

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE

Call to Order: By Chairman Tom Beck, on February 6, 1989,
at 1:00 p.m.

ROLL CALL

Members Present: Senators: Hubert Abrams, Gary Aklestad,
Esther Bengtson, Gerry Devlin, Jack Galt, Greg
Jergeson, Gene Thayer and Chairman Tom Beck.

Members Excused: Senator Bob Williams

Members Absent: None

Staff Present: Doug Sternberg, Legislative Council

Announcements/Discussion: None

HEARING ON SENATE BILL 233

Presentation and Opening Statement by Sponsor: Senator
Manning, District 18, indicated that an amendment has
been proposed. See exhibit 1. Senator Manning's
testimony. See exhibit 2.

List of Testifying Proponents and What Group They Represent:

Bob Noble representing himself
Donald Jacklin representing the American Mule Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:
Proponents:

Bob Noble-"That the existing horseracing in the state right
now, in most of the cases this year mule racing would
help increase not only the gate at each of these events
but also the pay (or take?). This has been proven in
all western states. The other aspect, I am in the
business; I work for a ranch in western Montana that's
in the business of raising mules. At any given time we
will have 150, 200 head of mules per year come off of

this ranch and go out of state as racing prospects. We are very much interested in the racing aspect end of it. We have been involved in this for the past 6 years. At our ranch right now, we have 25 head of brood mares that are of thoroughbred or registered quarter horse breeding that we have been using as brood mares with the idea of developing the flat track mule. We've had a number of them (mules) place. I do not have a copy of the number of them that actually made money. There are racing mules coming out of our ranch.

The bill itself will help stimulate that type of industry in the state of Montana. There's approximately a half a dozen individuals right now in western Montana that raise, train, or race flat track mules right now out-of-state. We want to try and develop that in-state.

Donald Jacklin-See exhibit 5.

Questions From Committee Members: Senator Bengtson-"I'm wondering, are they faster than a horse? And what's so different watching a mule race than a horserace?" Donald Jacklin-"People don't believe mules can run; they can race. The percentages are different. For example, if you take a thoroughbred horse population, probably 60% of that thoroughbred horse population had the potential of being pretty good runners.

If you look at a population for example of mules, you're looking at 5% to maybe 8% of that total population that could be good runners. So a good running mule is obviously more difficult to get. Once you get them however, they're very fast. We have times that are very similar to what I call the medium times of quarter horses. We run the distances very similar to quarter horses. Our half mile plus 70 time was faster than the Arabian horserace time this last year. There are fewer fast mules than there are fast bred quarter horses.

Senator Thayer-"Is this the same language in terms of horse-racing?" Senator Manning-"That's true."

Senator Beck-"I notice in the bill it says registered horses or mules. I assume that means registered mules? Is there an association to register mules? Is that correct?" Donald Jacklin-"The American Mule Association that I'm representing today is the standard registry. The mules are registered and they also are tattooed in the upper lip. There can be no

substitution whatsoever and it's a positive identification."

Senator Abrams-"To follow up on that registration. What is designated what is eligible for a racehorse?" Donald Jacklin-"Any mule who applies for registration can be registered provided the proper ownership criteria are met."

Closing by Sponsor: Senator Manning closed.

HEARING ON SENATE BILL 305

Presentation and Opening Statement by Sponsor: Senator Greg Jergeson, District 8, stated "This is the bill I offered in response to problems we had dealing with Senator Jenkins' Senate Bill 32. This bill applies to one very specific problem I think can be easily identified in respect to CRP contracts on state lands. Currently, if a person applies or exceeds the CRP contract on state lands, happens to be in the middle of a 10-year lease, he is at considerable risk. When that 10-year lease is up on his state land there will still be some years remaining on his CRP contract and somebody else can come in and bid that state lease away from him. They've had no investment in the seeding of CRP ground. Even if they only end up getting a very minimal amount of money out of bid, it would be worth their while and it would be to the deterrent to the farmer that may have farmed a particular piece of ground for a considerable amount of time.

This bill provides that if a farmer wants to take the risk, and there still is a certain level of risk involved, he would voluntarily give up his lease with the idea that it would be put in the CRP. If this procedure is carried through his state lease, the CRP contract would run concurrently so there would be no risk to that particular producer if he has worked through this program. I think this does answer one little problem and I think we can work with this."

