

NORTH DAKOTA



GRAIN GROWERS



February '08

# Gleanings



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## North Dakota Grain Growers Association

4023 State St  
Bismarck, ND 58503  
1-866-871-3442  
www.ndgga.com

Byron Richard  
President

Terry Weckerly  
Vice President

Brad Thykeson  
2nd Vice President

Greg Nelson  
Secretary/Treasurer

Board of Directors  
Terry Wanzek  
Jay Elkin  
Mark Anderson  
Bob Bahm  
Mike Martin  
Keith Neshem  
Doyle Lentz  
Bob Wisness

Dan Wogsland  
Executive Director

Sheena Johnson  
Communications Specialist

Priscilla Jahner  
Events Specialist

### Mission Statement

The mission of the NDGGA is to serve North Dakota wheat and barley producers with education, leadership, information and representation to increase profitability and enhance value added opportunities.



NDGGA President Byron Richard

## President's Perspective

Let me introduce myself, my name is Byron Richard and I've been farming and ranching with my wife Kathy, son Brandon and our four employees in southwestern North Dakota for the past 27 years. I also own and operate a retail business called Dakota Ag Seeds, which markets crop protection and seed trait products. Primary I grow spring wheat, winter wheat, sunflowers and corn. In addition we also have 400 beef cows which my son manages.

NDGGA works hard for you the members. We know and understand the importance of having all the tools available in the toolbox so one of the regulatory issues we are dealing with includes a Section 3 registration for tebuconazole; better known as folicur. Our organization has put together a North Dakota delegation consisting of NDGGA Executive Director Dan

Wogsland, NDGGA Director Bob Bahm, NDSU Extension Plant Pathologist Dr. Marcia McMullen and ND Pesticide Registration Coordinator Jim Gray. As most producers are aware, folicur has been labeled under a temporary section 18 for the past 12 years. Stakeholders from other organizations have agreed to participate in upcoming discussions and hopefully we can get this issue permanently resolved.

Another area of concern we are working on is a push for enforcing a Department of Transportation (DOT) rule requiring rear bumpers on grain trucks. This issue was brought to light by the sugar beet growers and NDGGA joined in the fight working with congressional leaders and the Governor's office to come up with a special waiver for agriculture. This would have to be amended in the upcoming farm bill.

**“we need to continue emphasizing the need for direct payments in our commodity title”**

NDGGA Vice President Terry Weckerly and myself attended a strategic planning meeting, organized by the National Association of Wheat Growers (NAWG) in Dallas, TX. The three top priorities established are as follows;

Farm Bill: we need to continue emphasizing the need for direct payments in our commodity title. In our meeting with Senator Conrad in Bismarck we learned that there may be a compromise in the conference committee to lower direct payments. This would be unfortunate for wheat and barley growers.

Biotechnology: Our industry needs



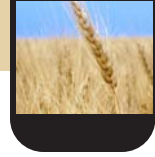
to put a stronger emphasis on resolving the biotechnology issues that continue to hamper our ability to bring this new technology forward. If you look at other commodities and observe the dramatic yield increases they are experiencing from biotech traits, it's quite obvious we will continue to lose acreage to them. One positive note we received from Daren Coppock, Chief Executive Officer of NAWG, is an improved attitude from processing industries. I also observed more unity and support amongst growers from other regions of the U.S.

Crop Insurance Reform: Crop Insurance has always been at the top of the NDGGA priority list but with much higher input costs there is a concern we won't have adequate protection in the event of adverse weather. Producers are also at risk in the event of a major price correction. This is why NDGGA has taken an aggressive stance in support of 508H, to make it easier to write insurance policies that are more responsive to our concerns.

I look forward to a great year as President of NDGGA and if you have any comments or suggestions please contact us.

For up to the date information about what NDGGA is working on, log on to [www.ndgga.com](http://www.ndgga.com)

## Meet the NDGGA Directors



### Northwest Directors

**Bob Bahm**

Minot

**Keith Neshem**

Berthold

**Bob Wisness**

Watford City

### Northeast Directors

**Terry Weckerly**

*Vice President*

Hurdsfield

**Doyle Lentz**

Rolla

**Brad Thykeson**

*Vice President*

Portland

The North Dakota Grain Growers Association would like to announce the election of Byron Richard from Belfield, ND to a first term as NDGGA President and Terry Weckerly of Hurdsfield, ND to a second term as NDGGA Vice President.

Brad Thykeson of Portland, ND has newly been elected to 2nd Vice President and Greg Nelson of Litchville, ND has been elected to the position of Secretary/Treasurer.

The North Dakota Grain Growers Association would like to welcome Bob Wisness as the newest director,

filling a vacant Southwest position.

Bob and his wife Debra have four kids, the youngest currently attending NDSU. He and his brother Rick raise certified seed under the name Wisness Brother Seed Farm.

