



Statement by Chris Engelstad

President, National Barley Growers Association

“Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 1.”  
Senate Committee on Agriculture, Nutrition, and Forestry

February 5, 2025

Chairman Boozman, Ranking Member Klobuchar and Members of the Committee:

My name is Chris Engelstad, and I am the President of the National Barley Growers Association. I’m a 5<sup>th</sup>-generation farmer who grows barley, corn, soybeans, sunflowers, and canola in northwest Minnesota. I farm with my parents and my wife Maddie, and we have a 1-year-old daughter, Camryn. Needless to say, we have a lot at stake in the U.S. agriculture economy.

As President of the National Barley Growers Association, I represent the perspectives of producers in all of the barley growing regions and states, which is predominantly the northern plains, including North Dakota, Montana, Idaho, and Washington, as well as Wyoming and Colorado.

On behalf of the National Barley Growers Association, I want to thank you for this opportunity to provide our perspectives on the agricultural economy. We greatly appreciate the committee’s attention to the challenges currently facing farmers. We especially want to express appreciation for the assistance enacted by Congress in December to help mitigate the losses incurred in 2024 and improve growers’ ability to secure financing necessary to plant their crops in 2025.

Chairman Boozman and many members of the committee advocated for this assistance, worked to include it, and voted for its enactment. We want you to know that these actions were both very much needed and very much appreciated.

As you are aware, and as will undoubtedly be reflected in many of the statements you hear today, U.S. farm income declined for the second consecutive year in 2024, and projections for 2025 and beyond are not favorable. According to USDA, net farm income decreased by 22.6 percent from 2022 to 2024.<sup>1</sup> While those numbers are concerning, they don’t fully capture the extent of the losses for crops. If you exclude livestock, some of which have fared better recently, you’ll see that receipts for some crops are down by over 40% over the past two years. These significant two-year declines in crop cash receipts reflects weaker global demand, falling prices, and

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<sup>1</sup> U.S. Department of Agriculture, Economic Research Service. (2024, December 3). *Farm sector income & finances: Farm sector income forecast*.

increased competition from international markets.<sup>2</sup> The poor market for barley has resulted in farmers having to hold barley for as long as a year or even 18 months before the buyers can take delivery.

As prices are declining, production costs have been increasing. As shown in the USDA Economic Research Service Costs and Returns publication, from 2019 to 2023, production costs for barley increased 23%, from \$374 per acre to \$484 per acre. Production costs have leveled off and decreased somewhat in the past two years and we hope that trend can continue.

The current trends and outlook for barley are concerning. Planted and harvested acres and production are down significantly. Nationally, in 2024, production was down approximately 19%, while production in Montana was down by 16%, North Dakota was down 48%, and Minnesota was down an alarming 66%.

The projections going forward are not good either. A recent publication by North Dakota State University Extension on short and long-term agricultural planning prices shows malting barley average prices for 2026-2030 in North Dakota will be below the 5-year average from 2019 to 2023.<sup>3</sup>

I'm a relatively young farmer, and addressing the challenges and barriers for new farmers has been an ongoing concern that both agriculture and policymakers have been grappling with. In times like these, when it is difficult to just be cash positive for the year, new and young farmers can't build equity or gain access to capital to improve their operations.

The situation for barley in Minnesota is especially concerning, as we are losing crop diversity and crop rotation options. As barley production declines, we are also losing barley processing infrastructure. The loss of that infrastructure will make it more difficult for production to return, even if market conditions improve in the future.

It is vital that farm safety net and risk management programs be maintained and strengthened. The National Barley Growers Association Farm Bill priorities are attached and include:

- Enhancements to crop insurance, as reflected in the FARMER Act (S.4081) introduced by Senator Hoeven in 2024
- Improvements to Farm Bill Title I programs, including an increase in Reference Prices under the Price Loss Coverage (PLC) Program
- Updates to program crop acreage bases

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<sup>2</sup> American Farm Bureau, Market Intel Report. December 3, 2024.

<sup>3</sup> North Dakota State University Extension. Plotting A Course 2025 - Planning Prices. January 2025 [Plotting a Course 2025 - Planning Prices | NDSU Agriculture](#)

- Enhanced marketing loan rates to address increased borrowing costs.
- Authorization of *Fusarium* research of wheat and barley at \$20 million in Title VII

We hope that a new Farm Bill can be enacted this year that bolsters the safety net for farmers.

The U.S. is falling behind our competitors when it comes to agricultural research that is critical to improvements in barley production and quality. Investments in research can result in significant returns. Every dollar invested in the U.S. Wheat and Barley Scab Initiative, there is an economic return of \$71.

We also want to take this opportunity to share our perspectives on the potential for disruptions to markets due to tariffs and trade disputes. We are proud and appreciative that domestic beer producers, both large and small, utilize American-grown barley almost exclusively. U.S. farmers can also produce more than enough barley to meet domestic demand, and barley growers and consumers benefit from exports of barley to Mexico.

Mexico is by far the top export market for U.S. barley. The potential for tariffs on products imported from Mexico could have significant consequences for American farmers who supply the barley and grains essential to Mexican beer production. Mexican beer producers purchase U.S. barley to produce unique brands that are then exported back to this country for U.S. consumers. Growers, companies, and consumers benefit from a smooth, tariff-free flow of goods to remain competitive. We urge support for policies that promote fair and beneficial trade between the United States and Mexico.

There are many other challenges facing farmers that could be addressed by Congress. Labor is a large and growing cost for farmers. The H-2A program is a vital resource to access the labor required to plant and harvest the food we grow. We support the expansion of this program and legislation to streamline the visa application process and establish viable wage rates for H-2A temporary agricultural visa holders and employers.

Another challenge is on the regulatory front, including access to crop protection products. Farmers are being confronted with additional requirements and potential loss of products due to processes that are not science-based and do not use appropriate risk assessments. Congress should act to reinforce uniform labeling and prevent a patchwork of state regulations that may be inconsistent with science-based risk assessments required for federal pesticide labeling and packaging.

Likewise, the Dietary Guidelines and health and nutrition policies must utilize science-based risk assessments derived from transparent sources that do not have a conflict of interest.

Thank you again for the opportunity to testify and provide our perspectives, and for your continued support for American farmers.

We hope you will join us this evening in the Cannon Caucus Room for our Barley, Brews and Boots reception with the Beer Institute and our industry partners. We will have a selection of beers for every taste, all made with U.S. barley.

Sincerely,  
Chris Engelstad  
President  
National Barley Growers Association