List of Testifying Proponents and What Group They Represent:

Dennis Casey representing the Department of State Lands
John North representing the Department of State Lands
Ted Neuman representing himself
Randy Johnson representing the Montana Grain Growers
Association
Kay Norenberg representing WIFE

List of Testifying Opponents and What Group They Represent:

None

Testimony:
Proponents:

Dennis Casey wanted to let the committee know he would be available for questions.

John North-See exhibit 6.

Ted Neuman-"I support this bill and what it tries to do. A little bit of background that's happened in our area, we've had neighbors that have had state land as part of deeded land. They have wanted to put their deeded land in the CRP and have been reluctant to do so because in that is some state land and their lease would have expired during the time of the CRP program. They would have to farm a small acreage in the middle of a larger field, out of what would have to be fenced or mowed. So this bill would alleviate and correct that situation."

"I might suggest the committee consider some sort of a minimum share that the state would get upon the surrender of these leases. The biggest share of state land is leased for a quarter-crop share. I did a simple calculation based on 30 bushel-producing land. The states share of that would be about 7 1/2 bushels to the acre at \$3.70 a bushel. That's kind of an arbitrary figure. The state would get about \$27.75 an acre. If you take the CRP program which would be actually \$90 because every acre is cropped as compared to only half, the state would get about \$18 an acre. So the state would end up with a net loss of about 10 bucks an acre. This is maybe a little high.

"I would suggest that the committee might consider some sort of a minimum that the state would ask for upon this surrender because the landowner, particularly the lessee, is getting some real benefits out of this program. Maybe a suggestion to send a letter to the state land board outlining what I have just explained. We think maybe the state land board should look at some crop share terms."

Randy Johnson-"The Montana Grain Growers Association rises in support of this bill. We feel this bill can handle some problems that we've been concerned about, especially state leases that do not expire the same time as CRP contracts do."

Kay Norenberg-"WIFE wants to go on record to support SB 305."

Questions From Committee Members: Senator Galt-"What did we do with Senator Jenkins' bill (SB 32)? Senator Beck-"We are still sitting on it. That bill was taken out on a DO NOT PASS, then we got it to the Senate floor, they wanted it back in committee in case they wanted to do some more adjustment on it on the bill."

Senator Aklestad-"Senator Jergeson, did I understand this bill was executive action on contract or under existence under CRP, is that right now, or not?" Senator Jergeson-"I do not believe that it is. It's just on contracts that will be consummated after the effective date of this bill. That is right. I don't know if you can make the bill retroactive or not, I guess if it isn't, I question the impact the bill is going to have. I believe the sign-up for the new program is going to start shortly. If not maybe today, and if that is going to run for a period of time by the time this is enacted, I question whether it would cover that. The sign-up, which is going to start today, and if it doesn't then I'm sure how many more sign-ups there is going to be, so the bill is really going to be effective on a very small portion of CRP contracts that are with the State of Montana. John North-"That most of the CRP contracts, at the present time, were on 25% and 75% for the leases." He thought the bill would reverse it making it 80% for the state and 20% for the leases and the land board considered that perhaps they would share a 50-50 split.

Senator Beck - "Could that be incorporated into this bill and would that alleviate some of Senator Jenkins' problems?" John North-"That his feelings were that the title was brought out to allow that."

Senator Beck - "Your problem with this termination strictly for CRP, do you think further explanation for that in this bill should be written into it?" John North-"I don't believe so. I guess if I could get a statement to that effect on the record of the committee from the sponsor of the bill, then I would certainly be satisfied."

Senator Jergeson-"Would it be possible to incorporate the kind of idea that you were discussing, as an option to the board to negotiate the contract? This would be in terms of what their share of the CRP would be, on a case-by-case basis, in order to approximate the

sustained revenue?" John North-"Yes, that could be done."

Closing by Sponsor: Senator Jergeson closes.

HEARING ON SENATE BILL 13

Presentation and Opening Statement by Sponsor: Senator Weeding's opening statement is on February 1 1989 minutes. Additional testimony was given at the request of the Chairman.

