



Wheat Producers Advantage

South Dakota Wheat, Inc.



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*Reid Christopherson
SD Wheat Commission
Executive Director*

Fields Of Opportunity

Opportunity! I can think of no single word that better defines the current position of the South Dakota wheat industry. As I drive throughout our great state it is exciting to see the fields of ripening grain that wave in the wind in the final days before the arrival of the combines. Opportunity certainly embraces the potential of a strong harvest that is so richly deserved by the producers that have toiled and tilled to feed our nation and the world.

Opportunity also embraces the future of the South Dakota Wheat Commission and South Dakota Wheat, Inc. Strong harvest potential combined with the modified wheat check off, that became effective on July 1st, will provide critical financial resources. The South Dakota Wheat Commission recently

adopted their budget for the upcoming fiscal year. Over \$2 million is projected to be reinvested into the future of the South Dakota wheat industry.

Over 40% of the check off dollars will be directed towards wheat related research, predominantly at South Dakota State University. Our land grant institution continues to provide vital breeding research in the pursuit of future winter and spring wheat varieties. Equally important is the focus upon the prevention and response to pests and disease.

Market development, both domestic and global, will be the target of 25% of the investment funds. South Dakota wheat producers partner with producers from throughout the nation, via the U.S. Wheat Associates, to strengthen historical relationships and to develop new markets. Significant support (\$250,000 over five years) has also been pledged towards the expansion of heavy rail service across the Missouri River into Lyman County.

Consumer information/education and product development/promotion will be influenced by 17% of the invested check off dollars. As a result critical communication links are maintained between the farm and consumers, industry, education and media. Only 18% of the funds are used to provide the organizational, facility and staffing requirements necessary to deliver the programs of the South Dakota Wheat Commission.

Opportunity certainly lies ahead — through the combined strength of wheat producers from throughout South Dakota and their check off investment!





Commissioner Davis' Term Ends After a Decade

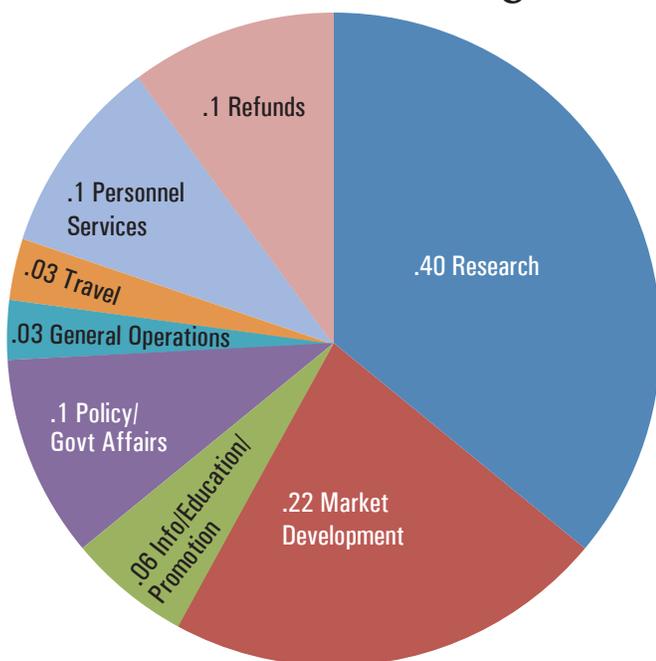
Commissioner Darrell Davis served a 10 year term representing East River Wheat Producers. His strong leadership qualities allowed him to move through the chairs at the national level with US Wheat, concluding with President in 2013. While overseas, he was able to promote and market Hard Red Spring wheat to the millers in Japan and China. It is obvious that China and Japan prefer US wheat with imports of 743 and 3,544 metric tons per year respectively.

An ongoing challenge that he and the commissioners faced was how to increase wheat acres and/or bushels. Davis commented "The obvious solution is to create a variety with higher yields through ongoing wheat breeding." The Commission's financial support of SDSU wheat breeders and wheat research has helped address that concern. "All wheat advances whether through private breeding or public is a step in the right direction," says Davis.

As Commissioner Davis moves on to other commitments he reminds wheat producers that the world population is increasing for the first time and there are more accessible dollars for food. With wheat being the number one commodity in the world, things look very good for the future of wheat!

