

## North Dakota Stockmen's Association

### Testimony to the State Board of Agricultural Research and Education

December 2023

Good afternoon, Chairman Lovas and State Board of Agricultural Research and Education members. I am Julie Ellingson, and I represent the 94-year-old North Dakota Stockmen's Association, comprised of more than 3,100 cattle ranching families from across this state.

The cattle industry is one of the economic pillars of North Dakota, contributing more than \$1 billion in cash receipts each year, with a multiplier three to four times that. The legislature made animal ag development a priority the past legislative session, and several policy changes were adopted to support responsible growth and diversification. In addition to these changes, in order for the livestock industry to prosper, we need to continue to invest in ag research and education, which has a significant return on investment for our entire state.

We are grateful for SBARE's longtime support of beef-related efforts. We appreciate the many initiatives and capital improvement projects authorized in the past session and are excited to see the long-awaited Peltier Complex, which will include a state-of-the-art meats lab, take shape. Thank you also for this opportunity to give you a quick snapshot of our industry and share a few ideas to help it thrive.

While about 35 percent of North Dakota is abnormally dry or in some level of drought, the majority of the state shows up white on the U.S. Drought Monitor map, indicating significant moisture progress since the 2021 drought. While there is some herd rebuilding going on in the state, with replenished feed supplies, a more open winter that has facilitated a longer grazing season and less pressure on stored feedstuffs, the impacts of drought-induced herd reduction and liquidation in 2021; catastrophic blizzards in April 2022; and relentless storms and poor conception rates in 2023 are expected to hold inventory levels tight here in North Dakota, at least in the short term.

On the bright side, tighter supplies coupled with strong domestic and international beef demand look to establish a more profitable environment for cow-calf producers, who have endured several years of limited profitability. Their economic viability is pivotal to ensuring a stable supply chain for the entire cattle industry. While we have seen considerable volatility in the futures market over the last several weeks, cash prices have been more stable. In fact, earlier this year, contracted calves and fed cattle realized all-time-high price levels; even though, they have diminished from those levels in recent weeks due in part to uncertainty in the economy and a strong U.S. dollar curtailing export volumes. A return to strong cattle prices will be especially important to help offset dramatically increased input costs and inflationary pressure impacting our state's livestock operations. Given this lay of the land, we have identified several areas for you to consider as you establish SBARE's priorities for the upcoming session. These ideas were formulated through our resolution process, board discussions and a special research committee.

- **Risk management strategy education.** No question, cattle ranching is big business. Not only does it require a significant financial outlay, but has significant corresponding financial risk. With some additional enhancements and premium subsidization, the Livestock Risk Protection program, as one example, has become an increasingly popular

risk management tool for cattlemen and women. But, being relatively new in the toolchest, many have questions about how to best leverage it and related tools to stabilize their positions and do long-term financial planning.

A new product known as Weaned Calf Revenue Protection is also being piloted in four states and, depending upon its performance, will likely be expanded to the rest of the country, including North Dakota, over time and offer coverage for adverse weather, disease and other causes directly damaging pastures and other forms of grazing, calf death and, most notably, revenue protection. As tools such as this become available, producers will rely on industry experts to help decipher them, so they can determine if they are a match for their needs.

We see an interface here with the North Dakota Center for Agricultural Policy and Trade Studies Initiative, which has several components that will help stakeholders like us make informed, evidence-based decisions and navigate a dynamic agricultural landscape through insightful ag policy, market and trade analysis.

- **Fertility.** As I mentioned, many producers across the region saw devastatingly poor conception rates this year, which was revealed this fall at ultrasounding and pregnancy testing time. The strongest markets, best quality and most impressive feed conversion in the world don't matter if you don't have a live calf to realize those opportunities. What caused this year's poor conception rates? There are many hypotheses being made in coffee shops and sale barn cafes – from prolonged weather stress and the incredible flies to smoke impact from the relentless fires in neighboring Canada. Our members want to know: 1) what caused the problem; and 2) how to guard against widespread open cows in the future. Some basic, fundamental research and corresponding outreach related to fetal programming and bull and female fertility would pay big dividends in a cow-calf state like ours.

- **Nutrition.** The NDSA has many policies related to the need for nutrition research – whether it is on specific feed components or byproducts or the utilization of these varied ingredients in animal rations – and we encourage continued work in this area. An emphasis on nutritional research will help producers improve cattle performance and feed efficiency, because a healthy outside starts with a healthy inside. It will also help us improve the end product for our consumers. Speaking of nutrition, our producers also see an incredible need for a deeper look into the things that animals are not supposed to eat – like netwrap. There have been many lively discussions at our meetings about the perils of animals ingesting net wrap and the necessity to find an alternative bale binder or a digestible option that will not lead to a catastrophic end to our high-valued animals.

The fertility and nutrition focal points fit well into the Precision Livestock Farming Initiative advanced by the Department of Animal Sciences. The initiative has numerous elements designed to equip producers with precision tools to answer critical questions, reduce labor and improve profitability and quality of life. We see value in efforts that will assist producers launch or enhance systems to precisely monitor different variables that they have managed manually or with limited technology in the past.

• **Weed control.** This initiative also has application to another priority – weed control. We recognize the growing problem that invasive weeds are, consuming more and more of our state's precious rangelands, and the need for greater surveillance, education, vigilance and funding to tackle the problem. While weeds such as newcomer Palmer amaranth and "old friends" like leafy spurge and wormwood capture much of the attention, we believe more resources need to be earmarked to make a more concerted effort in the war on all weeds. The drone elements of the Precision Livestock Farming initiative would also help with weed surveillance, control and pasture management.

• **Conservation and Reclamation.** North Dakota's fertile soils support our vibrant agricultural industry. Each year, however, our state experiences a significant amount of soil disturbance as a result of energy development, urban sprawl and other activities. Returning those landscapes to their original, pre-disturbance condition should not only be a priority for the Stockmen's Association, but for all economic sectors of the state. We support the Reclamation, Conservation and Wildlife Management Initiative, which touches on this mission and should help address another of our focal points, enhanced soil health, to improve longterm rangeland productivity.

• **Workforce.** In order to make some of these endeavors possible, we need a competent workforce ready to take on the tasks and produce the food the world relies upon. But check the front window of about any Main Street business or farm and ranch and you will likely see a "Help Wanted" sign. Our nation continues to be in a workforce crisis. Rural communities need to mentor, retain and recruit qualified workers, and time is of the essence. This was a discuss point at our recent convention and is the source of several resolutions in our policy book. We believe work in this area is essential and needed.

Included with my testimony is a copy of the NDSA's newly released policy resolutions book. As you peruse the book, you'll notice a host of resolutions testifying to the value of ag research and Extension and calling for continued investment in each. Thank you for the opportunity to share these ideas with you. We appreciate your consideration and continued support of North Dakota agriculture.