



DURUM KERNEL

U.S. Durum Growers Association

Fall 2014

VOTE NO ON MEASURE 5

USDGA has joined more than 70 organizations in opposition to the Clean Water, Wildlife and Parks Amendment, which is a proposed constitutional amendment that will be Measure 5 on North Dakota's ballot in November. The proposed amendment seeks to dedicate five percent of North Dakota's oil extraction tax revenue, estimated at \$150 million per year, to a new conservation fund overseen by a 13-member advisory board.

Given that roughly 60 percent of the nation's durum is produced in North Dakota, this is an issue that could significantly impact the durum industry, as well as agriculture in general.

USDGA encourages all North Dakota durum producers to VOTE NO ON MEASURE 5 and to encourage family, friends and acquaintances to do the same. USDGA is against the measure for the following reasons:

1. The Measure Allows Land Acquisition

This measure will allow conservation groups to purchase agriculture land, potentially more than a section a day. They will have deep pockets to compete against farmers for land that comes available for sale.



2. It's Too Much Money

The measure calls for five percent of the state's oil extraction tax for the next 25 years—that's \$4.8 billion. In a time of great growth in North Dakota, those are dollars that could be used for schools, hospitals and roads.

3. It Changes the Constitution

This would be the first-ever spending measure enshrined in the state's constitution.

(continued on page 6)

REGISTRATION
DEADLINE
APPROACHING

N.D. Wheat Commission

U.S. Durum Growers Association

CROP OUTLOOK & INTERNATIONAL DURUM FORUM

NOV. 10-11, 2014

Holiday Inn Riverside, Minot, N.D.

REGISTER BY NOV. 3

Event is FREE, but advanced registration is required.

Call 701-214-3203 or email office@durumgrowers.com.

RESERVE A ROOM BY OCT. 27

Call 701-852-2504 and ask for the U.S. Durum Growers Association room block.

PRESIDENT'S REPORT



Hello to all from USDGA! I hope this finds your harvest going well.

USDGA's staff and I have attended several roundtable meetings with North Dakota's congressional delegation to discuss the details of the Farm Bill implementation. It is critical we continue to stay engaged in the Farm Bill conversation, and I feel confident North Dakota's congressional delegation understands the needs of durum producers. As we are all aware, the list of rail transportation issues is continually

growing in durum country. USDGA has joined with other agriculture industry stakeholders to work towards a solution by becoming a member of the North Dakota Ag Rail Business Council. USDGA Secretary Mark Martinson, Executive Director Deana Wiese and Assistant Executive Director Jessie Pfaff have attended several meetings to represent durum producers' interests in this ongoing discussion.

USDGA staff has been busy finalizing the agenda for the Crop Outlook and International Durum Forum on Nov. 10-11 at the Holiday Inn Riverside in Minot, N.D. We are excited to have a new format for the event, with the addition of an evening banquet at 6 p.m. on Monday, Nov. 10,

featuring keynote speaker Kathy Neset with Neset Consulting. The program on Tuesday, Nov. 11, includes presentations on a variety of producer-related topics and will conclude with a luncheon featuring Cowboy Poet Rodney Nelson.

I wish you all the best of luck throughout the rest of harvest and hope to see you at the Crop Outlook and International Durum Forum.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Opland". The signature is fluid and cursive.

Doug Opland
President

SCHOLARSHIPS AVAILABLE

Applications are being accepted for one \$1,000 Monroe Scheflo scholarship and one \$1,000 USDGA scholarship. The applications are available on the USDGA website at www.durumgrowers.com, and the submission deadline is **Wednesday, Oct. 15**.

Monroe Scheflo Scholarship

Applicants must be from North Dakota and be a fulltime college student pursuing a degree in agriculture. The scholarship fund is in memory of Monroe Scheflo, who served as the USDGA president from 1982-1984.

USDGA Scholarship

Applicants must be from a durum-producing state, be a fulltime college student pursuing a degree in agriculture and have an affiliation with the durum industry.

Scholarship recipients will be recognized during the evening banquet of the N.D. Wheat Commission Crop Outlook and USDGA International Durum Forum on Nov. 10 in Minot, N.D.

Questions regarding the scholarship can be directed to Jessie at 701-214-3203 or office@durumgrowers.com.



OCTOBER IS NATIONAL PASTA MONTH



October is National Pasta Month, and pasta lovers across the country will be celebrating

their favorite cuisine! Simple, quick, inexpensive and healthy, pasta is an ideal meal option for today's busy family. Many will be celebrating by trying a new shape, a twist on a favorite sauce or a brand new recipe featuring one of the many ingredients that make pasta recipes delicious.

