

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

January 30, 1985

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

ROLL CALL: All members present.

SENATE BILL 202: Senator Esther Bengtson, SD 49, told the committee the bill revises and amends the Agricultural Warehouse Commodity Dealer and Grain standards Act. The history of the act was that it dealt with an 80 page bill the Department of Agriculture and grain elevator people worked out. It came about as a result of a bankruptcy that left producers holding the bag. There are some areas in the agricultural community that find it impossible to live with the act. On behalf of the Montana cattle feeders, we worked with grain growers and grain dealers and have come up with some amendments. There is another bill in the House on second reading today that doesn't do what this bill does. She pointed out the changes on page 2, where it raises the ceiling to \$30,000. They thought even \$50,000 wouldn't be too high. Pages 5 and 6 - requirements on when you have to get license and be bonded. The bonding requirement would already be taken care of. Neighbors can buy from one another. In regard to lines 10 and 11, she understands that the financial statement has been a "bugabo".

PROPOSERS: Representative Tom Asay, HD 27, and Chairman of the Montana Cattlefeeders Association, said the amendments on page 6 handle their problem. There was difficulty before there was a good bonding procedure; it was inadequate. He saw no reason to have a double bonding system.

Jack Asay, Legislative Chairman for the Montana Cattle Feeders Association, read his testimony and asked committee support for this bill. Exhibit #1.

Dan Barkemeyer, Montana Cattle Feeders Association, supported passage of SB 202. Full testimony attached as Exhibit #2.

Leroy Gabel, who farms with his wife in the Yellowstone Valley, supported the bill. Full testimony attached as Exhibit #3.

Henry Weschenfelder, said he was buying just about all his grain from bonded dealers. He felt the protection was already there for the producer and objected to the double bonding.

Max Henthorne, a cattle feeder from Great Falls and the Vaughn area and member of the Montana Stockgrowers, thought this bill was heading in the right direction. He supported both HB 349, as amended and SB 202. He didn't believe they are not trying to pay their bills, but felt it a lot easier and more business like

to trade on business.

Senator Ed Smith, SD 10, supported the bill. He had a crop failure last year and had to buy a lot of feed. He only buys from grain elevators or a local member so didn't see why he would have to have a bond to do that. He said he would like to follow the law, but last year he didn't. He would like them to have faith in him that he would pay his bill.

Leanne Schraudner, Montana Grain Elevators Association, supported raising the exemption and felt it could even be raised to \$50,000.

OPPONENTS: Mark Rasmussen, a small grain producer from Hogeland, Montana and President of the Montana Grain Growers Association, strongly opposed the bill in its present form. His full testimony is attached as Exhibit #4.

Keith Kelly, Department of Agriculture, said he was part proponent and part opponent. The Department would support statutes to promote the industry. The Department has worked in the past with the grain elevator people. They have looked at the expanded commodity and it is not the intent of the agency to cause problems with the industry. He had a problem with the bill and had an amendment to clear it up. He had put it into HB 349. It raised the fees of the legislature's bond equivalency. If one has to be bonded and licensed, they could work out one. He supported the \$30,000 exemption. It was not intended that the Department go out and bond. The \$10,000 was too low. The amendment, page 2, line 7, proposed changing language to person who buys or handles agricultural commodities from licensed commodity dealers or who does not buy more than \$30,000 worth of agricultural commodities from producers during a licensing year. If a feed lot buys \$30,000 plus a dollar, when he goes over the \$30,000 he would be bonded. They are trying to prevent a double bonding issue. HB 349's bond equivalency supports that. Amendments Exhibit #5.

Committee questions: Senator Galt asked about page 6, section 3, lines 10 and 11 regarding not needing to include the financial statement. Senator Bengtson answered that, if he isn't licensed or bonded, he doesn't have to file a financial statement.

John MacMaster, Legislative Council, added that, if you are a commercial feed lot operator, you have to be licensed and bonded, but do not have to include the financial statement.

Keith Kelly added that the last legislative session did allow the Department to put together insurance. It had a sunset law. He did not think the bill would work the way it is sitting now.

