



Wheat Producers Advantage

South Dakota Wheat, Inc.

May 2018

Bipartisan bill aims to enhance ARC in new farm bill

Agriculture Risk Coverage in Next Farm Bill



Senators John Thune, R-S.D., and Sherrod Brown, D-Ohio, have introduced legislation designed to make the Agricultural Risk Coverage (ARC) more attractive to farmers in the next farm bill.

The two senators, who both serve on the Senate Ag Committee, say the ARC Improvement and Innovation Act would enhance the program by modifying the payment calculation and other parts of the program to improve its safety net potential.

The ARC program, which provides price, as well as revenue protection, “is not effective today because of the price circumstances we are in,” said Thune during a briefing with the National Association of Farm Broadcasting this week. “We think we need an alternative to the PLC program.”

Without significant changes in ARC, grain and oilseed growers are expected to switch from ARC to the Price Loss Coverage (PLC) program under a new farm bill. The Congressional Budget Office (CBO) predicts PLC payments will hit \$5.7 billion in fiscal 2021, compared to just \$448 million for ARC under the county coverage option. PLC payments are expected to total \$2.7 billion for 2019, compared to \$2.6 billion for ARC-CO.

“Ohio farmers need effective risk management tools — particularly when facing several years of low commodity prices. It’s time we update the ARC program so that it better protects against both price and yield disasters,” said Brown in a release.

Key changes to ARC in the bill introduced by Sens. Thune and Brown include:

- Use Thune’s previously introduced proposal (S. 1259) to calculate payments based on a county’s physical location;
- Capping reference prices at either their current level or no more than the 10-year average price for a commodity;
- Adjust ARC to have a coverage level of 90 percent instead of 86 percent;
- Use a three-year average price with a 10-year average market price as a floor for calculating ARC payments;
- Use a crop insurance trend-adjusted yield factor

to calculate the ARC benchmark yield;

- Use an 80 percent T-yield for substitute yields if historical yields are missing or lower than 80 percent (current T-yield substitution factor is 70 percent);
- Continues to include the ARC individual option, which was removed in the House farm bill;
- Include a quality adjustment factor that could be used to calculate ARC wheat payments, when needed.



The National Corn Growers Association, which strongly backed ARC provisions in the current farm bill, endorsed the legislation.

“The Agriculture Risk Coverage Improvement and Innovation Act will make needed improvements to the farm safety net, ensuring ARC can continue to be a reliable risk management program for farmers during times of depressed prices,” said NCGA President Kevin Skunes.

However, many southern growers are likely to oppose the measure because of the cap on reference prices.

Under the House version of the farm bill, the ARC program would be modified, but without an increase in coverage levels to make the program more competitive with PLC. Changes include:

- Yields would be based on Risk Management Agency data;
- Commodity revenue would be separately calculated for drylands and irrigated acreage;
- ARC coverage also would be based on the county where a farm is physically located;
- Individual ARC coverage would be eliminated.

The House version would enable higher price supports for the PLC program. Key changes include:

- An escalator provision would raise reference prices whenever the moving five-year Olympic average of commodity prices rises 15 percent above the reference price;
- Producers who experienced severe drought from 2009-13 would be allowed to update their PLC yields, potentially benefitting many cotton growers in Chairman Mike Conaway’s home state of Texas.



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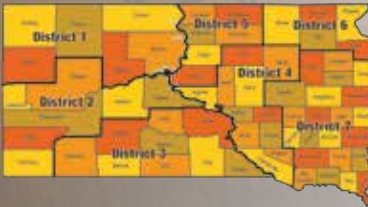
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30th Annual Draper Wheat Meeting 6:30 pm Draper Auditorium August 23, 2018

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Prospects for US Farm Exports Change Suddenly

Since taking office, the Trump administration has made several gains on the export front for agricultural products.

“We’ve had some success over the last year. Most notable, obviously, is beef back into China after 13 years. We just announced pork back into Argentina since 1992,” Secretary Perdue testified during a recent Senate Agriculture Committee hearing.

“We’ve negotiated U.S. rice into China for the first time ever. We’ve still got some technical details to work out there. Lifted South Korea’s ban on poultry imports. We’ve eased the regulations on U.S. citrus in the E.U., and we’ve resumed distiller’s grains back into Vietnam.”

However, the administration has also unnerved trading partners by renegotiating the North American Free Trade Agreement (NAFTA), pulling out of the Trans-Pacific Partnership (TPP) and announcing tariffs on steel, aluminum and a variety of other products – prompting retaliatory threats from the Chinese and other countries.