In honor of National Pasta Month, USDGA will be partnering with the N.D. Wheat Commission and the state's newspapers and radio stations to educate consumers on the benefits of this delicious meal option.

CROP OUTLOOK & INTERNATIONAL DURUM FORUM

Holiday Inn Riverside • Minot, N.D.

Nov. 10, 2014

- 6:00 p.m. Banquet
6:30 p.m. Keynote: Partnering Agriculture and Oil
• Kathy Neset, President, Neset Consulting
7:00 p.m. USDGA Awards and Scholarship Presentations

The event is free to all producers, but advanced registration is required. Call 701-214-3203 or email office@durumgrowers.com by Nov. 3.

Nov. 11, 2014

- 7:30 a.m. Registration
8:00 a.m. Welcome
• Francis Leiphon, Chairman, NDWC
• Doug Opland, Chairman, USDGA
8:10 a.m. 2014 HRS & Durum Overview
• Jim Peterson, Marketing Director, NDWC
• Erica Olson, Marketing Specialist, NDWC
9:00 a.m. Production/Research Update
• Andrew Friskop, Plant Pathologist, NDSU Extension Service
9:45 a.m. Break
10:15 a.m. Durum Issues Panel
• Bob Wisness, President, ND Grain Growers Association
• Dan DeRouchey, General Manager, Berthold Farmers Elevator (invited)
• Jim Meyer, President, Italgrani USA (invited)
• Ron Ness, President, ND Petroleum Council
• Mark Summers, Agriculture Commodities Marketing Director, BNSF Railway
11:15 a.m. Farm Bill Options
• Andrew Swenson, Farm Resource Management Specialist, NDSU Extension Service
12:00 p.m. Closing Luncheon
• Rodney Nelson, Cowboy Poet
1:30 p.m. USDGA Annual Meeting

PARTNERING AGRICULTURE AND OIL

Neset is Keynote Speaker at Nov. 10 Banquet

Kathleen (Kathy) Neset moved to North Dakota 32 years ago because of oil. She's still here because of oil, farming and family. Kathy is the president of Neset Consulting Service Inc., which provides wellsite geologic/geo-steering and engineering services to the oil industry, and owner of Neset Farms near Tioga, N.D., which raises durum and flax. Given this background, Kathy has a real-world, first-hand perspective on how agriculture and oil can co-exist.



Kathy Neset

She will share her perspective with Crop Outlook and International Durum Forum Banquet attendees the evening of Monday, Nov. 10, at the Holiday Inn Riverside in Minot, N.D. **The event is free to attend, but registration is required by Nov. 3 by calling 701-214-3203 or emailing office@durumgrowers.com.**

Kathy received a B.A. in geology from Brown University and has worked in Michigan, Texas and Wyoming prior to moving to North Dakota to pursue work as an independent petroleum geologist. Currently, she manages wellsite geology and mudlogging crews throughout the Bakken, Kansas and Northern Rockies region.

Recently, Kathy was awarded the *Prairie Business* Top 25 Women in Business Award and the Williston Regional Economic Development Corporation Ambassador of the Year Award for 2014.

NORTH DAKOTA AG COMMISSIONER CANDIDATE



DOUG GOEHRING

Republican

Current North Dakota
Ag Commissioner



RYAN TAYLOR

Democrat

Rancher, Businessman and
Former State Senator

QUESTION: What do you see as the main issues facing agriculture?

GOEHRING: Research is so vitally important to agriculture. It allows us to provide programs, to address pests and disease, and to develop breeding programs to increase yield and nutritional benefits. In addition, research helps us apply new technologies and practices to manage our resources better, and more effectively and efficiently.

Trade is so important to North Dakota. We produce far more than we can consume. Agriculture supports almost 25 percent of the jobs in our state and, as a result, is contributing significantly to our state's booming economy. A healthy and thriving ag economy creates jobs in all major sectors. As a high-quality producer of many different commodities, North Dakota needs to continue looking for markets beyond our borders. Consider this, 96 percent of the world's population lives outside of our borders, 80 percent of all the buying power in the world exist outside of our borders, and 92 percent of all the middle-class growth in the next four decades will take place outside of our borders. That means, to be successful, we need to develop relationships and establish ourselves in the global market. And, our message, which is very well received is, "we are not there to displace their food, but to integrate our high-quality food into their food system."

We are a landlocked State in the geographical center of the North American continent. Transportation is key to moving our products outside of our borders. Eighty-two percent of our grain and oilseeds move by rail. It is imperative we have services to meet our needs. And, that is why I have been working directly with the Port of Vancouver in Washington State to help provide other alternatives to moving grain out of North Dakota and into the Pacific Northwest.

