

NORTH DAKOTA



GRAIN GROWERS



September '08

# Gleanings



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## North Dakota Grain Growers Association

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### 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

At this time out here in the southwest, we are experiencing the worst drought that I can remember. It illustrates the importance of having a strong organization such as the North Dakota Grain Growers Association (NDGGA) working for you to minimize the impact of adverse weather on your profitability. This past year NDGGA staff and directors spent countless hours working on a farm bill that was beneficial to our growers. Permanent disaster known as SURE, although not perfect will benefit growers in our current crop year. Working with our national organization, the National Association of Wheat Growers (NAWG), we were able to hold on to most of our direct payments, the most reliable supplement for small grain producers.

A crop insurance program known as 508H has the opportunity to create better crop insurance products. The

North Dakota Grain Growers Association and the North Dakota Barley Council are strongly committed to making sure that this is a top priority in the coming year. We are proud to say that this was the only crop insurance legislation that was passed in the new farm bill.

Furthering the acceptance and new technology advances of biotech wheat is just one of the programs NDGGA is working on. Wheat needs to stay competitive in the world of Round-Up Ready Soybeans and Sugarbeets and biotechnology is just one of the many avenues NDGGA is looking into.

As wheat harvest winds down in the northern plains the effects of the 2008 drought in western North Dakota are becoming painfully evident. Along with these effects come issues related to crop insurance and the timely settlement of claims for producers. Holding up these major claims are audit triggers put in place in the 2005 Standard Reinsurance Agreement (SRA); these triggers did not envision the crop insurance coverage in today's marketplace nor the audit trigger effects as they relate to widespread disaster situations. This causes an unintended consequence in crop insurance; namely lost opportunity cost for producers.

Production costs are at historical records; holding up crop insurance claims because of artificially low USDA-RMA audit trigger negatively impacts producers who are already suffering from the effects

**“508H was  
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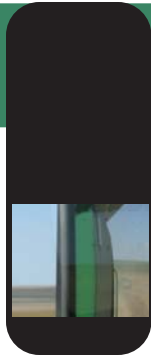
of a lost crop. To address this issue the NDGGA has teamed up with NAWG, the North Dakota Farm Bureau, Farm Credit Services and the North Dakota Barley Council contacted Ag Secretary Schafer and USDA-RMA Administrator Eldon Gould in hopes of finding relief from this paperwork dilemma.

To hear more about this effort and the recent trip we took to meet with key decision makers; turn to the back page.

For growers with a good crop, have a safe harvest and good luck with the weather.

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

*You Won't Want To Miss This...*



# DECEMBER 10<sup>TH</sup>



## CANOLA & GRAIN FORUM

SAVE THE DATE for the Canola & Grain Forum: A joint venture and hot topic updates brought to you by the Northern Canola Growers and the North Dakota Grain

Growers Association. The excitement starts Wednesday December 10 in Minot at the Grand International Inn. Look for more information in your mailbox soon!

### *NDGGA Membership Exclusive Savings*

NDGGA is pleased to announce that we will be partnering with New York Life Insurance Company to offer long-term care insurance policies to NDGGA members and their families. A 10% discount will be applied to your long term care policy if all underwriting requirements are met. An additional 15% will be applied if you and your spouse qualify for a total savings of 25%.

Members are encouraged to participate in a series of insurance sales presentations to be held in the coming weeks.

There is no obligation or requirement to participate in this voluntary insurance program. I hope that each of you will take the opportunity to learn more about this important issue, as it may affect many of us at some point during our life.

Long-term care insurance can be an important part of a sound financial and retirement plan, and all mem-

Dan Wogsland  
Executive Director



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New York Life Insurance Company's LTCSelect Premier may help protect your savings from the potentially high costs of long-term care.

