

Northern Pulse Growers Association



Annual Report
2007

A Letter To The Pulse Industry

Welcome to the 2007 annual report of the Northern Pulse Growers Association. This report will give you a brief snapshot of the activities and programs of the NPGA in 2007. Funding provided by the ND Dry Pea & Lentil Council and the Montana Pulse Crop Advisory Committee is utilized for activities and programs in the areas of producer education, domestic marketing, foreign market development, domestic policy and research coordination.

Over the past year, many hours were spent on securing the future of the region's pulse industry. As a result of this hard work and dedication, pulse growers can enjoy a bright future. Pulse crop acres for the region in 2007 increased and prices were recorded at all-time highs. The NPGA is making strides in the domestic food and feed markets as well as in strengthening international trade relationships. The NPGA continues to promote peas as a premium feed across the United States and to international markets. In the area of food marketing, collaboration with Northern Crops Institute in Fargo has created exciting new opportunities.

By far the largest victory for the region's pulse growers was the development of a pulse breeding program in North Dakota which has been ranked as a number one priority by the growers in the region for the past several years. The NPGA was active in securing funding for a pulse breeder at the NDSU Main Station in Fargo, ND and an assistant breeder/agronomist at the North Central Research Extension Center in Minot, ND. This program will work in harmony with the current USDA/ARS breeding program and provide growers with the best possible scenario for region specific varieties.

As this report is being written, the entire agriculture industry awaits the results of a final 2007 Farm Bill. In 2007, the NPGA contributed additional funding to the USADPLC for this important debate. The NPGA will continue to give absolute support to government affairs during this critical time for pulse producers.

As we move into 2008 there are exciting opportunities and challenges on the horizon. The NPGA will continue to work diligently to protect and strengthen the region's pulse industry. We look forward to continued successes for pulse growers in the region.

Sincerely,

Mark Kok, President
Northern Pulse Growers Association

Stan Myers, Chairman
ND Dry Pea & Lentil Council

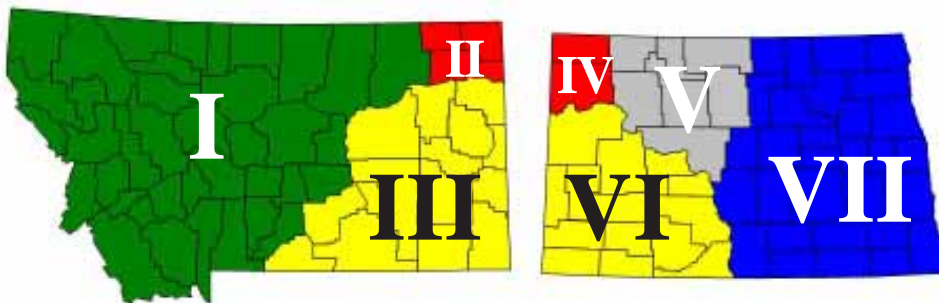
Kim Murray, Chairman
Montana Pulse Crop Advisory Committee

Mission: To promote dry peas, lentils and chickpeas through industry education, market development, research coordination and government affairs providing the highest quality food and feed products to the consumer.

Industry Profile

The regions pulse acres have continued to climb over the past several years. In 2007, Montana and North Dakota acres accounted for 82 percent of all pulse crops grown in the United States. National Agriculture Statistics reported in 2007 that dry pea acreage for Montana was 230,000 acres and 510,000 acres for North Dakota. Lentil acreage for the year in Montana was 87,000 acres and 110,000 acres in North Dakota.

The Northern Pulse Growers Association (NPGA) represents producers of dry peas, lentils, chickpeas, lupins and fava beans from both Montana and North Dakota. The NPGA board is comprised of a ten person board—seven seats representing a specific district and three serving at-large. The districts of the NPGA are shown below:

