

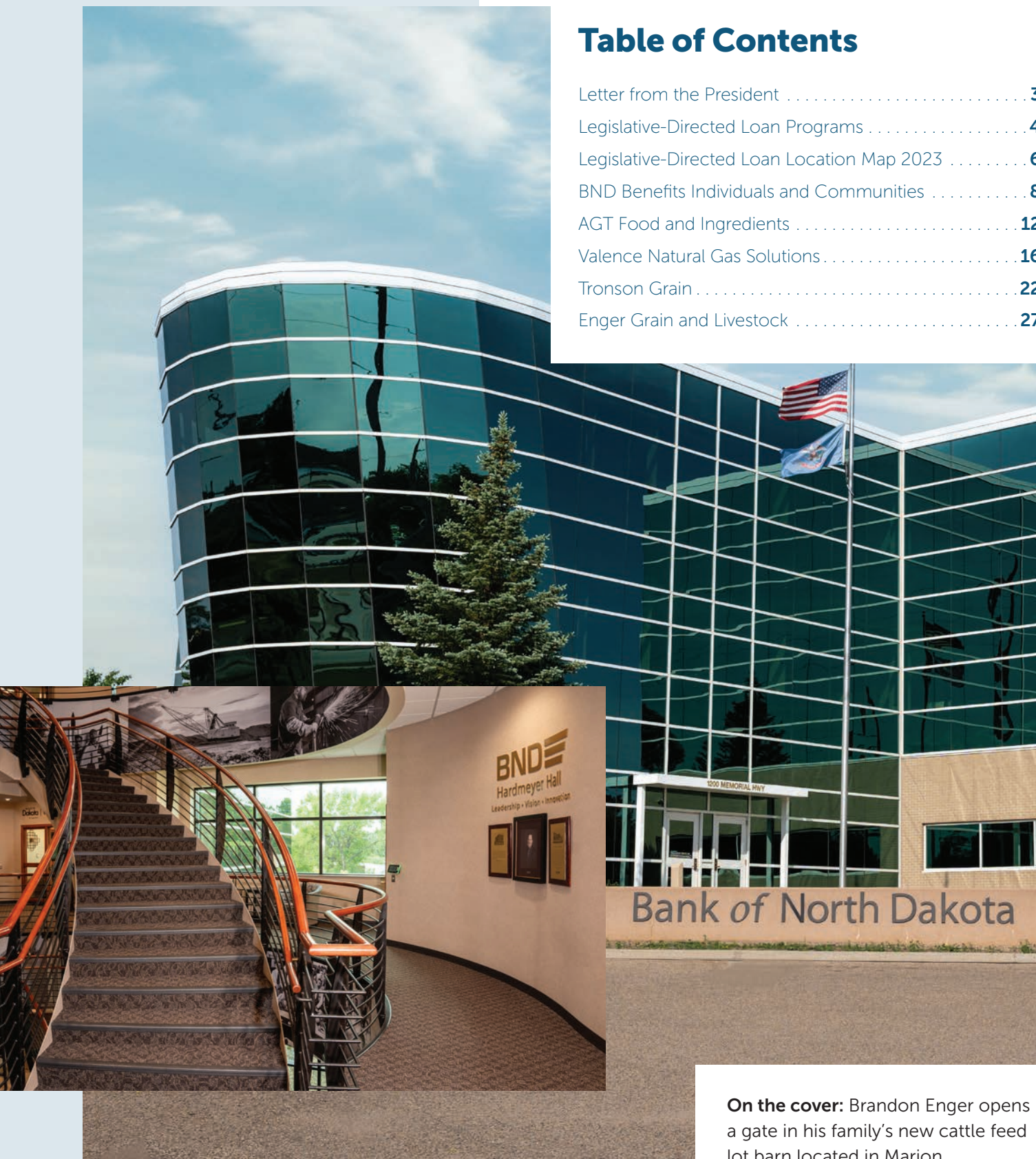
REPORT 2023

# Financing Economic Development



## Table of Contents

Letter from the President .....	3
Legislative-Directed Loan Programs .....	4
Legislative-Directed Loan Location Map 2023 .....	6
BND Benefits Individuals and Communities .....	8
AGT Food and Ingredients .....	12
Valence Natural Gas Solutions .....	16
Tronson Grain .....	22
Enger Grain and Livestock .....	27



**On the cover:** Brandon Enger opens a gate in his family's new cattle feed lot barn located in Marion.

## Letter from the President

Ten years ago, BND's Annual Report theme was "Mission-Driven." It was that same year when the Bank released its new Vision statement: BND will be an agile partner that creates financial solutions to current and emerging economic needs. The numbers tell the story of what has happened since then.

**B**ank of North Dakota's total loan portfolio at the end of 2023 was \$5.8 billion. In 2014, it was \$3.8 billion. The composition of the loan portfolio is also fundamental to this story.

The percentage of loans in the agriculture and commercial sectors is up significantly in the last 10 years. In 2014, agriculture and commercial loans made up just over 52% of the total loan portfolio; today they make up 77%. More than half the agriculture and commercial loans are for less than \$250,000.

In 2023, BND supported around 17,177 jobs, created nearly \$1.4 billion in personal income and \$2.35 billion in gross domestic product (GDP). See pages 8-11 for graphs illustrating how these funds touch every corner of the state.

The data highlights the ongoing commitment BND has at the community level. By partnering with financial institutions across the state to deliver financing options, local businesses, farmers and ranchers can start new businesses and expand current operations to benefit the local economy.

There is increased activity with large projects in North Dakota. BND's role is not financing them, but instead facilitating discussions with business developers to identify creative financing packages that utilize state, federal and private sector resources.

The Bank is also the administrator of legislative-directed loan programs that support these large project efforts. Again, the numbers tell the story. This year, that portfolio



was just over \$1 billion compared to \$214 million in 2014. The North Dakota Legislature's commitment to provide funding to support roads, schools, medical facilities, water and other infrastructure needs has increased significantly over the years. When these tax dollars are used, local authorities can pass along the savings to their residents.

Diversifying the state's economic base is a priority. The foundation for the new North Dakota economy will be agriculture and energy as it is today, but with a renewed emphasis on incorporating technology and adding value to both before they leave the state. It is also more focused on collaboration between agriculture and energy, with one's byproducts benefiting the other and vice-versa.

As these large projects come to fruition, there will be a need for ancillary services that fall under the purview of the local lender at which time BND will be available to support as they have for over 100 years.

A handwritten signature in dark blue ink that reads "Todd Steinwand". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

