# Importance of the Farm Bill: Title 1 and Crop Insurance

The last Farm Bill was written when there were much different economic conditions than what farmers are currently facing. Wheat prices have dropped below loan rates, which has only happened a couple of times in the last two decades. The low prices triggered the availability of Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs). These programs are critical to helping producers with short-term cash-flow needs; the fact that they were triggered at all is an indicator of the bad economic conditions in rural America. In fact, as of January 17th, 2017, LDPs for the 2016/2017 marketing year totaled over \$114 million, indicating just how extensive the low prices have been. The drop in commodity prices has also been much faster than change in cost of production. Farmers are having a much more difficult time making ends meet, and many are seeking help through the Farm Service Agency's (FSA) direct and guaranteed operating and ownership loan programs.

For longer-term help to producers, the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs offer key support. The Agricultural Act of 2014 allowed producers a choice between revenue protection and price protection, programs which replaced the former direct payment program. While NAWG may seek adjustments to these programs, they have functioned well and provided a helpful safety net for producers during these difficult times.

The federal crop insurance program has also functioned as the most important risk management tool available to producers. Farmers pay a premium for the policies, just like any other type of insurance program, and producers only get a payment when they suffer an indemnifiable loss, just like any other type of insurance program. The current structure has functioned well and has attracted a high en-

rollment rate among farmers across the country. This large participation means that risk can be spread across a lot of acres. Should Congress attempt to cut funding for the program or restrict participation, that will mean fewer acres will be insured, risk will be spread across fewer acres, and premiums will be more expensive for all farmers.

NAWG Priorities:

 Farmers and ranchers across the country are facing challenging economic conditions, with low prices across the industry coupled with input costs. The need for a strong and stable safety net is critically important.

- NAWG urges Congress to continue oversight of Farm Bill implementation and to actively seek producer input in writing the next Farm Bill to ensure programs work effectively.
- The federal crop insurance program has become the foundation of the farm safety net. Farmers pay a premium to participate and indemnities are paid in a timely fashion when disaster hits. NAWG strongly opposes any Con-

(continued on page 3)

Figure 2. Budget Scores of the 2014 Farm Bill (change in outlays relative to 10-year baseline FY2014-FY2023, by farm bill title)

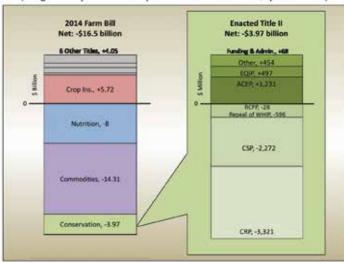
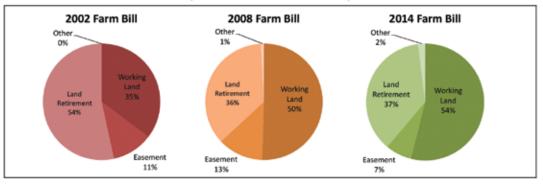


Figure 1. Farm Bill Conservation Programs by Type

(2002, 2008, and 2014 farm bills)





**Directors** 

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Shannon DePoy, Lantry

**DISTRICT 2** 

Julian Roseth, Midland

DISTRICT 3

Tanner Handcock, Wall

**DISTRICT 4** 

**Doug Simons, St. Lawrence** 

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DISTRICT 6

**Vacant** 

**DISTRICT 7** 

Paul Hetland, Mitchell

Caren Assman, Executive Director

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Chet Edinger, Mitchell Tregg Cronin, Gettysburg Terry Hand, Midland Clinton Vanneman, Ideal Leo Warrington, Bristol

## New Headhouse and Greenhouse Facility Completed at SDSU

The new Headhouse and Greenhouse facilities provide 12,000 square feet of new space to teach, conduct research, and enable extension opportunities for producers in South Dakota.

The work being done at SDSU by faculty and students in the areas of plant science, horticulture, botany, agronomy, range science and biology has long had profound impact on agriculture throughout the region. Having modern facilities to accommodate such important work is paramount. The South Dakota Wheat Commission is proud to invest checkoff dollars into this new and vital complex.

