

**North Dakota Barley Council
Testimony for SB 2161**

January 16, 2025

Mr. Chairman, members of the Senate Agriculture Committee, for the record my name is Nathan Boll. I farm near Newburg, ND, and currently serve as chairman of the North Dakota Barley Council.

I am here today in support of Senate Bill 2161.

Mr. Chairman and members of the committee, North Dakota is one of the top three barley producing states, accounting for approximately 25% to 30% of U. S. production. In order to keep barley agronomically viable and economically profitable for North Dakota barley growers, it is important that we continue to invest in supporting research and development, market development, and risk management education. Advancements in variety development in many crops are allowing growers to achieve higher yields, improved quality, and more consistent profits. Increasing the barley check-off from the current level of two cents per bushel to three cents per bushel represents the foundation of funding necessary to enhance and expand research, development, market development, education, and related efforts.

The Barley Council vetted the proposed check off increase with our county reps in December 2024. Our county reps voted unanimously to support an increase in the barley check-off.

Attached to this testimony is background information related to the barley check-off.

On behalf of the barley growers, thank you for your consideration and support of SB 2161. If you have questions, please let us know.

ND BARLEY COUNCIL – CHECK-OFF INCREASE TALKING POINTS – JANUARY 2025

- Check-Off Information
 - Current Check-Off: \$0.02 per bushel
 - Proposed Check-Off: \$0.03 per bushel (increase of \$0.01 per bushel)
 - Last increase: 2009

- Farm Impact
 - Number of farms producing barley in North Dakota: 1,627 (source: USDA Census of Ag – 2022).
 - Average barley acres per farm: approximately 350
 - Average number of bushels produced per farm: approximately 22,655
 - Average cost of check-off per farm:
 - At \$0.02 per bushel: approximately \$450.00 per year.
 - At \$0.03 per bushel: approximately \$680.00 per year (increase of approximately \$230.00 per year).
 - Average cost of check-off per acre:
 - At \$0.02 per bushel: approximately \$1.30 per acre.
 - At \$0.03 per bushel: approximately \$1.95 per acre (increase of approximately \$0.65 per acre).

- Revenue
 - Revenue generated (based upon a three year average of 29 million bushels assessed)
 - At \$0.02 per bushel: approximately \$580,000.00 per year (\$1,160,000.00 per biennium)
 - At \$0.03 per bushel: approximately \$870,000.00 per year (\$1,740,000.00 per biennium)
 - The increase of \$0.01 per bushel generates approximately \$290,000.00 per year, or \$580,000.00 per biennium.

- Expenditures
 - Current expenditures at \$0.02 per bushel: approximately \$600,000.00 to \$700,000.00 per year (\$1.2 million to \$1.4 million per biennium).
 - Anticipated expenditures at \$0.03 per bushel: approximately \$750,000 to \$800,000.00 per year (\$1.5 million to \$1.6 million per biennium).

- Approximate Allocation of Barley Check-Off Dollars
 - Farm Policy: 29% (NBGA, NDGGA, farm program servicing, crop insurance).
 - Market Development: 19% (U. S. Grains Council, procurement education, trade team servicing).
 - Research and Development: 34% (NDSU barley breeding and planting pathology, USDA-ARS).
 - Administration and Overhead: 18% (salaries, benefits, stipends, office rent, general activities).

- Utilization of Additional Check-Off Dollars
 - Keep pace with increasing costs in each category of revenue allocation.
 - Maintain barley as an agronomically viable and economic profitable crop for North Dakota growers.

- Barley Production Trends

NORTH DAKOTA BARLEY PRODUCTION TRENDS						
DATA SOURCE: USDA-NASS						
STATE	2019	2020	2021	2022	2023	2024
Area planted (acres)	580,000	530,000	580,000	740,000	690,000	370,000
Area harvested (acres)	445,000	460,000	430,000	650,000	570,000	285,000
Production (bushels)	32,040,000	28,980,000	21,930,000	47,450,000	40,470,000	21,090,000

BARLEY CHECK-OFF DOLLARS – AN INVESTMENT IN THE FUTURE

Investment: the barley check-off in North Dakota is \$0.02 per bushel. Studies show that for every barley check-off dollar (\$1.00) invested, over seven dollars (\$7.00) are returned to the benefit of the grower (reference available upon request). The North Dakota Barley Council invests check-off dollars in a number of research projects and alliances that promote barley utilization and support barley producers.

Variety Development and Crop Management: developing barley varieties for the future requires consistent support of agricultural research in barley breeding, genetics, pathology, and quality. The Barley Council invests check-off dollars for: 1) barley variety development at NDSU to produce varieties that are agronomically viable and economically profitable; 2) barley pathology research at NDSU and USDA-ARS to develop disease resistant varieties and manage diseases; 3) agronomic trials at ND Ag Experiment Stations to enhance production tools; 4) barley malt quality research at NDSU to ascertain barley varieties meet the needs of both barley producers and buyers. The Barley Council also works with the National Barley Improvement Committee (NBIC) as well as the U. S. Wheat and Barley Scab Initiative (USWBSI) to generate federal research funding for barley research.

Market Development: North Dakota barley production is largely sold into malting and brewing markets (approximately 75%) as well as pet food markets (approximately 25%). The Barley Council maintains a strong alliance with U. S. Grains Council to develop export markets for malting barley, with Mexico serving as the primary target market. The Barley Council also works with domestic buyers of barley in both malting and pet food applications.

Farm Policy: The Barley Council supports farm policy development through the National Barley Growers Association and the North Dakota Grain Growers Association. This helps to keep barley viable in the farm bill. This also includes monitoring environmental regulations in an effort to prevent unnecessary regulatory burdens on growers.

Crop Insurance: The Barley Council coordinated development of a new crop insurance product (Malting Barley Endorsement) to provide barley producers with an additional risk management tool. Development of this product included USDA Risk Management Agency (RMA), malting industry barley buyers, and private insurance developers.

Procurement Education: The Barley Council recognizes many buyers do not have a background in production agriculture, which presents challenges in communication between buyers and barley producers. The Barley Council supports research at North Dakota State University Department of Agribusiness and Applied Economics to measure the risks of producing malting barley in comparison with wheat, corn, soybeans, and canola. This results in improved communication between buyers and barley producers as it provides buyers with a comprehensive review of crop enterprise decision making at the farm level. This has assisted in enhancing malting barley contract programs.