TAYLOR: North Dakota's primary agricultural issues are unique to North Dakota and the pressures put upon it by forces inside and outside of our control. A strong ag commissioner is one who's willing to lead, use all the tools available to the office, and articulate a clear vision for the path forward. That's the ag commissioner I'll be.

The most pressing issue today is to be able to move the state's 2014 harvest on a rail system that has yet to clear the 2013 harvest. The ag commissioner needs to use every tool available to call attention to the need for rail transport, and mitigate the loss of that transport. This means using the bully pulpit in speaking to the federal Surface Transportation Board and asking the questions that need asking of the state Oil & Gas Division and the state Pipeline Authority overseen by the ag commissioner. It also means using that Industrial Commission (IC) position to extend farmers credit for additional grain storage from the Bank of North Dakota, and to expand livestock production and value-added processing to utilize a higher percentage of our commodities in the state and reduce some of the need for rail space. There's much an ag commissioner can do, and I would do, because this problem won't be going away anytime soon as rail expansion takes time and the estimates for future oil production goes higher.

Other hot issues in agriculture include the landowner and surface issues of farmers and ranchers in western North Dakota who are in the path of energy development and want an ag commissioner who will represent their agricultural needs on the IC. Producers also want a stable, well-managed state ag department, rather than one with 70 percent employee turnover in four years like they've got from the current commissioner.

QUESTION: How will you help North Dakota and other durum producing states capture a larger portion of the world durum market?

GOEHRING: I have led trade missions as a member of the Board that oversees the North Dakota trade office, and we have hosted educational seminars put on by NDSU and Northern Crops Institute (NCI) on the nutritional aspects and high quality commodities produced in North Dakota. And, even though our products may not be the lowest price in the market,

QUESTIONNAIRE

our climate and production methods create a superior product and we continue to receive a lot of attention from academia, food companies, food processors, and bakers. As a farmer and the Agriculture Commissioner, I will continue promoting all of our North Dakota commodities in the global market because it helps ensure stability for our farmers, ranchers, and rural communities.

I will always be on the lookout for examples where the playing field for trade with other countries may not be fair or working in the best interest of our North Dakota farmers and ranchers. And, when necessary, I will work directly with members of our state's congressional delegation and my colleagues in the ag community from across the country to address and correct those areas of concern and inequity.

TAYLOR: As a graduate of agricultural economics and someone who has been involved in sales and marketing as part of my professional career, I know capturing markets means either finding some efficiencies that allow you to compete on price, or adding some sought after trait or quality that allows you to better satisfy customer demand, getting them to buy your product and maybe even pay more. I think an ag commissioner who takes too much of the credit by saying exports increase by just making the occasional trade trips and shaking hands, misses the real work done by associations, companies and research universities who put forth the effort every day to increase sales and market share.

That said, I would use the office of ag commissioner to help bring together the parties needed to find market efficiencies, whether it's getting North Dakota durum into full rail shuttle units or finding food grade container options that are truly workable. I would use my relationships and connections with NDSU as an alumnus and ag graduate to see what traits our land grant university could develop that will give marketplace advantages to our durum farmers. What we put in those rail shuttles and containers starts with a seed that could have NDSU origins, maybe with stronger gluten or color characteristics. When that's done, the trade trips that build relationships and the investment of federal and state export enhancement programs can make real progress for North Dakota durum growers' market share. If I can help by leading and organizing trade trips, I will, and it won't be just to get my passport stamped.

QUESTION: How do you plan to work with federal agencies regarding agriculture related issues, such as Clean Water Act and Clean Air Act?

GOEHRING: I have been adamantly opposed to overregulation from EPA, FDA, the Corps of Engineers, USDA,

and BLM. Their current approach is to use regulations to implement their agenda on land they don't own and to manage how it is farmed and ranched. A clear illustration of this is the Clean Water Act (CWA). If EPA's proposed rule is adopted, they will manage every drop of surface water in the state and some under-ground. They use language like "significant nexus" and "connectivity" to link everything back to tributaries and call them waters of the United States. It is a blatant taking of our resources in an effort to control production practices and systems. And, we can't let it stand. Farmers and ranchers are the best stewards of the land because they know it intimately. They know best how to enhance the resource and produce abundantly.

The Clean Air Act (CAA) will impact our bottom line, too. Our power plants, through clean coal technology, adapted to the EPA's rules, and yet, the EPA continues to put unrealistic expectations on them. A 30 percent reduction in CO2 will result in hundreds of millions of dollars in additional costs that are passed onto the consumer. That translates into higher manufacturing costs for parts, equipment, supplies, and transportation of goods to and from the farm-gate, not to mention the extra costs associated with processing, refrigeration, retail outlets, hotels, restaurants, and catering businesses, just to name a few. The overreaching rules of the EPA and their unrealistic expectation for implementation will put a significant damper on our state's and nation's economies. There will be direct and indirect costs associated with bad policy like the CAA. Consumers along with our farmers and ranchers in this country will be deeply affected.