List of Testifying Proponents and What Group they Represent:

Lyle Quick representing McCone County Commissioners

List of Testifying Opponents and What Group They Represent:

Dave McClure

Testimony:
Proponents:

Lyle Quick-See exhibit 7.

Testimony:
Opponents:

Dave McClure-"I couldn't be here last week and Lorna Frank, our lobbyist, read my testimony. I would just like to add that getting into a system like the grain compact would be a duplication...The \$50,000 cost on this and put it into the compact--that money would be better spent here in the State of Montana."

Questions From Committee Members: Senator Jergeson-"The argument is that this has just been duplicated. What in fact would this compact do?" Lyle Quick-"It is not a duplication because the Wheat and Barley Commission is commissioned by law to have a checkoff on every bushel of grain we market for research, promotion, and those kinds of things. I'm paying that now; we're all paying it."

The way the commission works is that they contact local elevators that may have the cleaning facilities clean the grain. They put together the loading facilities. They follow it clear through to its

destination to make sure everything--the identity is preserved. Now, I don't think the commission nor any organization that I know is geared up to do that."

Senator Devlin-"There's \$50,000 in this; then there is a levy to each member of the compact per year. How much is it going to be?" Lyle Quick-"I understand the \$50,000 is the fee--that primarily is the administrative cost for people that are on the commission. I'm not aware of any other cost involved."

Senator Devlin-"If this is for the benefit of the grain growers that's going clean grain like you are, when are they going to start putting some money into this thing? Where's the share coming from the farmer that is benefiting by this?" Lyle Quick-"Maybe that's what the commission will determine somewhere down the road."

Senator Bengtson-"Are you having to deal with the five or six big grain companies or can you buy? Can they buy directly from Montana growers?" Larry Johnson-"Basically, Montana raises a blending quality wheat. The wheat that we raise here has a unique quality in it--it's very high protein. Our wheat already has a niche in the market."

One of the countries that is always pointed to is Canada. They clean all their grain in Canada, every bushel of wheat that is exported out of there. We point to them as the model industry. Canada cleans theirs because it is so filthy it can not enter the world markets."

Senator Devlin-"Could the Japanese come to this country and buy the high protein good wheat right now without it being blended?" Larry Johnson-"You bet. They can and do if they are willing to pay for it."

Senator Galt-"The five states that have paid into it, how many of them have paid the \$50,000?" Lyle Quick-"Wyoming and New Mexico have not; they have the law they have it funded. I think it's a step in the right direction."

Closing by Sponsor: (See February 1 for additional minutes.) Chairman Beck closed the hearing on Senate Bill 13.

Discussion: Doug Sternberg discussed the amendments to Senate Bill 111. See exhibit 9.

Senator Abrams-"You talk about guidelines before the rule making, yet Roman numeral "X" (see amendments). Doug Sternberg-"It is broad. In fact, all of these criteria are broad."

Cheryl Brant, licensed specialist assigned by Department of Commerce for the Board of Veterinary Medicine. "The board is made up of five licensed veterinarians and one consumer member. The Board generally discussed the amendments and it their indication that they will form a group that will be made up of some individuals--some professors from MSU."

Senator Jergeson would like to see on page 4, line 24, "full-time" stricken. He also indicated that the statement of intent should include the advisory committee made up of individuals previously discussed by Cheryl Brant.

Executive action will be taken at a later date on SB 111.

DISPOSITION OF SENATE BILL 228

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Devlin moved to table SB 228. The motion carried unanimously.

DISPOSITION OF SENATE BILL 13

Discussion: None

Amendments and Votes:

Recommendation and Vote: Senator Bengtson moved to table SB 13. Senator Abrams and Senator Jergeson voted against the motion.

DISPOSITION OF SENATE BILL 32

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Jergeson moved to table SB 32. The motion carried unanimously.

DISPOSITION OF SENATE BILL 28

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Bengtson moved to table SB 28. The motion carried unanimously.

DISPOSITION OF SENATE BILL 305

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Jergeson moved SB 305 DO PASS; Senator Galt seconded the motion. The motion carried unanimously.

