

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By Chairman Bachini, on January 6, 1989, at 3:00 p.m.

ROLL CALL

Members Present: All

Members Excused: Rep. Ellison

Members Absent: None

Staff Present: Connie Erickson, Legislative Council and Ms. Claudia Montagne, Committee Secretary

Announcements/Discussion: There will be a reception at the Dept. of Agriculture from 3:00 to 5:00 p.m., Friday afternoon, January 6, 1989.

HEARING ON HB 18

Presentation and Opening Statement by Sponsor: Rep.

Swysgood, District 73, stated that the Montana Agriculture Development Council belongs in the Dept. of Agriculture, rather than the Dept. of Commerce, because it deals with agriculture, agricultural products and the enhancement of agricultural economy. Moving the Agriculture Development Council from the Dept. of Commerce to the Dept. of Agriculture would have no fiscal impact. However there are questions in reference to the seed capital portion of the Growth Through Agriculture Act. Appropriate legislation will be prepared by the Legislative Council in regards to this matter. He indicated that there is consensus between the two departments regarding this transfer, and that the structure of the council will remain the same. Rep. Swysgood suggested an amendment in Section 3, changing the effective date to immediately upon passage and approval, for the sake of continuity of programs in progress.

List of Testifying Proponents and What Group they Represent:

Tom Peck, Montana Dept. of Agriculture

Lorna Frank, Montana Farm Bureau and the Agriculture Coalition

Ralph Yaeger, Dept. of Commerce

Jo Brunner, self as member of the Montana Growth Through Agriculture Council

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Tom Peck testified that the Agriculture Council and Agriculture producers will benefit by this bill because the Dept. of Agriculture has contacts for interstate and international agribusiness, as well as with the USDA and agricultural marketing organizations. The Dept. of Agriculture also has primary statutory responsibility for the promotion of agriculture in Montana. See Exhibit 1.

Lorna Frank indicated that the Agriculture Coalition worked for the passage of the "Growth Through Agriculture" Act during the last session, and wanted the act administered by the Dept. of Agriculture from the outset. She also stated that the Dept. of Agriculture has the expertise to understand rural problems. See Exhibit 2.

Ralph Yaeger, Dept. of Commerce, acknowledged the expertise for this council is within the Dept. of Agriculture, and that the network with agriculture is also within this department.

Jo Brunner worked for the bill in the previous session, and lobbied for the inclusion of the Agriculture Council within the Dept. of Agriculture. She and her coalition continue to support the activities of the council. See Exhibit 3.

Questions From Committee Members: REP. NELSON asked Ms Brunner for examples of the council's accomplishments. Ms Brunner replied that 1. they had made sure that they all got paid; 2. they provided monies for the Japanese trade office; 3. they instructed the Dept. of Agriculture as to the Council's expectations for the marketing trade program; 4. they developed rules and regulations; and 5. they generated requests in the form of RFP's for their incubator and marketing programs.

REP. REAM asked Rep. Swysgood for clarification for Item 3 in the Fiscal Note. Regarding the 2 FTE's, would there be a transfer of 2 employees from the Dept. of Commerce to the Dept. of Agriculture? Rep. Swysgood indicated that there would be no transfer of employees, and that one was actually leaving the Dept. of Commerce. In reference to Item 5, Fiscal Note, Rep. Ream asked the sponsor what would happen to the cash balance of \$201,000. This money is available for other programs and is attached to the council.

Closing by Sponsor: Rep. Swysgood reiterated that the necessary expertise for the council lies within the Dept. of Agriculture, and that with the transfer, the council would be better correlated with the intent of the law. He thanked the Dept. of Commerce for their cooperation.

DISPOSITION OF HB 18

Discussion: Rep. Driscoll made a motion to pass HB 18.

Amendments and Votes: Rep. Driscoll made a motion to amend HB 18 by changing the effective date to read "upon passage and approval". Rep. Nelson seconded and the motion PASSED unanimously.

Recommendation and Vote: Rep. Driscoll made a motion to DO PASS as amended, with Rep. Nelson seconding. The motion PASSED unanimously. Chairman Bachini stated that, hearing no objections, he would request that HB 18 be placed on the Consent Calendar.

ADJOURNMENT

Adjournment At: 3:30 p.m.



REP. BOB BACHINI, Chairman

STANDING COMMITTEE REPORT

January 9, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that HOUSE BILL 18 (first reading copy -- white) do pass as amended and be placed on the CONSENT CALENDAR.

