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NORTH DAKOTA DEPARTMENT OF AGRICULTURE STATE CAPITOL 600 E BOULEVARD AVE DEPT 602 BISMARCK, ND 58505-0020

Testimony of Tom Bodine on SB 2282 Judiciary Committee 327 B Room, State Capitol August 11, 2021

Chairman Klemin and members of the Judiciary Committee, I am Agriculture Deputy Commissioner Tom Bodine and I am here to provide supporting testimony in relation to the membership of the Board of University and School Lands, specifically about the proposed addition of the Agriculture Commissioner to the Board.

If the Legislative Assembly should determine that the public welfare will benefit by placing the Agriculture Commissioner on the Board and the Legislature then forwards its proposal to the state's electorate -- and should the people of North Dakota consequently vote to amend our State's Constitution to enact it -- the Agriculture Commissioner respectfully remains willing to serve as a member of the Board.

As you are aware, there are over 706,000 surface acres of public land managed through the Board. The surface lease program for these acres generated over 17 million dollars in rental income in the 2017-19 biennium. This major source of income generation of the Board is through agricultural leases for grassland, crop, and hay land uses. Over 4,400 farmers and ranchers rent our state's public trust lands.

Presently the Board membership does not include a specialist in agriculture who can regularly contribute comprehensive and up-to-date agricultural knowledge and experience. Moreover, the state's agriculture community, that generates the vast majority of trust land rental income funds, does not have directly associated representation on the Board. As a result, the state's agriculture industry has voiced that the addition of first-hand professional expertise of agriculture within North Dakota would sensibly augment the Board's current agricultural perspective and consequently provide additional constructive and proper balance.

Numerous agricultural organizations in our state understandably support the addition of the Agriculture Commissioner to the Board.

North Dakota agriculture is the leading industry in North Dakota. Since its inception in 1889 to the present, North Dakota remains an agricultural state. North Dakota agriculture contributes over 30 billion dollars in economic activity annually to our state. Approximately 90% of all the land within North Dakota, comprising nearly 40 million acres, is owned, operated, or managed by farmers and ranchers.

Further, North Dakota agriculture extends well beyond crops and livestock. Agritourism, agribusiness and food processing, farm equipment manufacturing and dealerships, innovative technology, local food and farmers markets, and agricultural education all contribute to the state's thriving industry. North Dakota remains solidly rooted in agriculture.

The Agriculture Commissioner represents all these agriculture interests within our state. More importantly, by serving the interests of the state's largest industry, the Commissioner directly serves the overall public interest. The North Dakota Department of Agriculture's mission statement is to "serve, advocate, protect and promote agriculture <u>to benefit everyone</u>." The constituency of the Agriculture Commissioner is the people of North Dakota. This is why many in our state reasonably believe that the addition of the Agriculture Commissioner to the Board would collectively benefit all the people of North Dakota. Farmers and ranchers are critical stakeholders in the long-term management of the trust lands managed by the Board. They view that their interests, as well as the general interests of all North Dakota citizens, would be well-served by state-specific agricultural technical expertise on the Board. In this vein, the Agriculture Commissioner is uniquely well suited to provide this valuable insight, input and perspective to assist the Board in performing its continuing mandate to effectively manage the State's extensive land assets.

The Land Board is much more than simply a financial investment board that manages funds for the benefit of common schools, colleges, and universities. It is a Board that is constitutionally and statutorily charged to effectively oversee and manage hundreds of thousands of acres of agricultural land.

The Board effectively managing public trust lands involves much more than simply shortsightedly obtaining the highest rental rates possible for these trust lands through online auctions. For example, not allowing bidders the chance to bid in person potentially lessens the lease value of the land. Typically, agriculture land lessors in this state are aged 50 years and older, and many of these potential land lessors of public trust lands feel more comfortable bidding live. Notwithstanding, a recent decision by the Board staff to exclusively hold online auctions was made without first soliciting and obtaining any meaningful feedback from North Dakota agriculture representatives and producers.

Additionally, the current and future value of these public agricultural lands is, and will always be, directly contingent upon continued successful agriculture production. More specifically, the value of these lands depends upon those agriculture producers who temporarily lease those lands consequently using and managing the land they lease appropriately and responsibly. Accordingly, it is imperative that the Board ensures consistently that all producers, currently and in the future, who lease state lands act as good stewards of those lands. The long-term future of the funding for the state's permanent education trusts and Common Schools Trust Fund relies almost entirely on the continued sustainability and astute conservation of all its public agricultural land holdings.

Because of the uniqueness of managing state trust land, the Agriculture Commissioner's specialized industry expertise and input would greatly contribute to the Board as it makes decisions regarding the current and future leasing and management of these several hundred thousand surface acres of state-owned public agricultural land.

It is the view of many that the Agriculture Commissioner would solidly and pragmatically broaden the Board's collective perspective in relation to trust administration, landowner relations, and North Dakota agriculture in general. In short, the Board would become more effective in fulfilling its many agricultural land management duties and responsibilities.

Once again, if the Legislative Assembly should choose to forward to the general election the legislative proposal to add the Agriculture Commissioner to the Land Board -- and should the citizens of North Dakota subsequently vote in favor of this proposed change -- the Agriculture Commissioner dutifully is fully prepared and willing to serve on the Board.

Please let me know if you have any questions or if I can provide you any additional information.