DISPOSITION OF SENATE BILL 233

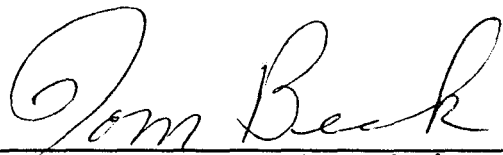
Discussion: None

Amendments and Votes: Senator Bengtson moved the amendment. The motion carried.

Recommendation and Vote: Senator Bengtson moved SB 233 DO PASS AS AMENDED. The motion carried unanimously.

ADJOURNMENT

Adjournment At: 2:39 p.m.



TOM BECK, Chairman

ROLL CALL

AGRICULTURE COMMITTEE

DATE 2/6/89

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HUBERT ABRAMS	✓		
SENATOR GARY AKLESTAD	✓		
SENATOR ESTHER BENGTSO	✓		
SENATOR GERRY DEVLIN	✓		
SENATOR JACK GALT	✓		
SENATOR GREG JERGESON	✓		
SENATOR GENE THAYER	✓		
SENATOR BOB WILLIAMS			✓
SENATOR TOM BECK	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 6, 1989

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation, having had under consideration SB 305 (first reading copy -- white), respectfully report that SB 305 do pass.

DO PASS

Signed:



Thomas A. Beck, Chairman

J.C.
2/7/89
9:11 a.m.

SENATE STANDING COMMITTEE REPORT

February 6, 1989

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation, having had under consideration SB 233 (first reading copy -- white), respectfully report that SB 233 be amended and as so amended do pass:

1. Page 4, lines 24 and 25.

Following: "meet"

Strike: " "

Following: "~~sums~~"

Strike: "The 1% of gross receipts"

Insert: ", which sums"

AND AS AMENDED DO PASS

Signed: _____


Thomas A. Beck, Chairman

58 233

SENATE AGRICULTURE
EXHIBIT NO. 1
DATE 2/6/89
BILL NO. SB 233

This is how it reads on the bill introduced.

SECTION 5. Section 23-4-304, MCA, is amend to read:

"23-4-304. Gross Receipts -- department's percentage -- collection and allocation. (1) the licensee shall pay to the department 1% of the gross receipts of each day's parimutuel betting at each race meet, , which-sums The 1% of gross receipts shall be paid to the department within 5 days after receipt by the licensee. At the end of each race meet the licensee shall prepare a report to the department showing the amount of the overpayments and underpayments. If the report shows the underpayments to be in excess to the overpayments, the balance shall be paid to the department. Money paid to the department may be used for the expenses incurred in carrying out this chapter. The licensee shall, at the same time, pay to the department all sums collected under 23-4-202(4)(d) on exotic wagering on races.

This is how the Bill
WAS INTRODUCED. (L.C.)

AMENDMENT ON NEXT PAGE

Ex. #1
2/6/89
SB 233

All the Boards sums are to be paid to the department within 5 days of receipt. The Legislative Council in drafting this bill changed the wording in regards to "which sums". We feel that this section needs to be changed back to the way it was originally. This section pertains to the 1% and the 2% of exotic wagering.

AMENDMENT

EX #1

2/6/89

SB 233

This is how it was and should remain. Amend back to original.

SECTION 5. Section 23-4-304, MCA, is amend to read:

"23-4-304. Gross Receipts -- department's percentage -- collection and allocation. (1) the licensee shall pay to the department 1% of the gross receipts of each day's parimutuel betting at each race meet, ~~which sums~~ ~~The 1% of gross receipts~~ which sums shall be paid to the department within 5 days after receipt by the licensee. At the end of each race meet the licensee shall prepare a report to the department showing the amount of the overpayments and underpayments. If the report shows the underpayments to be in excess to the overpayments, the balance shall be paid to the department. Money paid to the department may be used for the expenses incurred in carrying out this chapter. The licensee shall, at the same time, pay to the department all sums collected under 23-4-202(4)(d) on exotic wagering on races.

way

Bal Noble - Orlee

Don Jacklum - Vice Pres Assoc

SENATE AGRICULTURE

EXHIBIT NO. 2

STATE

BILL NO.

SB 233

2/6/89

Fort Falls

Cover Dale

During the 18th century, George Washingtons interest in the mule began from observing scrubby specimens during the war years. A supply of good superior mules, he knew, would solve the ruinous cost of transportation for the American Farmer. He also knew the best critical elements to produce these mules was carefully controlled by Charles III, King of Spain. After learning of Washingtons concerns, King Charles III not only sent the necessary tools to start Washington in the mule business, but also his master handlers. This aspect of the business remains intact to day.