"Thrity-six percent of the SD Wheat Commission's budget is dedicated to research," states Executive Director Reid Christopherson. The additional greenhouse space for our wheat breeders is a critical part of creating new varieties." At SDSU, fundamental research on how plants function and respond to stress, development of new varieties and their agronomic characteristics, development of potential bio-energy crops and how invasive plant species interact with native rangeland plants are examples of the urgent, relevant nature of work being done in the Headhouse and Greenhouse buildings.

Research in these facilities will positively impact agriculture through the production of new crop varieties and through discoveries that will improve pest control, disease resistance and stress tolerance in crops.







## National Association National Association of Wheat Growers Update

#### **President Trump Names Ag Secretary Nominee**

President Donald Trump announced his choice to lead the U.S. Department of Agriculture, former Georgia Governor Sonny Perdue. Agriculture is a top industry in the state of Georgia, and Governor Perdue brings with him a significant pedigree that will enable him to be an effective voice for farmers in the new Administration.

"I applaud President Trump for selecting an Agriculture Secretary nominee that's a former governor and has extensive experience in agriculture," said NAWG President Gordon Stoner. "He grew up on a row crop farm, has had great success in agribusiness, and his been a champion for farmers in developing public policy. With USDA as one of the largest federal departments, covering mission areas ranging from farm programs to nutrition assistance to rural development, the announcement of Governor Perdue is welcome news to America's wheat farmers."

In the coming weeks, the Senate Agriculture Committee is expected to hold a confirmation hearing before full Senate consideration. NAWG looks forward to discussing with Governor Perdue the difficult economic conditions in wheat country, as well as to engage other USDA nominees as they are put forth.

#### **Part 340**

"The U.S. Department of Agriculture (USDA) and the U.S. Food and Drug Administration (FDA) published on January 18, 2017 four documents related to the pre-market regulatory oversight of a variety of biology-based agricultural tools, including genetically engineered plants and plants and animals derived from certain newer precision breeding techniques, such as genome editing.

NAWG applauds the Administration for its comprehensive review of the Coordinated Framework for the Regulation of Biotechnology and taking the leadership that will maintain its role to preserve a thorough review and oversight structure aimed at protecting the health and the environment of the United States. We look forward to reviewing in detail regulatory proposals published today by USDA and FDA as part of the Administration's Coordinated Framework review effort.

NAWG, along with others in the food value chain, is actively engaging in discussions with the U.S. government in support of public policies that encourage scientific advancements to improve biology-based agricultural products. We will continue these conversations with the new Administration and Congress in the future."

#### NAWG Comments on Proposed Revocation of **Clorpyrifos Tolerances**

NAWG joined with several agriculture organizations in sending comments to the Environmental Protection Agency (EPA) regarding the continued use of Chlorpyrifos. EPA is under a court order to make a decision on revoking Chlorpyrifos tolerances by March 31, 2017. The Pesticide Action Network and the Natural Resources Defense Council filed a petition to revoke all Chlorpyrifos tolerances and the U.S. Court of Appeals for the Ninth Circuit set an original deadline of October 31, 2015 for EPA to respond. EPA's deadline has been extended to the 2017 date, but the court has indicated that no further delays will be granted. In comments submitted, NAWG requested that EPA convene a Science Advisory Panel to review a study conducted by Columbia University that has been questioned several times, and neither the EPA nor the public has been granted access to the data supporting the study results. The letter also requests scientific review of drinking water assessments on potential exposure to Chlorpyrifos. Chlorprifos is used by wheat growers and it is important that EPA conduct a thorough, science-based, and transparent review of crop protection tools under the registration review process. Sharing data and information is an important part of the review process and NAWG is concerned that transparency in the science, data and information as not been achieved. Growers need continued access to a variety of crop protection tools and modes of action and EPA must have a process for reviewing pesticides that is transparent and science based.

#### NAWG Supports Legislation to Expand Trade with China

On January 13, 2017, Rep. Rick Crawford (R-AR) reintroduced the Cuba Agricultural Exports Act (H.R. 525), which would ease the financing restrictions that currently inhibit agricultural trade between the United States and Cuba. This is similar legislation to what was introduced during the last Congress. Ahead of the bill's introduction, NAWG joined as part of a broad coalition of organizations in sending a letter to the transition team for the incoming Administration discussing the importance of expanding trade with Cuba and urging the President-elect to not reverse progress that has been made in normalizing relations.