Bob's time is currently filled with his farm and seed operation and local community involvement as the Chairman of the County Crop Improvement Association and NDGGA is glad to welcome his input and ideas and looks forward to his involvement on the Board of Directors.

### Southwest Directors

**Jay Elkin**

Taylor

**Mark Anderson**

Regent

**Byron Richard**

*President*

Belfield

### Southeast Directors

**Mike Martin**

Forbes

**Greg Nelson**

*Secretary/Treasurer*

Litchville

**Terry Wanzek**

Jamestown



## Director's Digest

Greetings to all the members of NDGGA! It's never been a more exciting time to be a part of agriculture. As I travel the countryside its fun to see the smiles and the enthusiasm from farmers as we move closer to the 2008 growing season. Isn't amazing the optimism that higher commodity prices can generate; spring can't come fast enough!

Just like you, the North Dakota Grain Growers Association has been on the move, helping to pave the way for farm profitability in 2008 and beyond. Thanks to the vision of your Board of Directors, NDGGA has been involved in a number of issues that affect you; the Farm Bill debate, meaningful crop insurance reform, the full labeling of tebuconazole and related pesticide issues as well as ag truck regulations.

NDGGA has been in forefront of providing agricultural educational opportunities for farmers and their families; your Association has been a major sponsor of programs like Annie's Project, Best of the Best in Wheat workshops as well as the Barley Education workshop.



*NDGGA Executive Director Dan Wogsland*

The mission of NDGGA is to serve North Dakota wheat and barley producers with education, leadership, information and representation to increase profitability and enhance value added opportunities. Your Association has a record that you as members can be proud of.

**“we continue to push for crop insurance reform as well as new and innovative crop insurance products”**

It doesn't stop there. NDGGA is involved in the newly formed BNSF Business Advisory Council, giving growers a voice in rail issues to the top echelons of the BNSF rail-

way. We continue to push for crop insurance reform as well as new and innovative crop insurance products that will give growers better protection in these times of unheard of production costs. NDGGA is exploring ways to aid in conservation; as an example supporting initiatives that will reverse the negative impacts of

saline soils in our state. We are working with our leaders on the local, state and national level to put farm legislation in place and to see that it is enacted for the benefit of all of our producers in our state. Finally, we are working with our fellow ag groups to see that North Dakota agriculture continues to move forward.

Who is NDGGA? Is all of this accomplished by the board? No, this is accomplished by you and your membership and faith in your Association. I've said it before, it's YOU that makes the difference, and your Association needs you to continue that commitment. No, it's not just your membership; it's your willingness to involve yourself and others that makes this Association work for you.

As we move forward in 2008, don't be afraid to put us to work for you. NDGGA has 3 directors in every quarter of the state. Call the office and find out what we're up to! Send me an email and give me slack! If you use your Association, you feel a part of your Association, and that's what NDGGA is all about. Go 2008!!

## Farm Fact

Agriculture employs 20% of the U.S. workforce, or about 21 million people.

## NDGGA Meets with Agriculture Secretary Ed Schafer



The North Dakota Grain Growers Association (NDGGA) was invited to attend the swear-in ceremony of former North Dakota Governor Ed Schafer as the new US Secretary of Agriculture on February 6th. This ceremony was lead by President George W. Bush and attended by Deputy Secretary of Agriculture

Chuck Conner and members of congress.

“Today we heard for the first time from the President himself that he would veto the Farm Bill if it came in with additional taxes and without significant reform. However, he did not state what those reform ideas

would need to be,” stated Immediate Past NDGGA President Mike Martin. “When we had met the day prior with our Congressional leaders they had mentioned to us that they may be able find sources which would pass the administrations mustard.”

“President Bush made it clear that our agriculture bill is vital for the food security program, something that is highly important for our national security,” stated NDGGA President Byron Richard.

The NDGGA also group had a private meeting with Secretary Schafer the day prior to the swearing in ceremony.

“Secretary Schafer gave the impression that there will be a farm bill by the March 15th deadline,” stated Richard. “He seemed very at home in his new role and seemed eager to get the Farm Bill passed.”

## Expanding Dialogue Between Producers and Railway Industry

North Dakota Grain Growers Association (NDGGA) Executive Director Dan Wogsland has been appointed to the Business Advisory Council for Burlington Northern Santé Fe (BNSF) Railway.

The Business Advisory Council is a multi state effort consisting of 15 individuals representing industry, producer groups and multiple commodities. Some of there focus

will be on issues such as service, rates and expanding the dialogue between BNSF and producers.

“This group is a fantastic opportunity for growers to interact with BNSF, North Dakota’s major rail shipper, so that growers concerns can be effectively heard,” states Wogsland.