Review the history of The State of Montana. We can look to the outcome and success of Lewis and Clark, the economic adventures of the fur traders or the impact of early mining tactics on the settlements within our state. One thing remains constant, the role of the American Mule. Always there when we need him.

Mule racing at approved horse meets in the states of Idaho, Nevada, Washington and New Mexico has proven responsible for both increased attendance and wagering on horse races conducted during the same meets. Passage of this legislation S.B.-233, will increase wagering support at existing horse race meets as well as encourage out of state spending from current mule owners, trainers, and handlers now located throughout the Western United States. Furthermore, the passage of S.B.-233, will greatly increase the existing mule industry with-in the State of Montana. This legislation, it should be emphasized, is designed to supplement existing horse race meets and in no way should be viewed as something new or seperate.

We have here today an opportunity to not only commemorate the American Mule during our states 100th birthday, but also, to open the doors of opportunity for the industry as a whole.

Dary Kaepfer - Sec of Montana Horse Racing Board

EXHIBIT NO. 3

DATE SB 233

FILE NO. 2-6-89

NAME: BOB NOBLE

ADDRESS: Box 5 Auler, Montana

PHONE: 726-3676

REPRESENTING WHOM? Mul Owens

APPEARING ON WHICH PROPOSAL: SB 233

DO YOU: SUPPORT? [check] AMEND? OPPOSE?

COMMENTS: see Exhibit #2

Handwritten lines for additional comments or responses.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT NO.

4

DATE

2/6/89

BILL NO.

SB 233

NAME:

DON JACKLIN

ADDRESS:

W. 5300 JACKLIN - POST FALLS ID. 83854

PHONE:

208 773 7581

REPRESENTING WHOM?

AMERICAN MULE ASSN

APPEARING ON WHICH PROPOSAL:

MULE BILL - 233

DO YOU:

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS:

WRITTEN -
AVAILABLE SEE Exhibit #5

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

American Mule Association

SENATE AGRICULTURE

EXHIBIT NO. 5

DATE 2/6/89

BILL NO. SB 233

WEST 5300 JACKLIN AVENUE
POST FALLS, ID 83854

(208) 773-7581

Legislators
State of Montana
c/o Montana Board of Horse Racing

Dear Legislators;

On behalf of the American Mule Association, the nationally recognized registry for mules and related activities, I respectfully present and sponsor the enclosed legislation designed to allow racing of registered mules where the parimutual system of wagering is used.

This legislation will provide both opportunity and encouragement to the public patrons of horse racing, to attend existing horse race meets for the purpose of increased attendance and wagering support. It should be emphasized that mule racing will augment existing horse race meets, as a synergistic compliment to attendance and wagering, and is not to be misinterpreted as a new, separate, and additional gambling activity.

Mule racing at approved horse race meets in the states of Idaho, Nevada, and Washington has proven responsible for both increased attendance and subsequent wagering on horse races conducted during the same meet. Successful passage of this legislation not only will increase wagering support, but will also encourage out of state financial spending from current mule owners, trainers, and handlers now located throughout the Western United States. Additionally, the existing mule industry of Montana, will be expanded into a new and larger "activity window" for both current and future animal populations.

The enclosed legislation has been presented to the Montana Board of Horse Racing at their regularly scheduled public meeting, conducted on December 13, 1988. The board accepted the concept proposed as beneficial to Montana horse racing, and therefore provided endorsement for the legislation as submitted herein.

American Mule Association

Ex. #5
2/6/89
SB 233

WEST 5300 JACKLIN AVENUE
POST FALLS, ID 83854

(208) 773-7581

I therefore respectfully request your acceptance of this American Mule Association sponsored legislation, and ask your assistance in securing successful passage of its contents.

I can think of few better Montana Centennial recognition actions, then that of identifying one of Montanas' founding-frontier work animals into the sport of Montana racing.

