Change in Wheat Checkoff Allows SDSU Research to Expand

On Wednesday, March 12th, Governor Daugaard signed HB 1081 into law which will result in additional money for investment in research, promotion and market development for South Dakota’s wheat producers.

Currently, 45% of the SD Wheat Commission’s budget goes to research at SDSU. HB 1081 changes the wheat check-off from 1.5 cents per bushel to .4 tenths of a percent of market value. The increased investment by SD’s wheat producers will allow the Commission increase funding of current and future projects.

Research programs supported by the SD Wheat Commission include:

- Improving our Hard Red Spring and Winter Wheat varieties.
- Continued research to produce a germplasm which is resistant to Fusarium head blight and bacterial leaf streak;
- Developing Winter Wheat Varieties resistant to pests and pathogens;
- Developing Winter Wheat Varieties with high yield, and disease resistant;
- A comparison of seeding rates for Spring Wheat for the best yield;
- Weed management research for small grains; and
- A review of wheat diseases and vectors – integrated management, diagnostics and germplasm evaluation

On April 8th, 2014, the SD Wheat Commissioners will begin reviewing research projects for future funding. As they begin this process they ask for your input. Do you have an idea, problem or question that you would like to see researched? If you do, we encourage you to contact the SD Wheat Inc. office at 1-605-224-4418, the SD Wheat Commission office at 1-605-773-4645 or drop us an email at info@sdwheat.org. We look forward to your suggestions and ideas.

The passage of HB 1081 is a producer’s choice to invest in the future of wheat. A special thanks goes to the SD Wheat Inc. directors, SD Wheat Commissioners, producers, elected officials and agricultural industry for stepping forward with their time and support to accomplish this.
The Wheat Quality Council (WQC) held its annual meeting, forum and technical review sessions February 18-20, 2014 at the KCI Embassy Suites Hotel in Kansas City, MO with 160 industry participants in attendance.

The WQC is the only industry-wide organization that brings together all wheat interests from breeders and producers to millers, processors and bakers. These participants are provided information on the milling and baking qualities of wheat varieties that will be released, grown and processed in the next few years.

The wheat breeders have an opportunity to network with the industry to determine what quality characteristics the millers and bakers would like to see in new wheat varieties.

Forty two breeder-submitted lines and checks were entered for evaluation from the 2013 growing season. These lines were hard spring, soft winter and hard winter wheats.

In the Hard Springs:

(All entries compared to the excellent check, Glenn. Elgin was entered again this year as a possible replacement for Glenn in the future.)

University of Minnesota: Entered one excellent line. MN08165-8 was actually rated above Glenn, overall. It has excellent protein and mills and bakes at least equal to Glenn. This line was rated the highest performer in all the spring wheat entries. Congratulations MN Wheat Breeder Jim Anderson.

Hard Winters:

South Dakota State University: Entered two hard red lines. SD08200 and SD09192 could both be released for planting in the fall of 2015. Both would be classified as “Super Strong” hard winters. Both were superior to the good check “Lyman.” These two excellent quality lines earned the breeder, Melanie Caffe, the Millers Award this year. When these lines are brought into production, the Millers believe it will make their lives easier. Congratulations Melanie!!!

Wheat Tours:

• Hard Winter Tour Dates are April 28-May 1, 2014
• Hard Spring and Durum Tour Dates are July 21-24, 2014

(Registration forms at www.wheatqualitycouncil.org)
With the cold temperatures experienced this winter, both producers and media journalists continue to ask about the condition of the winter wheat in South Dakota, and the risk of winterkill. As one looks at a dormant winter wheat field like the one pictured, it is impossible to know if the plants are alive and will come out of dormancy when spring arrives and the soils warm. Until recently, lack of concern has been based on the soil moisture received from the October snow and rain events, moderate soil temperatures across the state, and the mostly good to excellent level of winter hardiness that is inherent in the winter wheat varieties commonly grown in South Dakota.

Although there may be areas in South Dakota that are somewhat dry, the growing season moisture and the blizzard and/or rain in early October put the majority of the state in good shape. The soil moisture is a factor in winter wheat condition for two reasons, (1) moist soil has higher specific heat than dry soil, so is not as sensitive to temperature fluctuations, both high and low, and (2) winter wheat plants that are adequately hydrated are much better able to withstand low temperatures than those under moisture stress.