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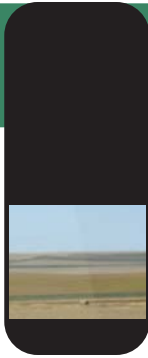
For cost and details contact New York Life agent:

**Jean Wilhelmi & Joan Bengs**  
701-237-4311

2000 44th ST S, STE 501, Fargo, ND 58103  
jwilhelmi@ft.newyorklife.com

252942DHO

LTCSelect Premier is issued on policy form series ILTC-5000 and INH-5000 with a state identifier and edition date. Example: ILTC-5000 (ID) (1001) and INH-5000 (ID) (1001) for Idaho and ILTC-5000 (PA) (1001) and INH-5000 (PA) (1001) for Pennsylvania. The policies contain some benefit eligibility restrictions, other limitations and exclusions and terms under which the policy may be continued in force or discontinued.



*Director's  
 Digest*

Greetings NDGGA!

I hope you're having a GREAT year; it's hard to believe that harvest is upon us! Its time to bring those bushels in! Just like you, your Association hasn't been standing still. The action has been non-stop, which promises to continue through to a very busy upcoming fall and winter season.

Obtaining a Section 3 label for tebuconazole, heavy involvement in the Farm Bill debate, as well as hosting events such a Legislative Day at the F-M RedHawks, the annual Environmental Tour and NDGGA Golf Tournament are but a part of the activities your Association has been involved with in 2008. The issues affecting you and your operation continue to parade down the policy highway; NDGGA will be in the thick of the policy debate making your voice heard in the issues that affect you.

As we look to the future, crop insurance issues will take priority status for NDGGA. In the 2008 Farm Bill, the only crop insurance reform in the bill was spearheaded by your Association. The reform, called



*NDGGA Executive Director Dan Wogsland*

508h, allows for the development of new crop insurance products by groups like NDGGA; this results in a "bottom up" approach to crop insurance product development.

**“Improving agricultural policy for the betterment of North Dakota producers is the goal of NDGGA”**

The next phase of 508h is to bring forward some new and exciting crop insurance concepts for producers. NDGGA will be pushing to bring these concepts forward in an effort to improve the risk protection for North Dakota producers.

Barley growers in North Dakota are not afforded Revenue Assurance coverage for malting barley; the only barley state in the nation like this. To remedy the situation, NDGGA has joined with the North Dakota Barley Council, National Barley Growers Association, American Malt Barley Association and the North Dakota Ag Department

to push USDA-Risk Management Agency to afford North Dakota barley growers the same Revenue Assurance crop protection. Reports from RMA indicate a willingness to access the data and if possible, make RA available for 2009.

Producer outcries over mandatory audits of crop insurance and the “zeroing out” of crop insurance claims has put these issues on the forefront of NDGGA’s action plan. To address these issues, NDGGA will be traveling to Washington D.C. with North Dakota Farm Bureau and Farm Credit Services to try and convince decision-makers at RMA to rethink current policy. With the higher levels of crop insurance coverage available for 2008, claims exceeding the automatic audit level of \$100,000 are the norm and not the exception. Crop insurance companies simply do not have the manpower necessary to audit these claims in a timely fashion. This created an unacceptable situation and takes money from producer’s pockets.

Speaking of disaster situations, don't forget to make sure that you have signed up EVERY acreage interest on your farm for crop insurance or NAP coverage for 2008; in order to qualify for the newly passed SURE permanent disaster plan ALL APPLICABLE crops, including small hay and pasture tracts, MUST be covered by crop insurance or NAP.

Improving agricultural policy for the betterment of North Dakota producers is the goal of NDGGA; that goal begins and ends with you. It is your involvement and your input



which directs the policy direction of NDGGA. The Association is as strong as its members; take the time to contact the NDGGA Board or the NDGGA office regarding your thoughts and concerns. NDGGA belongs to you!

Happy Harvest!!



## NDGGA Environmental Tour



*Thanks to the following sponsors for their support...*

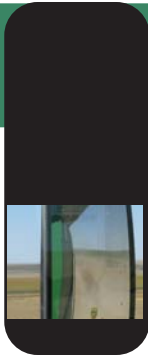


Education and Outreach Communication Programs are part of the mission of the North Dakota Grain Growers Association. An example of this mission is the annual Environmental Tour. The tour brings in Environmental Protection Agency officials from Washington and takes them to farms and plants around Eastern North Dakota to give them hands-on production agriculture experience.