Senator Bengtson asked Mr. Kelly, regarding the bond equivalency, what section he was talking about. Kelly answered silage or hay doesn't come under any bonding requirements or bond equivalency, it shows up in a different section of law. Some bonding companies offered some resistance to it but it is working good now but some

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page 3.

bonding companies may be charging more now. They are willing to work on letters of credit or c.d.'s. Bonding companies are going with their financial institutions. He didn't think this had come out of legislative council.

Senator Bengtson - No matter what kind of bond you have, it still doesn't insure payment? Kelly - They can bond to adequate levels; the highest is a million dollar bond. Going back to a handshake, if you have a 90% payment at that time, they have to wait until the grain is delivered so that they know what the amount is. There is still 10% left out there unprotected. He felt, under the current laws, the grain dealer is much better protected.

Senator Bengtson - How do you collect it? Kelly - All are licensed and bonded. There is a variable fee on how much grain they purchase from \$25 up to \$150, depending on the volume of grain; it is usually \$25 to \$50 and some may be up to \$75.

Senator Bengtson - How many feed lots are in compliance at this time? Kelly - Six.

Senator Bengtson - How many feed lots are there in Montana at this time? Kelly - About 25 to 30 commercial feed lots; six are licensed and bonded.

Senator Lane - If a feed lot went broke, could he come back and attach the cattle for the feed lot bill? Wechenfelder - It is between farmer and broker because he is the one who purchased the grain.

Senator Bengtson felt there are problems with the law that need to be taken into consideration and suggested taking the two bills and working out the exact language we want and then it might be pretty close. Some questions were whether it is to be purchased between members or by contract and whether they wouldn't exceed the \$30,000 limit. She thought that was what the Agriculture Department wanted also.

SENATE BILL 154: Senator Ed Smith, SD 10, explained that the bill increased the swine assessment on page 1, line 15, from 20 cents to 0.3% of sale of the animal. As sales increase, the amount increases; but when sales decrease so would the amount. The other area of change is on page 2, line 7 pertaining to the percent of refund assessment. It would be determined by the committee how much is sent to Pork Producers Council. He sponsored the original legislation a few years ago and thought the Pork Producers Council is doing a good job.

PROPOSERS: Les Graham, Department of Livestock told the committee they have had six legislative audits in the last ten years and they have found no problems. The pork producers have been very cooperative and his Department would like to keep in touch on a constant basis. They have not taken any administrative costs out. Doctor Glosser did some work for them, but the Department

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did not send a bill. The Pork Producers Council reimbursed the Department on their own. The money from the producers is working there. The Department would be happy to continue with this and no change would be intended.

Dewey Scmittt, President, Montana Pork Producers Council, supported the bill. Testimony attached as Exhibit #6.

Allen Eck, Montana Farm Bureau Federation, supported the bill and said the check off must be voluntary and solely for the pork producers. Exhibit #7.

Sue Huls, Executive Secretary, Montana Pork Producers Council, has worked with the Board of Directors, and rose in favor of the bill. Exhibit #8.

OPPONENTS: A letter from Curtis T. Almy, Ismay, Montana, was introduced as the only opponent. Attached, Exhibit #9.

Committee questions: Senator Severson didn't think the wording on line 15 was clear. He thought something about the sales price should be inserted.

John MacMaster, Legislative Council, suggested page 1, line 15, after the word "on" they should put in "the sales price of".

Senator Bengtson thought it important that somebody answer some of the questions Mr. Almy proposed. She felt there was a conflict between the Pork Producers Association and the 1800 others that aren't members, and asked why the Pork Producers Association supported the move out of Mr. Almy's area.

Sue Huls answered that they did work with the MSU Swine Advisory Council. They wanted to do more than they could do. The committee worked with them and they were supportive but there was a need for a lot of money to be spent to bring buildings up to standard and they felt some of the research was not the quality it should be, because of outdated equipment. The best thing they could do for the money was to consolidate.