**Soil Temperatures**

Soil temperatures are highly important in speculating on the condition of winter wheat following cold periods because we know that most of the winter wheat varieties grown in South Dakota can withstand temperatures at the crown level down to about five degrees F. This can vary, depending on the winter hardiness rating of the variety, soil moisture, time of year the plants are exposed to those temperatures, etc. We know that soil temperatures fluctuate much more slowly than air temperatures, so low temperatures that occur for a short period of time do not drastically affect soil temperatures, even only a few inches deep, where the winter wheat crown resides.

Soil temperatures are also buffered from low air temperatures when crop residue is left on the soil surface, particularly when some of the residue is left standing, as in the case with no-till practices. This residue provides insulation, slows down the wind at the soil surface, and traps snow, which is an excellent insulator.

**Winter Hardiness**

Finally, winter hardiness is a priority in the winter wheat breeding programs in the Northern Great Plains, and winter hardiness ratings are a prominent characteristic in the winter wheat variety trial reports from SDSU. If there is concern about a variety regarding winter kill, the recommendation is to “plant in protective cover to improve winter survival”. Again, winter wheat varieties with “Good” or better ratings for winter hardiness are able to withstand temperatures at the crown level down to about 5 degrees F if adequately hydrated. The soil temperature at the 2” depth at one of the coldest locations in South Dakota dropped to near 10 degrees F in early February for a few days, and has since come back up.

Of course all this is speculation, and the only way to tell if winter wheat is alive now is the “bag test.” In preparation for the bag test in this field, the dry, loose soil was brushed away from the row, revealing green leaf tissue, a good sign. When the plants are carefully dug out of the frozen soil and exposed, the crowns appear white and healthy, also a good sign. To conduct the “bag test”, the frozen soil and winter wheat plants must be thawed and washed off to remove the soil, the leaves cut at about 1.5” above the crown and the roots just below the crown. The crowns are then placed in a plastic bag which is inflated, tied shut and placed in a lighted room, but not in direct sunlight.

After a few days, healthy crowns should show 1/2” inch or more of new growth as shown in the photo. The inherent limitation of the bag test is that it constitutes a very small sample, so is very susceptible to error. In properly representing the field, much less the area, is quite labor intensive, and is only an indication of the fields’ condition at the time the sample is taken.

It should also be noted that if wind erosion occurs, soil can be lost, exposing the crowns to desiccation, and increasing winter kill potential.

To accurately assess a winter wheat field, or the winter wheat in a given area, one will need to wait until the field or fields begin to break dormancy. Fortunately, that typically occurs early enough in the spring to make alternate plans if the stand is inadequate.

—Bob Fanning
SDWI Directors Met With Congressional Delegation

Directors of the SD Wheat Inc., met with members and staff of the state’s congressional delegation to discuss issues important to South Dakota wheat farmers, while attending the National Association of Wheat Growers (NAWG) meeting in Washington, D.C. January 28th.

Having the farm bill discussed on the House floor, while we were there, was an inspiring moment. As we visited with our congressional delegation, we discuss specific issues relative to our members. Questions included crop insurance, wheat research on a state and federal level, and support of Foreign Market Development (FMD) and Market Access Program (MAP) trade programs and environmental regulations.

SD Wheat Inc., Directors represent you and work to ensure that federal legislation benefits the wheat producers in our state!

Pictured: SDWI Directors left Chet Edinger, Caren Assman, Carl Schwab, and Julian Roseth representing South Dakota wheat producers.

Railroad Rehabilitation Gains Support During Session

At the close of the 2014 Legislative session, SD’s state-owned railroad received a boost of $7.2 million as HB 1041 (the Governor’s $1.2 million for the Chamberlain bridge) and SB 137 (special appropriation request for $6 million for rail enhancement west of the Chamberlain bridge) were merged into one bill. The bill—HB 1041 awaits action by the Governor which will allow the monies to be transferred to the SD Railroad Trust Fund.

As a quick review, the railroad running west from Mitchell to Chamberlain is not part of the “Core line” that was sold to the Burlington Northern Santa Fe (BNSF). It is a state-owned line that is currently leased to the Dakota Southern Railroad.

