

Testimony of Greg Svenningsen, Chairman, North Dakota Wheat Commission

SB 2020

March 9, 2021

Good afternoon, Mr. Chairman and members of the House Appropriations Committee. For the record, my name is Greg Svenningsen. I am currently serving as the Chair of the North Dakota Wheat Commission. The Wheat Commission has a long-standing, leveraged, research partnership with North Dakota State University's Agricultural Experiment Station. Today we stand in strong support of Senate Bill 2020 and the priorities of the State Board of Agricultural Research and Education (SBARE). SB2020 includes critical funding for the NDSU Experiment Station, NDSU Extension Service, and additional partner entities, all of which are extremely important to North Dakota's Agricultural Research, Infrastructure, Time-proven Market Development Programs, and the Success of Dedicated Producers across the state and region.

Research and Extension programs are the lifeblood of innovation and advancement of new technologies critical to the continued, demonstrated successes of North Dakota agriculture; and are a high priority for the Commission and the producers of North Dakota.

1—ROI: Agricultural Research in North Dakota generates a Return on Investment (ROI) of 40 to 1 for every dollar invested.

2—New Technologies are Driving Innovation: Advancements in Technology foster measurable increases in Total Productivity and Value. Development of new technologies, quickly adopted statewide by our savvy, innovative producers dramatically increase Resiliency and Consistency in North Dakota's number one industry, economic engine, and revenue generator.

3—Economic Stability and Resiliency: Over the past decade Average Annual (Main Street) Value of North Dakota's Total Agricultural Output (Simply Price X Production) is estimated at nearly \$10 Billion (with a "B"). The industry is currently performing at Higher Levels and with Greater Consistency than ever.

4—Positive Identity Provides Market Access: SB2020 provides opportunity to further advance our upward trajectory in Yields, Production, and Unequaled Global Reputation for Quality, Product Performance and Customer Satisfaction (Formula for Repeat Business); ultimately unlocking additional access, durable demand, and continued success in High Value Domestic and Export Markets. Our wheat producers have a base of long term customers in 60 countries and are experiencing explosive growth in a number of destinations, particularly in Asia.

5—Welcome Diversification/Broader Enterprise Base: Today, Four Main Pillars, Wheat, Soybeans, Corn, and Livestock, account for 80 percent of total value. High value specialty crops such as sugar beets, potatoes, barley, sunflower, canola, dry beans, peas, lentils, flax, and hay crops, make up the remaining 20 percent. Increasingly diversified crop and enterprise choices add Flexibility and Resiliency. Producers are becoming better equipped to take advantage of additional market opportunities, or adjust cropping plans when challenging conditions occur.

6—Demand Driven Price Strength = Income Opportunity: North Dakota producers were blessed with a Favorable Harvest in 2020 and have since experienced Significant Price Strength on Stronger Global Demand for almost all commodities. Six-year Contract Highs have been recorded on Massive US Export moves in third and fourth quarter 2020 and early 2021.

7—Great Reputation/Terrific Legacy/Expansion is Welcome: North Dakota Agriculture has a well recognized and enviable Global Reputation as a Dependable, Consistent Supplier of High Quality, High Value Products.

This is Certainly a Great Platform Moving Forward.

The Wheat Commission would like to thank you for your past and ongoing support for North Dakota Agriculture, and for this opportunity to share a few supportive thoughts regarding these very important programs.

If you have questions I will certainly try to answer them.