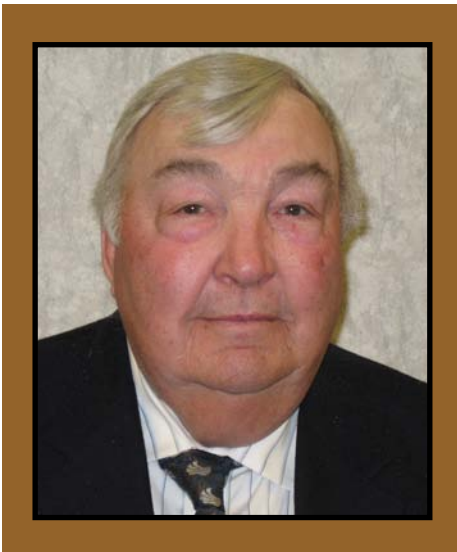
The Environmental Tour, also playfully called the E-Tour, is an outlet for farmers and ranchers to show the care and concern for the environment that they follow in their every-

day practices. The E-Tour has been organized to establish a dialogue between the Environmental Protection Agency and producers focusing on different aspects of the conservation and environmental debate.

It is the hope of NDGGA that participants will leave with a better understanding of agriculture and recognize agriculturalists as stewards of the land. Open communication with past E-Tour participants has helped tremendously when working on issues like crop harmonization or receiving support for the much needed Section 3 on Tebuconazole, better known as Folicur.



## Barley Harvest and Market Update



News from the North Dakota Barley Council  
 Louis Arnold, Chair

Barley harvest is nearing completion in North Dakota, with other areas of the state soon to follow. Malt barley prices continue to exhibit modest strength, while feed barley prices have softened since harvest. The following sections highlight the current status of the barley crop.

•*Plantings:* USDA-NASS released the planted acreage report on June 30, 2008. Nationally, barley plantings increased 2.7%, from 4,020,000 acres in 2007 to 4,130,000 acres in 2008. North Dakota growers planted 1,500,000 acres in 2008, which

is an increase of 2% from 2007. In general, higher wheat prices stimulated a shift in acreage to more wheat production.

•*Production:* The July 11, 2008 crop production report released by USDA indicates that North Dakota growers expect to harvest 1,400,000 acres in 2008, which is an increase of 10,000 acres from the 1,390,000 acres harvested in 2007. Yield for 2008 in North Dakota is estimated at 50.0 bushels per acre as of August 1st, which is a decrease of 4 bushels from the July 1st USDA estimate, and a decrease of 6 bushels per acre from the 56.0 bushel per acre yield of 2007. Production for 2008 in North Dakota is estimated at 70,000,000 bushels, a decrease of 7,840,000 bushels from the 77,840,000 bushels harvested in 2007. Drought conditions in western North Dakota contributed in part to the lower production levels in 2008.

•*Market Conditions:* Japan continues to purchase significant quantities of feed barley from the United States. In mid April 2008, Japan purchased 179,740 metric tons of feed barley. The U. S. market share was 54,740 metric tons of this purchase, which is approximately 30% of the total tender. In June 2008, Japan purchased 82,000 metric tons of feed barley, 22,000 tons of which was from the United States. Again in August, Japan has had two separate purchases of feed barley from the U. S. (one for 37,000 metric tons, and another for 36,000 metric tons). High world grain prices are stimulating caution in the Japan market,

but Japan continues to look to the U. S. as a reliable supplier. Buyers of malt barley contracted a significant portion of their production needs in 2008. There will be competition for open production between malt and feed barley, stimulated in part by higher corn prices and the subsequent substitution of barley for corn in livestock rations.

•*Spot Cash Prices:* Prices for feed and malt barley have demonstrated some variability in recent weeks. Feed prices currently range from approximately \$3.50 to \$4.00 per bushel. Malt prices currently range from approximately \$6.00 to \$6.20 per bushel. The decrease in prices from mid-summer levels is fairly typical, and prices could strengthen as knowledge of crop quality and quantity is better defined following harvest.