Additionally, NAWG was a part of a separate letter to Members of Congress specifically discussing the economic impact to U.S. agriculture resulting from the restrictions against the financing of sales of agricultural products to Cuba. Additionally, the letter described the economic conditions facing American agriculture resulting from depressed commodity prices, and the fact that Cuba as a customer could offer economic opportunity for U.S. farm-

Looking ahead, NAWG is hopeful that this legislation will receive due consideration and move through the legislative process.

#### Farm Bill

(continued from page 1)

gressional efforts, including both standalone legislation or appropriations riders, which would undermine the current structure of the crop insurance program or make it more costly for producers.

# WHAT COULD YOU DO WITH EXTRA DOLLARS PER ACRE?

2016 South Dakota Spring Wheat Variety Trial Results (SDSU Extension Data)

West River Spring Wheat Performance					
Variety	Yield	Test Wt.	Prot. %	Revenue/ Acre*	
SY Valda	47.1	55.8	14.4	\$215.26	
Prevail	43.7	56.6	14.1	\$185.53	
Surpass	43.3	54.7	14.2	\$191.15	
Select	40.6	57.0	14.4	\$185.70	
SY Rustler	42.2	55.5	14.8	\$199.92	
Brick	40.3	57.8	14.5	\$184.22	
Prosper	39.8	52.2	14.4	\$175.49	
SY Ingmar	38.4	56.1	14.8	\$212.69	
Forefront	32.7	57.3	14.7	\$154.87	

East River Spring Wheat Performance					
Variety	Yield	Test Wt.	Prot. %	Revenue/ Acre*	
SY Valda	66.3	56.8	14.7	\$313.76	
SY Rustler	65.4	56.8	14.8	\$309.55	
Surpass	65.2	57.1	15.1	\$329.70	
SY Ingmar	64.8	57.6	15.1	\$329.70	
Prevail	63.9	58.1	14.5	\$292.15	
Select	63.1	59.1	14.6	\$288.49	
Advance	61.4	57.4	14.7	\$290.79	
Focus	61.2	58.7	15.3	\$319.40	
Brick	60.1	58.6	14.7	\$284.45	
				-	



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\*Revenue is based on a cash price of \$4.25/bu and a 10 year average Minneapolis grain exchange protein premium/discount schedule.

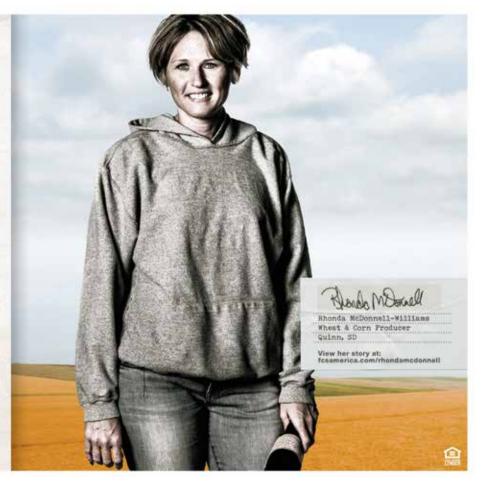
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## **Bake and Take Day**

The South Dakota Wheat Commission annual "Bake and Take Day," occurring this year on Saturday March 25, invites home bakers of all ages to slow down, relax and embrace community spirit by baking home-made goodies and sharing them with friends, neighbors or folks who may not be able to bake themselves.

And if you participate in Bake and Take Day, you just might win a prize. Contestants who write in to tell about their Bake and Take activity will be entered into a random drawing for \$50 cash in one of four categories. Participants need to indicate a category -- youth individual (4-17), youth group, adult individual (18 plus), or adult group – on the entry form. If no category is indicated, the entry will be placed in the category that most fits the information provided. All eligible entries collected via e-mail and U.S. mail by April 15, 2017 will be included in the drawing.

"Bake and Take Day has a long tradition in South Dakota as an activity designed to educate consumers in the importance of home baking and wheat foods consumption," says Caren Assman, for South Dakota Wheat. "The personal visit to members of the community is as rewarding and important as the baked goods you take them."