The mission of NDGGA is to serve

North Dakota wheat and barley producers with education, leadership, information and representation to increase profitability and enhance value added opportunities.

NDGGA is the premiere voice for producers in influencing and developing policy impacting wheat and barley industries.



## *Barley Prices Remain Strong*

News from the North Dakota Barley Council  
 February 7, 2008

Growers are finalizing their planting decisions, and the strength in prices for small grains may be causing growers to re-evaluate their cropping mix for 2008. Wheat and barley that was placed in storage following the 2007 harvest has probably been sold, or will be sold in the near term. Strong demand, both domestically and internationally, is providing growers with excellent market conditions. The following sections highlight the current status of the barley market.

*--1. Spot Cash Prices:* The market for feed and malt continues to remain strong across North Dakota. Feed prices currently range from approximately \$4.70 to \$5.50 per bushel. Malt prices currently range from approximately \$6.00 to \$6.50 per bushel. Spot cash prices have gained considerable strength over the past 2 years, as is evidenced in the following graph, which summarizes spot cash prices for feed barley and malt barley between January 2006 and January 2008.

*--2. Market Factors:* There are a number of interrelated factors

impacting the market, including but not limited to the following:

a. Europe experienced poor quality and low yields. The European Union has evaluated importing barley from the U. S.

b. Ukraine, which historically has accounted for approximately 16% of world exports, has reduced supplies due to poor yields and substandard quality. Ukraine has imposed export restrictions on its production.

c. Australia continues to struggle with production problems, and thus has limited supplies available to export.

d. Japan has purchased over 440,000 metric tons of feed barley from the U. S. in 2007, and is continuing to seek supplies from the U. S. This has helped keep barley prices strong across the U. S.

e. Canada experienced some harvest difficulty in 2007, and appears to be taking a cautious approach to supplying the export market.

f. Reduced supplies in Europe and Ukraine are stimulating the Saudi Arabian market to inquire to the U. S. for a supply of feed barley, which is helping to retain higher farm gate prices.

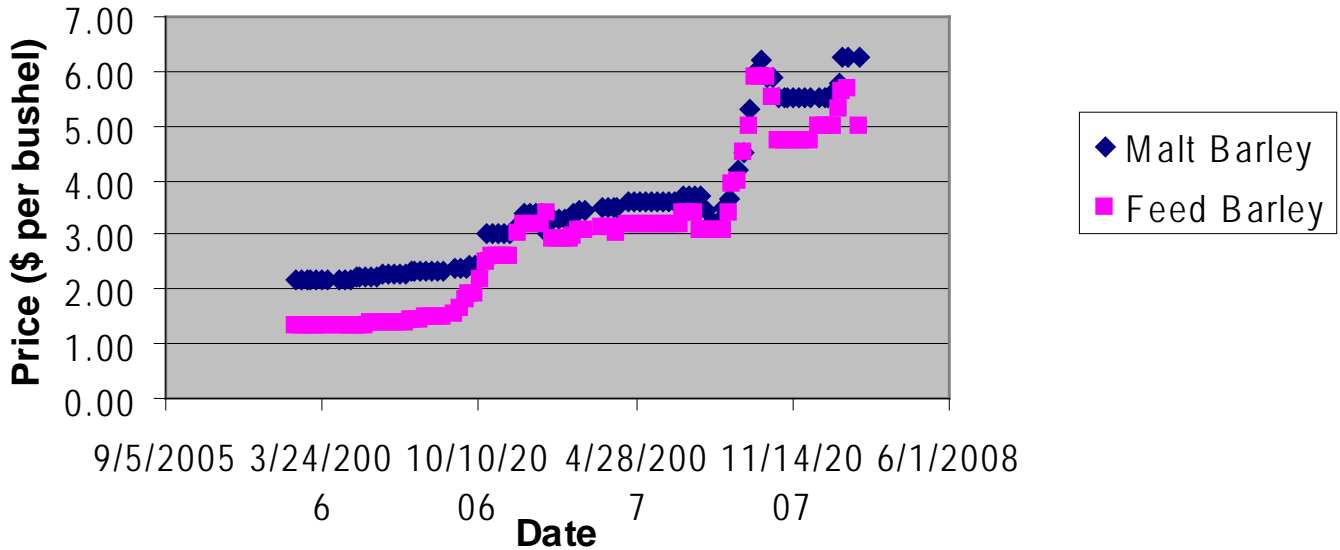
*--3. Market Peak:* growers are seeking to determine when the market will peak. It is difficult if not impossible to determine when the market will reach its peak. As one grower stated, it is probably bet-

ter to sell on the way up and take a profit at each price objective rather than try to hit the peak and risk losing the opportunity if the market drops rapidly. Current information would suggest the market should remain stable with some upside potential, especially given the fact that wheat and barley will be competing for acres.