Davis is excited about the progress that has been made uniting the offices of SD Wheat Inc. and the SD Wheat Commission. A united industry can make progress for the producer. "Working with Randy Englund and the other commissioners has been a pleasure and a fulfilling experience" said Commissioner Davis, "I wish the best to our new Executive Director Reid Christopherson as he carries on the work for wheat producers. I will miss working with my colleagues and wish them all the best!"

South Dakota Wheat Commission's Fiscal Year 2015 Budget



East River Wheat Commission Position Open

An East River South Dakota Wheat Commission position is open for appointment by Governor Dugaard. The filing deadline for the appointment is 5 pm on September 30th. The term will become effective on October 30th and run for three years.

Qualified candidates include those who are landowners of South Dakota, are at least 25 years of age, have been actively engaged in growing wheat in South Dakota for five years, reside east of the Missouri River and derive a substantial portion of income from producing wheat.

GENERAL DESCRIPTION OF DUTIES INCLUDE

Regularly evaluates and reviews the Commission's operations and maintains standards of performance. Monitors all of the activities of the Commission including: reviewing reports; confirming, modifying or rejecting proposals; and considering, debating and deciding issues.

Approves and monitors the finances of the Commission. Sees that sufficient funds are available to meet objectives. Authorizes and approves the annual budget and audits. Selects, employs, and evaluates the Executive Director. Approves policies that govern the administration, operations and personnel of the Commission. Participates in recruitment, selection and development of other Commissioners.

SPECIFIC DUTIES

- Participate in Commission Board and committee meetings and activities
- Work to further the goals of the Commission and producers represented
- Represent the Wheat Commission at local, state, regional and national functions
- Communicate with other producers, policy makers, media and the public
- Prepare for each meeting
- Provide support and guidance for staff
- Support final decisions and consensus of the Commission

QUALIFICATIONS

- South Dakota wheat producer
- Recognized, respected local leader with good judgment
- Energetic and sincere, with a desire to serve and see the SD wheat industry thrive
- Willing to give time to further the Commissions goals and objectives (approximately 20 days per year)
- Ability to communicate about wheat issues with other producers, policy makers and public
- Does not refund

Contact one of SD Wheat Inc., Directors: Julian Roseth, Shannon DePoy, Carl Schwab, Maurice Handcock, Doug Simons, Chet Edinger and Todd Mangin via our web site www.sdwheat.com or contact Caren at the office at 1-605-224-4418 or wheatinc@midco.net for an application.

Governor's Delegation To Meet With STB Officials

Gov. Dennis Daugaard will send a delegation of state officials to meet with members of the Surface Transportation Board (STB) on Friday, July 18, to discuss rail shipment problems in South Dakota.

The delegation includes the heads of the state departments of Agriculture and Transportation, Lucas Lentsch and Darin Bergquist. The cabinet secretaries will travel to Washington, D.C., to convey the Governor's concerns about ongoing service issues to the Board.

"Our agriculture economy is highly dependent on rail," said Gov. Daugaard. "Our farmers and ranchers have the potential for record crops this year; but without rail ship-

pers to deliver those commodities to the market, our producers won't realize that success and our economy will be negatively impacted."

In April, Secretary Lentsch addressed the STB about the backlog of rail shipment, and the STB issued a decision directing railways to report their plans to ensure delivery of fertilizer shipments.

The Governor's Office has also been in communications with representatives of the Burlington, Northern & Santa Fe Railroad; the Canadian Pacific; and the Rapid City, Pierre & Eastern Railroad to share the state's concerns.

BNSF METRICS - SHOWING IMPROVEMENT?

Pursuant to an STB ruling on June 20, 2014, the Board directed the BNSF and the CP to publicly file their plans to timely resolve their backlogs of grain car orders and provide weekly status reports (by state) pertaining to grain car service.

So far the BNSF and CP have filed two reports – one on service up to 6/26/14 and one covering up to 07/02/14.

They show some interesting trends and numbers.

Additionally W&A has analyzed the American Association of Railroad numbers on Average Train Speed for the past year on both grain and the entire BNSF system.

The context that must be looked at for relevancy of the numbers are, "do the numbers" show improvement or do they mask other issues.

First let us look at BNSF published back-orders in the STB reports and concentrate on MN, MT, and ND figures.