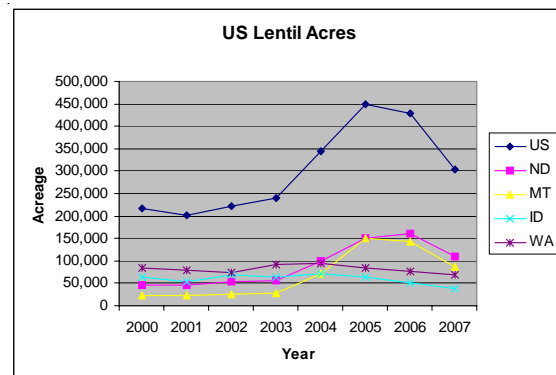
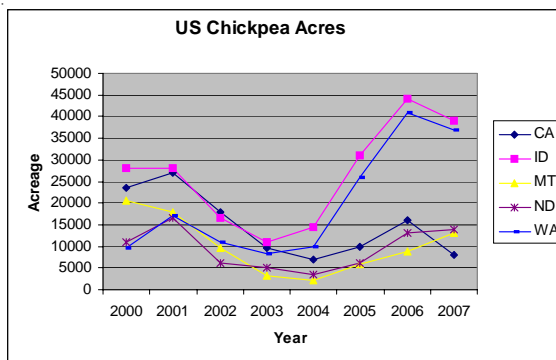
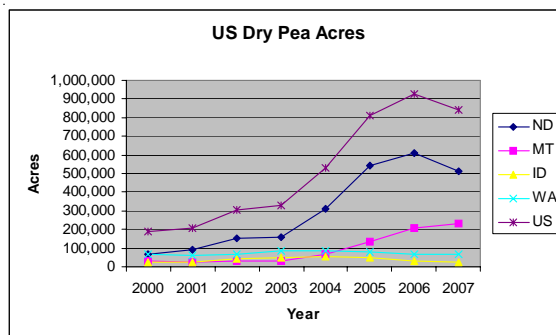


North Dakota Dry Pea & Lentil Council

Established in 1997, the North Dakota Dry Pea & Lentil Council is charged with the responsibility of collecting a one percent net value assessment on all peas, lentils, chickpeas and lupins grown or sold in North Dakota. NPGA contracts with the ND Dry Pea & Lentil Council to conduct program work in the areas of producer education, domestic marketing, foreign market development, domestic policy and research coordination. The NDDPLC is a past member of the USADPLC and has committed funding in the areas of marketing, government education and research. Stan Myers and Jeff Knox served as representatives on the USADPLC during 2007.

Montana Pulse Crop Advisory Committee

Created by a vote of Montana pulse crop producers, the Pulse Crop Research & Market Development Program was put into place to address pulse producer's needs and issues in Montana. The Pulse Crop Research & Market Development Program is administered by the Montana Department of Agriculture which receives advice from the Montana Pulse Crop Advisory Committee. For more information, please visit the Montana Department of Agriculture's website at <http://agr.mt.gov/crops/pulseComm.asp>.



Research

2007 Research Survey Results

Attendees of the 2007 NPGA Convention and MonDak Pulse Days were asked to complete a survey and rank top priorities in research for dry peas, lentils and chickpeas. These results were compiled and reviewed by the NPGA Research Committee. The Committee then forwarded the list to the research community to determine the needs of pulse producers in the region. Below is the list of research needs compiled during the 2007 Convention and MonDak Pulse Days:

Dry Peas

1. Expanded Herbicide Availability
2. Annual Variety Trial Evaluation of Yield, Quality and Adaptation
3. Breeding and Evaluation of New Varieties For Northern Great Plains
4. Herbicide Comparisons Of Spectrum and Efficacy of Control
5. Impact Of Pulse Crops On Those Following Crop Rotation

Lentils

1. Expanded Herbicide Availability
2. Expanded Utilization as a Food Product
3. Annual Variety Trial Evaluation of Yield, Quality and Adaptation
4. Herbicide Comparisons Of Spectrum and Efficacy of Control
5. Breeding and Evaluation of New Varieties For Northern Great Plains

Chickpeas

1. Expanded Herbicide Availability
2. Seed Treatments For Disease Control and Standard Establishment
3. Fungicide Comparisons Of Spectrum and Efficacy Of Control
4. Herbicide Comparisons Of Spectrum and Efficacy Of Control
5. Presence Of Plant Diseases and Severity Of Problem In The Field

2007 NPGA Research Funding

Core set evaluation of pulse crop varieties at NDSU REC	\$17,640
Development of high-amylose wrinkled dry peas for northern plains	\$4,600
Evaluation of winter pea and winter germplasm for adaptation to North Dakota	\$8,243
Establishment of baseline sensitivities of ascochyta rabei to prothioconazole	\$10,250
Evaluation of complete nutritional profile analysis of pulse flours	\$4,600
<i>Total</i>	<i>\$45,333</i>

Pulse Crop Breeder Established

A major victory for the region's pulse producers was achieved in 2007 as a pulse crop breeding program was established in North Dakota. The NPGA was active in securing \$470,000 for a pulse crop breeder at the NDSU Main Station in Fargo ND and an assistant breeder/agronomist at the North Central Research Extension Center in Minot, ND. Securing a pulse crop breeder in the region was a top priority of growers for the past several years.