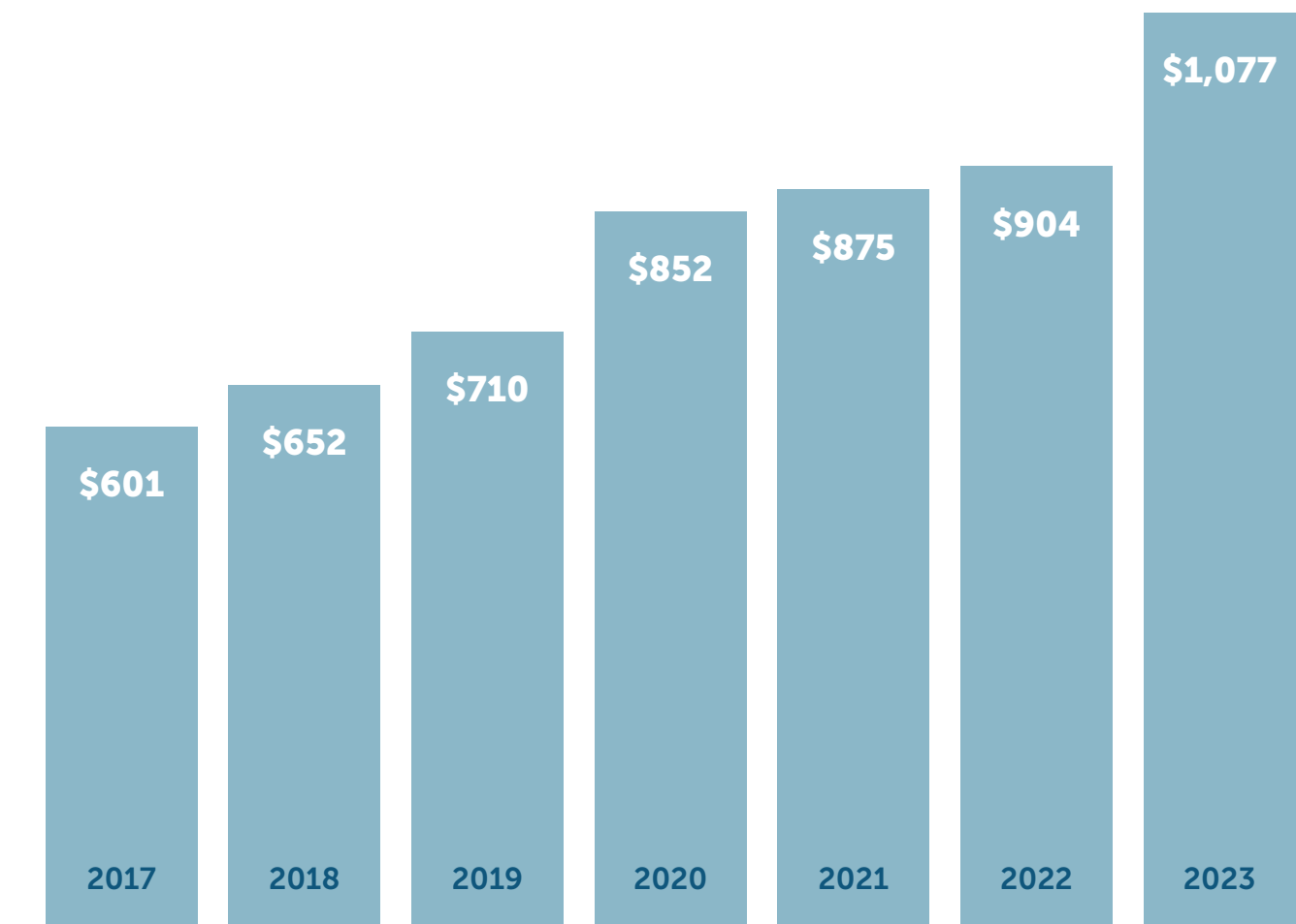
**President and Chief Executive Officer**  
at Bank of North Dakota

# Legislative-Directed Loan Programs


























Infrastructure is an important component of economic development. BND administers loan programs on behalf of the North Dakota Legislature so communities can support their expanding foundational needs at a lower cost. The Legislature also directs programs aimed at economic development which are detailed in the following pages.

BND currently administers \$1.07 billion in net assets for Legislative-Directed Loan Programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.

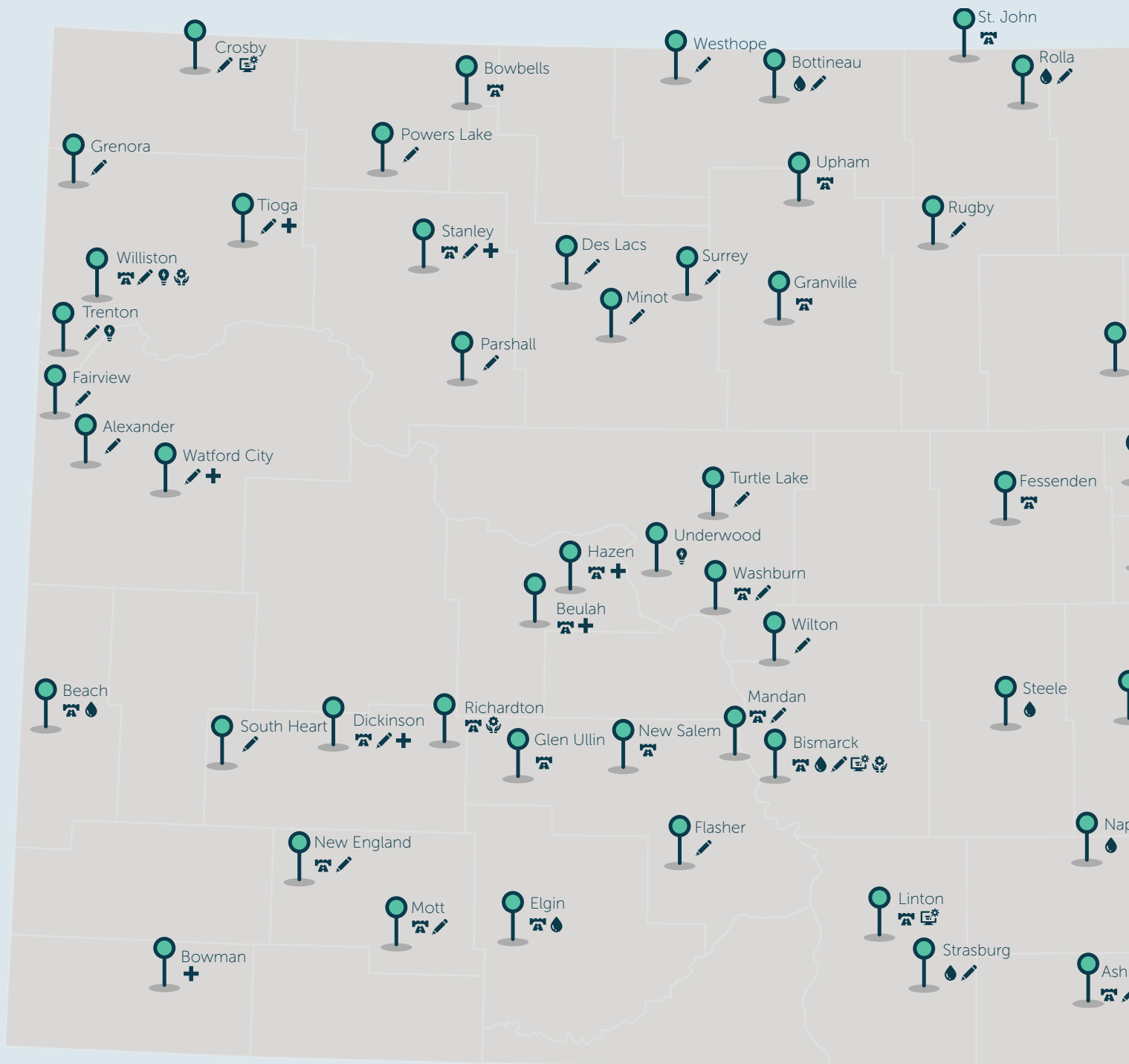
## Legislative-Directed Loan Growth (in millions)



