Cont'd. From Page A1 **North Dakota's delicate electricity price balance faces challenges**

sion line. Now it's $2 million a mile," said Josh Kramer, executive vice president and general manager at North Dakota Association of Rural Electric Cooperatives. "Generation used to cost about $800 a kilowatt. Now it's $2,700 a kilowatt."

The cost of nearly every input into the energy transmission and maintenance system rose, on average, as much as 50%, he said.

State Sen. Dale Patten (R-Watford City) said replacement and upgrade costs of infrastructure are also one key component, particularly to improve resilience against severe weather events in rural areas.

"A lot of the existing infrastructure is old, 50, 60, 70 years old in some cases, and the cost of replacing it is not cheap," said Patten, who chairs the legislature's Energy and Natural Resources committee.

Population growth and shifts in that growth toward the main cities in the state are also a driver, he said.

"You have to build the infrastructure to support that population growth and that corresponding economic growth," Patten said.

Another major driver is transmission costs.

"As we look at the regulated utilities when they come in for rate cases, it seems like one of the areas where their costs are exploding the most is transmission," said Public Service Commission commissioner Randy Christmann. "Transmission costs are exploding."

Christmann said some of the blame goes to buildout of remote renewables projects in the wider region, as well as the closure of coal fired power plants around the county, leading to an increased load on North Dakota power providers as regional transmission organizations spread costs around.

In 2024, North Dakota exported around 32% of generated electricity and exported 85% of natural gas extracted, according to the Department of Commerce.

Managing large loads

Adding large loads onto the grid across the country at the same time as all of these other cost increases has spiked energy prices in most other locations.

So far, North Dakota has dodged that for the most part, even as its lower electricity rates are attractive to industrial operations looking to add large loads in the system.

Large loads can include everything from operations like data centers, to oil refineries, to agricultural processing facilities and even the capital complex in Bismarck. Currently, there are 23 larger data centers in North Dakota.

When it comes to data centers, North Dakota has managed to add those large loads without jacking up electricity prices for consumers.

There are concerns about whether that can continue to be the case.

"I have seen them have very adverse impacts and very positive impacts," said Christmann. "It depends on the details of the specific data center."

Managing that going forward will be a challenge for the commission and legislators.

State Rep. Anna Novak (R-Hazen) is currently leading the legislature's interim Energy Development and Transmission Committee to study large loads such as data centers and try to find a way to balance attracting those projects without overburdening other electricity consumers.

"We need to strike a balance of making sure that we're open for business, but that we have a strong vetting process," Novak said. "I think that the vetting process is getting better."

Besides cheaper electricity prices and available power, the policy and regulatory climate in the state is also attractive for tech companies looking to site a data center.

Data centers are also attracted to North Dakota's readily available water supply and cooler temperatures, which cut operating costs.

Novak said cost savings for data centers choosing to locate here can amount to the billions.

"We are certainly a desirable place to put a data center," Novak said.

The most well-known data center in the state, Applied Digital's facilities near Ellendale, has become a case study for how to add a large load while keeping the local impact minimal and also providing benefits across the state.

By tapping into stranded power that was not being adequately used and making the capital investments on that instead of passing it to the utilities, the project has been able to actually decrease electricity rates for Montana-Dakota Utilities consumers across the state.

"We had involvement in that, in making sure that this big additional load was not only going to just not be detrimental to customers, but actually be very beneficial." Christmann. "Every single MDU customer in North Dakota is benefiting because of that facility on their electric rate."

Darcy Neigum, vice president of electric supply for Montana-Dakota Utilities, said that customers saved around $70 last year because of the facility, and once it is fully built out, savings could come out to around $250 per year per customer.

"We're very aware of the rates we're charging to our customers and the rate impacts," Neigum said. "The approach that we took (with the Ellendale facility) was to try to find some way to create value instead of just putting costs on customers."

Insulating consumers from costs

Investor-owned utilities like MDU as well as electric cooperatives like Basin Electric Power and Minnkota are all trying to figure out how to manage large loads going forward.