Northern Crops Institute

The NPGA continues to collaborate with Northern Crops Institute in Fargo, ND in the development of the domestic and international food market. Dr. Mehmet Tulbek, Pulse and Oilseeds Crop Quality Specialist, has been instrumental in the development of relationships with major food ingredient companies. In 2007, an \$11,000 specialty crop block grant was awarded by the ND Department of Agriculture to the NPGA. The grant was part of a larger grant from the Agriculture Marketing Service of the U.S. Department of Agriculture. The grant will be used to fund work by NCI to develop pulse crops as food grade ingredients for the domestic market and provide technical materials/education programs.

International Marketing

The ND Dry Pea & Lentil Council contracts with the USADPLC to conduct foreign market development for pulse crops. The USADPLC has six trade offices located throughout the world that promote and develop markets for U.S. produced peas, lentils and chickpeas. Through this involvement, the region participates in trade missions, hosts trade delegations and is represented at trade shows around the world.

Following are the trade delegations hosted by the USADPLC & NDDPLC for 2007:

Chinese Trade Delegation-July

Southeast Asia Delegation—Noodle Course at NCI—May

India Trade Delegation-August

Southeast Asia Delegation—Noodle Course at NCI—October

USADPLC Worldwide Representation

Asia Pacific Region Trade Representative

Tim Welsh, Bangkok Thailand

Europe Trade Representative

Johanna Stobbs, Paris France

South Asia/Middle East Trade Representative

Shakun Dalal, New Delhi India

Latin America Trade Representative

Raul Cabellero, Santa Monica Mexico

Europe/Africa Trade Representative

David McClellan, Barcelona Spain

Asia Trade Representative

Michael Kilbaner, Shanghai China

Domestic Marketing

The NPGA continues to work diligently to continue the development of feed markets. Larry White, NPGA Marketing Director, has traveled extensively over the past several year promoting the benefits of including peas in feeding rations and developing a network of pulse producers, ranchers, researchers and other livestock industry representatives.

Trade Show Representation

The NPGA travels to trade shows and seminars educating the public on the pulse industry. Following is a list of some of the trade shows and seminars attended in 2007:

World Pork Expo—Des Moines, IA

World Dairy Expo—Madison, WI

Montana Grain Growers Convention—Great Falls, MT

National Cattlemens Beef Association—Nashville, TN

6th European Conference On Grain Legumes—Lisbon, Portugal

Western Dakota Crops Day—Hettinger, ND

Feed Information

The NPGA distributes portfolios on feeding information at all trade show events and seminars. To obtain a copy of the portfolio, please contact the NPGA office.

Food Information

Northern Crops Institute in Fargo, ND has played a key role in developing interest and creating new markets within the food ingredient and food manufacturing sectors.

USADPLC

Domestic Marketing Collaboration

Through a contract with the NDDPLC, the USADPLC conducts domestic marketing programs to increase demand and product recognition of the regions pulse crops to the domestic food market. The USADPLC travels to trade shows across the United States representing the U.S. pulse crop industry.

Government Relations

North Dakota Issues

Pulse Breeding Program

The NPGA was busy in 2007 with several bills during the ND Legislative Session. The biggest victory was the successful establishment of a pulse crop breeding program at North Dakota State University. The NPGA was active in securing \$470,000 for a pulse crop breeder at the NDSU Main Station in Fargo, ND and assistant breeder/agronomist at the North Central Research Extension Center in Minot, ND. The establishment of a breeding program in the northern plains region will create opportunities to breed varieties specific to this regions growing conditions and export markets. The addition of a breeding program at NDSU will enhance the variety development coordination with the USDA/ARS breeding program in Pullman Washington.

Grain Buyers Law

The NPGA was also successful in challenging an existing law involving the requirements of roving grain buyers being licensed and bonded in the State to solicit and purchase grain products. Law prior to the legislative session required every buyer in the world to be licensed and bonded in North Dakota if they were buying from an already licensed and bonded elevator. This law put ND shippers at a disadvantage because it was not a requirement of other states or provinces. The NPGA worked to enact into law that if the product has been cleaned and processed and purchased from another licensed entity that they are exempt from being licensed and bonded. The law passed with a two year moratorium. This law change did not hinder the protection to producers and any buyer who buys from North Dakota has to be licensed and bonded in North Dakota.

Producer Education

The NDDPLC contracts with the NPGA to host an annual convention, conduct grower meetings, develop materials and maintain a website to educate growers about new technologies, disease control, weed control products and other related production tools.

Annual Convention

Over the past several years, the NPGA annual convention has become the regions premier pulse event. Garnering record crowds for the past several years, the two-day event provides both producers and industry representatives an opportunity to hear the latest in the pulse industry.