Send a summary of your activity to the South Dakota Wheat Commission, Box 549, Pierre, SD 57501 or e-mail the information to the SDWC at info@sdwheat.org . Include any community service aspects, and comments regarding how the activity strengthened the bonds between individuals.

Bake and Take Day participants may obtain free recipe pamphlets by sending their name, complete mailing address, and the number of recipe brochures needed by emailing info@sdwheat.org. Any one that bakes and takes a wheat product is eligible for the contest.

The featured recipe this year is "Food Processor Raisin Nut Bread". It is not necessary to use the recipes provided but if participants would like copies of the recipe to accompany their baked goods, please request copies at the South Dakota Wheat Commission.

#### **Food Processor Raisin Nut Bread**

1/2 cup raisins

1/2 cup water

3 cups all purpose flour

1 teaspoon salt

1 package guick-rise yeast

3 tablespoons margarine, cut into pieces

2 tablespoons honey

34 cup warm water (90F)

1/4 cup chopped pecans

Soak raisins in ½ cup water for 10 minutes; drain. Lock bowl in place and insert blade (refer to manual to determine correct one). Add flour, salt, yeast and margarine. Cover bowl and process 20 seconds. Dissolve honey in ¾ cup warm water. Start machine; pour liquid in a steady stream through feed tube. Process until dough cleans bowl sides. If dough is sticky, add 1 tablespoon of flour at a time, processing for 10 seconds, until dough cleans bowl but is soft. If too dry, add 1 tablespoon of water at a time, processing 10 seconds, until dough is soft. Knead 60 – 80 seconds. If using a small processor, halve dough and process each half 60 seconds; recombine.

Add raisins and nuts to dough; pulses 5 – 6 times. Shape into a ball; place in a greased bowl, turning once to coat. Cover with a damp, non-terry towel; let rise in a warm place (95-100 F) place until doubled. Punch down, cover and let rest 10 minutes. Shape into a loaf, place in a greased 9x5x3 inch pan. Cover; let rise until doubled.

Bake in a preheated 400 F oven 10 minutes. Reduce temperature to 350 F and bake 25 minutes more. Remove from pan; cool on rack. Makes 1 loaf, or 16 servings.

Name		Category (must check one)		
		Youth (4-17)		
Address		Adult (18 plus)		
City		Category (must check one) Group		
	Zip			
Phone		Deadline for entry April 15.		
Activity Description:				

### Wheat Yield Contest Winners

Congratulations to all of our 2016 Wheat Yield Contest winners! The Board of Directors, at SD Wheat Inc., were excited to have had producers participate in all 7 Districts! Awards presented at Ag Horizons in Pierre included a 1st place in each District of \$500, and a 2nd place in each District of \$300.

We encourage everyone to participate in our 2017 Wheat Yield Contest, the application deadline is May 15th. SD Wheat Inc is your lobby arm for the wheat industry as well as distributing information through our SD Wheat Advantage newsletter which provides educational information and industry highlights.

The Board perceives the "Wheat Yield Contest" as an extension of the work that SDSU begins with the test plots around the state. The contest provides documentation for yield results, including chemical inputs and farming practices. Email us at wheatinc@midco.net or go to our website www.sdwheat.org to print off the 2017 participation form. Our Contest is funded 100 % by our sponsors! SD Wheat Inc., would like to "Thank" our sponsors for their financial support: CHS Midwest Cooperative, CHS Southwest Grain, CHS Northern Plains, SD Wheat Growers, North Central Farmers Elevator, Oahe Grain Corporation, Sioux Nation and Dakota Mill & Grain.