Just looking at the number of backordered cars in MN, MT and ND for June 6, 2014 – 7,427 cars vs the same number for July 7, 2014 – 6,854 cars, one could conclude the B/O situation is getting better. And the BNSF system Past Due Orders went from 8,462 cars on June 6, 2014 to 7,388 cars on July 7, 2014 – one conclude again that the situation is getting better on the system. However, if one looks that the red line – showing the percentage of MN + MT + ND backordered cars is has risen from 87.77% to 92.77% of the total BNSF System Backorders between June 6th and July 7th.

In other words, the brunt of the backorders in the system are located in states that comprise just 12.25% of the total mileage!

How is the BNSF average system speed doing vs grain? This is one of the most important metrics shippers can look at.

It is clear that the BNSF and the Grain Average Train Speed is not improving and they haven't even got back to

the average dropping trend line – and winter is over in MT and ND and MN (according to the locals). This is probably

the most disturbing of the BNSF metrics. Until train speeds recover, the train service cannot begin to recover.

When one looks at the past dues car orders, they are on the climb again. The MT totals have fallen in the last several weeks but the BNSF has started up again. One can say – good the past dues are going down but look at the first chart in this report showing the northern tier region is suffering the brunt of the past due car orders on the system.

W&A will continue to look

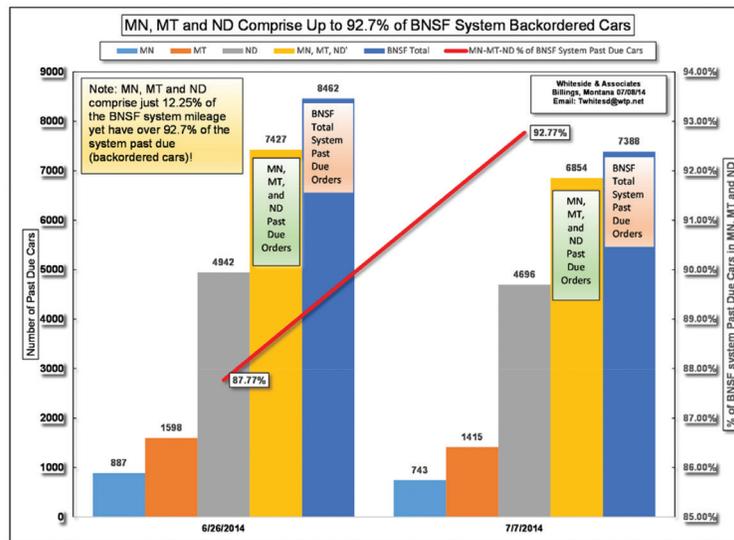
into these numbers to analyze the trends and report them to everyone.

Be mindful that when the statement is made by the railroad, we make more money on grain shipments than oil shipments – the railroad is talking clearly about gross dollars. When one compares the revenue per car being generated by an oil movement it is clearly a better earner than grain.

It is also clear that less-than-shuttle loaders are taking the brunt of the car back order load. These less-than-shuttle loaders continue to be the marketing locations for alternative crops, pulse and lentils, barley, specialty grains, and many domestic movements whose receivers cannot receive shuttle size shipments.

While the BNSF has indicated that they will let the "48 car marriage rule" expire in August, the less than shuttle facilities continue to struggle with car supply and service issues. Some of the ND and MT less-than-shuttle loaders are reporting being 60-90+ days behind on orders.

MT, ND, MN and SD are continuing to have concerns about not having the 2013 crop moved off the farm and through the facilities before the 2014 crop starts to hit the system by the middle to end of August, 2014.



NAWG Files Comments on Waters of the U.S. Interpretive Rule

This week NAWG submitted comments on the Interpretive Rule (IR) related to certain conservation practices and “dredge and fill” permits under the Clean Water Act (CWA). The Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers released an IR linking 56 Natural Resources Conservation Services (NRCS) conservation practice standards to a “normal farming activity” exemption under the CWA. NAWG is concerned that the conservation practice standards could become the only activities to be considered normal farming activities, and growers’ traditional work with NRCS on voluntary conservation efforts would become more regulatory in nature. The IR also requires those not working within the NRCS program to meet the practice standards to comply with the exemption, but left no flexibility for different requirements that might be imposed by individual states. The agency’s goals of clarity and making things easier for producers were not reached in this proposal and NAWG asked for it to be reconsidered. The comment period for EPA’s larger waters of the U.S. regulation remains open until October and NAWG will also be preparing comments on this regulation. To read the comments, visit the NAWG website.

