

North Dakota Barley Feeders, LLLP Proposes to Add Value to ND Commodities

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There is an abundance of undervalued feed in North Dakota. Feeds include corn, sprouted wheat, barley, field peas, hullless oats, oilseed meals, and many co-products from value added processing plants besides the significant amounts of all types of forages. Currently, we export a high percentage of our feeder cattle and sell our feed at discounted prices. Research and commercial experience across the state support the fact that North Dakota feedlots can compete biologically and economically with commercial feedyards in other states.

The ND Barley Feeders, LLLP (NDBF) has been formed as an investment group to feed cattle in existing yards across the state. We will work with existing management to insure optimum performance of the animals. Cattle will be purchased and sold continually to reduce effects of market fluctuation. Risk will be managed for cattle and feed by forward pricing, using options and futures and taking opportunity if high profit windows occur. The NDBF will be operated by a Board of Directors elected from the investor members with a cattle manager and required administrative support.

The NDBF has determined a minimum initial investment of \$5,000. A major feature of this concept is that there will be no capital investment in facilities and equipment at the outset. With feeding experience and accumulated resources, leasing, purchasing, or constructing a new feedyard may be considered. Return on investment is predicted for the next 5 years to be between 10 and 30% with cattle cycles and feed prices the primary sources of variation. This type of an organization is unique and new to North Dakota. Investing in the NDBF will give many individuals a knowledge base and real world experience in cattle feeding at minimal risk.