In answer to Mr. Almy's letter, Mrs. Hul's comments are as follows:
1.) Who will collect money from out of state? In Montana, a licensed buyer must collect. If they go to a plant in South Dakota the plant will deduct it if they ask, but if you go out of state, they are not responsible. 2.) There are a lot of people with one cow or one hog; hobiests, I think they are called. There are about 350-400 people seriously producing hogs in this state. It varies from about 200-250 members per year. The Pork Producers Council is trying to reach and incorporate as many people as they can. They send their magazine to people whether they are members or not and are using the check off money for this. 3.) Producers felt they needed the services if they are going to continue pork promotion. Their producers made the choice, based on their own economic conditions. 4.) Because, in the original legislation,

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page 5.

any producer who wishes to send receipts within 90 days to the Department of Livestock, can get his money refunded. In the past they have had up to 3% refunds requested and these were mainly from Hutterite colonies. 5.) Question 5 is a part of 4 and there is a refund provision in the law. 6.) Last item - It was turned over to the people who write the law and this should be addressed by those who write the law.

Senator Smith, in closing, commented on the letter from Mr. Almy and the 50% increase saying, if they average \$50, it gets no increase if the price drops. He never received one letter from people in his area against this and it is the only agricultural commodity that shows a net profit. He felt that is due to the Pork Producers Council. He said they are going to have some people complain no matter what; some people expect a free ride. He felt everybody should carry their weight. He told the committee they have only one letter and there were no telephone calls taken so most people are satisfied with the bill.

Hearing closed on SB 154.

DISPOSITION OF SB 154: Senator Conover moved the amendment: page 1, line 15, following "on", insert "the sale price of". Motion carried.

Senator Conover moved SB 154, as amended DO PASS. Motion carried unanimously.

SB 202: Senator Boylan placed SB 202 into a subcommittee composed of Senators Bengtson, Severson and Conover to work out the problems.

There being no further business, the meeting adjourned.



SENATOR PAUL BOYLAN, Chairman

ROLL CALL

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1-30-85

SENATE
SEAT
#

NAME	PRESENT	ABSENT	EXCUSED
1 SENATOR GARY AKLESTAD	✓		
27 SENATOR ESTHER BENGSTON	✓		
35 SENATOR JACK GALT	✓		
34 SENATOR H. W. (SWEDE) HAMMOND	✓		
10 SENATOR ALLEN KOLSTAD	✓		
38 SENATOR LEO LANE	✓		
48 SENATOR RAY LYBECK	✓		
31 SENATOR ELMER SEVERSON	✓		
39 SENATOR BOB WILLIAMS	✓		
29 SENATOR MAX CONOVER, V. CHMN.	✓		
50 SENATOR PAUL BOYLAN, CHAIRMAN	✓		

Each day attach to minutes.

DATE

Jan 30, 1985

COMMITTEE ON AGRICULTURE

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Gene Huls	Montana Park Producers Council	154	X	
Dewey Schmitt	Montana Park Producers Council	154	X	
Allan Eck	Montana Farm Bureau	154	X	
Lavina Lubinus	WIFE	202	X	
Mark Rasmussen	Mont. Grain Growers Ass'n.	202		X
Max Henthorne	Mont Stockgrower	202	X	
Jack Assy	Mont. Cattle Feeders Ass'n	202	X	
Stuart Doyett	mt. Stockgrowers	202	X	
Dr. B. Barkmeyer	mt Cattle Feeders	202	X	
Les Graham	Dept. of Forestry	154	X	
Henry Habel	Self	202	X	
Raymond	Dep of Agr.			X
Larry Wemberg	Mont. U. Sup.	154	No position	
Henry W. Schenfeldt	Shepherd, Mont.	202. 154		
Ed Smith		202	X	
George E. Sebeke	Mont Dairymen Assn.	202	X	
Allan Eck	Montana Farm Bureau	202	X	
KEITH KELLY	MONS DEPT OF AGR	202		X
Maria Quast	Montana Agri Business Assoc			
Leon Skowron	Grain Elevator	202	X with amendment	
Ed Smith		154	X	

NAME Jack Asay BILL No. SB 202
 ADDRESS Billings, Montana DATE 1/30
 WHOM DO YOU REPRESENT Montana CattleFeeders Assoc
 SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, members of the committee, for the record, my name is Jack Asay and I am Legisltive Chairman for the Montana Cattle Feeders association.