The State was able to rehabilitate the railroad from Mitchell to Chamberlain because it received a Transportation Investment Generating Economic Recovery (TIGER) grant for $16 million in 2010. The State contributed $7 million and an additional $5 million came from private investment. Only the section from Mitchell to Chamberlain is operational.

The need for investment in this rail is clearly seen by the legislators, administration, agribusiness and producers. Production of the four principal crops in the area (corn, wheat, soybeans and sorghum) has increased from 13.2 million bushels in 1960 to 43.4 million bushels in 2009. During this same time there has been no significant upgrade in the rail during that time.

The economic impact of the rail improvement is numerous. Over the next 10 ten years a grain terminal with rail access, could add on average of $3 million per year to the economies of the surrounding counties, Bennett, Gregory, Jones, Lyman, Mellette, Todd, Tripp. This is assuming 50% of the grain produced in the area will be marketed across an accessible railroad. The economic analysis was based on 20 cents per bushel price increase due to rail.

The rehabilitation of the railroad west of Chamberlain will undoubtedly attract a shuttle train grain loading facility, which will bring jobs and investments into the area. A $40 million facility has been announced by SD Wheat Growers. In addition, local elevators may raise prices to compete with rail facility prices. An increase of $0.05/bu on the other 50% of production in the area leads to an additional $1 million a year of economic benefit. The current price differential, shuttle train versus no rail, ranges between 25 and 50 cents across the four commodities. Economic benefit could be $6-$8 million per year.

Higher prices means increased profitability of farmland and increased land values.

It is reasonable to assume, that input prices, such as fertilizers, will also decrease due to lower shipping costs over rail. Highway use will decrease saving highway damage and repair cost.

Success of this project is determined by local matching dollars to another Tiger Grant. Rails to the Future, is a Domestic Non-profit Corporation comprised of SD farmers and citizens who support investment in the state-owned rail west of Chamberlain. To become involved this important opportunity contact Bill Ferguson at fergfarm@gwtc.net.
With grain elevators and ag shippers in North Dakota and neighboring states experiencing up to three-week delays in getting rail service, competing against near-record oil and freight traffic and Mother Nature, the CEO of the BNSF Railroad this week said all we be back to normal before summer.

BNSF CEO Carl Ice met with Sens. John Hoeven (R, ND) and Heidi Heitkamp (D, ND) this week in the latest in a series of meetings to discuss backlogged ag shipments and rail safety. Along with Rep. Kevin Cramer (R, ND), the delegation has been pushing the BNSF for months to improve service, clear the grain and ag products shipping backlog, with strong support from efforts of the National Grain & Feed Assn. (NGFA), the National Association of Wheat Growers (NAWG), and sugar beet cooperatives.

As a result of the meetings with the North Dakota lawmakers and industry, Ice said BSNF will spend $5 billion in 2015 on rail infrastructure, including $600 million in North Dakota and $400 million in the railroad’s northern tier.

Some reports indicate the BSNF backlog has been as long as 40 days; Ice said the delay is now about 19 days, the overall average for the BNSF system. April and May should bring a drastic reduction in past-due cars and the carrier will be current in June, he pledged. In a joint press statement released by Hoeven’s office this week, Ice said, “We recognize the severe impact our reduced network velocity is having on our customers and their businesses…BSNF is committed to restoring service levels in North Dakota as quickly as possible.”

Ice said the delays are due in large part to an unusually severe winter; Heitkamp said until someone tells her she’s wrong, she believes competition between oil and ag for tankers and railcars is the main reason for the delays. She told the Associated Press this week BNSF has to keep up with agriculture and “there is no question they need to increase capacity.”

**NAWG Update**

**Summer will bring End to “Perfect Storm” of Rail Backlog: BNSF**

**Wheat By The Numbers**

*50% of the annual United States wheat production is exported on average. The US is the world’s largest wheat exporter.*

**The science of better wheat**

Better yields at harvest begin with a fast start after seeding. And there’s no better way to get your next wheat crop off to a fast start than with QuickRoots® microbial seed inoculant. QuickRoots improves stand establishment, expands root volume, and increases nutrient uptake for better plant performance and higher yields.

Ask your ag retailer how QuickRoots can make a big impact on your next wheat crop. Or visit bioag.novozymes.com.
US Wheat Total Use and Use by Category

**Food Use:** Projected US wheat food use of 960 mb in “current” MY 2013/14 is up 10 mb from January, and up from both 945 mb in “last year’s” MY 2012/13, and 941 mb in MY 2011/12 (Table 1 and Figure 4).

