

SENATE AGRICULTURE
EXHIBIT NO. 1
DATE 3/2/05
BILL NO. HB 274

**SENATE COMMITTEE
ON
AGRICULTURE, LIVESTOCK & IRRIGATION**

House Bill 274

**Testimony of Nancy K. Peterson
Director, Montana Department of Agriculture**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

For the record, my name is Nancy K. Peterson, director of the Montana Department of Agriculture. I am here to testify in favor of the passage of House Bill 274.

This bill will provide increased program funding to enable the department to carry out responsibilities assigned by statute and desired by the feed industry in Montana. The department has worked closely with the Montana Feed Association by providing background, facts and historical fees in the industry's development of this bill.

The current fee structure was set by the 1999 Legislature at \$50 per facility renewal license, \$25 per pet food product registration and \$0.18 per ton for inspection of livestock feeds.

In August 2004, the department presented the feed program financial and activity records to the Montana Feed Association at their annual meeting. The Feed Association recognizes that the cost of doing business has risen in the past five years and also recognizes the absolute necessity in maintaining current program activities for the department to be able to assure safe feeds within the feed industry in Montana, which translates to consumer health and safety. In the past five years, the department's feed program has evolved from basically protecting feed purchasers to protecting the feed and livestock industries and the public with regard to prohibited feed ingredients such as those associated with BSE or mad cow disease. While expenses have increased, program revenue has dropped by more than \$46,000 during the past two years due to drought and other unforeseen factors. Reserve funds have been used to maintain the program,

but those reserves have dwindled to dangerously low levels. The Feed Association brings this bill forward because they recognize the need for the department to maintain these important program activities for the safety of livestock and consumers.

House Bill 274 will provide additional funding to allow the department to maintain current feed program activities by increasing fixed license fees by \$25. The bill also gives the department limited latitude to manage the program and to raise fees, by rule, to a maximum of an additional \$10 on basic fees and 7 cents per ton on volume if required to meet program needs.

We appreciate your consideration and urge your support of House Bill 274.