Mr. Chairman, the Montana Cattle Feeders Association considers several aspects of the Montana Grain Dealers Licencing Act, of the last legislative session, objectionable and detrimental to the best interests of the feedlot operators. The members consider themselves valuable customers of Montana grain producers and respectfully request a review of portions of the Act.

~~XXXXXXXXXX~~

The Montana Cattle Feeders Association respects and supports efforts of Montana grain producers to protect their own interests but it is our hope that this committee will see fit to support changes in the law which will make compliance less burdeansome for commercial feedlots in the State.

Ideally, commercial feeders would prefer their operations excluded from coverage by the Act. The record keeping and reporting requirements demand non productive waste of time and money, and in our opinion, do nothing to reduce grain producers risks.

The Montana Cattle Feeders Association sincerely appreciates this opportunity to present its its position regarding the Grain Dealers Licensing act.

Mr. Chairman, I would like to introduce several members of our organization who will speak more specifically on the problems we have with this act.

Thank you.

NAME: Dan Barkemeyer

BILL No. SB 202

ADDRESS: Huntley Montana

DATE

WHOM DO YOU REPRESENT: Montana Cattle Feeders

SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, members of the committee, for the record my name is Dan Barkemeyer, I am president of the Montana Cattle Feeders Association.

The Montana Cattle Feeders Association strongly supports the passage of Senate bill 202. We feel that if we buy our grains through licensed and bonded dealers it serves no practical purpose for us to become licensed and bonded also.

A negative vote on Senate bill 202 would only create an additional expense to an industry that is already under severe financial pressure. We are all trying to build a better Montana through agriculture and your support on this issue would certainly be a step towards reaching this goal.

Agriculture in Montana is now in a very stressful condition. We have a cattle feeding industry that has come from the crawling, to the walking stage. It is now in a position to get up and run! More government to hamper our free enterprize system could very well take us back to the crawling stage.

The cattle feeding industry is a phase of Agriculture that hs more of an ability to produce total economic upswing in our great state than any other business I can think of. We ask a do:pass of SB 202.

Thank You

D. N. Barkemeyer

NAME

BILL No. SB 202

ADDRESS ~~Box 50000~~ Leroy Gabel DATE January 30

WHOM DO YOU REPRESENT self

SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, members of the committee, my name is Leroy Gabel and I support Senate Bill 202.

My wife and I farm in the Yellowstone Falley. The farm economy in the Yellowstone valley has been in troubled times because of the loss of the sugar industry, but has caused the development of a fledging cattle feeding industry. We raise feed grains and corn silage which now have a market because of the increase in the cattle feeding industry.

This present law causes a hardship on our existing feedlots and future feeding industry. We are now loosing our Montana cattle to out of state cattle feeders and if we place more rules and regulations on our industry the loss will be even greater.

The vast majority of the feedlots are presently buying thier feed grains from bonded and licensed dealers because there is not enough feed grains produced locally to satisfy the need.

The commodity we produce is corn silage which we as growers feel thier is not ^{need to require} bonded. We ask the question "How much protection does a bond provide?"

Some farmers are still waiting for a portion of the payment from an industry failure that was bonded and by no means covered the loss.

I urge your support on SB 202 to maintain a growing feedlot industry in the state of Montana.

I will be glad to answer any questions.

Thank you.

1-30-85
Exhibit #4
SB 202



P.O. Box 1165 • 750 6th Street S.W. • Great Falls, Montana 59403 • 406/761-4596

Mr. Chairman, Members of the Committee:

For the record, my name is Mark Rasmussen. I am a small grain producer from Hogeland, Montana, and am also the President of the Montana Grain Growers Association. I am here to testify in opposition to SB 202.