Under Secretary Scuse Testifies Before House Subcommittee

Today U.S. Department of Agriculture (USDA) Under Secretary for Farm and Foreign Agricultural Services, Michael T. Scuse, testified before the House Agriculture Subcommittee on General Farm Commodities and Risk Management. The subcommittee hearing, chaired by Congressman Mike Conaway (R-Tex.) focused on the implementation of the 2014 farm bill, specifically commodity policy and crop insurance. The majority of the subcommittee’s concerns and questions came from the interim rule that Risk Management Agency (RMA) released last week, which outlined the agency’s plans on implementation of the crop insurance provisions in the 2014 farm bill. There has been some concern from Congress and commodity groups alike about the Actual Production History (APH) adjustment provision not being available to growers until the 2016 crop year. This provision would allow producers to exclude any yield for any crop that experienced over 50 percent loss nation-wide for that given year. This provision is of particular interest in regions suffering from multi-year disasters. Under Secretary Scuse committed to providing the committee a detailed written explanation by next week, with the issues the agency is encountering during implementation of this provision, immediately. NAWG also encourages USDA to take a look at all options to enact this provision as soon as possible. Congressman Conaway released the following statement after the hearing.

House Agriculture Subcommittee Examines Benefits of Biotechnology

The House Agriculture Subcommittee on Horticulture, Research, Biotechnology, and Foreign Agriculture met Wednesday to examine the benefits biotechnology has on the production of agriculture around the globe. The panel was made up of academics as well as a first generation Vermont dairy farmer. The hearing allowed congressional members much needed time to ask detailed questions about the stigma consumers have over the use of biotechnology in production agriculture. A common theme among panel members was the need to effectively communicate how biotechnology benefits consumers and the global society, such as fighting malnutrition in developing countries, or protecting the environment by using less herbicides as crops become more resistant. For more information on the hearing, visit the House Agriculture Committee.

Highway Trust Fund Discussion

Discussion over the Highway Trust Fund continued on Capitol Hill this week with the House Ways and Means Committee releasing a bipartisan plan that would finance federal highway projects through May 2015. The proposal would also generate \$10 billion to keep the Fund from becoming insolvent. Meanwhile, the Senate has said they are close to a plan of their own, but has yet to release it publicly. The Highway Trust fund was originally established in 1956 to finance the Interstate Highway System, paid for with a gasoline tax. If Congress does not act to finance the Trust Fund in the next fifteen days before they adjourn for August, federal highway funding will see a 28 percent cut on August 1. NAWG actively follows surface transportation policy being considered by Congress and administered by the Department of Transportation and other agencies. Learn more about NAWG’s Transportation Policy.

Congress Reacts to EPA Water Regulation

Congress continues to review the EPA’s Water of the U.S. regulation and has taken action to limit the agency’s ability to finalize the proposal. This week the House Science Committee held a hearing with EPA Deputy Administrator Bob Perciasepe, who defended the regulation. On Monday, the House Appropriations Committee released their version of the fiscal year 2015 Interior and Environment Appropriations bill that restricts funding for EPA related to the Waters of the U.S. regulation. A similar provision is included in the House Energy & Water Appropriations bill for fiscal year 2015. This week the White House issued a veto threat against that bill citing the provision as an element in it’s decision. In the meantime, EPA Administrator Gina McCarthy has been in Missouri to clarify the misconceptions about the proposed regulation, but has been quoted by the press as saying some concerns from the agriculture community are “ludicrous.”

USDA “Plans to Implement” Crop Insurance Provisions of 2014 Farm Bill

USDA’s RMA released an interim rule that outlined the agency’s plans to implement the crop insurance provisions authorized in the 2014 farm bill. The rule included guidance on a number of provisions including beginning farmers and ranchers, conservation compliance, changes to sodsaver, separation of irrigated/non-irrigated enterprise units and coverage levels, correction of errors and APH adjustment. According to USDA, the majority of these provisions will be implemented for the 2015 crop year with the exclusion of the APH adjustment, which RMA has said will not be available to producers until 2016. Also included in the rule was RMA’s intent to roll out two new programs for the 2015 crop year including the Supplemental Coverage Option

(SCO); which is additional coverage a grower can purchase based on expected county revenue. RMA states that SCO will be available in 80 percent of wheat counties for 2015 and availability maps should be available for winter wheat later this month. The second new program, the Stacked Income Protection Plan for cotton producers, is also on target to be available for the 2015 crop year, according to USDA. NAWG is pleased that the implementation process is moving forward and will continue to work with USDA throughout the process. The rule has been made available to the public and RMA has posted some FAQ’s about the rule on their website.