TAYLOR: Like previous agriculture commissioners—and unlike the current agriculture commissioner—I believe the Department of Agriculture should have a Policy Division to keep a close watch on the federal register and issues that could have an adverse effect on our state's farmers and ranchers, be it the WOTUS changes or any other policy demanding comment. We should take the opportunity to harness the intelligence of our aspiring agriculture and policy leaders to assist in this effort, whether they're students of agricultural law or economics at NDSU, students at the UND School of Law, or any other program that can provide interns and professionals to support a fact finding mission and help provide balanced advocacy and timely response on behalf of North Dakota's first industry of agriculture.

I will work with all affected groups, federal agencies, and our congressional delegation, regardless of political party, to ensure North Dakota's agriculture producers have the measured and responsible advocacy they deserve. I intend to provide the leadership and action our agricultural economy so desperately needs.

2013-2014 USDGA ANNUAL REPORT

USDGA's fiscal year ended June 30. Below is a summary of the organization's accomplishments over the past year. USDGA ended the year with 170 members, including seven new members in 2014.

PROMOTION

• Trade Shows

Attended ag shows in Minot, N.D., Williston, N.D., Bismarck, N.D., and Montana, promoting membership, educating the public on the production and use of durum, and informing attendees of USDGA programs and activities.

• National Pasta Association Annual Meeting

Attended the National Pasta Association Annual Meeting in Naples, Fla. Sponsored the event and the Durum and Pasta Panel.

• 2014 Pasta Fits!

Contributed to the National Pasta Association's 2014 Pasta Fits! digital marketing campaign.

• European Durum Trade Team

Co-hosted a European durum trade team with the NDWC.

• Durum Kernel

Published three editions of the *Durum Kernel*.

• Scholarships

Awarded two \$1,000 Monroe Scheflo Scholarships to students pursuing agriculture-related degrees.

• International Durum Forum

Hosted the Forum in coordination with the NDWC Crop Outlook in November 2013 in Minot. Featured keynote speaker Al Gustin and recognized Bryan Ankenbauer as the 2013 Durum Person of the Year.

POLICY

• North Dakotans for Common Sense Conservation Coalition

Joined the Coalition in opposition to the proposed Clean Water, Wildlife and Parks amendment, which would allocate roughly \$150 million annually to conservation.

• 2014 Farm Bill Implementation

Engaged in numerous Farm Bill implementation discussions and meetings with North Dakota's congressional delegation and other agricultural organizations.

• Antidumping and Countervailing Duty

Submitted a statement to the U.S. International Trade Commission in support of the antidumping and countervailing duty restraints.

• Indemnity Fund

Collaborated with other agriculture groups to complete a study on the economics around the current commodity situation and potential risk management tools.

2014 DURUM VARIETIES

Results from a recent survey of North Dakota wheat producers have been released, highlighting North Dakota's 2014 top wheat varieties. The survey, conducted by the N.D. Field Office of USDA's National Agricultural Statistics Service, shows **Divide** is the leading durum wheat variety for the sixth consecutive year.

Divide accounts for 37 percent of the 870,000 acres planted compared to 33.4 percent in 2013 and 30.4 percent in 2012. It has above average height, strong straw strength, medium maturity, and good overall quality.

Alkabo ranks second in Durum wheat acreage planted with 16.2 percent. Released in 2005 by North Dakota State University (NDSU), Alkabo has medium height, very strong straw strength, medium maturity, and excellent overall quality.

Mountrail ranks third with 12.9 percent of the Durum wheat acreage in 2014. Mountrail was released in 1998 by NDSU and has slightly above average height, strong straw strength, late maturity, and average overall quality.

Tioga ranks fourth with 9.7 percent of the acreage. A 2010 NDSU release, Tioga is characterized by above average height, strong straw strength, medium maturity, and good overall quality.

Lebsock ranks fifth with 7.5 percent of the Durum wheat acreage.

These top five varieties account for 83.3 percent of the durum wheat acreage in North Dakota. Once again, North Dakota ranks first in durum wheat planted acreage in the United States with 59.2 percent of the nation's estimated 1.47 million acres planted.

The NDWC, N.D. Ag Experiment Station and N.D. State Seed Department provided funding for this survey, and the NDSU Extension Service provided variety descriptions. The report is available online at www.ndwheat.com or www.nass.usda.gov/nd/.

For additional information, contact the NDWC at 701-328-5111 or the National Agricultural Statistics Service at 701-239-5306.



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