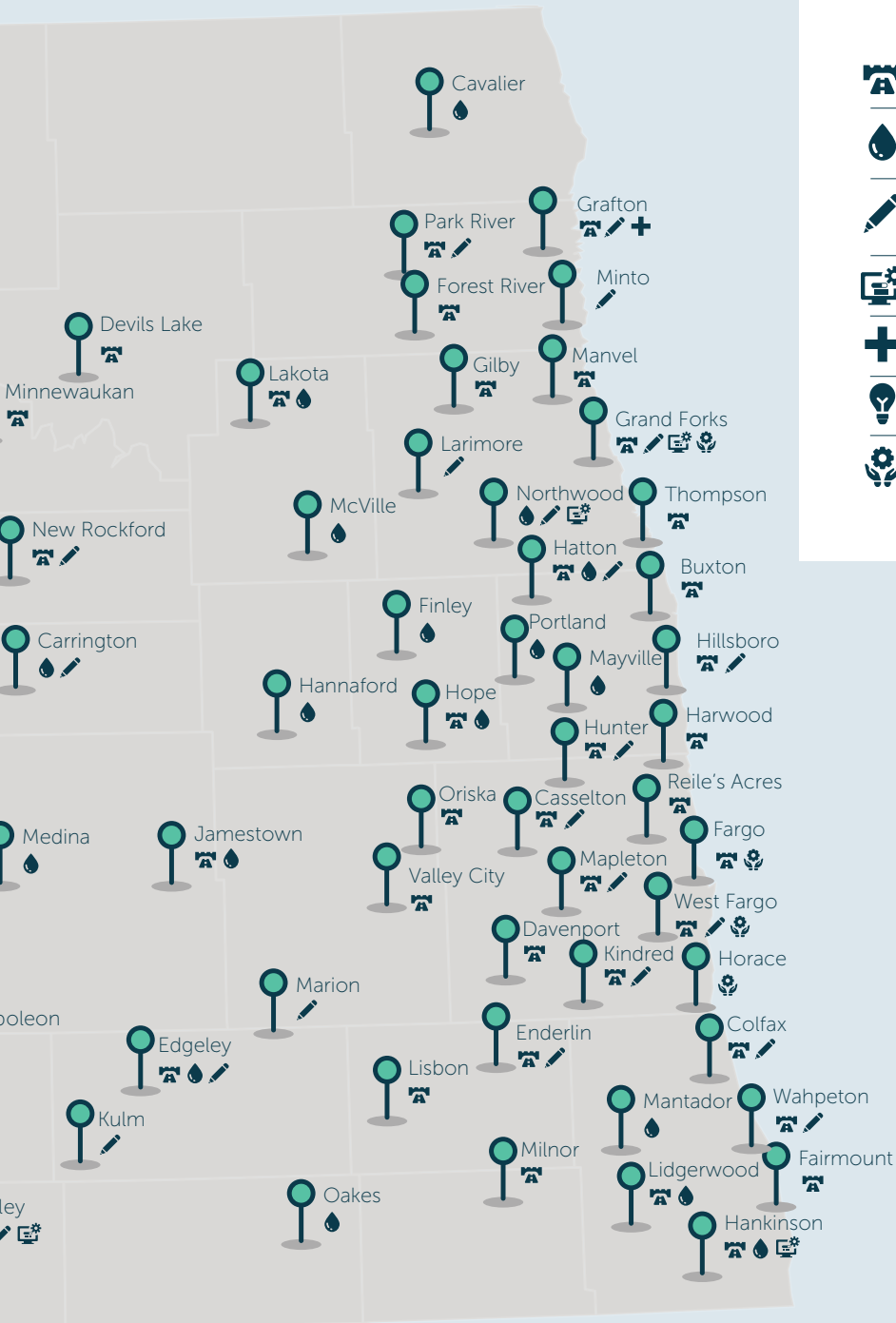
## Legislative-Directed Loan Portfolio 2023 (in millions)

School Construction Assistance Revolving Loan Fund		\$390.9
Infrastructure Revolving Loan Fund		\$233.0
Water Infrastructure Revolving Loan Fund		\$64.9
Medical Facility Infrastructure Loan Fund		\$50.9
Flex PACE		\$50.1
Legacy Investment Loan Fund		\$49.6
Clean Sustainable Energy Authority		\$41.9
Rebuilders Permanent Loan Fund		\$41.1
Value Added Guarantee Loan		\$36.9
Innovation Technology Loan Fund		\$26.2
Beginning Farmer		\$18.5
PACE		\$12.4
COVID-19 PACE Recovery		\$8.8
Flex PACE for Affordable Housing		\$8.5
Ag Diversification and Development Fund		\$7.6
Medical PACE		\$6.3
Ag PACE		\$6.2
North Dakota Department of Trust Lands		\$5.5
Bulk Propane Storage Tank		\$5.0
Biofuels PACE		\$4.0
Health Information Technology Loan Fund		\$3.4
Long-term Care		\$2.8
Western Area Water Supply Authority		\$1.9
DWR Resources Trust Fund		\$0.5
Addiction Counselor Internship Loan		\$0.2





## Legislative-Directed Loan Location Map 2023



Infrastructure Revolving Loan Fund



Water Infrastructure  
Revolving Loan Fund



School Construction Assistance  
Revolving Loan Fund



Health Information Technology Loan Fund



Medical Facility Infrastructure Loan Fund



Clean Sustainable Energy



Legacy Investment Technology Loan Fund

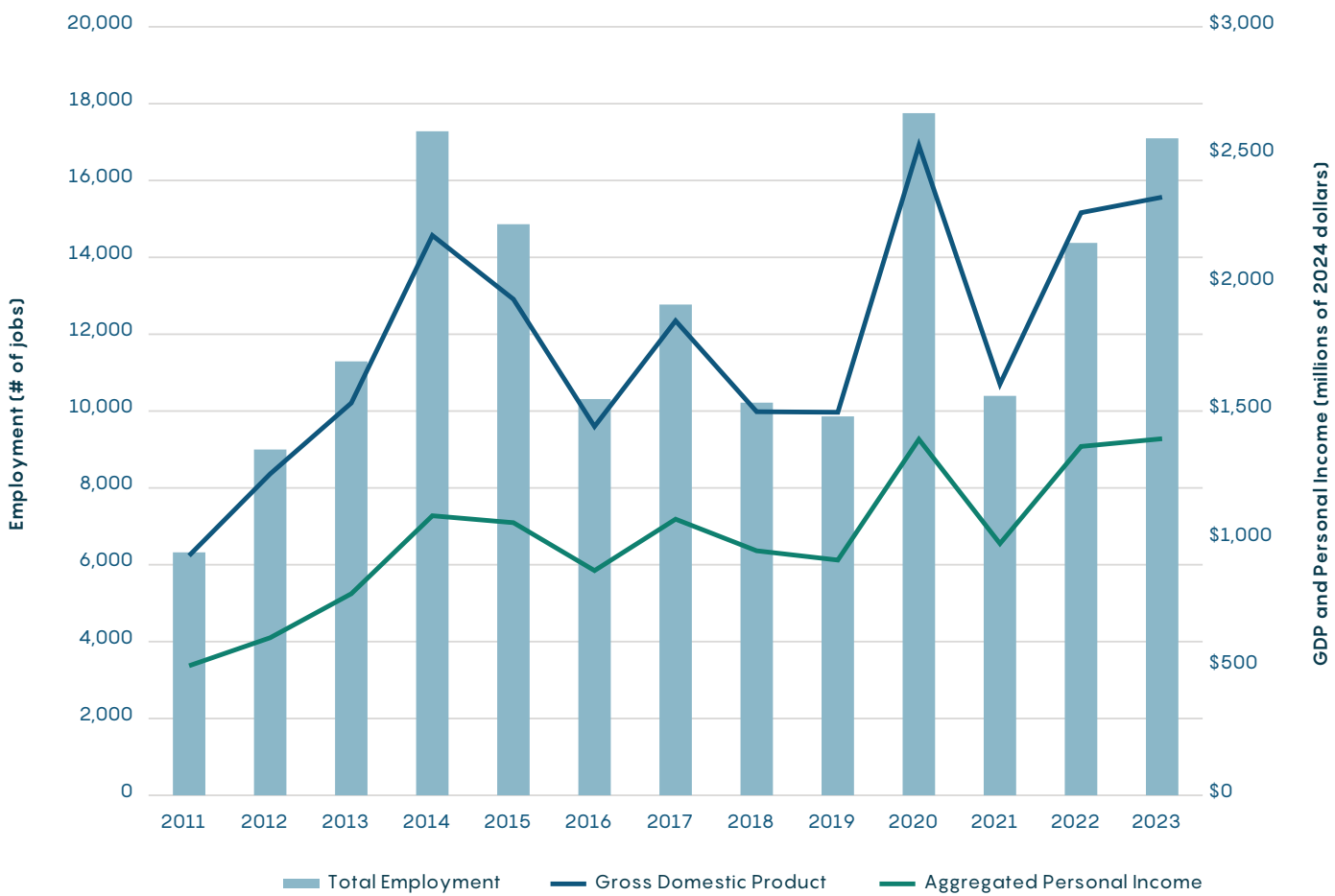
# BND Benefits Individuals and Communities

It's easy to lose sight of the true impact BND loan programs make if you only look at the portfolio size. A major focus for the Bank is to assist with financing a robust business environment by enhancing financing opportunities and interest rate buydowns. The resulting business advantage in turn gives more residents job opportunities with increased income. Communities increase their taxable sales and their tax base because the new business attracts new residents. The state's tax revenues also increase.

Access to the Bank's programs in every North Dakota community, regardless of the population, is ensured by BND's model of working through the local lender. The lender, along with community-based economic development agencies, coordinate their efforts with BND to provide the most advantageous financing approach. This model has been dubbed "North Dakota's unfair economic advantage," a way of doing business that you won't find in any other state.

