, if handled in a proper manner, is supposed to even out the inequities in the market. The price the plants pay for the milk still remains the same, as does the ultimate price to the consumer, so a pool really has no effect on the consumer other than to help guarantee that the consumer has a reliable, wholesome supply of milk available.

As Senator Hofman mentioned, the existing law is not entirely clear on how a pool is established, or what can be in it. The Association is continuing with its efforts to draw up a proposed pool which will eventually be submitted to the Milk Control Board. We are now working with representatives of the milk processing plants to see if we can reach agreement on the specifics of a pool which we can all support. That may be difficult, but we would nevertheless like to have the law cleared up in the event a pooling proposal is submitted to the Milk Control Board.

SENATE AGRICULTURE

EXHIBIT NO. 4

DATE 2-9-87

The bill you see before you is the result of suggestions made by our attorney, our Pooling Committee, and others in the milk industry. In some respects, it represents compromises by all concerned.

I want to emphasize again, as did Senator Hofman, that this bill in no way endorses a pool, or mandates that one be established. In fact, that debate is still taking place within our industry. But in case a pool is proposed and set up by the Board of Milk Control, we would like the law to be as clear as possible. Senate Bill 277 attempts to do this.

I urge your support of Senate Bill 277.

SENATE AGRICULTURE
EXHIBIT NO. 4
DATE 2-9-27
BILL NO. SB277

NAME: K. M. Kelly DATE: 2/9/87

ADDRESS: 4605 GLASS DRIVE Helena

PHONE: 458-5861

REPRESENTING WHOM? Mont. Dairy Processors

APPEARING ON WHICH PROPOSAL: SB 277

DO YOU: SUPPORT? yes AMEND? _____ OPPOSE? _____

COMMENTS: _____

Most of the problems in our Dairy industry that resulted in Initiative 104 were due to the failure as a group of dairy farmers to secure a statewide Dairy marketing pool. SB 277 amends current law to provide guidelines to the Board on milk control on the question of a market wide or statewide pool and further provides guidelines to the Board for the conduct of their referendum among dairy farmers, distributors and producer-distributors that is a requirement before the Board's order can be effective.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE AGRICULTURE
EXHIBIT NO. 5
DATE 2-9-87
BILL NO. SB 277

STANDING COMMITTEE REPORT

FEBRUARY 9

19 37

MR. PRESIDENT

We, your committee on **AGRICULTURE, LIVESTOCK & IRRIGATION**

having had under consideration..... **HOUSE BILL** No. **360**

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Debars (Thayer)

CHANGE NAME OF MONTANA WHEAT RESEARCH AND MARKETING COMMITTEE

Respectfully report as follows: That..... **HOUSE BILL** No. **360**

BE CONCURRED IN

~~XXXXXXXX~~

~~XXXXXXXXXX~~

.....
PAUL F. BOYLAN,

Chairman.