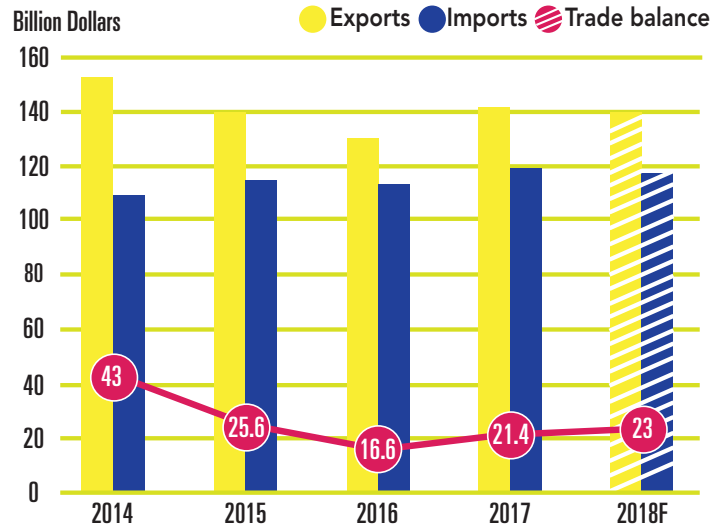
President Trump sent some of his key staff and cabinet members on a trade mission to China this week, including White House advisers Peter Navarro and Larry Kudlow, U.S. Trade Representative Robert Lighthizer and Treasury secretary Steven Mnuchin. The foursome is expected to discuss a wide variety of concerns with Chinese leaders, including the pending tariffs, better access for U.S. products, and concerns over alleged intellectual property theft.

In response, Chinese President Xi Jinping is expected to offer plans to cut tariffs on some products and ease regulations. However, it’s not clear that these conces-

sions will avoid a looming trade war.

Several U.S. agricultural groups say that one of the best ways to keep pressure on the Chinese and counter the Asian giant’s influence is for the U.S. to rejoin what used to be called the Trans-Pacific Partnership (TPP).

U.S. fiscal year exports, imports, and trade balance



Note: F=forecast

Source: USDA Economic Research Service Outlook for U.S. Trade data

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*In laboratory setting

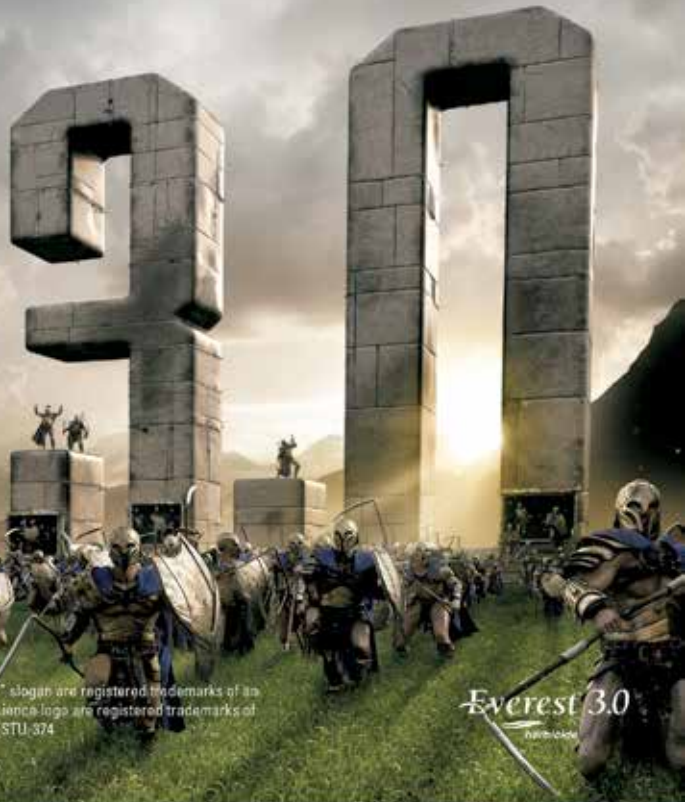
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2018 Wheat Works