Signed: Bob Bachini

Bob Bachini, Chairman

And, that such amendment to HOUSE BILL 18 read:

1. Page 2, line 1.

Strike: "July 1, 1989"

Insert: "on passage and approval"

DAILY ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1989

Date 1-6-89

| NAME | PRESENT | ABSENT | EXCUSED |
|--------------------------------|---------|--------|---------|
| Rep. Bob Bachini, Chairman | ✓ | | |
| Rep. Francis Koehnke, Vice Ch. | ✓ | | |
| Rep. Gene DeMars | ✓ | | |
| Rep. Jerry Driscoll | ✓ | | |
| Rep. Jim Elliot | ✓ | | |
| Rep. Linda Nelson | ✓ | | |
| Rep. Bob Ream | ✓ | | |
| Rep. Don Steppler | ✓ | | |
| Rep. Vernon Westlake | ✓ | | |
| Rep. Duane Compton | ✓ | | |
| Rep. Orval Ellison | | | ✓ |
| Rep. Bert Guthrie | ✓ | | |
| Rep. Marian Hanson | ✓ | | |
| Rep. Harriet Hayne | ✓ | | |
| Rep. Betty Lou Kasten | ✓ | | |
| Rep. Vernon Keller | ✓ | | |
| Rep. John Patterson | ✓ | | |
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EXHIBIT 1
DATE 1-6-89
HB 18



~~XXXXXXXXXX~~
GOVERNOR
STAN STEPHENS

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.

CAPITOL STATION
HELENA, MONTANA 59620-0201

TELEPHONE:
AREA CODE 406
444-3144

FAX 406-444-5409

~~XXXXXXXXXX~~
DIRECTOR

EVERETT M. SNORTLAND

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE HOUSE AGRICULTURE COMMITTEE
ON HOUSE BILL 18
FRIDAY, JANUARY 6, 1989
HELENA, MONTANA

Chairman Bachini and members of the committee. The Montana Department of Agriculture supports House Bill 18 providing for the transfer of the Montana Agriculture Development Council from the Department of Commerce to the Department of Agriculture.

The state agency with primary statutory responsibility for the promotion of agriculture in Montana is the Montana Department of Agriculture. The Department of Agriculture's Agricultural Development Division is directed by statute and currently provides agricultural program and support staff in the directly related fields of domestic and international agricultural marketing, agricultural finance and related capital markets.

The Agriculture Development Council and Montana's rural communities will benefit from the existing cooperative relations that exist between the Department of Agriculture, agribusiness, producers, the University system and other agricultural organizations and groups.

Agricultural producers, marketers, and those involved with innovative agricultural concepts naturally want to work with the Department of Agriculture for the expertise and understanding of agricultural people. State departments of agriculture are the

HB 18 Testimony
Page 2

contacts used by international and domestic government agencies, producers, and agribusiness for liaison on agricultural trade, marketing issues and development. The Department of Agriculture is closely associated with USDA agencies and the Foreign Agriculture Service (FAS) programs as well as various agricultural marketing organizations such as the Western United States Agricultural Trade Association (WUSATA). WUSATA is one of the cooperator programs established between the Montana Department of Agriculture and the USDA. All U.S. embassies have an Agricultural Attache attached to them that reports to the Foreign Agriculture Service, USDA and is the primary network between trade leads back to the State Departments of Agriculture.

The Department of Commerce, Council members and Agricultural organizations and other groups have generally expressed agreement to move the council. The support for and rationale behind moving the Agriculture Development Council are very similar to the response generated when the Carter administration attempted to move the Foreign Agricultural Service (FAS) from the USDA to the U.S. Department of Commerce. It was concluded that agricultural specialists were in a better position to promote and expand agricultural exports than personnel in the U.S. Department of Commerce.

For these reasons the Montana Department of Agriculture supports House Bill 18.



MONTANA FARM BUREAU FEDERATION

502 South 19th • Bozeman, Montana 59715
Phone: (406) 587-3153

EXHIBIT 2
DATE 1-6-89
HB 18

BILL # H.B. 18 ; TESTIMONY BY: Lorna Frank
DATE Jan. 6, 1989 ; SUPPORT Yes ; OPPOSE

Mr. Chairman, members of the committee, my name is Lorna Frank, representing the Montana Farm Bureau and the following members of the Agriculture Coalition, the Grain Growers, Dairymen, Stock Growers, Women Involved in Farm Economics or WIFE, Farmers Union, Cattle Feeders, Cattlemen, Grange, Cattle Women and Farm Bureau.

The Agriculture Coalition worked hard during the 50th. Legislative session to pass the "Growth through Agriculture" act, setting up the Montana Agriculture Development Council. At that time we wanted the bill administered by the Department of Agriculture and still do.

The Coalition feels that since the original bill was intended to aid rural people and communities, the Department of Agriculture should oversee the program. They have the expertise and knowledge to administer the program and understand rural problems.

The Agriculture Coalition urges the Agriculture Committee to give House Bill 18 a do pass recommendation.

SIGNED: Lorna Frank

— FARMERS AND RANCHERS UNITED —

DATE 1/6/89

BILL HB 18

COMMITTEE House Agriculture

NAME Jo Brunner

REPRESENTS Self through MGA Council

Mr. Chairman, members of the Committee, for the record, my name is Jo Brunner and I testify at this committee meeting today as a member of the Montana Growth Through Agriculture Council.