Respectfully Submitted

Donald W. Jacklin

Donald W. Jacklin
American Mule Association
Executive Board

DEPARTMENT OF STATE LANDS
TESTIMONY ON SENATE BILL 305

The Department of State Lands supports Senate Bill 305. If enacted the bill will be helpful in solving a problem caused by the interaction of the CRP program with the laws relating to the leasing of state lands.

Currently, virtually all state agricultural leases are for a term of ten years. With the advent of the CRP program in 1985, many of the lessees of agricultural land have chosen to place their leases into that program. This has been beneficial to both the lessee and the state, because both parties generally receive more income. In addition, marginal agricultural land is protected from erosion, which is to the long term benefit of the school trust. However, the CRP contract, which must be signed by the lessee, the state, and the federal government, obligates all parties to maintain the vegetative cover on the land for ten full years. If not, liquidated damages are assessed.

The problem arises when a CRP agreement is entered into in the middle of the lease term. For example, let's say that a ten year lease is in its sixth year and all parties decide to place the land into CRP. The state land will then be placed into CRP with the state receiving the same share of the CRP payments as it currently receives from the crop. In four years the lease expires and is subject to competitive bid. The lessee has the preference right, of course, but someone may bid a rate on the share of the CRP that is drastically different than the rate originally paid to the state. If the existing lessee does not exercise his or her preference right to meet this bid, there is a new lessee and the old CRP contract must be assigned. It is possible that the former lessee will refuse to assign the CRP contract. This creates many problems, not the least of which is the potential loss to the state of substantial liquidated damages under the CRP contract.

With the passage of the bill, some of these problems may be solved by allowing some future lease terms to be concurrent with CRP contracts. Also, if the terms of the CRP contract and the lease coincide, then the bid for the lease should reflect the true value of the lease with the CRP contract attached. This will benefit both the state and the lessee.

Finally, it is the Department's understanding that the request for early termination of a lease may only be made because of a desire to place the state land into the CRP program. The Department does not want to allow a lessee to ask for an early termination for any other reason, such as a desire to lower the current rental rate. The Department does not feel that the bill creates this problem. However, the Department wanted to raise the issue with the Committee and to have this clarification on the record.

Mr. Chairman and Members of the Committee,

For the Record, my name is Lyle Quick and I am here today in support of SB 13. I am a farmer from Circle and a retired McCone County Commissioner. I always ran as an Independent because I do not like much of the partisan bickering that goes on.

I am here today to clear up some misconceptions about the Interstate Grain Marketing Compact. This Compact is a way for our state to provide an additional market for our grain producers, elevators, grain dealers, and the new transportation centers in Shelby and Butte, which we could all use.

The Compact is not, and cannot become, a minimum price-setting mechanism. Every one of the Compact's Commissioners has publically and officially stated that they would never take such an approach. Interstate Compacts are not a new idea. Montana belongs to many of them dealing with such diverse issues as water and crime control. The Interstate Grain Marketing Compact has no authority to make laws or impose regulations. Instead it is a way for us to deal with our grain quality problem without additional regulations.

What the Compact can and is doing is establishing a network of local elevators, exporters, and foreign buyers wishing to participate in clean grain trade. The Compact has not established a quasi-governmental grain company. All trade is conducted through private channels in such a way that it can be identity-preserved. The Compact brings willing buyers, sellers and shippers together and coordinates the logistics of the transaction. This is free trade in its purest form.

The Compact is not duplicating the efforts of existing groups whose purpose is to promote the sale of U.S. or Montana grain. None of these groups are currently working to establish a network to market clean, identity-preserved grain, and none have been so successful as the Compact in such a short time. Instead, these groups are generically promoting the sale of grain through the "Big Six" grain companies.

These same large companies are largely responsible for damaging America's reputation as a reliable supplier of quality grain by taking advantage of loopholes in our grain quality standards. And as a private grain consultant and trader formerly with the U.S. Wheat Associates says, "the problem with a heavily blended shipment is that you only make a sale like that to a good customer once. No one wants to pay for the American blending system."

Furthermore, the Compact has already signed a cooperative agreement with one grain marketing group and is actively pursuing such agreements with every other promotional and commodity organization in all the states which have joined the Compact. The Compact Commissioniers have no interest in petty turf

Ex #7
2/6/89
SB 13

battles, only in supplying a market for which supplies cannot currently meet demands.