In 2023, through its loan participations, BND assisted in creating or retaining over 17,177 jobs in the state with an impact of \$2.35 billion to the state's Gross Domestic Product (GDP). These jobs created nearly \$1.4 billion in Aggregated Personal Income (API).

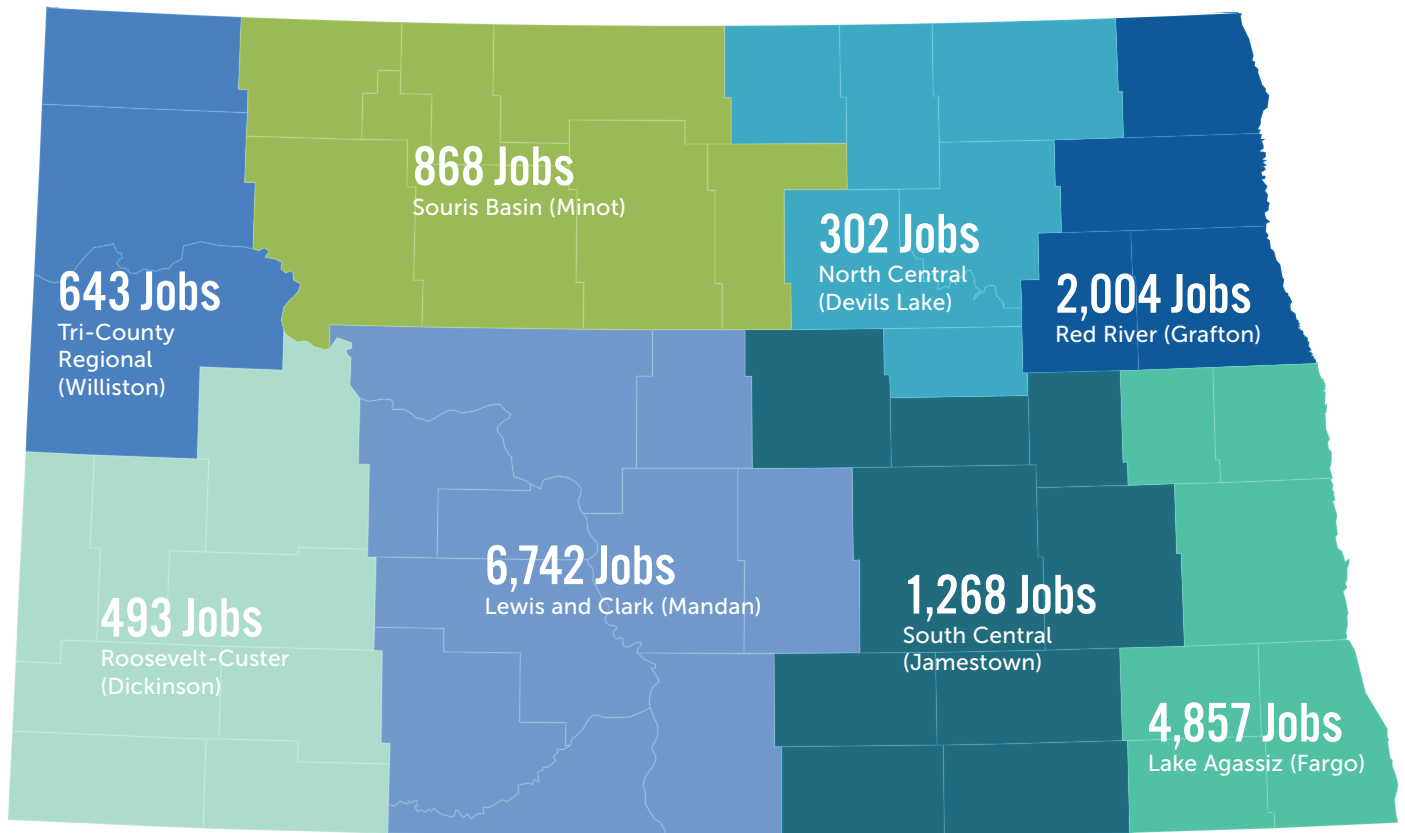
Statewide Economic Impact of 2023 Loans\*



\*Data compiled with the Regional Economic Models, Inc. (REMI)

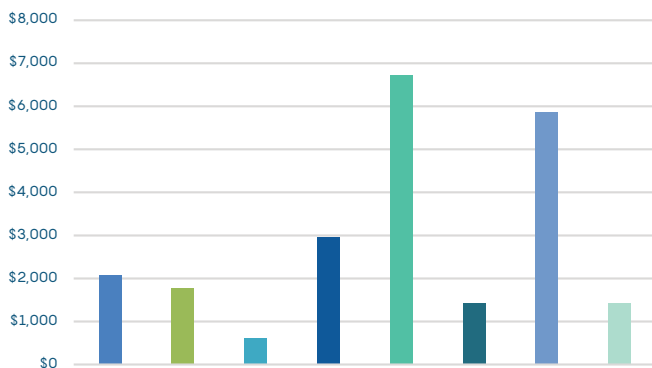


## Employment Impact by Region of 2023 Loans\*



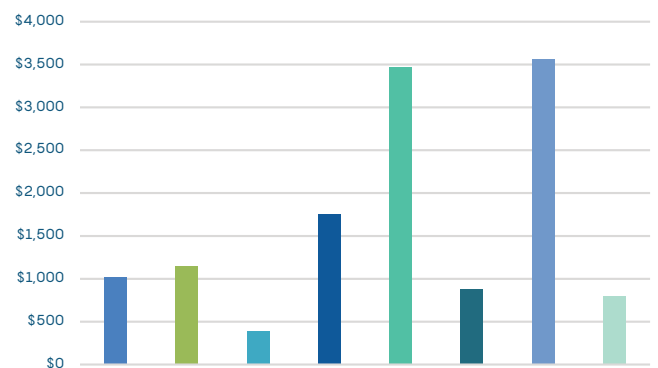
## Total GDP Impact by Region of 2023 Loans\*

(Millions of 2024 Dollars)



## Total API Impact by Region of 2023 Loans\*

(Millions of 2024 Dollars)



\*Data compiled with the Regional Economic Models, Inc. (REMI)

## Employment Impact by Sector of 2023 Loans\*

(Number of Jobs)



In 2023, Bank of North Dakota, through its loan participations, supported the retention and creation of 17,177 jobs in North Dakota. This support of jobs was highest in the construction; financial services, insurance and real estate (F.I.R.E.), and personal services sectors.

\*Data compiled with the Regional Economic Models, Inc. (REMI)

## GDP Impact by Sector of 2023 Loans\*

(Millions of 2024 Dollars)



Gross Domestic Product (GDP) per industry in 2023 was greatest in financial services, insurance and real estate (F.I.R.E.); construction; and healthcare. Statewide, the GDP impact was \$2.35 billion.

\*Data compiled with the Regional Economic Models, Inc. (REMI)



# AGT FOOD AND INGREDIENTS

AGT Foods Division Head for Global Ingredients Eric Bartsch holds a sample of fresh-off-the-line, gluten-free rotini, which is manufactured in the Minot factory.



AGT Food and Ingredients (AGT Foods) is one of the largest suppliers of value-added pulses, staple foods and food ingredients in the world with approximately \$3 billion in sales. Having started in 2000, it's grown from a single location in Canada to an international company with more than 40 locations worldwide. Three of the locations are in North Dakota: one in Williston and two in Minot. They're making an impact in the state that goes beyond sales.

In 2007, AGT opened a facility in Williston, North Dakota, where they process peas and lentils into whole, split products and package them in bulk for distribution. Then in 2012, a milling facility was established in Minot, North Dakota. There they mill flours, proteins, starches and fibres and work with major food companies to incorporate pea, lentil and chickpea proteins into its food products. All these products are distributed worldwide.

"We're not going to get people to eat split pea soup, but I can guarantee you they'll eat that chip with the peas in it because it's something they're used to, and it gives them the taste and texture that they want. We've made pulses convenient to where you can eat them in many different forms and enjoy the nutritional benefits," AGT Foods Division Head



Eric Bartsch and Orhan Dimici visit about the texture of the gluten-free pasta coming through the pasta equipment at the Minot factory.

for Global Food Ingredients Eric Bartsch shared about the company's innovative approach.