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.

QuickRoots is specifically designed for optimal agronomic and economic performance. In multi-year, multiple-location, replicated field trials, QuickRoots has proven to generate consistent, positive yield response compared to a base fungicidal and/or insecticidal seed treatment.

QuickRoots™ is a foundational, microbial, seed inoculant proven by field trials to enhance seedling vigor, and increase uptake of certain nutrients including NPK, which leads to expanded root volume, root mass and fine root hairs, promoting optimal plant growth and increased yield response.

The patented, novel combination of active ingredients in QuickRoots is comprised of two live microorganisms: a specific bacterium, *Bacillus amyloliquefaciens* and a specific fungus, *Trichoderma virens*.

These microorganisms quickly colonize the root system, producing novel enzymes that can release soil nutrients from the soil profile and make them available to the plant throughout the growing season, significantly increasing root mass and branching. This natural branch-



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ing can lead to a 30% increase in soil-exploring roots — the key to higher yields.

Quick Roots provides:

- 80% Consistent Yield Response
- 6-to-1 Average Return on Investment (ROI)
- Improves Nutrient Uptake, Including NPK
- Enhances Seedling Vigor
- Maximizes Yield Potential
- Increases Stand Establishment
- Expands Root Volume
- Accelerates Plant Growth

Increased Root Mass, Volume and Fine Root Hairs.

Root scans at 21 days after planting (DAP) show a significant difference in the hard red wheat

plant root from the untreated to the QuickRoots treated. These microorganisms quickly colonize the root system, producing novel enzymes that can release soil nutrients from the soil profile and make them

Dry Planter Box

The Dry Planter Box formulations are talc-based and contain approximately one-third of the talc that is recommended by planter manufacturers. This talc-based product allows for ease of flowability of the seed in planters and is compatible with all planter types.

This formulation can be applied to bare seed and may also be applied to wheat seed which has already been treated with a base seed treatment.

Wettable Powder

QuickRoots WHEAT Wettable Powder formulation is also available.

Ask your ag retailer how QuickRoots can make a big impact on your next wheat crop. Or visit bioag.novozymes.com.

We want to thank Monsanto for being an associate member

Wheat Head Diseases Beginning to Develop

The current high moisture and humidity conditions are conducive for disease development in wheat heads. One of the early wheat head diseases developing is loose smut (Figure 1). Loose smut is a fungal disease caused by *Ustilago tritici*. This fungus survives as dormant mycelium within the embryo of the seed. When infected seeds are planted, the fungus germinates and grows systemically within the seedling until heading. At heading, the fungus then differentiates into a dry, dark mass of teliospores (Figure 1). These spores are blown by wind and rain to neighboring plants that are heading or flowering. The fungus then germinates and infects the developing embryo and survives as dormant mycelia on the seed.



Figure 1: Loose smut in winter wheat in a field near Aurora, Brookings County.
Photo by:Emmanuel Byamukama

The loose smut pathogen infection is favored by high humidity and low to moderate temperatures (61-72 degrees Fahrenheit) at flowering time. The ovary is resistant to infection by the loose smut pathogen seven days after flowering. Loose smut is best managed through cultivar resistance. If a cultivar being grown is having a high incidence of loose smut, then changing the cultivar is recommended. Usually a few heads with loose smut in a field are not unusual but high incidence of loose smut may mean that the cultivar is susceptible. Systemic fungicide seed treatments like carboxin, tebuconazole, and difeconazole are very effective against loose smut. If several heads with loose smut are seen in the field and the seed is to be saved for plant-

ing, a fungicide seed treatment with a systemic fungicide is recommended.

The current weather conditions have also been perfect for Fusarium head blight (FHB) development. Rainy and humid weather at flowering promotes FHB development. FHB symptoms can be confused with those of stem maggot damaged heads (Figure 2). It is very easy to diagnose stem maggot damaged heads by simply pulling out the bleached head slowly. If it pulls out easily, this would mean that there is stem maggot injury. Information on wheat stem maggot can be found in the iGrow article: **Wheat Stem Maggot**.