The Agricultural Warehouse, Commodity Dealer and Grain Standards Act, passed by the 1983 Legislative Assembly, requires that certain minimum standards be met by any person or business intending to purchase grain in quantity for commercial purposes. Reducing these minimum standards would reduce the degree of protection afforded to Montana's grain producers by this Act. A cattle feeding operation may purchase more grain per year than some small, country elevators. Any business purchasing grain for commercial purposes should be required to meet certain minimum standards. We can understand the cattle feeders wish to be exempt from the licensing and bonding requirements. As grain producers, however, we are not concerned with what the grain will be used for after we have sold it. Our primary concern is that we may reasonably expect to receive payment for the grain that we sell.

We will not take issue with the cattle feeders request for exemption from licensing requirements if they agree to purchase their feed grain needs only from licensed and bonded dealers. Raising the \$10,000 maximum exemption to \$30,000 and exempting all sales made on a contract basis do not make sense to us, however. No maximum exemption

MARK HASMUSSEN President	ROSS FITZGERALD Vice President	HOWARD HAMMOND Secretary	GREGG HOLT Treasurer
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limit will ever be acceptable to all parties, and our position is that the present \$10,000 limit is reasonable. The contract sales exemption is a more important issue. Most grain sales, except those between neighbors or persons who are well-known to each other, are on a contract basis. Grain sales contracts provide no recourse to sellers, other than that which is available through the courts, or the bankruptcy courts. The producers who did not receive payment as a result of the Coast Trading Company bankruptcy had sold their grain on a contract basis. Elevator bankruptcy insurance, which is now available to Montana grain producers, is void if the sale was made to an unlicensed purchaser. Of all the provisions of SB 202, the exemption from licensing and bonding requirements of all sales made on a contract basis is the provision which the Montana Grain Growers Association must object the most strongly to.

While we understand the wishes of the cattle feeding industry, MGGA strongly opposes SB 202 in its present form.

1-30-85
Exhibit #5
SB 202
LC 0822/01

HOUSE BILL NO. 349
INTRODUCED BY [Signature]
BY REQUEST OF THE DEPARTMENT OF AGRICULTURE [Signature]
[Signature]

- 1 a business involving or, as part of his business,
- 2 participates in buying, exchanging, negotiating, or
- 3 soliciting the sale, resale, exchange, or transfer of any
- 4 agricultural commodity in the state of Montana. The term
- 5 does not include:
- 6 (a) a person engaged solely in storing, shipping, or
- 7 handling agricultural commodities for hire;
- 8 (b) a person who buys or handles less than \$10,000
- 9 ~~less than \$30,000 worth of agricultural commodities in a~~ ^{agricultural commodity} licensing
- 10 year; ~~less than \$30,000 worth of agricultural commodities in a~~ ^{less than \$30,000 worth of agricultural commodities in a} ~~licensing~~ ^{licensing} year;
- 11 (c) a person who is the producer of agricultural
- 12 commodities that he actually plants, nurtures, and harvests;
- 13 or
- 14 (d) a person whose trading in agricultural commodities
- 15 is limited to trading in commodity futures on a recognized
- 16 futures exchange.
- 17 (4) "Credit sale contract" means a contract for the
- 18 sale of an agricultural commodity when the sale price is to
- 19 be paid at a date after delivery of the agricultural
- 20 commodity to the buyer and includes but is not limited to
- 21 those contracts commonly referred to as deferred payment
- 22 contracts, deferred pricing contracts, or price-later
- 23 contracts.
- 24 (5) "Department" means the department of agriculture
- 25 provided for in 2-15-3001.

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FROM \$10,000 TO \$30,000 THE VALUE OF AGRICULTURAL COMMODITIES THAT MAY BE TRADED BY A PERSON EXEMPT FROM BONDING AND LICENSURE AS A COMMODITY DEALER; AMENDING SECTION 80-4-402, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 80-4-402, MCA, is amended to read: "80-4-402. Definitions. As used in parts 4 through 7 of this chapter, the following definitions apply:

- (1) "Agent" means any person who contracts for or solicits any agricultural commodities from a producer or warehouseman or negotiates the consignment or purchase of any agricultural commodity on behalf of any commodity dealer.
- (2) "Agricultural commodity" means any grain, beans, safflower, sunflower seeds, tame mustards, rapeseed, flaxseed, leguminous seed, or other small seed, and other agricultural commodities designated by rule of the department.
- (3) "Commodity dealer" means any person who engages in