To expand that innovation and technology, AGT Foods recently worked with Senior Vice President and Commercial Banking Manager Zach Burdick from First Western Bank & Trust to fund a second facility in Minot: a gluten-free pasta factory. A vacant building was renovated for the factory and pasta equipment was added. The Minot factory is the first of its kind not only in the company, but in the world for its size, scale and contribution to how they're transforming pulses. It was a large project and provides new opportunities for AGT Foods and its team.

When it comes to building the right funding deal for the project, Burdick said, "BND's PACE Loan Program was a perfect fit given the business expansion and future job creation. The interest buydown function of this program has proven even more important in a rising interest rate environment. Jackie Duke at BND was instrumental in this process and was able to roll in the North Dakota Department of Agriculture's Agriculture Diversification & Development (ADD) Fund to increase the interest buydown commitment. The ADD Fund was a perfect fit as well given its mission for value-added agriculture."

Orhan Dimici, a pasta specialist with AGT Foods who is originally from Turkey, checks the quality of the rotini coming off the line.

AGT Foods' Minot pasta factory is the first of its kind for the size, scale and contribution to how the company is transforming pulses, like this batch of gluten-free rotini coming through the pasta equipment.

Bartsch added, "One of the biggest futures of our company is this process that we developed to produce gluten-free pasta. The fact that we've proved it out and are working with our partners, First Western Bank, Bank of North Dakota, the city of Minot and others means we can make a much bigger investment to expand the capacity and take us to the next level. We're poised to greatly expand and add multiple product lines within this building and the infrastructure. To me, it's going to be a world-renowned facility for gluten-free. Today gluten-free products are often imported from Europe because there's little ability to produce it in North America. We're going to change that now and really become a big player in producing gluten-free pasta."

To get the factory up and running, AGT brought in 25 employees, and that number continues to grow. The employees have been recruited from Minot and all over the world, including California, Washington, Africa and even Turkey. In North Dakota, AGT has approximately 175 employees.

BND Business Banker Jackie Duke said, "AGT Foods is paying a livable wage, so they're getting people to move from out of state to make a career for themselves. It's kind of a domino effect that Bank of North Dakota, the city of Minot, First Western Bank & Trust and other partners have helped fund the project, but really AGT is helping the whole community so much. The employees are spending their dollars in the community, which is a much larger dollar amount than the buydown dollars toward the loan. AGT is also getting their raw materials from local producers."

AGT strategically locates its facilities near quality growers and has a mission of "from producer to the world." This strategy makes North Dakota a perfect fit.



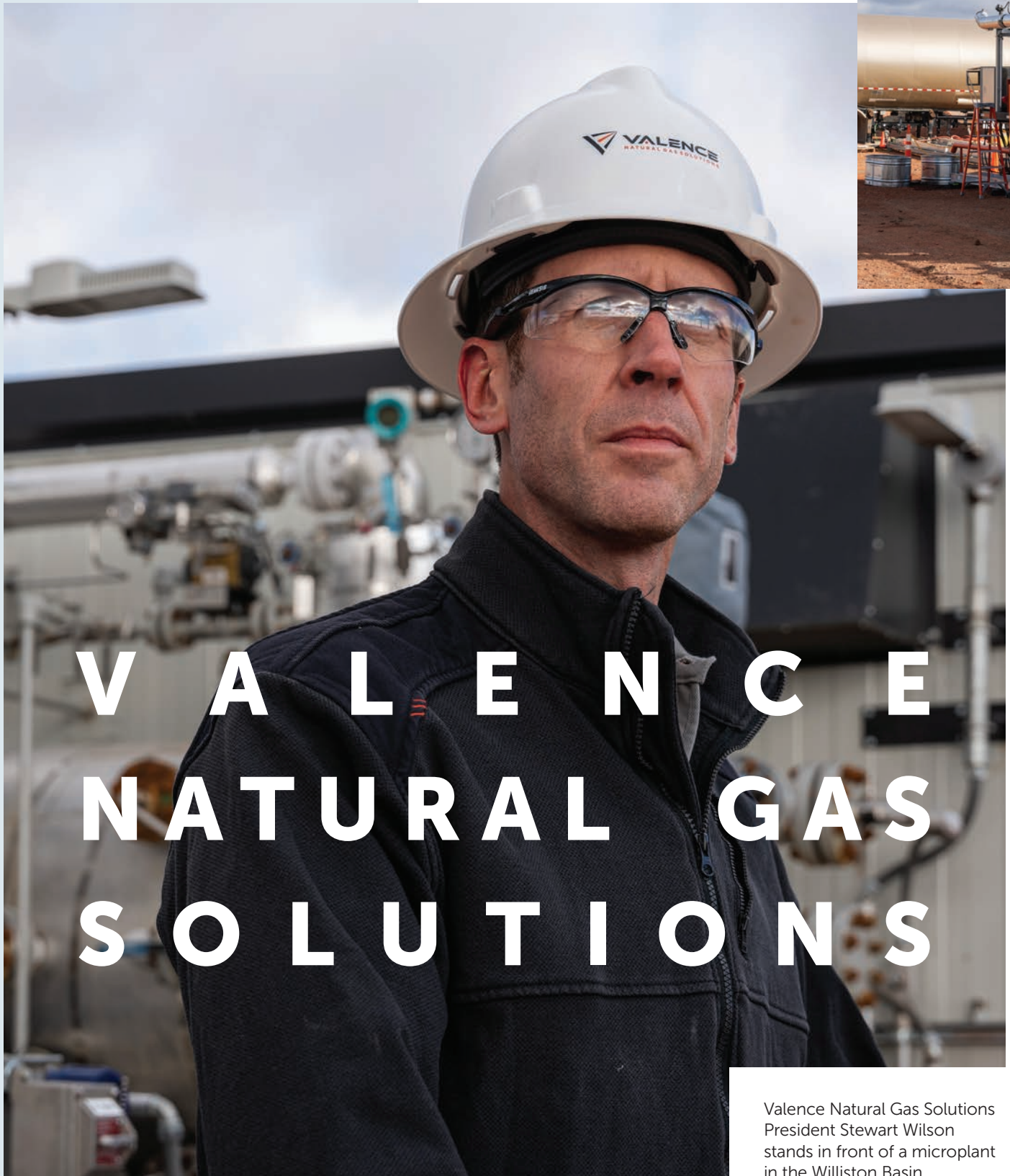
L to R: BND Business Banker Courtney Heiser, First Western Bank & Trust Senior Vice President and Commercial Banking Manager Zach Burdick, BND Business Banker Jackie Duke, and Eric Bartsch pose for a photo in the conference room of the Minot AGT Foods pasta factory.

Today gluten-free products are often imported from Europe because there's little ability to produce it in North America. We're going to change that now and really become a big player in producing gluten-free pasta.





AGT Foods is a growing company. Employees from Minot and all over the world, including California, Washington, Africa and even Turkey, are building careers and making North Dakota home.



Valence Natural Gas Solutions President Stewart Wilson stands in front of a microplant in the Williston Basin.





**Left:** A Valence microplant moves from site to site to capture otherwise flared gas. **Right:** Valence trucks and trailers move compressed natural gas around the basin.

Valence Natural Gas Solutions, as its name implies, is on a mission to deliver solutions. Established in 2018, Valence uses forward thinking and advanced technology to help the oil and gas industry create value from natural gas and overcome growing environmental, social, and governance (ESG) pressures. It's also positioned to help the state of North Dakota meet its goal of being carbon neutral by 2030.

**V**alence received funding through the state's Clean Sustainable Energy Authority Loan Fund (CSEA) to build one of its larger standard flare gas capture facilities along with some of the associated compressed natural gas (CNG) trailers that are used to move the gas around. They worked with First International Bank & Trust and BND to fund additional projects including its next generation smaller scale mobile gas capture units. Valence

Valence Natural Gas Solutions is a perfect example of state dollars pairing with the private sector to create solutions for our state.

Natural Gas Solutions President Stewart Wilson said, "It's awesome to have state level support and programs like CSEA to enable companies like ours to accelerate these technologies to market."