Figure 2: A wheat head damaged by wheat stem maggot.
Photo by:Emmanuel Byamukama

Wheat damaged by hail or common root rot may also show white heads. FHB infected heads may have a few spikelets or the entire head bleached and should be pink to salmon in color (the sign of the fungus) on the damaged spikelets. To see the predicted risk for FHB in your area, visit the **South Dakota Climate and Weather** and **Fusarium Head Blight Prediction Center** websites.

- See more at: <http://igrow.org>

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and for more articles go to
www.sdwheat.org*

Cutting Through The Green Tape

Earlier this year, President Obama announced a new climate policy proposal that would drive monthly electricity bills through the roof. The proposed rule aims to reduce carbon emissions. While that is a laudable goal, hundreds of energy production facilities would be forced to retrofit their operations with expensive new technologies - or go out of business. Those costs would be passed down to you and me every month, making our homes and farming operations much more expensive to keep running on a day-to-day basis.

Even the President has openly admitted that our monthly bills would be dramatically impacted with his plan, saying in 2008 that "electricity rates would necessarily skyrocket" if stricter caps were put on greenhouse gas emissions. The U.S. Chamber of Commerce estimates that Americans will pay an average of \$17 billion more every year for electricity. This issue hits our wallets; it jeopardizes our paychecks; and for many, it threatens their way of life.

What's more, Congress – at a time when the President's party led both the House and Senate – has already rejected his climate agenda because of the costs it would impose on families. The President is now trying to bypass the normal legislative process. But while he may have the power of the pen, we have the power of the people.

I've joined more than 170 Members of Congress in urging the Environmental Protection Agency (EPA) to get as much feedback as possible by extending the public comment period and they've

complied. I will do all I can to shut this rule down and spare our wallets another government-imposed expense each month.

This is not the EPA's only line of attack right now. I have also been focused on pressuring the EPA to withdraw a new proposal that would give the federal government jurisdiction over countless ditches, prairie potholes, seasonally wet areas and other small bodies of water.

Under the proposed navigable waters expansion, a flooded driveway could subject landowners to new permitting requirements and use restrictions. If they are found in violation of Clean Water Act regulations, landowners could face fines of up to \$37,500 a day. We can't be going to the EPA every time our driveway floods to make sure we aren't violating some permit requirement or restriction.

Unfortunately, we're all too used to seeing the EPA wage war on the wallets and sanity of hardworking Americans. When I first arrived to Congress, they were working to review regulations on dust, including dust that is part of many everyday farming activities. I was proud to have introduced legislation to prevent the EPA from imposing stricter regulations and instead left it to state and local authorities. As a result of this pressure from me and others, the EPA did not go in that direction.

We have to find a way to cut through the seemingly endless strand of green tape and find a better approach – one that is as economically sustainable as it is environmentally sustainable.

Todd Mangin, New Director — District 5

We are pleased to introduce SDWI's new director, Todd Mangin. He and his family have grown wheat for 30 years in the Gettysburg area. His primary reason for joining the Board is to receive information on legislative issues and voice his opinion on those issues. "Government regulation is a high concern for the wheat industry," states Todd, "and we need to do our part to ensure legislators understand the changes they make, affects our bottom line."

His other issue of concern is finding more uses of wheat which will expand our opportunities. Just a quick search of the

internet produced this list: paper products, packing peanuts, plastic bags, eating utensils and molded items (biodegradable), reinforcing agents in rubber products (flour-based), charcoal, fuels, golf tees, insulation, medical swabs, roofing and other building materials, and skeet pigeons just to name a few!

But with all this said his most important goal is to involve more people in the Association. He is excited to hear from other wheat producers and encourages them take action. If you would like to share your thoughts about agriculture and the wheat industry give Todd a call at 1-605-770-5133.