A Producer's Advantage

Rotate Into Profits

Including Wheat Walks &/or Plot Tours

Locations & Dates

May 31	Milesville	Wheat Walk — in field diagnosis, disease, insects, weeds, and fertility
June 5	Sturgis	Wheat Walk — in field diagnosis, disease, insects, weeds, and fertility
June 7	Mitchell	Wheat Walk — in field diagnosis, disease, insects, weeds, and fertility
June 14	Miller	Wheat Walk — in field diagnosis, disease, insects, weeds, and fertility
June 21	Winner	Variety Plot Trial — winter wheat, oats
June 27	Gettysburg	Variety Plot Trial — winter wheat and oats
July 11	Claire City	Variety Plot Trial — winter wheat, oats
July 12	South Shore	Variety Plot Trial — winter wheat, oats

Program

4:30 pm	In field diagnosis or variety trial review – SDSU agronomists
5:30 pm	Supper – Pulled pork, cole slaw, cookie and drink — RSVP @ 224-4418
5:45 pm	Rotate Into Profits seminar
6:00 pm	Protein and moisture sampling, integrity and testing

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Bake 'N' Take Day

South Dakota Wheat presents its winner of our annual "Bake and Take Day!" This year's event occurred on Saturday March 24, and we invited 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.

Those participating in Bake and Take Day, were eligible to win a prize. Contestants who write in to tell about their Bake and Take activity were 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.

"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."

The featured recipe this year was "Fruity Yogurt Snack Cakes". It was not necessary to use the recipe provided.

Fruity Yogurt Snack Cakes

Apples, raisins and yogurt make this more than just a cupcake.

1/3 cup raisins
1 cup all-purpose flour
1 teaspoon cinnamon
1/2 cup sugar
1 teaspoon soda
1 cup (8-ounce container) plain low-fat yogurt
1/3 cup chopped walnuts or pecans

1/3 cup water
1/2 cup whole wheat flour
1/2 cup margarine
1 egg
1 teaspoon sda
1/2 cup (1 medium) peeled, grated apple

Soak raisins in 1/3 cup water for 10 minutes; drain. Preheat oven to 350 F. Lightly oil or line a 12-cup medium-size muffin tin.

In a small bowl, sift together the all-purpose, whole wheat flour and cinnamon; set aside. In a medium mixing bowl, beat together margarine and sugar at medium speed until light and fluffy. Add egg and beat 2 minutes, occasionally scraping sides and bottom of the bowl.

Stir soda into yogurt. Sprinkle half of the flour mixture over the margarine mixture and beat until well-blended. Add half the yogurt; beat just until blended. Repeat process with remaining portions.

Combine raisins, nuts and apple; fold into batter. Turn batter into prepared tin. Bake 22 minutes or until surface springs back when gently pressed. Remove and cool on wire racks. Makes 12 cakes.



Youth Individual
Darla Barnes

"My neighbor Brenda inspired me to be a baker and it was fun to share my chocolate chip cookies with her and return the happiness!"



Adult Individual
Mrs. Mariajean Waters

"I baked for church, afterschool time for 25 kids, elderly neighbor, 85th birthday party for my father, and Easter bake sale-fund raiser for the hospital."



Youth Group
Milesville Rangers 4-H Club
The club baked eight dozen different kinds of cookies for a youth event and community families.



Adult Group
Busy Fingers CFEL Club

Busy Fingers CFEL Club baked cookies, breads, and brownies for neighbors, shut ins and folks in assisted living. We remember those less fortunate and unable to do any baking for themselves. The smiles are worth a lot!"

When Is It Too Late To Plant Wheat?

April of 2018 may go down as one of the coldest on record. Typically spring fieldwork begins in South Dakota in early April or even March. This year it will most likely be the first week of May at the earliest in most areas of the state. Farmers have begun to consider switching acres away from small grains and into later-planted row crops such as corn or soybeans. One producer asked ‘When do I start losing yield?’ That can be a difficult question to answer definitively, as weather variations are such a large factor in the final yields of spring wheat.

Hard Red Spring wheat is one of the most tolerant crops to cold temperatures and frost events. Germination and growth will begin when the soil temperature reaches 40°F. It should be planted as early as possible since cooler weather from emergence to the early reproductive stages generally benefits tiller formation and the development of larger heads. Increased growth during the early season typically results in higher yields.

For example, a study in North Dakota showed that spring wheat planted on May 1st had six fewer days of growth from emergence to 6-leaf stage when compared to wheat planted on April 15th. The number of days was further reduced to eleven when planting was delayed until May 15th. Yield data related to this research suggests that wheat loses 1.5% of its yield potential every day after the optimum planting date. However, this can vary greatly from season to season.

Optimum planting dates in South Dakota vary accord-

ing to the location within the state. The range of dates for optimum planting and latest recommend planting date are listed for nine South Dakota regions in Table 1.

