

## **Brief history on the North Dakota country elevator industry and its North Dakota Grain Dealers Association founded May 23, 1911.**

The Farmers Grain Dealers Association of North Dakota was organized at a meeting of farmers and grain elevator operators in Devils Lake, ND on May 23, 1911. (The name was changed to North Dakota Grain Dealers Association in 1975.) In 1911 there were approximately 2000 grain elevators in North Dakota. Some towns had half a dozen elevators. All of them were small by today's standards; in the 25,000-30,000 bushel capacity range back then. At that time many of these elevators were owned by grain companies headquartered in the Twin Cities area. Farmers cooperative elevators were being organized.

The first issue dealt with at that original meeting was developing a uniform system of bookkeeping for farmers elevators. The attention focused on this issue indicates there must have been a real need. Other Association documents indicate the Association was active in establishing a uniform system.

Throughout its history the Association has had issues with railroads. Rates, service, car supply, lease provisions have been the primary issues. In 1981 the Association conducted a major political and media campaign against BN Railroad's branch line abandonment plans. BN responded with an \$80 million, 800 mile rail line rehabilitation project. Most of those lines still operate today. The Association has been involved in a number of proceedings at the Interstate Commerce Commission, now the Surface Transportation Board, Congressional hearings, and the like. On some of these it has allied itself with state groups like the North Dakota Public Service Commission, North Dakota Wheat Commission, North Dakota Farmers Union, North Dakota Farm Bureau, grain elevator associations from other states and the National Grain and Feed Association.

An old list of accomplishments reports that the Association "stopped railroads in 1923 from increasing coal shed rentals." In those days many grain elevators sold coal and it was brought in by rail. In 1928 FGDA "got second reduction in bond premiums." Surety bonds are required by the state to be licensed. Getting adequate storage rates in state law was an issue several times. Sometime in the 1960s the Association "through a four-state meeting effectively presented the case against sedimentation as substitute for protein tests." Protein tests are still a measure of quality and the technology has improved.

The Association has been active in the North Dakota state legislature on issues like statutory liens, the central notice system on liens and crop mortgages, storage rates, licensing and bonding, and more. It works closely with the Public Service Commission which regulates grain elevators. The goal of both is a healthy industry serving its customers with integrity.

At the federal level the Association has engaged with USDA, OSHA and EPA regarding their programs and regulations that affect grain elevators. Getting the correct information in the hands of government regulators is often the key to having only those regulations that are necessary and those being as practical to implement as possible.

In 1980 the Association established the North Dakota Grain Dealers Educational Foundation. It provides scholarships and equipment grants in agricultural curriculums at Bismarck, Bottineau, Dickinson, Fargo, New Town, Wahpeton and Williston. Almost \$150,000 has been given in 292 scholarships to 222 students. Thirty-four grants totaling almost \$23,000 have been awarded.

In 1994 the Association started its self-funded health trust. About 900 employees and their dependents at 80 companies are enrolled. The trust has been successful in holding health insurance rates below normal market levels.

In 1995 the Association started a Safety and Health Program which includes inspection of grain elevators for safety deficiencies and training of employees on topics required by OSHA and more. Two inspectors travel the state and into Minnesota for this function and a clerical person in the office works two-thirds of her time on it. More than 200 grain elevator locations subscribe to this service. It is recognized by OSHA as a very positive step.

The Association has had 39 Presidents during its 100 year history. Most have served two one-year terms. In the early days a few served longer. The longest serving President was Walter Albright from Bonetrail, ND in 1936-1945. Seven individuals have held the title of Executive Secretary or Executive Vice President. The longest serving has been Steve Strege who took the reins in 1979 after almost three years with the Association in a different capacity. There were twelve members on the Board up until a few years ago when it was reduced to nine.

Records are sketchy on the number of grain elevators in North Dakota in the early 1900s. The following table describes the decline in numbers and the increase in average size.

Year	Number Of Elevators	Average capacity In bushels
1915	2,031	29,800
1922	1,720	31,200
1940	1,155	39,000
1951	987	62,800
1960	832	144,700
1970	658	196,500
1980	592	263,300
1990	534	440,100
2000	443	569,500
2010	399	890,700

North Dakota grain elevators are the funnel through which the state's largest single source of new wealth has flowed for decades. Over 700 million bushels of grains and oilseeds are handled by North Dakota grain elevators each year. Roughly 78 percent of that moves out by rail and the other 22 percent by truck. Wheat tops the list with about 300 million bushels and corn second with about 170 million bushels. These bushels go to the Pacific Northwest, Minneapolis, Duluth, and other locations including some destinations within North Dakota. Some of this bounty ends up in the far corners of the world.

In addition, these grain elevators handle an array of crop production inputs such as seed, fertilizer, chemical and application services. They provide storage of grain, cash sales and a variety of contracting methods for sale and/or payment in the future.