ND Checkoff Law

A bill submitted by the ND Dry Pea & Lentil Council to enter into reciprocal agreements with surrounding states and provinces to return check-offs also was successful. This would eliminate a "double assessment" on pulse producers for those states and provinces that already have a check off in place.

Bin Measurements- Pack Factor

Through producer discussion it was determined that FSA was utilizing inaccurate pack factors when measuring producer bins for FSA loan purposes. Inaccurate pack factors resulted in a loss to producers when FSA was determining the amount of product under loan. The NPGA worked with the USDA and USADPLC in implementing pack factor levels that would accurately reflect volumes a producer has in his bin.

National Issues

Through a contract, the NPGA works jointly with the USADPLC on issues facing pulse producers in the nation's capitol. The USADPLC works on issues in Washington DC such as trade, farm policy and appropriations. The USADPLC hires Gordley & Associates to serve as the industry's lobbyist and Washington DC contact.

The pulse industry is still awaiting the final decision on the 2007 Farm Bill. This issue has been hotly debated over the past year. In 2007, the NPGA contributed additional funding to the USADPLC to assist with the fight.

Pulse News/Publications

The Pulse News is the official publication of the Northern Pulse Growers Association keeps members updated on the latest activities and programs in the pulse industry. Materials, publications and an annual report developed by the NPGA educate producers and the general public on all aspects of the pulse industry.

Website

The NPGA website features an extensive array of information for producers, industry and the general public. Specific areas of the website include production and marketing information, research, pricing/loan rates as well as pulse industry highlights.

Financial Information

Northern Pulse Growers Association Profit & Loss (July 2006—June 2007)

Ordinary Income/Expense		Expenses		Office	4,316.17
Income		Depreciation Expense	2,446.45	Programs	86.83
Specialty Crop Grant	8,250.00	Administrative Staff	189.05	Travel	<u>3,798.14</u>
Association Sponsorship	18,962.50	Domestic Marketing		<i>Total Government Ed.</i>	<i>78,657.55</i>
Advertising/Newsletter	2,175.00	Materials	1,930.90	NPGA Office	
Convention Registration	<u>6,605.00</u>	Administration	43,733.35	Administration Travel	5,299.45
<i>Total Convention</i>	<i>6,605.00</i>	Office	6,817.21	Advertising	4,495.12
ND Council Revenue		Programs	5,094.94	Board Meeting	5,279.67
Council Contract	5,000.00	Travel	<u>14,208.47</u>	Director Travel	5,187.35
Domestic Marketing	87,000.00	<i>Total Domestic Marketing</i>	<i>71,784.87</i>	Dues and Subscriptions	2,142.36
Education	88,000.00	Education		Equipment	1,729.13
Foreign Market Development	20,000.00	Miscellaneous	1,068.27	Insurance	3,067.00
Government Education	69,000.00	Administration	36,041.77	Office Supplies	3,528.57
Research	<u>81,000.00</u>	Annual Convention	21,299.33	Postage and Delivery	1,652.17
<i>Total ND Council Revenue</i>	<i>350,000.00</i>	Office	5,184.73	Printing	1,326.97
Membership Dues		Printing	2,464.87	Professional Fees	<u>5,958.65</u>
Industry	3,508.65	Summer Pulse Tour	4,769.04	<i>Total NPGA Office</i>	<i>39,666.44</i>
North Dakota	7,920.00	Trade Shows	2,128.13	Payroll Expenses	1,205.60
Montana	2,950.00	Travel	2,329.01	Reimbursable Expenses	21,758.68
Membership Dues-Other	<u>585.00</u>	Webpage	<u>6,519.60</u>	Research	
<i>Total Membership Dues</i>	<i>14,963.65</i>	<i>Total Education</i>	<i>81,804.75</i>	Administration	29,773.41
Miscellaneous Income	290.88	Foreign Market Development		Office	4,292.12
Legislative Action Fund	4,362.75	Administration	15,670.23	Projects	27,692.00
Reimbursed Expenses	19,369.27	Office	2,343.23	Travel	<u>3,140.79</u>
Total Income	424,979.05	Travel	<u>200.77</u>	<i>Total Research</i>	<i>64,898.32</i>
		<i>Total Foreign Mkt. Development</i>	<i>18,214.23</i>	Total Expense	380,625.94
		Government Education		Net Ordinary Income	44,353.11
		Gordley Contract	28,000.00	Net Income	44,353.11
		FAQ	12,683.00		
		Administrations	29,773.41		

North Dakota Dry Pea & Lentil Council Profit & Loss (July 2006—June 2007)