Basin Electric adopted a large load program in June as a way to minimize rate impacts for cooperative members and reduce the risk of stranded assets that come with single projects looking for 50, 100 or more megawatts of power in the future. Minnkota Power Cooperative has also adopted a similar policy.

"So, when we have those inquiries coming in, whether it's a large tech company or a large industrial load, we're saying we want to serve you, but to do that you're going to have to bear the costs associated with it," Kramer said. "That goes for if they need to add more infrastructure or generation or engineering studies."

MDU's Neigum said the company doesn't have a formal policy yet, but the uptick in interest in adding large loads may necessitate one.

"We do have a process we go through, and we're kind of formalizing some of that, because there are just so many requests," Neigum said.

One delicate aspect in all of this is putting into place policies that protect consumers or co-op members from additional costs without scaring quality projects away from the state.

Kramer said that's not necessarily a bad thing.

"It's probably helped separate the wheat from the chaff a bit," Kramer said.

The North Dakota News Cooperative is a non-profit news organization providing reliable and independent reporting on issues and events that impact the lives of North Dakotans. The organization increases the public's access to quality journalism and advances news literacy across the state. For more information about NDNC or to make a charitable contribution, please visit newscoopnd.org.

Cont'd. From Page A3 **Soybeans have been a top U.S. ag export for decades but what happens when the top buyer stops buying?**

In 2001, China joined the World Trade Organization and gained better access to globalized trade with the organization's members, including the U.S., according to Muhammad and the Council on Foreign Relations. From there, growth in China's tourism economy and middle class spurred increased demand for meat protein, Muhammad said, heightening the country's need for animal feed in the form of U.S. soybeans.

By 2000, the crop was planted on more than 74 million U.S. acres, according to the National Agricultural Statistics Service.

"Over time, China has grown, and it seems to be the case that our total export sales have grown with our exports to China," Muhammad explained. "They've sort of driven that rise over the last two decades."

Brazil's soybean industry has competed with American exports since the 1970s, but since 2017 has consistently exported more than the U.S.

When Trump first upped tariffs on Chinese goods in 2018, China retaliated, Muhammad said, and began investing more heavily in purchases and transportation infrastructure in Brazil. Their turn toward Brazil as a primary provider during trade negotiations in 2025 "represents a return on that investment (for China)," he said.

Farmers in the U.S. are reckoning with the fallout.

Farming pains and changing plans

Justin Sherlock farms 2,400 acres of corn and soybeans in eastern North Dakota. His dad started farming in the early 2000s and he took over the farm in 2012.

"The last, you know, 13 years that I've been going, the last decade, has been pretty tough to really try and get established," he said.

For Sherlock, China coming to market very late in the 2025 harvest season was a blow to profits. Nearly one-quarter of the state's agricultural exports hinge on soybeans, with China serving as the largest market for U.S. grain.

Sherlock was able to sell most of his soybean crop early to North Dakota soybean elevators — facilities that store the beans — which then found domestic processors in Nebraska and Kansas to sell to. But those domestic markets were also absorbing the supply that would typically be exported to China, so prices — around $8.65 per bushel — dropped significantly below Sherlock's cost of production. He said he will lose "several hundred thousands of dollars" this year, on top of similar losses last year.

"We just have to find a way to hopefully make it to next year," he said. "That's the struggle right now for a lot of producers."

Especially for young or beginning producers, said Sherlock, farmers will likely be having "tough financial discussions with their bankers and lenders." Or, worst case scenario, these losses could mean losing their farms.

"You cannot have a successful agriculture industry in North Dakota without trade," he said. "It's so important that we fix these trade relationships and get back to doing business with other countries."

Trade uncertainty was keenly felt by soybean farmers in several Mississippi River Basin states, many of which lead the nation in soybean production and exports.

Illinois accounts for 16% of the country's total soybean exports, followed by Iowa with 13%, according to the most recent data from the U.S. Department of Agriculture's Economic Research Service. North Dakota comprises 5% of national exports.

