



U.S. Durum Growers Association

PROMOTING THE PRODUCTION AND MARKETING OF DURUM AND SEMOLINA

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**Testimony of Russell Doe
Chairman, US Durum Growers Association
In Support of Proposed Amendments to the Bond Rules
December 15, 2014**

Chairman Kalk and Commissioners Christmann and Fedorchak, my name is Russell Doe, and I am here today as a farmer from southwest North Dakota as well as the chairman of the US Durum Growers Association (USDGA). On behalf of the USDGA, I would like to voice support of the proposed amendments to the bond rules.

The purpose of the USDGA is to promote the production and marketing of durum wheat and semolina, and lobby on domestic policy issues that affect the durum producer. Our mission is to increase the profitability of durum production through effective domestic policy development and promotion, and coordinated communication and educational outreach.

Recognizing the increasing value of commodities and volatility of markets, the US Durum Growers Association partnered with the North Dakota Corn Growers Association and the North Dakota Soybean Growers Association to co-fund a study by Dr. William Wilson and Bruce Dahl of the Department of Agribusiness and Applied Economics at North Dakota State University. The purpose of the study was to identify the changes in relevant risks that confront grain and oilseed producers in North Dakota and to assess the adequacy of mechanisms designed to mitigate these risks. The study found that the increase in commodity prices and the increased cost and value of inputs has led to an increase in volatility in recent years. Also, the estimated gross receipts

per farm in 1991 were \$100,000, compared to \$803,351 in 2012. It is no secret that today's producers are facing much higher risks than ever before.

The US Durum Growers Association is supporting the proposed amendments to the bond rules as it will provide additional protection for durum producers in our nation's number one durum producing state, North Dakota. Based on conversations with local elevators, USDGA understands the proposed changes would not be significantly cost prohibitive for elevators and that the revisions specifically target those facilities with the most liability and vulnerability. In a time when high-priced commodities and volatile markets place extreme risk on producers, our organization recognizes the proposed rules as a step in the right direction toward better protecting grain producers.

We appreciate your time and would stand for any questions you may have.