First International Bank & Trust Assistant Vice President and Commercial Loan Officer Brent Schwan, who Valence worked with to fund recent projects, recognizes the impact Valence and its work has for mineral holders and the community. He added, "A lot of the oil and gas producing communities in North Dakota benefit from the gross production tax. If we see a reduction in production and a consequential reduction in that tax, that's fewer funds coming back to our communities to fund local projects. An example of this is the Rough Rider Center and host of infrastructure in Watford City."

When it comes to finding and utilizing the right funding programs for businesses, Schwan commented, "Without the ability to finance, a lot of businesses wouldn't have the ability to expand. I think it's always important to have the right partners, no matter what venture you're in."

"Valence Natural Gas Solutions is a perfect example of state dollars pairing with the private sector to create solutions for our state," says BND Business Banker Jackie Duke. "Utilizing Clean

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Valence Head of Engineering, Design and Execution  
John Vertz played an integral part in taking the  
microplant from concept to a fully functioning unit.



Sustainable Energy funding designated by the Legislature provides a foundation for them to create and implement this essential technology.”

The Valence story is one of focus and recognizing opportunity. Around 2010, Wilson was working for Ferus Inc. when the company was evaluating how they could convert their transport fleet to run off natural gas instead of diesel. At the time, there existed tractor trucks that could run off liquefied natural gas (LNG), however, the fueling infrastructure to fill them was non-existent. With their background in production and distribution of cryogenic liquids, LNG was a natural extension and the team set off to create the infrastructure needed to fuel this emerging market.

Any high horsepower engine, like those that run drilling rigs, pressure pumping units, heavy-haul trucks, water heaters, trains and even boats, can run off natural gas, which is cleaner and more economical than diesel. As they began building LNG plants in major energy basins, their first customer in the Bakken Shale, Statoil, shared their concerns about flaring. The company was flaring gas less than 10 miles from where they wanted to consume.

At the time, North Dakota was flaring about a third of all the gas that was produced in the Williston Basin. As Wilson explained, “That was over 300 million cubic feet a day. That number got really bad in 2018-2019 at about 600 or 700 million cubic feet a day. That was probably the peak. Then, North Dakota Industrial Commission gas capture mandates ramped up.”

Wilson realized they were on the brink of a revolution for the energy industry. If they could develop the technology to make natural gas processing portable, it would greatly benefit the producer by providing significant environmental benefits and cost savings at the same time. A new product

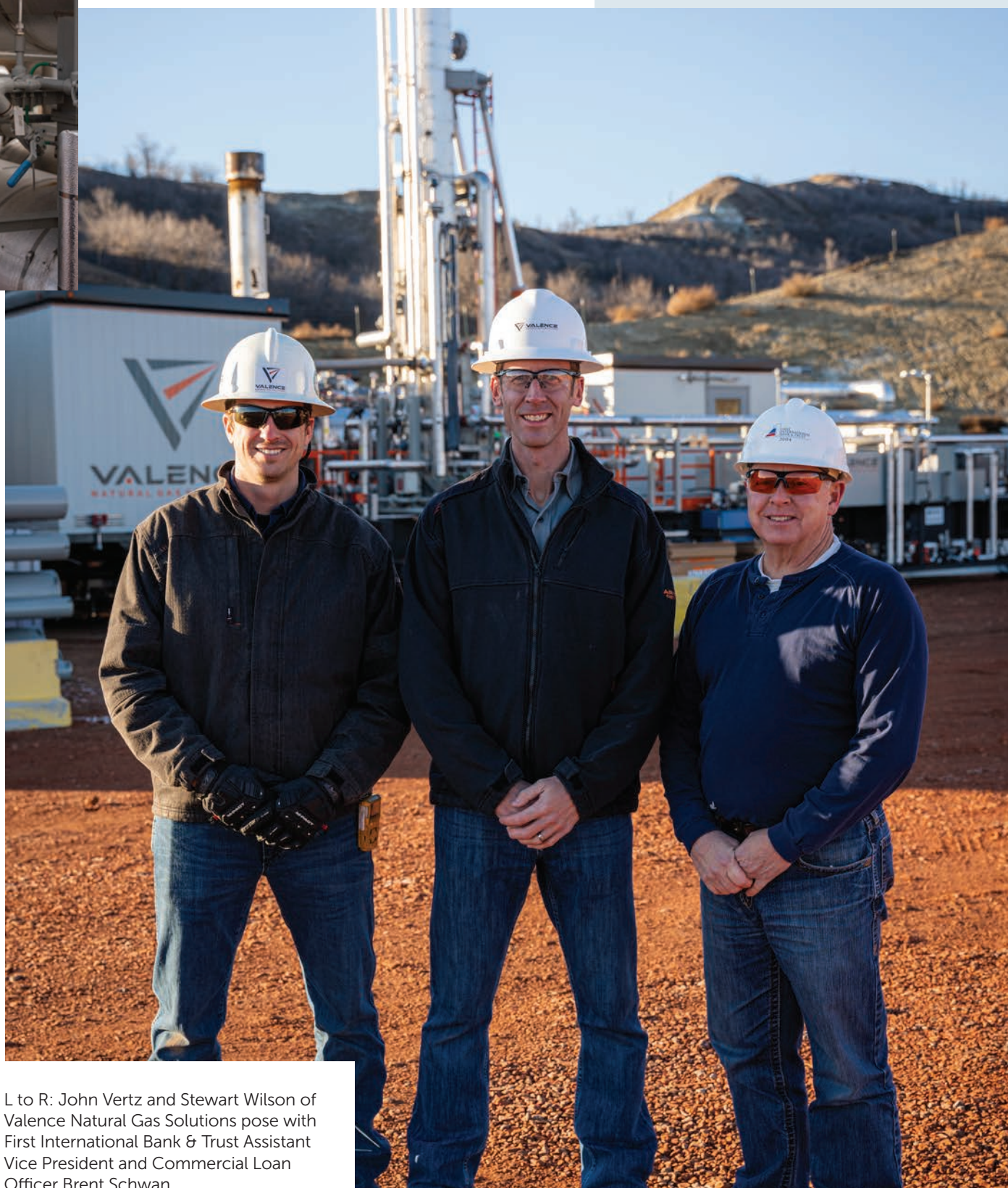
line under Ferus was created and charged with developing a solution that connected the gas that was otherwise flared with that company’s operations.

This sparked a 10-year evolution to commercialize technology that would bring a revolutionary tool to the oil and gas industry.

In 2013, Ferus started a business unit solely focused on mobile natural gas infrastructure for the North Dakota market, under Ferus CNG, jointly with partner General Electric who came in as a shareholder and equipment supplier. The business unit focused exclusively on the Bakken and bringing gas capturing technology to market. Fast forward to 2018, when after as Wilson calls it a “whole bunch of learnings,” he and a team of key personnel including, John Vertz who leads Valence’s head of engineering, design and execution, established Valence Natural Gas Solutions with a new investor. Wilson explained, “We decided from the ground up the entirety of what a flare gas capture system needed to be was one cohesive unit designed by us and manufactured under our vision

We decided from the ground up the entirety of what a flare gas capture system needs to be is all one cohesive unit designed by us and manufactured under our vision of engineering and fabrication.





L to R: John Vertz and Stewart Wilson of Valence Natural Gas Solutions pose with First International Bank & Trust Assistant Vice President and Commercial Loan Officer Brent Schwan.





Valence Head of Operations James Gregory surveys one of the company's mobile-gas capture units in the Williston Basin.

of engineering and fabrication." The new venture set the stage for them to make the big leap forward.

The team focused on the fact that the standard technology for processing gas was sufficient, but making that process mobile was not. Traditional gas processing technology would be extremely useful if it could be made more mobile to reduce the time and expense to move it from one site to another, down from months or years to a matter of days.

Wilson shared, "The problem that we've been laser focused on solving from day one is flaring in North Dakota. Trying to understand it deeply is important to develop a solution. And the big thing we were trying to always ask is, 'why does flaring occur?' It's wasteful. It's not preferred by operators. Is it just a short-term dislocation in the market that will be solved by traditional midstream over time? We've determined that it's a structural problem that has to do with the mismatch between how fast producers want to drill, complete and bring wells on, the volumes they will produce, and the midstream market's ability, timelines and risk appetite to move with traditional pipelines and gas processing plants."

