

Senate Bill 293

*Testimony of Montana Grain Growers Association
By Keith Schott, President*

Mr. Chairman, Members of the Committee, my name is Keith Schott and I farm and ranch near Broadview, Montana. I currently serve as president of the Montana Grain Growers Association, which is the primary trade association representing wheat and barley producers in the state.

Montana Grain Growers rise in support of Senate Bill 293. We believe the time has arrived for the state of Montana to make a commitment to place more emphasis on our state's own renewable resources, supporting the states number one industry, and in turn less reliance on foreign fuel sources.

We support SB 293 first and foremost because it provides a new market for Montana grain products. While we cannot determine exactly how much this market will add to the farmer's bottom line, the truth is, each new market for Montana wheat and barley means increased competition and stronger prices. While this particular bill does not specify the use of Montana agricultural feedstocks, when coupled with the state incentives that are already on the books, we're confident Montana products will be price competitive and will be a part of the manufacturing process.

We also support SB 293 because of the impact it will have on economic development in rural areas. Whether we have three plants or thirty, the jobs will be many and the increased tax base will be significant.

Getting an ethanol industry started in the state has been somewhat like the chicken and the egg syndrome. If we have enough consumer market for ethanol, then the industry will develop to supply it. Or, if the Montana ethanol industry starts supplying enough product, gas stations will start carrying it and consumers will buy it. Well, up to this point, neither approach has worked. SB293 will provide an important jumpstart to getting an ethanol industry started in Montana – and generating the economic benefits that go with it.

Mr. Chairman, let's start our engines with ethanol and get moving!

I would be happy to answer any questions at the appropriate time.