Mike Beers
1st Place -District 1
Winter Wheat
71.5 bushels per acre

Mike Beers
1st Place -District 1
Spring Wheat
48.7 bushels per acre

Terry Hand
1st Place -District 2
Spring Wheat
87.19 bushels per acre

Tyler Frederick
2st Place -District 3
Winter Wheat
104.5 bushels per acre

Brad Karlen
1st Place -District 3
Winter Wheat
115.46 bushels per acre

Doug Simons
1st Place -District 4
Spring Wheat
81 bushels per acre

Paul Mayclin
1st Place -District 4
Winter Wheat
104.1 bushels per acre

Danny Wipf 2st Place -District 4 Winter Wheat 92.16 bushels per acre

Raleigh Leesman
1st Place -District 5
Winter Wheat
87.46 bushels per acre

Doug Abeln 1st Place – District 6 Spring Wheat 93.33 bushels per acre

Doug Abeln
2nd Place – District 6
Spring Wheat
100.17 bushels per acre



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# A New Study Tested The Low- Carb Model — And Found Little Success

The study, led by National Institutes of Health obesity researcher Kevin Hall, tried to address those limitations in an effort to see whether a very low-carb diet (and resulting drop in insulin) led to that often-touted increase in fat loss and calorie burn.

Hall and his colleagues confined 17 overweight and obese patients to the hospital for two months, where they measured their every movement and carefully controlled what they were eating. (Diet researchers call this the "gold standard," since it was an extremely well-controlled experiment, with all food provided, and it used the best technologies for measuring energy expenditure and body composition.)

For the first month of the study, participants were put on a baseline diet, which was designed to be similar to what they reported they were eating

outside the hospital, including lots of sugary carbohydrates. For the second month, the participants got the same amount of calories and protein as they did in the first month of the study, but this time they ramped up the amount of fat in their food and got far fewer carbs.

The researchers were then able to measure what happened to the participants' insulin production, and related energy burn and fat loss, when they ate fewer carbs.

The results weren't nearly as dramatic as low-carb boosters claim. "In this case," Hall said, "we saw daily insulin secretion drop substantially within the first week and stay at a low level. But we only saw a small transient increase in energy expenditure during the first couple of weeks of the [low-carb] diet, and that essentially

vanished by the end of the study."

That short-lived increase in calorie burn amounted to about 100 extra calories per day — less than the 300 to 600 calories promised by low-carb gurus. And compared with the baseline diet, the low-carb diet did not cause subjects to experience an increase in fat loss. To be more specific, it took the full 28 days on the low-carb diet for the subjects to lose the same amount of fat as they did in the first 15 days on the baseline (higher-carb) diet that wasn't even designed to get them to lose weight.

In other words, the researchers did not find evidence of any dramatic effects after switching to a low-carb diet.

"According to the insulin-carbohydrate model, we should have seen an acceleration in the rate of body fat loss when we cut insulin by 50 percent," Hall said. But they didn't, which he thinks suggests that the regulation of fat tissue storage in the body has to do with more than just insulin levels and their relationship with the carbs we eat

The new results also echo a previous study of the insulin-carbohydrate model, wherein Hall found that people who cut fat in their diets have equal or greater body fat loss than those who cut carbs.

"These studies represent the first rigorous scientific tests of the carb-insulin model in humans," Hall added. "The public needs to understand that this [insulin-carbohydrate] model now has pretty strong evidence against it."

#### Low-carb diet



#### Breakfast

Ham & Swiss omelet over spinach

#### Morning snack

Cheddar cheese, diced Almonds, oil roasted, salted Bouillon cube, beef + olive oil



#### Lunch

Kielbasa with chilled mustard sauce over sautéed cabbage



#### Afternoon snack Celery with Buffalo

chicken dip



#### Dinner

Spicy hamburger patty over sautéed squash and mushrooms

Source: American Journal of Clinical Nutrition Graphic: Javier Zarracina

#### **Baseline diet**



#### Breakfast

Egg and potato hash with berries

#### Morning snack

Peanuts, oil roasted, salted. Chewy granola bar, chocolate chunk. Lemonade, from frozen concentrate



#### Lunch

Turkey burger with hot potato salad



#### Afternoon snack

Pretzel sticks Wheat crackers and American processed cheese spread



#### Dinner

Cheesesteak sandwich and pineapple



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# Legislative Update — February 9, 2017

#### **HOUSE BILLS**

**HB 1038** — An Act to repeal the requirement for farm corporations to file farm annual reports with the Secretary of State. This bill is a duplicate of information already being provided. HB 1038 was brought by the Sec. of State's Office for several reasons. Heard in House Ag and was passed out of committee. Passed House Floor. Referred to Senate Ag committee.