**Seed Use:** Forecast seed use of 74 mb in “current” MY 2013/14 is up from 73 mb in “last year’s” MY 2012/13, and down from 76 mb in MY 2011/12 (Table 1 and Figure 4).

**Exports:** Projected US wheat exports of 1.175 bb for “current” MY 2013/14 are up 50 mb from January, and up 75 mb from the December 2013 WASDE. This amount of exports is also up from both 1.007 bb in “last year’s” MY 2012/13, and 1.051 bb in MY 2011/12 (Table 1 and Figure 4).

On February 6th cumulative US wheat export shipments for the “current” 2013/14 marketing year totaled 792.6 mb, 67.5% of projected “current” MY 2013/14 exports of 1.175 bb with 76.9% (40 of 52 weeks) of the marketing year completed. United States' export shipments will need to average 31.9 mb per week to attain the USDA’s February WASDE projection of 1.175 bb in the current marketing year. Wheat export shipments of 13.5 mb and 14.8 mb occurred duering the weeks ending January 30th and February 6th, respectively, were “behind pace” to meet the USDA marketing year US forecast of 1.175 bb in the “current” 2013/14 marketing year. (Source: USDA Foreign Agricultural Service US Weekly Export Sales report)

However, accounting for additional unshipped forward export sales of 210.4 mb in US wheat that had not yet been shipped on February 6th, total US wheat shipped plus outstanding shipments added up to 1002.5 mb (i.e., 792.6 mb shipped plus 210.4 mb forward sales with rounding) for “current” MY 2013/14. This amounts to 85.3% of the USDA’s projection of 1.175 bb for “current” MY 2013/14 with 76.9% of the marketing year having already occurred (i.e., 40 to 52 weeks).

**Feed & Residual Use:** Forecast US feed and residual use of 250 mb for “current” MY 2013/14 is down 60 mb from December-January, and down from the recent high of 388 mb in “last year’s” MY 2012/13, while being up from 162 mb in MY 2011/12 (Table 1 and Figure 4). This decline in projected US wheat feeding in “current” MY 2013/14 is consistent with the sizable negative feed and residual adjustment in September-November 2013 US wheat disappearance (i.e., down 163 mb). Domestic US wheat feeding has declined largely due to sizable 2013 US corn and grain sorghum crops—leading to more abundant US feedgrain supplies at lower market prices than during “last year’s” MY 2012/13, and subsequently to lower cross-market demand for US wheat in livestock feed rations—in either domestic or foreign markets.

**Total US Wheat Use:** Summing the categories together, total use of US what for “current” MY 2013/14 is projected to be 2.399 bb — down 34 mb from December (Table 1 and Figure 4). US total use of 2.399 bb in “current” MY 2013/14 would be the second largest amount of US wheat usage over the last seven years, compared to 2.314 bb in MY 2007/08, 2.275 bb in MY 2008/09, 2.018 bb in MY 2009/10, 2.417 bb in MY 2010/11, 2.231 bb in MY 2011/12, and the largest amount during the eight year period — 2.414 bb in “last year’s” MY 2012/13.

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**Figure 4. Trends in US Wheat Use and Ending Stocks:**

MY 2004/05 - “Current” MY 2013/14

(February 10, 2014 USDA WASDE Report)
As he worked bits of clay into a model, artist Ben Victor shared his admiration for the man who is known as a giant among men in the field of agriculture. To many in this area, the name Ben Victor may carry more recognition than the name Norman Borlaug.

On Ag Day, March 25, it is fitting that a 7-foot-tall bronze statue of Norman Borlaug of Iowa, shaped by Victor, will be given national recognition as it is placed on a pedestal in Statuary Hall in Washington, D.C. The day is the 100th anniversary of Borlaug’s birth.

The names of Borlaug and Victor will be entwined in history as the young sculptor from Aberdeen crafted this bronze statue depicting the scientist known as the “Father of the Green Revolution” and the man who saved an estimated 1 billion lives with his advances in wheat science. Borlaug is known for founding the World Food Prize, which has been called the “Nobel Prize for Food and Agriculture.” He was awarded the Nobel Peace Prize in 1970 and the Presidential Medal of Freedom in 1977 for his efforts in fighting hunger.