•*Stocks:* The July 2008 USDA estimate of ending barley stocks decreased to 71 million bushels, down from the June estimate of 79 million bushels. On-farm stocks are estimated at 9.95 millions bushels, which is 32% below the estimate one year ago (June 1, 2007). Off-farm stocks are estimated at 58.3 million bushels, which is 7% higher than the June 1, 2007 estimate of one year ago.

•*Crop Condition:* as of August 24th, 2008, NASS estimates 81% of the barley crop in North Dakota is harvested, compared to 93% harvested at the same time in 2007. Some areas of western North Dakota were very dry, and growers have indicated



that some of the barley is too poor to harvest. Eastern North Dakota has exhibited some yield variability, but in general growers have been pleasantly surprised at the yield and quality, with some growers reporting overall average yields in the area of 80 to 85 bushels per acre. There is some concern of sprout damage due to rain showers in some areas.

•*Canada:* Acres for barley fell 17 percent from 2007, resulting 9.1 million acres in Canada in 2008. The decrease was largely due to better prices and profit potential from wheat and canola.

•*Varieties:* North Dakota Growers planted more Tradition barley in 2008 than any other variety. Tradition accounted for 37.4% of acres planted, followed by Lacey (17.6%), Stellar-ND (10.6%), Conlon (10.2%), Legacy (6.3%), and Robust (5.2%).

*Summary*

Growers are guardedly optimistic about their 2008 crop. High input prices will require stable production and price to secure an opportunity for profit. Most commodities are experiencing generally good prices at this point in time, and thus there is optimism for profitability for the 2008 production year.

*2008 NDGGA Golf Tournament*



Thanks to everyone who made the 2008 NDGGA Golf Tournament such a huge success! A special congratulations to Chad Kleinknecht, Steve Dale, Mural Pollert and Mike Stoller for taking home the trophy.



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*This just in.....*

Barley Production & Management for Profit seminar dates and locations are on the back page, check for a location near you.

# *NDGGA Brings Attention to Producers Crop Insurance Needs*

The North Dakota Grain Growers Association along with the North Dakota Barley Council, North Dakota Farmer Bureau and Farm Credit Services recently met with numerous groups and officials in Washington, DC. The group went requesting that changes be made to certain crop insurance provisions which are hindering producers.

Topics which were discussed include:

1. The \$100,000 mandatory audit trigger for crop insurance claims and the resulting 3 year back audit requirement.
2. Triggering crop insurance audits when production exceeds 150 percent from one year to the next.
3. Mechanical fires not qualifying for crop insurance protection.

4. Insuring small hayland and forage acreages to qualifying for the SURE permanent disaster aid program.

“I thought the meetings were very informative,” stated NDGGA President Byron Richard. “RMA was surprised to hear from the producer’s side, they rarely get feedback from producer groups and they were very happy to hear from us.”

Talks have begun to try and figure out a way to qualify mechanical fires for crop insurance. In a year when either a chemical or mechanical fire has damaged a crop, you may be able to use your personal t-yields or a similar production history measurement instead of taking a loss in which was not the producers fault.

“We don’t think the crop insurance audit system is broken, we are just trying to fine tune it. We’re definitely not opposed to the audits, we’re just concerned with the amount of duplicate audits that are being done. We want to obtain accountability for the insurance companies and the producers.”

“I thought the meetings were very productive but I’m hesitant, when it happens I will believe it,” said Doug Goehring, Vice President of ND Farm Bureau. “They were receptive to our ideas and they would certainly be willing to look at addressing the audit issue. They said it has to be done through the Standard Reinsurance Agreement in the fall of 2009 so that by the spring of 2010 it would go into effect.”

## *Barley Production and Management for Profit Seminars*

**January 12th**

Dickinson Grand Dakota Lodge  
10AM

**January 15th**

Minot Holiday Inn Riverside  
8AM

*Check it out!!*

NORTH DAKOTA



GRAIN GROWERS

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