Ordinary Income/Expense				USDPLC	170,000.00
Income		Assessment Refunds		Total Contracts	<u>533,500.00</u>
AG Edwards Account	70,000.00	7121-Yellow	18,977.30	Council Travel & Expenses	10,194.64
Assessment Rev.		7122-Green	4,370.04	Meeting Expense	60.73
887-Yellow Peas	233,432.65	7123-Lentils	5,107.39	Per Diem	4,033.61
8872-Green Peas	147,417.74	7126-Feed Peas	<u>1,249.67</u>	Postage and Delivery	533.75
8873 -Lentils	122,059.92	<i>Total Assessment Refunds</i>	<i>29,704.40</i>	Professional Fees	292.24
8874-Chickpeas	17,824.38	Audits		Workers Compensation	<u>129.00</u>
8875-Lupines	0.90	State	6,500.00	Total Expense	593,601.73
8876-Feed Peas	<u>114,500.80</u>	<i>Total Audits</i>	<i>6,500.00</i>	Net Ordinary Income	111,634.66
<i>Total Assessment Rev.</i>	<i>635,236.39</i>	Canadian Exchange	3,286.58	Net Income	111,634.66
Total Income	705,236.39	Contracts			
Expense		NPGA	345,000.00		
Administration	5,000.00	Research Contributions	18,500.00		
Advertising	364.78				

Regions Pulse Industry Representatives

Northern Pulse Growers Association Board of Directors

Mark Kok, Plaza ND, District V	President
Brian Bergstrom, Noonan ND, At Large	Vice President
Grant Zerbe, Frazer MT, District I	Secretary
Paul Thomas, Velva ND, At Large	Treasurer
Brian Blessum, Rugby ND, District VII	Director
Kim Murray, Froid MT, At Large	Director
Mike Waters, Froid MT, District II	Director
Jim Squires, Glendive MT, District III	Director
Jeff Knox, Ray ND, District IV	Director
Ryan Brooks, Bowman ND, District VI	Director
Ryan Nelson, Opheim MT	Associate Director
Blaine Schatz, Carrington ND	Associate Director
Rob Arnold, Minot ND	Associate Director
Kent McKay, Minot ND	Associate Director
Dave Polries, Grand Forks	Associate Director
John Jackson	Executive Director
Larry White	Marketing Director
Shannon Berndt	Promotions Director
Mary Bartsch	Administrative Assistant



Northern Pulse Growers Association

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ND Dry Pea & Lentil Council

North Dakota Dry Pea & Lentil Council	
Rolf Gjorven, Williston ND	District I
Callen Hoff, Richardton ND	District II
Dean Milbrath, Bottineau ND	District III
Stanley Myers, Chairman, Ryder ND	District IV
Paul Berntson, V. Chairman, Adams ND	District V
Roger Johnson, ND Agriculture Commissioner	Ex-Officio Member
Charles Carvel, Office of Attorney General	Legal Counsel

Montana Pulse Crop Advisory Committee

Michael Ehlers	Oilmont, MT
Kim Murray	Froid, MT
Grant Zerbe	Frazer, MT
Leta Campbell	Harlem, MT
Shauna Farver	Scobey, MT
Perry Miller	Bozeman, MT

Montana Pulse Crop Advisory Committee

Montana Dept. of Agriculture
PO Box 200201
Helena MT 59620-0201
Ph: 402-444-2402
Fax: 406-444-9442
agr@mt.gov

ND Dry Pea & Lentil Council County Representatives

District I

Brian Bergstrom	Divide
Lynn Brodal	Burke
Rolf Gjorven	Williams
Richard Johnson	McKenzie
Mark Schmidt	Mountrail

District II

Daryl Anderson	Adams
Mark Anderson	Hettinger
Ryan Brooks	Slope
Robert Ferebee	Dunn
Mike Gerving	Morton
Nathan Henke	Oliver
Dale Hepper	Sioux
Cal Hoff	Stark
Greg Kessel	Billings
Tim Oech	Golden Valley
Tracy Schumacher	Bowman
John Weinand	Mercer

District III

Brian Blessum	Pierce
Myron Blumhagen	McHenry
John Cook	Renville
Troy Coons	Ward
Dean Milbrath	Bottineau
Brock Mitchell	Towner

District IV

Jody Brown	Burleigh
Stan Myers	McLean
Galen Opp	Logan
Durant Schiermeister	Emmons
Tim Schindler	Sheridan

District V

Mark Becker	Eddy
Paul Berntson	Walsh
Wade Bruns	Barnes
Gary Fleyerdahl	Griggs
Kevin Haas	Stutsman
Byron Lannoye	Ramsey
Charles Linderman	Foster

* Bold indicates ND Dry Pea & Lentil Council Members