Valence offers a mobile gas processing and flare gas capture solution that is a compliment to gas midstream. Its standard mobile gas plants can move from site to site within seven to 10 days and fill operational gaps while traditional midstreamers are planning infrastructure to connect with producers. Compare that to traditional midstream, which can typically take up to 18 months and multiple permits to plan and construct gas gathering pipelines and processing plants.

While he said the industry has gotten a lot better at planning, it doesn't mean flaring has gone to zero, rather it's about 5% of the gas that's produced in the Basin today. He added, "It's still an enormous amount of resource that's getting flared. For context, that's probably about as much gas as the entire state of Montana is consuming to heat homes and for industry."

Valence's solution could play a key role in helping North Dakota reach its goal to be carbon neutral by 2030. If the medium to large size flares, which are typically from newer wells that come on at really high rates can be captured, then total flaring could be reduced by 60-70%. Valence currently has two different sized plants that allow them to chase these different sized flares.



L to R: Stewart Wilson, John Vertz and James Gregory pose for a photo while providing an on-site tour.





Valence's standard mobile gas plants can move from site to site within seven to 10 days and fill operational gaps while traditional midstreamers are planning infrastructure to connect with producers.

The other side of Valence's business is the delivery of CNG for fueling. Its fleet of nearly 80 CNG trucks move natural gas around the basin to any consumer that needs or that wants to use gas. They supply over 80% of the drilling rigs, pressure pumping crews and water heaters that can run on natural gas across the Basin.

Using Valence's solutions, producers can capture the gas they were otherwise flaring, clean it and send it back to their own operations to be used as a cleaner, more cost-effective fuel. Additionally, at its central terminal located west of Watford City, North Dakota, captured gas that doesn't have a drilling rig or fueling destination is routed for delivery into pipeline markets, ensuring the beneficial use of all the gas that they capture.

Valence also manages and markets the supply chain for the natural gas liquids, that are byproducts of processing gas in the Bakken, which include propane,

butane and pentane. These valuable components come out of a raw molecule of gas that is extracted from the wellhead also otherwise go up in a flare stack when there is no outlet for the gas.

From a sustainability perspective, Valence has the capacity and technology to make waves in the industry. Their work brings tax dollars and jobs to North Dakota and is helping to save natural gas and reduce flares. Wilson explained about the social impact, "Flaring is that visual representation of waste that whenever an article is written focusing on the negatives of the oil and gas industry, it always seems to have a picture of a flare on it. Our work solving the flaring issue creates enormous value, is socially responsible and is important for the reputation of our company, the State, and our industry in general. It's an extremely important contribution we can make to the energy industry."

# TRONSON GRAIN

L to R: Jason Huwe, Rick Tronson, Paul Tronson and Pat Tronson pose for a photo with the Doyon Elevator in the background.





**Left:** Rick Tronson visits with State Bank of Lakota President Bruce Anderson in the fertilizer plant. **Right:** Pat Tronson, fourth-generation owner and operator, takes a call in the Doyon facility.

"It's been quite a ride," said Rick Tronson as he reminisced about his family's business. Withstanding challenges that included fires, moving a grain elevator from one community to another, strategic growth and market volatility, Tronson Grain has endured. It is set to work with area farmers "today, tomorrow and for years to come."

The business started in 1942 when Richard Tronson purchased the elevator in Doyon, North Dakota. His investment brought the young family to a new city and unknowingly, was the beginning of a family legacy. Richard's sons, James and Don, ran the company from the 1950s until the 1980s when they turned it over to Rick and Paul. These two are preparing to turn management over to the fourth generation of Tronsons, Paul's son Pat Tronson, his son-in-law Jason Huwe, and Rick's son Tucker Tronson. As Pat Tronson explained, "It's as family integrated as you can get."

The Doyon elevator was the sole establishment in the family business until 1989 when they purchased the Tolna elevator. Since then, they've expanded, acquiring another elevator, a seed plant and built a fertilizer plant and shuttle loader. This diversification was critical for Tronson Grain to survive the changing times, meet customer needs and compete with larger companies.

Farming has evolved into an industry with increased efficiencies, demanding new ways to deal with its products. Historically, producers farmed fewer acres and hauled crops to elevators by truck. Today, yields have increased, crops are harvested more quickly, and they are hauled to the elevator by semitrucks. Tronson Grain needed to position itself to take in commodities at a faster pace and higher volume, while providing adequate storage.

As Paul Tronson expressed, "Farmers used to take two weeks, three weeks to harvest their corn crop. Today, they do it in half the time, so those bushels come at a faster pace than ever before."

In 2011, the business received eight to nine million bushels of grain, which took 365 days to haul in 20 semis a day, requiring more storage and limiting the market reach. This prompted the investment in a shuttle facility at their company hub in Doyon. The shuttle elevated the capacity to compete in the market and better serve their customers. Because

Farming has evolved into an industry with increased efficiencies, demanding new ways to deal with its products.



L to R: Jason Huwe, Bruce Anderson, Rick Tronson, Paul Tronson, Pat Tronson and BND Business Banker Tyson Zeltinger pose for a photo during a site visit.

they can load the grain into 110-car trains, newer and larger markets are accessed. This improves commodity bids and bottom lines for the local producers. Today about 80% of commodities leave the facility by rail with the balance hauled by semitrucks.

To accommodate the higher volumes and increase control in a volatile market, Tronson Grain continues to expand commodity storage at the Doyon facility, recently adding two bunkers for grain. To ensure the elevators in Garske and Tolna don't run out of storage, semis feed the rail hub in Doyon. "We try not to ever go full. We take it to Doyon to make room for more," Rick Tronson explained.

Tronson Grain also owns a seed plant in Lakota, and with the growth in the fertilizer business, recently built a fertilizer storage facility at the Doyon site. To help fund the fertilizer storage project, Tronsons contacted longtime banking partner Bruce Anderson, who is the president of State Bank of Lakota. State Bank of

Lakota partnered with First United Bank (formerly Ramsey National Bank) and Bank of North Dakota on the project. Bank of North Dakota's Commercial Participation Loan program was a good fit.

Anderson explained, "Bank of North Dakota has been excellent to work with. We have partnered with them, along with Bell Bank, for a number of years on Tronson's annual operating line. As the elevator operation has gotten so much bigger and handles all this grain and crop inputs, their need for credit has exploded. We're a pretty small bank, so our legal

To accommodate the higher volumes and increase control in a volatile market, Tronson Grain continues to expand commodity storage at the Doyon facility.





Tronson Grain handles 12 commodities of grain, seed, fertilizer and chemical. Intake from the company's Tolna and Garske elevators are trucked to the Doyon Elevator, which is shown here.



The shuttle facility at Tronson Grain's hub in Doyon loads grain into 110-car trains, enabling them to access larger markets.

lending limit caps our ability to meet Tronson's credit needs in house. We have to have these partnerships to help us with that. BND has been an integral partner, and when we called on them for help for the fertilizer plant project, they were there for us."

Anderson and his family, who have owned and operated State Bank of Lakota since 1946, have worked with the Tronsons for generations. They understand the ebbs and flows of the business and the importance of having the right funding readily available to protect and support it. Anderson said, "It is a very complex business. There can be a lot of risk in it if the people running the elevator aren't doing their risk management. But Tronsons manage the hedging of their buying and selling well, and they manage their freight so well that we're comfortable because they have such a good handle on their business risk."

"Tronson Grain exemplifies the necessity for business strategy and financing opportunity coming together to ensure long-term viability," says BND Business Banker Tyson Zeltinger. "It highlights the crucial role of the local lender serving as the conduit for Bank programs because they know their community best."

The Tronsons recognize the industry and landscape are changing and use their foresight and expertise to remain relevant. They invest in facilities, innovation and technology that allow them to be agile and meet their customers' needs. As Pat Tronson expressed, "Moving forward with these changes was something we knew would work. Although we were providing the services, we were just getting by with our current infrastructure. Now, we can only get more efficient and grow."