- 1 (6) "Depositor" means any person who deposits an
2 agricultural commodity in a warehouse for storage,
3 processing, handling, or shipment or who is the owner or
4 legal holder of an outstanding warehouse receipt or who is
5 lawfully entitled to possession of the agricultural
6 commodity.
- 7 (7) "Director" means the director of the department of
8 agriculture.
- 9 (8) "Grain" means all grains for which standards have
10 been established under the United States Grain Standards Act
11 (7 U.S.C. 71 through 87) and all other agricultural
12 commodities, such as mustard, oil seed crops, or other crops
13 which may be designated by rule of the department.
- 14 (9) "Grain Standards Act" means the United States
15 Grain Standards Act (7 U.S.C. 71 through 87) as that act
16 reads on July 1, 1983.
- 17 (10) "Inspector" means any person so designated by the
18 director to assist in the administration of parts 4 through
19 6 of this chapter. The term includes warehouse auditors or
20 examiners.
- 21 (11) "Official grain inspectors" means any official
22 personnel who perform or supervise the performance of
23 official inspection services and certify the results
24 thereof, including the grade of the grain.
- 25 (12) "Official grain samplers" or "samplers" means any
1 official personnel who perform or supervise the performance
2 of official sampling services and certify the results
3 thereof.
- 4 (13) "Official grain standards" means the standards of
5 quality and condition of grain that establish the grades
6 defined by the Grain Standards Act.
- 7 (14) "Official grain weighers" means any official
8 personnel who perform or supervise the performance of class
9 X or class Y weighing services and certify the results
10 thereof, including the weight of the grain.
- 11 (15) "Person" means any individual, firm, association,
12 corporation, partnership, or any other form of business
13 enterprise.
- 14 (16) "Producer" means the owner, tenant, or operator of
15 land in this state who has an interest in and receives all
16 or part of the proceeds from the sale of agricultural
17 commodities produced on that land.
- 18 (17) "Public warehouse" or "warehouse" means any
19 elevator, mill, warehouse, subterminal grain warehouse,
20 public warehouse, or other structure or facility in which,
21 for compensation, agricultural commodities are received for
22 storage, handling, processing, or shipment. The term
23 includes facilities which commingle commodities belonging to
24 different lots of agricultural commodities.
- 25 (18) "Receipt" means a warehouse receipt.

1 (19) "Scale weight ticket" means a load slip or other
2 evidence of delivery, other than a receipt, given to a
3 depositor by a warehouseman licensed under the provisions of
4 part 5 of this chapter upon initial delivery of the
5 agricultural commodity to the warehouse.

6 (20) "Station" means a warehouse located more than 3
7 miles from the central office of the warehouse.

8 (21) "Subterminal warehouse" means any warehouse at
9 which an intermediate function is performed in which
10 agricultural commodities are customarily received from
11 dealers or producers and where the commodities are
12 accumulated prior to shipment.

13 (22) "Terminal grain warehouse" means any warehouse
14 authorized by a grain exchange to receive or disburse grain
15 on consignment as presented by the rules and regulations of
16 a grain exchange.

17 (23) "Warehouseman" means a person operating or
18 controlling a public warehouse.

19 (24) "Warehouse receipt" means every receipt, whether
20 negotiable or nonnegotiable, issued under part 5 of this
21 chapter by a warehouseman, except scale weight tickets."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority of the department of agriculture to make
24 rules on the subject of the provisions of this act is
25 extended to the provisions of this act.

(This sheet to be used by those testifying on a bill.)

