

EXHIBIT 1  
DATE 1/18/11  
NO 234

House Bill 234 Testimony by Pat Keim on behalf of Columbia Grain International, Inc

Mr. Chairman and members of the committee, for the record my name is Pat Keim. I represent Columbia Grain International, Incorporated. We are the largest exporter of Montana grain products. We have operations in Gt. Falls, Cutbank, Meriwether, Sweetgrass, Tiber, Rudyard, Gildford, Havre, Chinook, Harlem, Wolf Point, Whitetail, Plentywood, Ft. Benton, Carter, Conrad, Choteau, Three Forks, and Belgrade.

Columbia Grain buys and sells other grain products. We need to have the ability to represent that the products we have bought and are selling are not contaminated. To do so we need to be able to protect ourselves from and recover losses from damage caused by others from whom we buy products. This is the best way to assure our buyers that what we are selling, Montana products, are safe.

A single truckload of contaminated product delivered us can contaminate a whole shipment. This in turn can severely damage our reputation and the reputation of Montana grain in the world market. We have seen cases of attempts to deliver bad product to us. There have been instances of chemically treated products being delivered two to three days after application of chemicals that specified the product not be harvested for at least ten days after application. Warrantees, whether implied or specified, can help protect against such actions and provide quality assurance to the buyers of Montana farm products.

This bill will adversely affect the marketability of Montana's ag products because buyers want to have assurance that the products are clean and safe. Without warrantees, whether written or implied, there is little such assurance that can be given.

This bill could cause us to write warrantee requirements into all of our purchase contracts as a condition of purchase. This in turn could add costs to producers who would then have to provide proof of compliance to provide such assurance.