Even in states that aren't among the country's top producers, soybeans can make up a significant portion of the state farm economy. Tennessee ranks 16th in the nation for soybean exports, for example, but soybeans were the highest-ranked agricultural commodity produced in the state in 2023, bringing in more than $990 million in cash receipts. In 2025, soybeans covered nearly 1.5 million acres of Tennessee farmland – the most of any crop in the state – according to the University of Tennessee Institute of Agriculture.

The USDA's Economic Research Service reported in July that more soybeans are being processed domestically. Most of the soybeans that stay in the U.S. are crushed into oil and meal, and a majority of that meal goes toward feeding livestock. The oil is used in biofuels, for industrial uses, and in food. New crush facilities that separate the beans into oil and meal are under construction in North Dakota, Nebraska, Wisconsin, Iowa, Kansas and Ohio — states that previously shipped soybeans to other countries to be processed. Biofuel has increased domestic demand for soybeans — and crush facilities — since around 2010, providing an alternative for farmers facing lower demand from traditional export partners.

April Hemmes, a fourth-generation farmer in north-central Iowa, said in September that she is fortunate to have nearby options for her beans: there is an ethanol plant and a crush facility that makes soybean meal, biodiesel and food-grade oil, about 10 miles away from her farm. Farmers who don't have those options will have a harder time adapting to changing export markets, she wrote in an email.

The lack of money in farmers' pockets is trickling down to other sectors in farming communities, too, said John Bartman, a regenerative farmer working about 850 acres in northern Illinois. He pointed to farm equipment dealers and factories in Illinois and Iowa that are shuttering well-paying jobs because business has been so slow.

"So it's more than just farmers who have been affected by this," Bartman said.

What comes next?

In October, China and the U.S. hammered out a trade agreement. China agreed to purchase at least 12 million metric tons of U.S. soybeans by the end of the year, according to the White House, and will purchase at least 25 million metric tons each year through 2028. USDA export sales data from Oct. 2 through Dec. 8 shows China made soybean purchases from the U.S. totaling about 2.8 million metric tons.

For comparison, China purchased an annual average of 29 million metric tons of soybeans from the United States between 2020 and 2024, according to The Center for Strategic and International Studies, an international public policy think tank.

The deal "really isn't much of a trade deal at all," Bartman said.

"We've just gone through this tariff war, which we're still going through right now, and what did we get out of it? China agreed to buy less soybeans than what we had last year, and we as farmers have suffered the collateral damage from this," Bartman said.

With low trade prices and higher input costs, he warned, "we have not improved our economic situation for next year."

Bartman is among farmers who are promoting investment in domestic uses for soybeans, including biofuels and plastics, though he acknowledges that a market the size of China's will be "very difficult" to replace.

Muhammad said the turbulence in the soybean exports market shows that disruption of stable trade policy has consequences, which can hurt some sectors more than others.

The U.S. agriculture sector is often a political target in trade disputes, he said, because other countries understand the agricultural community's significance in U.S. politics.

"It's not a major export in the context of all exports, but it's a politically viable community, and it carries a lot of heft in the context of trade agreements and trade policy because of the national security nature of food," Muhammad said.

Farmers who are eligible for the Trump administration's $12 billion Farmer Bridge Assistance program should expect the USDA to announce payment rates for crops the week of Dec. 22, according to the department. Payments are limited to up to $155,000 per person or legal entity.

The program appears similar to a $10 billion aid package offered to farmers impacted by trade retaliation in 2018. Those subsidies did not cover all of farmers' losses.

For many farmers like Sherlock, these subsidies are a necessity for short-term survival. He said any farming subsidies he receives go straight to paying his bills and paying off loans.

"There will be a lot of producers, especially young, beginning producers, who won't be able to make it and farm next year if we don't do something to help them pay their bills from this year," he said.

Even established producers are worried. Stafslien works land that's been in his family since 1912, but the tough years are piling up.

"This is my future. This is my retirement. I don't have a 401k plan. I have a farm," said Stafslien, who lives on the farm with his wife, Shannon, and their two kids. "If I have to keep burning through this equity, that's very, very scary for my future and my family's future."

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