Borlaug collaborated with Mexican scientists on problems of wheat improvement and with scientists from other parts of the world, especially from India and Pakistan, in adapting the new wheat varieties to new lands and in gaining acceptance for their production.

“The world is realizing what Norman did, and we should make him the hero he should have been,” Victor said. “Borlaug did receive a lot of awards, but he still flew under the radar. It’s a sad commentary on society that many do not know his name.”

“We need to add this type of person to our list of heroes, and his name should be part of our everyday vernacular,” he said. “What he did is much more than important to our lives than some of those in show business.”

From his research, Victor said, “Borlaug goes way beyond anything I’d imagined. He saved more people’s lives than any other person in the history of the world. From his life story, I became really truly inspired, and I immersed myself in his life. The work I did went way beyond working on a piece on commission.”

“He’s final words were ‘take it to the farmer.’ He was a master at implementing research and traveled the world. He didn’t want research that would sit on a shelf. He wanted those in the third-world nations, those subsistence farmers, to learn from the research and to grow better crops so their families didn’t have to be hungry.”

“I learned a lot about determination for my life just by studying him,” Victors said. “He was obsessive about his work and his concern for fighting hunger. I’ve become a better person as I learned about the concern that he had for getting the research out to the people so they could have a better life.

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**SD Wheat Inc., Highlights 2014 Legislative Session**

**Property Assessment**
- **HB 1006** sought to assess agricultural land on its actual use. Determined to be ahead of its time, the bill sponsors asked that it be tabled and sent back to the summer Ag Land Assessment Task Force. SDWI has representation on this task force and will share information as it becomes available.

**Railroads**
- **HB 1041** introduced by the Governor, appropriated $1.2 million for the rail bridge at Chamberlain. Its current form is a $7.2 million dollar appropriation to the railroad trust fund. SDWI was in support of this legislation.

**Grain**
- **HB 1081** changes the wheat check-off from 1.5 cents per bushel to four tenths of one percent of the market value. It was signed by the Governor and the change will go into affect on July 1, 2014. SDWI actively supported this legislation.

**Animal Care**
- **SB 46** creates a felony for intentional willful and malicious acts
- Clear exemptions for agriculture, hunting, fishing research and pet breeding.
- Supported by over 27 agriculture organizations
- It is on its way to the Governor for signature

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**Technical Institutes**
- **HB 1142** sought additional money for capital construction and programs at the states technical institutes. This was above the increase already included in the Governor’s budget.
- The final bill includes $250,000 for technical institute for maintenance and repair.
- It also allows for municipalities, school districts or counties to give money to the technical institutes.

**Road Funding**
While no bills were passed increasing funding for roads, the issue is not over. Senator Vehle would like to create a working group to look at funding including increasing gas tax or repealing the gas tax exemptions (diesel fuel).

**Watershed Task Force:** work will continue on drainage as the committee continues it work until 2015. SDWI attends all scheduled meetings.

**Ag Land Task Force:** the committee will continue to look at actual use as well as criteria used to define agricultural land. SDWI attends all scheduled meetings.

SDWI Continues to be involved and provide representation in Ag Unity, Governor’s Advisory, BNSF Ag Advisory and others.
Welcome New Director — Doug Simons

We are excited to welcome Doug Simons of St. Lawrence, to the Board of Directors for SD Wheat Inc. Doug has farmed with his family north of Miller, for over 30 years. He will be representing the producers in SDWI District 4 and looks forward to hearing from producers in the area.

“I am a strong believer in rotation” says Doug, “we use a 4 year rotation, utilizing spring wheat, winter wheat, corn, and soybeans.” “I think wheat is important in a no-till rotation, for soil health and weed control.”

When asked why he offered to volunteer his time to the Association, Doug responded “Having a voice in Pierre during the legislative session and in Washington DC is vitally important. As producer’s, we need to actively support legislation like the change to the wheat check-off and funding for railroads. I believe in continued development in wheat varieties with improved yields, quality, and disease resistant’s.”

Doug married Kari in June 1983 and has three grown girls and five grand kids.

JOIN TODAY — $100 Annually or join online @ www.sdwheat.org

MEMBERSHIP APPLICATION

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MEMBER REPRESENTATION

CONSERVATION  CROP INSURANCE  EXTENSION  FARM CREDIT
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