



North Dakota Dry Pea & Lentil Council
Report to the House and Senate Agriculture Committees
January 14, 2021
Presented by Kim Saueressig, Chairman

Good morning Chairman and members of the joint committees. For the record, I am Kim Saueressig, a pulse producer from McClusky and the current Chairman of the ND Dry Pea & Lentil Council. Serving on the ND Dry Pea & Lentil Council are Kevin Wolsky, Vice Chair from Carrington, ND; Scott Sova, Noonan, ND; Jeremy Huether from Mott, ND; and Ryan Blumhagen from Drake, ND.

The Council contracts with the Northern Pulse Growers Association and the USA Dry Pea & Lentil Council to provide programming and activities to support the advancement of the pulse industry. I currently represent North Dakota on the USA Dry Pea & Lentil Council board with Scott Sova of Noonan, ND. In addition, ND Council members serve on programming committees of both the Northern Pulse Growers Association and the USA Dry Pea & Lentil Council. Additionally, the Council currently contracts with the Northern Pulse Growers Association to provide staff to handle the collection of assessments, processing of refunds and day to day activities.

Over the past couple of years, the U.S. pulse industry has increased dramatically. Prior to international trade challenges, acreage has reached historic levels. Pulse acreage has also expanded to notable amounts in surrounding states including South Dakota, Nebraska, and Kansas. North Dakota is ranked number two in the United States in production of pulse crops. The Northern Tier (Montana and North Dakota) currently accounts for more than 80% of U.S. pulse production.

The first priority of the pulse industry is international and domestic markets. The NDDPLC is provided international representation through its membership with the USA Dry Pea & Lentil Council (USADPLC) with six trade offices located around the world. (Mexico, China, Spain, France, India, and Thailand) Check off dollars generated in North Dakota are utilized as a match to the USADPLC to obtain federal marketing dollars to promote and conduct market development activities throughout the world.

As with other agriculture commodities, pulse crops have faced significant market disruptions due to trade tariffs. Tariffs imposed by the Indian government on U.S. pulse imports are 20% higher than those of our competitors (Canada/Australia).

Throughout 2019 and part of 2020, significant stocks continued to push grower prices down. Decline in exports for all crops was above 50%. But there is a silver lining. Since the pandemic began store shelves emptied, and consumers pantries filled with pulses. In addition, the U.S. pulse industry was awarded purchases under the Section 32 program. The USDA purchased product is distributed through WIC clinics, SNAP programs and local food banks/pantries. Stocks on hand have begun to decrease boosting producer prices as processors across the region are awarded bids.

Current trade issues have emphasized the importance of developing a domestic market as pulse crops are typically an exported commodity. As the global population increases so will the need for all types of protein. Value added processing—including protein, flours, fibers, and starch has created additional opportunities in both human and animal markets. North Dakota has pulse processing facilities that have ventured into the value-added markets by utilizing pulse fractions in product development. It is estimated that the pulse food category domestically will continue to grow at 6% each year over the next ten years. North Dakota producers have an opportunity to be part of the increased protein needs of the world. The second priority is research. Our industry works diligently with the limited amount of funding available to ensure that research priorities serve producers in all areas of the U.S. The ND Dry Pea & Lentil Council provides research funding to both the regional growers association, the Northern Pulse Growers, and the national program at the USA Dry Pea & Lentil Council. The two organizations coordinate research activities and encourage collaborations across the U.S. to avoid duplication.

Our industry is extremely grateful to the North Dakota Legislature for recognizing the potential of pulse crops by establishing a pulse breeding program, the first National pulse quality lab and pathology program at NDSU. Through producer check off funds, North Dakota producers have made significant contributions to these programs that continue to be vital to the success of the entire industry. In addition, NDSU Extension collaborates extensively with the industry to provide important agronomic research and educational outreach to pulse producers. The North Dakota Dry Pea & Lentil Council invests nearly \$1 million annually to regional and national research on behalf of the producers.

Northern Crops Institute has been an integral part to the success of the entire pulse industry. NCI has provided the industry with technical education and training for both international and domestic customers. Some of the first processes utilizing pulse flours in the U.S. were conducted at NCI. Through USDA Specialty Crop Block Grant program, which is administered by the ND Department of Agriculture, the Northern Pulse Growers Association has been able to leverage more than \$600,000 to assist in the

research and market promotion of pulse crops with NCI. Funding provided through the USDA Specialty Crop Block Grant programs for agronomic research such as weed/disease control has been significant in providing producers with education on management and possible solutions. The pulse industry is grateful to the North Dakota Department of Agriculture for administering this program, so we can move forward with additional research.

The pulse industry has had many successes over the past several years. The Pulse Crop Health Initiative (PCHI), championed by North Dakota Senator Hoeven, will provide health and nutrition research. The PCHI received a federal award in 2019 of \$2.3 million and \$3.0 million in 2020. Senator Hoeven was also instrumental in obtaining federal funding for the pulse industry to develop a network of quality labs. The “hub” lab is located in Fargo at the USDA/ARS and is under the direction of Dr. Mike Grusak. As more of our customers focus on protein, quality will become a very important characteristic just as in many other commodities. The NDSU pulse quality lab will work in tandem with this network of labs as it is established.

Prior to the pandemic, the pulse industry was familiar with virtual meeting platforms and used them occasionally. The past couple of years producer panels at the NPGA Annual Convention have been broadcast through Facebook Live. This allowed attendees from across the country to login and hear the discussion. Since the pandemic there have been many more creative ideas to communicate online. The first virtual international trade mission was held two months ago. Videos featured producers on their farms and regional processing facilities. The virtual event was very well received by the international buyers in attendance. Of particular interest to them was being able to see where the crops are grown in the region.

This is a just a highlight of priorities currently funded by producer check off dollars contributed to the North Dakota Dry Pea & Lentil Council. I would encourage you to visit the links provided for additional information on projects and activities. I would like to thank you once again for your past support of our industry and the opportunity to present to you today. I would be happy to answer any questions that you may have.