I have heard it said that the Japanese are better buyers than we are sellers, and I agree. They and other countries continue to buy more and more grain from countries that supply them with the kind of grain they demand. Despite this the traditional marketing and promotional organizations continue to deny that a problem exists, and stubbornly push ahead in the same old way. This reminds me of U.S. car manufacturers trying to sell gas guzzlers even after the second oil crisis, while the Japanese were stealing our markets by offering more fuel efficient models. Cattle producers now realize that consumers want leaner beef and are adjusting to market demands. If the U.S. and Montana fail to heed market signals from our foreign buyers we will continue to lose sales to our competitors.

Many of the organizations that originally oppose the Compact in their states, such as the Minnesota Farm Bureau, have seen what the Compact is doing and have now lent the support to it. I believe if the two groups in Montana that testified in opposition to SB 13 knew more about the goals and efforts of the Compact, they would be here in support of this bill.

In short, I ask you not to put Montana's producers, elevators and transportation centers at a disadvantage to those in states which have chosen to join the Compact. Give our state's businesses with the incentive to pursue expanding new markets the tool to do so, and give SB 13 a do pass recommendation. Thank you.

2/6/89NORTHERN PLAINS RESOURCE COUNCIL SB 13

Field Office
Box 858
Helena, MT 59624
(406) 443-4965

Main Office
419 Stapleton Building
Billings, MT 59101
(406) 248-1154

Field Office
Box 886
Glendive, MT 59330
(406) 365-2525

TESTIMONY IN SUPPORT OF SB 13.

Mr. Chairman and Members of the Committee,

My name is Brant Quick. I am a registered lobbyist with the Northern Plains Resource Council. I am here today to testify in support Senate Bill 13. Due to our wonderful Montana weather I have been asked to speak for the following five people who were not able to attend today's hearing. Monte Mlekush, Chairman of the Northern Plains Resource Council who farms near Winnett; Sue Olson, farmer and Musselshell County Commissioner; Helen Waller who farms near Circle; Mike Goffena, a Farm Bureau member from Roundup; and Lyle Quick, a farmer and retired McCone County Commissioner.

I am sure you are all painfully aware of the problems facing Montana's economy and our state budget this session. You may also know that agriculture is Montana's largest industry, generating cash receipts of nearly \$1.7 billion, in 1987 alone. In addition, over 85% of our state's communities depend on agriculture to anchor their economies. I was raised on a farm southeast of Circle and am reminded of the hard times facing our rural communities every time I go home to find more another business closed and more friends moving away.

Given all of this, I believe that today you are presented with a unique opportunity to make a great contribution to Montana's economic development. The Interstate Compact has been operating for over a year now. I would like to point out some of the things the Commission has been working on and how I believe these things could serve Montana's interests.

Montana's farmers produce some of the finest quality grain in the world. However, often we receive little premium for our high protein grain. Instead, much of it is blended extensively with inferior grain and non-millable substances, including dirt. This has hurts our ability to regain export markets which is crucial in this time of world grain surpluses.

Of all the states currently in the Compact, Montana is best situated to tap the Pacific Rim market. The Compact has already participated in four grain clean grain shipments and is currently implementing a five point plan to establish a network to market clean, identity-preserved grain. The plan calls for 1) identifying country elevators interested in and capable of

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originating grain shipments; 2) securing export houses to load and ship identity preserved grain; 3) establishing a foreign buyer network; 4) quality monitoring and follow-up with foreign buyers; and 5) recommending federal legislation concerning U.S. grain standards, grade requirements and trade practices.

Establishing such a network would enable us to tap growing new markets which command premium prices. Such a network would not only help Montana's farmers receive higher prices, but would also provide a tremendous boost for local elevators, the Northern Express Transportation Authority in Shelby, and the Butte Port-of-Entry.

To broaden our tax base and create jobs, we must also begin to add value to the raw materials we produce here. Making ethanol from lower quality or damaged grain is just one way to accomplish this. Further, Dried Distillers grain, a bi-product of ethanol production, has proven to be excellent cattle feed.

Montana also produces some of the finest feeder cattle in the world, yet most are shipped out-of-state to be finished, draining more money from our economy. And according to a representative of the Montana Beef Council, we must finish more cattle in state if we are to attract and keep additional packing houses.