1-30-85
Exhibit # 6
SB 154

NAME: Dewey Schmitt DATE: 1/30/85

ADDRESS: 1345 Old Yellowstone Tr. Three Forks, MT 59752

PHONE: 285-3138

REPRESENTING WHOM? Montana Pork Producers Council

APPEARING ON WHICH PROPOSAL: S.B. 154

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

COMMENT: I Support S.B. 154 as a producer because there is a need for the State and national Pork Councils to do more promoting of Pork Products and to be able to give the producers more educational seminars. By changing the check off to a percentage (.3%) there will be a more even flow of income to the Pork Council and it will be able to carry out the necessary programs in a more effective manner. With the problems facing Montana Pork Producers today the changes in the check off will provide the necessary increase in funding to strengthen the organization and meet the challenges in the future. This is producer money being spent for the benefit of the producers and is supported by the producers.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

1-30-85
Exhibit # 7 SB154



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

TESTIMONY BY: Alan Eck

BILL # SB154 DATE 1/30/85

SUPPORT XXX OPPOSE _____

Mr. Chairman and members of the committee; for the record my name is Alan Eck. I'm representing the Montana Farm Bureau Federation. We would like to go record as supporting Senate Bill #154. We feel that it is important that ag producers put themselves in a position where they can receive the best possible net return from their productivity. The increasing costs of production demands that we find new ways to become more efficient. The funds raised by this check off program can assist pork producers to be more efficient through research, marketing and promotional programs. The Farm Bureau does believe that these check offs must be voluntary and the benefits should be solely for the pork producer. We ask that the committee give SB #154 a "do Pass" recommendation. Thank you.

Alan Eck

SIGNED

NAME: Sue Huls DATE: 1-30-85

ADDRESS: Montana State University

PHONE: 994-3595

REPRESENTING WHOM? Montana Pork Producers Council

APPEARING ON WHICH PROPOSAL: S. B. 154

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

COMMENT: The Montana hog checkoff has operated since 1975 and has wide acceptance among producers and hog buyers. The proposed legislation will make ^{more} ~~for~~ money available for producer programs and have the advantage of equalizing income from year to year by basing it on market value instead of hog numbers. The second part of the legislation will allow the Pork Research & Marketing Committee to determine how much of the funds will remain in Montana for state programs

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

This letter is in concern of SB 154 "Amending the Swine Assessment."

To whom it may concern:

I have several concerns that this bill should address.

They are as follows:

1) Who will collect the money if hogs are sold out-of-state?

The purchaser is from out-of-state and not subject to Montana Laws. Is the producer then liable?

2) Why should the State of Montana collect funds for an organization that represents only 11.6% of the producers of the state? There are currently 1,800 swine producers in the state, however, only 210 producers are members of the Montana Pork Producers Council. The remaining 1,590 producers are being taxed, but NOT represented!

3.) Why does this organization need a 50% budget increase?

Everyone else in agriculture is tightening their belts. Why can't Montana Pork Producers Council do likewise?

4) I see no provision in SB 154 for refunding money to producers who choose to not contribute.

5) If M.P.P.C. is really meeting a need in our industry, why don't they collect a voluntary check-off from producers who benefit from M.P.P.C. At present, many thousands of dollars are collected from producers who find the ^{refund} process too much of a hassle to pursue.

These monies are considered votes of support by M.P.P.C., (OVER)

5.) continued

when in fact they are only votes of apathy, at best.

These problems could be rectified by Amending SB 154
as follows:

- 1) line 14: between the words "hereby" and "assessed";
add "voluntarily." The line would then read:
"81-8-607. Assessments. There is hereby voluntarily assessed a per
- 2) line 20: Add the words "where applicable" to the end of
the sentence. This line would then read:
"...part where applicable."

Thank you for your consideration of this matter.

Curtis T. Almy
Curtis T. Almy
Ismay, Mt. 59336
406-772-5857

STANDING COMMITTEE REPORT

January 30

1935

MR. PRESIDENT

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

having had under consideration..... **SENATE BILL** No. **154**

first reading copy (**white**)
color

AMENDS SWINE ASSESSMENT THAT FUNDS MT. PORK RESEARCH AND MARKETING COMMITTEE

SENATE BILL **154**

Respectfully report as follows: That..... No.....

be amended as follows:

Page 1, line 15.

Following: "on"

Insert: "the sale price of"

AND AS AMENDED

DO PASS

XXXXXXXXXX
DO NOT PASS

.....
Paul Boylan,

Chairman.