**HB 1027** — Allow two-wheeled off-road vehicles that meet certain requirements to be registered and licensed. Adds "any off-road vehicle with two wheels and with a combustion engine having a piston or rotor displacement of one hundred twenty cubic centimeters or more" to be licensed. Passed House Transportation. Passed House Floor. Sent to Senate Transportation.

**HB 1094** — An Act to provide for the transfer of certain landowner hunting licenses. Any license for the hunting of east river deer, west river deer, or antelope issued to a person eighteen years of age or older, may be transferred, with or without payment or consideration, to any resident who is qualified to apply for hunting privileges in this state. However, no license may be transferred unless the transferor owns or operates at least six hundred forty acres of agricultural, grazing, or timber land. The license may only be used on land owned or leased by the transferor. No more than two licenses may be transferred from an immediate family. Referred to House Ag.

**HB 1124** — An Act to exempt a person with a commercial driver license from the requirement to have a hazardous materials endorsement on the license under certain conditions. A person with a commercial driver license is not required to obtain a hazardous materials endorsement pursuant to this chapter if the person is: (1) Acting within the scope the of person's employment as an employee of a custom harvester operation; and (2) Operating a service vehicle that is transporting diesel fuel in quantity of one thousand gallons or less and that is clearly marked with a flammable or combustible placard. Referred to House Transportation.

**HB 1157** — An Act to authorize the Board of Regents to contract for the construction of and improvements to the State Animal Disease Research and Diagnostic Laboratory at South Dakota State University, to make an appropriation therefor, and to provide for the repayment thereof. Sent to House State Affairs.

#### **SENATE BILLS**

- **SB 7** An Act to revise the criteria for determining if property is classed as agricultural land for property tax purposes. Passed Senate Taxation & Passed Senate floor. Sent to House Taxation.
- **SB 9** An Act to revise the river basin natural resource district boundaries, to establish sub districts for each district and to establish a procedure to adjust district boundaries. Heard in Senate Ag and deferred to the 41st day.
  - SB 21 − An Act to revise certain provisions related to public grain warehouses and grain buyers. Passed Senate Ag.
- SB 22 Exempt certain unmanned aircraft systems from the requirement to be registered as aircraft. Drones of a certain size would be exempt. Senate Transportation. Passed Senate. Referred to House Transportation.
- **SB 39** An Act to allow owners to affix vehicle identification numbers on certain trailers. Heard in Senate Transportation and passed. Passed Senate. Passed House Transportation. Passed Senate to House Transportation.
- **SB 66** An Act to specifically classify certain agricultural land as riparian buffer strips, to establish the criteria for the riparian buffer strip classification, and to provide for the taxation thereof. The riparian buffer strip shall be assessed at sixty percent of its agricultural income value. The bill list criteria and eligible rivers, streams, or lakes. To be heard in Senate Ag.
- **SB 80** Purpose: Regulate the use of drones under certain conditions and to provide a penalty therefor. Referred to Senate State Affairs.
- SB 142 Purpose: Provide for the assessment and taxation of agricultural land based on its actual use. Sent to Senate Taxation.
- SB 148 To make an appropriation to the Department of Agriculture for enhancement of the farm link program. Sent to Joint Appropriations
- SB 162 Authorize the Board of Regents to contract for the design, renovation of, and addition to, the Animal Disease Research and Diagnostic Laboratory on the campus of South Dakota State University and to make an appropriation therefor. Sent to Joint Appropriations
- **SB 170** To revise certain provisions regarding the maximum width restriction for farm implements operated on a public highway. No motor vehicle may operate upon a public highway if the width, measured at the widest points, either of the vehicle or the load, exceeds one hundred two inches, excluding any required safety equipment, or for farm machinery, exceeds two hundred sixteen inches. Sent to Senate Transportation.
- **SB 172** An Act to authorize the South Dakota Building Authority to provide for the construction of and improvements to the State Animal Disease Research and Diagnostic Laboratory and infrastructure at South Dakota State University, to increase and establish certain agricultural fees, to transfer certain funds, to make an appropriation, and to declare an emergency. Sent to Joint Appropriations.