The Interstate Grain Commission recognizes the need to develop alternative uses for our grains, which adds value. By conducting or coordinating needed research and developing additional markets for these products the Commission could contribute significantly to our economy. By reducing duplication such research and development can be accomplished with less time and cost.

Finally, transportation is a vital part of marketing, especially in a state as vast and remote as Montana. In order to be competitive must have adequate, efficient transportation at an affordable rate.

The past decade has seen a marked decrease in rail service. The Montana Department of Revenue calculates that the Burlington Northern Railroad overcharged Montana customers a minimum of \$34 million between 1978 and mid-1988 to haul grain. All the while, mile after mile of track was being abandoned in our state.

By joining the Compact, Montana can strengthen its position and work to secure more competitive rates. Further, any short-line projects that are developed as a result of abandoned lines, such as the one in Central Montana operated by Representative Gene DeMars and others, must be integrated for maximum efficiency. The Interstate Commission is well suited to aid such a process.

As you can see all of the things I have just listed would

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contribute greatly to Montana's economy by generating additional income, creating jobs, keeping more money in state and broadening our tax base.

I thank you for the opportunity to present this testimony and ask that you give serious consideration to Senate Bill 13.

Amendments to Senate Bill No. 111
Introduced Reading Copy

For the Committee on Senate Agriculture

Prepared by Doug Sternberg, Committee Staff
February 6, 1989

1. Title, line 6.

Following: "EXEMPTIONS;"

Insert: "PROVIDING FOR BOARD CERTIFICATION OF PERSONS WHO
PRACTICE PREGNANCY TESTING AND EMBRYO TRANSFER;"

2. Page 4, line 20.

Following: line 19.

Insert: " (3)(a) Pregnancy testing and embryo transfers may be performed by individuals who certify to the board that they possess a combination of 3 years' education and training in those procedures.

(b) Certification under subsection (3)(a) remains in effect until testing and certification procedures, as determined by board rule, are implemented on or before July 1, 1991. At a minimum, board rules must address:

- (i) minimum education requirements;
- (ii) minimum requirements of practical experience;
- (iii) continuing education requirements;
- (iv) insurance requirements;
- (v) limitations on practices and procedures that may be performed by certified individuals;
- (vi) the use of specific drugs necessary for safe and proper practice of certified procedures;
- (vii) content and administration of the certification test, including written and practical testing;
- (viii) application and reexamination procedures;
- (ix) conduct of certified individuals, including rules for suspension, revocation, and denial of certification; and
- (x) other rules necessary for the proper implementation of certification."

NAME: Cheryl Brandt

ADDRESS: 615 S. Sanders

PHONE: 443-4085

REPRESENTING WHOM? Ed of Veterinary Medicine / Dept of Commerce

APPEARING ON WHICH PROPOSAL: SB 111

DO YOU: SUPPORT? Respond to questions AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DATE 2/6/89COMMITTEE ON Agriculture

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Maurice H. Little	visitor	SB 233	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Richard E. Manning	Sponsor	SB 233	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bob Nately	Ed. of Jersey Times Mule Owners	233	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DONALD W. JACKLIN	AMERICAN MULE ASSN	233	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dennis Casey	DSL	305	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Nott	DSL	305	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Quick	Self	13	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Randy Johnson	11664	305	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Janet H. Brantley	WIFE	305	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kelly Blake	Dept. of State Lands	305	<input type="checkbox"/>	<input type="checkbox"/>
Arlene Ward Braun	visitor		<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
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			<input type="checkbox"/>	<input type="checkbox"/>

(Please leave prepared statement with Secretary)

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 2/6/87 Bill No. SB 13 Time 2:20

NAME	YES	NO
Senator Hubert Abrams #8		✓
Senator Gary Aklestad #1	/	
Senator Esther Bengtson #27	/	
Senator Gerry Devlin #47	/	
Senator Jack Galt #46	/	
Senator Greg Jergeson #48		/
Senator Gene Thayer #23	/	
Senator Bob Williams #39	/	
Senator Tom Beck #44	/	

7 2

Jaelene Johnson
Secretary

Tom Beck
Chairman

Motion: To TABLE SB 13 - pass