A man wearing a dark blue jacket and a baseball cap is standing in a large, modern cattle barn. He is leaning on a rusty metal gate. In the background, several cows are visible in their stalls. The barn has a high ceiling with wooden beams and metal supports.

# ENG RAIN AND LIVESTOCK

Continuing to be a legacy, Brandon Enger enters a gate to his farm's new cattle barn.





L to R: Justin, Jeff, Delray and Brandon Enger pose with Dacotah Bank Senior Agricultural Banker Mark Oberlander in the cattle barn.

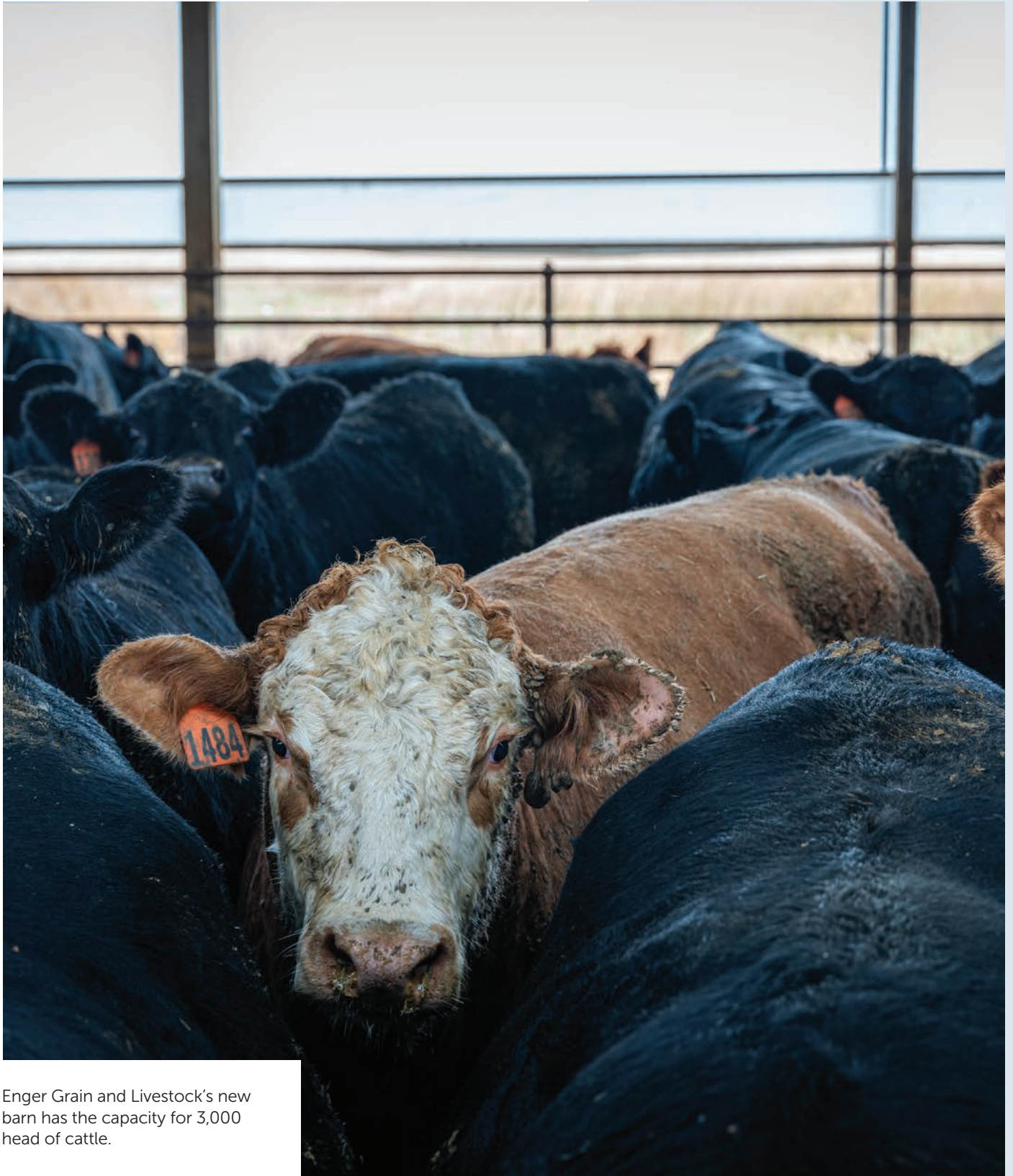
"It's not a business. It's a way of life." These are the words of Jeff Enger, one of two Enger brothers carrying on the Enger Grain and Livestock operation their dad started in the Litchville-Marion area in 1945. Jeff joined his dad in 1970, followed by his brother, Delray, in 1985. They pool their talents with Jeff and his son Justin carrying the grain farming and equipment maintenance responsibilities, and Delray and his son Brandon managing the livestock.

Maintaining that local relationship is critical to ensure we are meeting the needs of the agriculture community.

Both have children and grandchildren involved in the family-owned business. Jeff shares this about continuing the legacy, "When you treat it as a way of life, you just really live it, and you don't want to be some other place. This is your life, so that's what you do. That gives you the passion and desire to do what you do. I think heritage is really important to carry on that legacy."

In the ongoing effort to remain viable, Engers exercise forward-thinking mindsets and keep up with industry trends with research and by serving on ag-related committees. They recognize the crucial need to diversify and change with the times. For example, the livestock side of the operation started with hogs until the dynamics of the industry changed. Today, they focus their efforts on growing the cattle feed operation.





Enger Grain and Livestock's new barn has the capacity for 3,000 head of cattle.





The addition of the large cattle barn provides a substantial increase in head of cattle for Enger Grain and Livestock.

To accomplish this, they recently invested in hoop barns and a slated-floor finishing barn that allowed them to triple their livestock volume.

Building the finishing barn opened possibilities for them to not only increase their cattle volume, but with 3,000 head of cattle, the manure is plentiful. The Engers are considering the value of using that manure on their own fields and eventually offering it to neighboring producers. This could help to reduce need for commercial fertilizers, which is a volatile market. They are also positioned to use by-products with a nearby ethanol plant and future soybean facility.

Mark Oberlander, senior agricultural banker from Dacotah Bank, explained, "We have a long-term relationship with the Enger family and see this [the finishing barn] as a way to get to the next generation. This is an area of very competitive land renting, and it's a way for them to expand their operation without having to get additional land involved too. It's a real nice fit and probably the best diversification because you have a cattle feeding

aspect and a grain production aspect. Usually in ag, when one area is a little weak, the other one is stronger, and they've been able to leverage that."

Finding the best funding option is key. The Engers worked with Oberlander to access Bank of North Dakota's BioFuels Partnership in Community Expansion (PACE) Loan program to finance the big barn. He continues, "The assistance on the interest buydown was crucial to get this off the ground. The idea is to get them established with the big barn, which was extremely more expensive than the first and the hoop barns. Providing the interest buydown

To have a livestock lender that understands you, is at the table, and understands your operation as much as you do is really important. That's been a great asset and in growing the industry.



on the front end allows time for them to get their feet on the ground with the feeding operation. After that, full payments will kick in. We were able to get a better interest rate because of this program.”

Jeff added, “To have a livestock lender that understands you, is at the table, and understands your operation as much as you do is really important. That’s been a great asset and in growing the industry.”

This sentiment is why BND is so appreciative of the local lenders who deliver its loan programs. “No one understands their customer’s needs better than the local lender. They serve as a conduit to deliver opportunities that impact main streets and gravel roads across the state,” states BND Business Banker Andrew Tweet. “Maintaining that local relationship is critical to ensure we are meeting the needs of the agriculture community.”

**Right:** Delray Enger smiles as he provides a tour of their cattle operations. **Bottom:** Delray Enger has handled the livestock feeding since 1985. He and his brother Jeff, who started farming in the 1970s, have been forward-thinking in preserving the family’s operation.

The Engers have a front-row seat in the challenges of being an ag producer today. Jeff shares, “The price of land and facilities is getting so expensive that eventually it could eliminate a family farm. Nostalgia doesn’t do it. How do we keep that opportunity there for younger people?”

Fortunately, the Engers’ passion for keeping their operation going into future generations is evident and they pass that spirit along in the industry.





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