Some of you may recall that in the 1987 Legislative Session, I worked Representative Winslow's bill that became this law along with other members of the Montana Agriculture Coalition. You may also remember that the bill was one the Coalition supported unanimously.

Eventually, with the support of the Coalition and several legislators, the Governor appointed me to sit on the Council. I represent the Montana Agriculture Coalition on the Council, and my decisions, to a greater extent are made in consultation with Coalition members or within policies that Coalition organizations as a whole adhere to.

To further refresh your memory, the Coalition was so dedicated to this endeavor, we made the commitment that if we could not see progress, or if the law did not do what we expected it to do, we would come back in and oppose further funding.

Now it would be foolish to say there have not been problems or that the frustration of waiting for the bureaucracy to evolve was a tremendous task in itself. But, with perseverance and a great deal of impatient patience you can see, by the Coalition testimony that we are continuing to support the Council.

However, even the earliest discussions on the bill included the necessity of removing the Council from Department of Commerce to the Department of Agriculture. It was acknowledged during the '87 session that the Legislature would not have passed any bill which required more funding for agriculture within the ag. department and when the Department of Commerce, I'm not sure that gracefully is the correct word, accepted the Council within its programs, we took advantage.

The Council feels, as has been indicated here, that the correct, and most beneficial position for the Montana Growth

Through Agriculture Council should be in the Montana Agriculture Department, with cooperation by Department of Commerce, which we are assured will continue. The Agriculture Department is developing marketing and assistance programs as part of their duties within the law and is working with Extension Service and MSU and other related interests in order to eliminate duplication and to foster cooperation, which will in turn keep down expenses.

Whatever problems have existed in the past, are in the past, and we hope to be able to surmount even the Supreme Court decision that held the seed capital portion of the program hostage. We know, by the amount of requests that have been submitted, the information concerning future requests, specifically on the seed capital poration, not to metnion the interest that we have at each Council meeting, that this is indeed a good and viable program, and will be productive to our communities.

And we certainly believe that having the program within the Department of Agriculture will enable the Council to proceed with the business even more quickly.

I ask that you do approve this request and that the effective date be immediately upon passage. We frankly need to get on with the business at hand.

WITNESS STATEMENT

EXHIBIT

4

DATE

1-6-89

HB

DATE:

1/6/89

1P

NAME: John AsayADDRESS: 8605 Longmeadow Dr.PHONE: 656-4526

REPRESENTING WHOM?

MT. Cattle Feeders Ass'n -APPEARING ON WHICH PROPOSAL: HB 18

DO YOU:

SUPPORT?

YESAMEND? OPPOSE?

COMMENTS:

The Montana Cattle Feeders Association supports passage
of H.B. 18 because we feel transfer of the Agriculture
Development Council to the Department of Agriculture
will increase the possibility of the Council effectively
contributing to the development of Agriculture for
the benefit of the state.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

House Agriculture COMMITTEE

DATE 1-6-89

SPONSOR Rep. Luvingsgood

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

CS-33

ROLL CALL VOTE

AGRICULTURE, LIVESTOCK & IRRIGATION

COMMITTEE

DATE 1-6-89

BILL NO. HB 18

NUMBER 1

| NAME | AYE | NAY |
|--------------------------------|-----|-----|
| BOB BACHINI, CHAIRMAN | ✓ | |
| FRANCIS KOEHNKE, VICE CHAIRMAN | / | |
| GENE DE MARS | ✓ | |
| JERRY DRISCOLL | ✓ | |
| JIM ELLIOT | ✓ | |
| LINDA NELSON | ✓ | |
| BOB REAM | ✓ | |
| DON STEPPLER | ✓ | |
| VERNON WESTLAKE | / | |
| DUANE COMPTON | ✓ | |
| ORVAL ELLISON | | |
| BERT GUTHRIE | ✓ | |
| MARIAN HANSON | ✓ | |
| HARRIET HAYNE | ✓ | |
| BETTY LOU KASTEN | ✓ | |
| VERNON KELLER | ✓ | |
| JOHN PATTERSON | ✓ | |
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TALLY

Mary Lou Schmitz *Cr*
Secretary

BOB BACHINI, Chairman
Chairman

MOTION: *to effe. amend section 3, effective date*
to effective upon passage and approval.

Unanimous
COMMITTEE

COMMITTEE

DATE AB 1-6-89 BILL NO. AB18 NUMBER 2

| NAME | AYE | NAY |
|--------------------------------|-----|-----|
| BOB BACHINI, CHAIRMAN | | |
| FRANCIS KOEHNKE, VICE CHAIRMAN | | |
| GENE DE MARS | | |
| JERRY DRISCOLL | | |
| JIM ELLIOT | | |
| LINDA NELSON | | |
| BOB REAM | | |
| DON STEPPLER | | |
| VERNON WESTLAKE | | |
| DUANE COMPTON | | |
| ORVAL ELLISON | | |
| BERT GUTHRIE | | |
| MARIAN HANSON | | |
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Mary Lou Schmitz
Secretary

MOTION: HB 18, do pass as amended
unanimous