

**Testimony in Support of  
HOUSE BILL NO. 1504  
Finance and Taxation Committee  
February 6, 2023**

Chairman Headland and members of the House Finance and Taxation Committee:

My name is Ted Powers, Director of Government Affairs at Anheuser-Busch. I am here in support of HB 1504. I am submitting this testimony through our Anheuser-Busch lobbyist, Todd D. Kranda (#58), who is an attorney with the Kelsch Ruff Kranda Nagle & Ludwig Law Firm in Mandan.

Anheuser-Busch has approximately 40% of the beer market in the U.S., and most of you are probably familiar with our brands like Budweiser, Bud Light, Michelob Ultra or Busch Light. With that market share comes significant purchases of barley, and as you are well aware barley is significant crop in ND. Because of that, we contract with about 250 barley farmers in North Dakota with well over 10 million bushels under contract. Because of the significance of our purchases here, we have two grain elevators in the state, in West Fargo and Sutton. Approximately 8-10 million bushels go through there each year. Those elevators primarily serve our malt plant in Moorhead, Minnesota.

In addition to direct contracts with farmers, we also purchase from 3<sup>rd</sup>-party malting companies, some of the more significant being Malteurop, Rahr Malting and Briess Malt. Each of these differ in terms of reliance on North Dakota barley. For example, Rahr malting has a barley procurement and distribution facility in Taft, North Dakota. Taken as a whole with direct contracts and 3<sup>rd</sup>-party purchases, a very rough estimate is that in recent years about 30% of total Anheuser-Busch U.S. barley purchases come from North Dakota farms.

HB 1504 would provide a small credit for any brewer hitting the threshold of 40% of the total barley used being from North Dakota. Given the robust barley crop that is produced in North Dakota each year, it would be a tangible form of support by the state for the farmers that produce this excellent crop, and it would provide a small but direct incentive for a brewer like Anheuser-Busch to utilize as much ND barley feasible. And of course, on the flip side there would be no cost to the state if no brewer were able to hit this 40% threshold.

With that I urge you to support **HB 1504**. I urge you to give **HB 1504** a **DO PASS** recommendation. I thank you for your time and am happy to answer any questions.