



January 20, 2017
HB 1226
House Agriculture Committee

Chairman Johnson and members of the Committee,

My name is Dane Braun and I'm here to represent the members of North Dakota Farmers Union. We oppose HB 1126.

North Dakota Farmers Union recognizes that farmers are rarely made whole during a grain buyer or warehouse insolvency. However, we believe that reducing the scope of the inspections may cause greater risk of insolvencies.

We are also concerned the farmers will no longer have first lien on their grain. Farmers Union believes that the receipt holder should not have to compete with other creditors for that asset.

Finally, the proposed assessment will cost the farmers additional dollars to cover the risk of a warehouse or grain buyer becoming insolvent. How much of the insolvency risk should be covered by the farmer and how much by the warehouse or grain buyer? We believe that this is a vital question for the committee to consider.

Because of these concerns we are opposed to the bill, but believe this issue has merit and should be considered for study.

Thank you, and I can take any questions that you may have.