*--4. Crop Budgets:* the NDSU Extension Service released its 2008 crop budgets in January, and since the budgets were prepared, small grain prices have strengthened considerably. As evidenced in table 1A for North Central North Dakota, barley showed excellent profit potential, and has strengthened for even greater profit potential since the budgets were released.

*--5. Contract Prices:* production contracts for 2008 for both feed barley and malt barley are still available. For malt contracts, most pricing is linked to a formula developed by the malting company that is offering the contracts. These formulas are typically based upon a percentage of the wheat futures market, with other factors included for subjective consideration (e. g. competitive prices from other commodities, input costs, etc.). Growers interested in contracting can contact malting companies or their local grain elevators to obtain more information. The recent surge in wheat prices has placed current malt barley contracts in the range of \$6.80 to \$7.30 per bushel. Many contracts are offering storage payments in the area of \$0.04 per bushel per month begin-

## 1A. Barley Price - Bottineau, North Dakota January 2006 - January 2008



ning at harvest. Contracts should contain an Act of God clause.

*--6. Production:* The USDA-NASS small grains summary for 2007 provided positive news for barley. Nationally, barley production was estimated at 212 million bushels, an 18% increase from 2006. Average yield per acre is estimated at 60.4 bushels per acre, only slightly below the 2006 yield by 0.7 bushels per acre. Area harvested for grain is 3.51 million acres, which is a 19% increase from 2006.

summarizes barley production for 2007 for key barley producing states.

### Summary

The current situation offers growers

excellent opportunities for securing profit in barley. Most commodities are experiencing generally good prices at this point in time, and thus there is optimism for profitability into the upcoming 2008 production year.

The table below

| PROJECTED 2008 CROP BUDGETS - NORTH CENTRAL NORTH DAKOTA |                 |                   |          |          |                   |
|--|-----------------|-------------------|----------|----------|-------------------|
|  | SPRING<br>WHEAT | MALTING<br>BARLEY | CORN     | SOYBEANS | OIL<br>SUNFLOWERS |
| YIELD  | 32              | 55                | 80       | 25       | 1410              |
| PRICE  | \$6.05          | \$4.81            | \$3.20   | \$8.33   | \$19.60           |
| GROSS REVENUE  | \$193.60        | \$264.55          | \$256.00 | \$208.25 | \$276.36          |
| VARIABLE COSTS   | \$109.23        | \$101.12          | \$174.73 | \$92.60  | \$127.48          |
| GROSS MARGIN   | \$84.37         | \$163.43          | \$81.27  | \$115.65 | \$148.88          |

\*\*The yield for sunflowers is in pounds per acre. All other yields are in bushels per acre.  
 \*\*The price for sunflowers is in dollars per hundred weight. All other prices are in dollars per bushel.  
 \*\*Sources: Farm Management Planning Guide, published by NDSU Extension Service.

# *NDGGA Expresses Disappointment over the State Mill Decision*

NDGGA President Byron Richard expressed the Association's disappointment over the decision to allow Canadian wheat imports to be bought by the North Dakota State Mill.

"I feel questions need to be asked as to why the North Dakota Industrial Commission is allowing Canadian wheat imports to be bought by the North Dakota State Mill. I question the timing of this decision; it seems to send the wrong message to producers and to the marketplace," said Richard, a Belfield North Dakota farmer.

Since 1922, the North Dakota State Mill has never bought foreign wheat; this despite the fact that supply and market conditions similar to today

have existed in the past. Market conditions with strong demand like in 1973-74 and 1995-96 as well as supply issues like the drought conditions in 1988-89 never dictated deviation from the no-import policy of the mill.

"I understand that world wheat stocks are tight, but the current market conditions are brought about by the free market system. For the sake of North Dakota wheat farmers I trust this is a short and not a long-term decision," Richard stated.

## *UPDATE*

The Industrial Commission's move, which was intended to avert a possible shortfall in wheat stocks to

the Mill, shocked the North Dakota wheat industry. The North Dakota Wheat Commission expressed its dismay, stating in a letter "It is our hope that the Mill will exhaust all its efforts to purchase wheat and durum from the U.S. market before turning to non-U.S. supply channels to meet customer needs."

Richard contends that U.S. wheat is available, albeit at higher prices, citing recent USDA figures and grower information. Recent reports confirm this as the Mill continues to source domestic wheat to meet its needs. This is good news both for the State Mill and North Dakota wheat producers.

NDGGA will continue to monitor this situation.



**NDGGA**  
**GOLF**  
**Tournament**

**Mark Your Calendar**  
**NDGGA Golf Tournament**  
**Wednesday, July 9th**  
**Hawktree Golf Course**

NORTH DAKOTA



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4023 State St  
Bismarck, N.D. 58503