Historical Captured Wheat Prices

(\$/bu; includes protein/quality premiums/discounts) (Source: FINBIN and SDF&RM)

	South Dakota		Minnesota		North Dakota	
	HRSW	HRWW	HRSW	HRWW	HRSW	HRWW
2012	8.20	8.00	8.42	8.29	8.22	7.72
2010	5.36	4.97	6.41	5.14	6.84	5.45
2009	4.89	4.75	4.73	4.29	4.88	4.14
2008	8.11	7.86	6.74	6.03	6.78	6.02
2007	5.70	5.77	6.34	5.55	5.99	6.05
2006	4.65	4.40	4.44	4.37	4.43	3.97
2005	3.42	3.17	3.65	3.35	3.68	2.87
2004	3.36	3.20	3.39	3.18	3.71	2.83
2003	3.43	3.11	3.66	3.58	3.70	3.02
2002	3.72	3.77	3.95	3.82	4.18	3.74
2000	2.95	2.59	3.52	3.14	3.01	2.78
1999	2.85	2.51	2.97	2.60	3.25	2.77
Ave:	4.72	4.51	4.85	4.45	4.89	4.28
Diff (\$/bu)	0.21		0.41		0.61	
Diff (%)	4.50		8.40		12.50	

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Caren's Comments



Caren Assman
SD Wheat Inc.
Executive Director

Although session is over, legislators are still meeting on several issues that affect agriculture. We will be in attendance at each of these meetings and present testimony when allowed. Below is a short summary.

The Ag Land Assessment Task Force held its first meeting of the interim on Tuesday, July 22, in Pierre. *The South Dakota legislature created the Agricultural Land Assessment Implementation and Oversight Advisory Task Force* to

provide guidance to the Department of Revenue on the implementation of the productivity system of assessing agricultural land. The Task Force holds meetings during the legislature's interim calendar to review assessment information and make recommendations to the legislature for potential revisions to the productivity system.

Highway Needs and Financing held its first meeting on June 16th. *The committee is charged with studying the current and future conditions and financial needs to maintain, repair, and improve the state and local highways, roads, and bridges.* They heard from the Department of Transportation and others to understand the situation the state is facing. Extra federal funding helped South Dakota's special needs list for roads in 2013 but now we're faced with fewer tax dollars at a time when our needs for road repair is increasing. The current gas tax of 22 cents does not keep up with the increase in maintenance costs. It is a petroleum based industry from the gas to the tar. Gas prices are higher, machinery is higher and the cost of the black top is higher. Cars are more efficient and using less gas so the gas tax is generating less money. The committee is requesting producers' input to address the challenges of finding a workable solution to meet the increasing need for road repair!

Rail Line Sale of the CP line to Genesee and Wyoming (G & W) is in progress. They have renamed the line the Rapid City Pierre Eastern Rail line (RCPE). The transition is not yet complete so it is still unknown whether the sale

will include money to upgrade the rail or if additional rail cars and engines will come with it.

Governor Daugaard is sent a delegation to Washington, DC, to testify before the Surface Transportation Board concerning the lack of rail service to move the backlog of wheat and other crops. Transportation for moving SD crops is imperative because in-state use of the SD wheat crop is only 10% and 90% is exported from South Dakota. Wheat from SD that actually leaves the country is around 25%. The Gulf Coast and Great Lakes ports receive 20% and the Pacific Northwest ports receive 5%. Because of the size of the crop (ranked 7th in the US) and the distances to market, it must be moved in bulk — by rail.

During the 2014 legislative session, state legislators approved a \$6.2 million dollar grant for rail improvement and a \$1 million grant for bridge construction to the state owned rail near Chamberlain. In addition to the state dollars, a group of local producers have solicited \$1 million of local support for "Rails to the Future" to be used as match for a TIGER Grant from the Federal Government. If the rail is improved and expanded west, the Wheat Growers Elevator has promised to build a \$40 million shuttle loader, fertilizer plant and agronomy center (site to be determined). This is a significant commitment for wheat producers in the area.

Watershed Task Force was created during the 2012 Legislative Session by Senate Bill 169 and *recommended a study of drainage issues.* Chairman Brian Gosch also hopes to determine direction for county drainage efforts. The last recommendation from producer groups included five concepts: Mandatory Mediation of Disputes, Standardized Disclosure of New Projects, Identify Water Management Assets, Fund Best Practices Research, and establish Water Management Districts. The Task force will meet again in July and SDWI will be in attendance.

Although it is midsummer SD Wheat, Inc. is working on our Annual **Ag Horizons Conference** held in December. In addition to this well attended event we are hoping to add three additional educational events "**Ag Horizons on the Road.**" First we will take our back-to-back seminars to Wall in January and then to Watertown in February and then Mitchell in March. These one day events will offer information from SDSU agronomists, entomologists and economists, in addition to top notch marketing professionals and local specialists.