It is recommended to increase seeding rates as planting date is delayed from the optimum date to compensate for the loss in tiller formation. The recommended minimum seeding rate for a normal planting date is 1.2 million pure live seeds per acre, although no-till producers may want to plant more. Seeding rates should be increased by 1% per day for each day planting is delayed. For example, if the optimum planting date is considered to be April 15th, and planting does not occur until May 10th, the seeding rate should be increased by 25% (1.2 million seeds/acre x 1.25 = 1.5 million seeds/acre). SDSU does not recommend planting more than 1.8 million seeds/acre.

If conditions are right, late planted crops can still produce strong yields. In 2015, the South Dakota State University spring wheat variety trial plots were planted on April 13th in Volga, SD and May 1st in Selby, SD. The average yield in Volga was 57 bu/acre and the average yield in Selby was 71 bu/acre.

The wild card in this situation is the weather in June and July. Wheat is highly susceptible to heat during pollination and grain fill. Prolonged exposure to daytime temperatures above 85-90°F and especially nighttime temperatures above 70-72°F during these growth stages can drastically reduce yields, especially if soil moisture levels are low. At present, the National Weather Service is calling for equal chances of above or below normal temperatures in the May-July timeframe. Decisions on weather risk are ultimately up to each individual producer.

References/further information:

Hall, R.G. 2012. Spring Wheat Planting Guide. p. 45-49. In: Clay, D.E., C. G. Carlson, and K. Dalsted (eds). *iGrow Wheat: Best Management Practices for Wheat Production*. South Dakota State University Extension, Brookings, SD.

Weirsmas, J.J., J.K Ransom, and V. Hofman. 2012. Chapter 5 – Planting. p. 27-33. In: Weirsmas, J.J. and J.K Ransom. (eds). *The Small Grains Field Guide*. University of Minnesota Extension, St. Paul, MN and North Dakota State University Extension, Fargo, ND.

Table 1. Optimum and late planting dates for spring wheat in South Dakota.

Region	Optimum range	Latest Recommended
NW	April 8-27	May 19
NC	April 8-27	May 12
NE	April 8-27	May 15
WC	April 5-22	May 13
C	April 5-22	May 8
EC	April 5-22	May 11
SW	April 1-18	May 13
SC	March 25 - April 15	May 9
SE	March 25 - April 10	May 11

Source: *iGrow Wheat: Best Management Practices for Wheat Production*.

Community Collaborative Rain, Hail and Snow Network

What is CoCoRaHS?

CoCoRaHS is an acronym for the Community Collaborative Rain, Hail and Snow Network. CoCoRaHS is a unique, non-profit, community-based network of volunteers of all ages and backgrounds working together to measure and map precipitation (rain, hail and snow). By using low-cost measurement tools, stressing training and education, and utilizing an interactive Web-site, our aim is to provide the highest quality data for natural resource, education and research applications. We are now in all fifty states.

Where did the CoCoRaHS Network originate?

The network originated with the Colorado Climate Center at Colorado State University in 1998 thanks in part to the Fort Collins flood a year prior. In the years since, CoCoRaHS now includes thousands of volunteers nationwide.

Who can participate?

This is a community project. Everyone can help, young, old, and in-between. The only requirements are an enthusiasm for watching and reporting weather conditions and a desire to learn more about how weather can affect and impact our lives.

What will our volunteer observers be doing?

Each time a rain, hail or snow storm crosses your area, volunteers take measurements of precipitation from as many locations as possible (see equipment). These precipitation reports are then recorded on our Web site www.cocorahs.org. The data are then displayed and organized for many of our end users to analyze and apply to daily situations ranging from water resource analysis and severe storm warnings to neighbors comparing how much rain fell in their backyards.

Who uses CoCoRaHS?

CoCoRaHS is used by a wide variety of organizations and individuals. The National Weather Service, other meteorologists, hydrologists, emergency managers, city utilities (water supply, water conservation, storm water), insurance adjusters, USDA, engineers, mosquito control, ranchers and farmers, outdoor & recreation interests, teachers, students, and neighbors in the community are just some examples of those who visit our Web site and use our data.

What do we hope to accomplish?

CoCoRaHS has several goals: 1) provide accurate high-quality precipitation data for our many end users on a timely basis; 2) increasing the density of precipitation data available throughout the country by encouraging volunteer weather observing; 3) encouraging citizens to have fun participating in meteorological science and heightening their awareness about weather; 4) providing enrichment activities in water and weather resources for teachers, educators and the community at large to name a few.

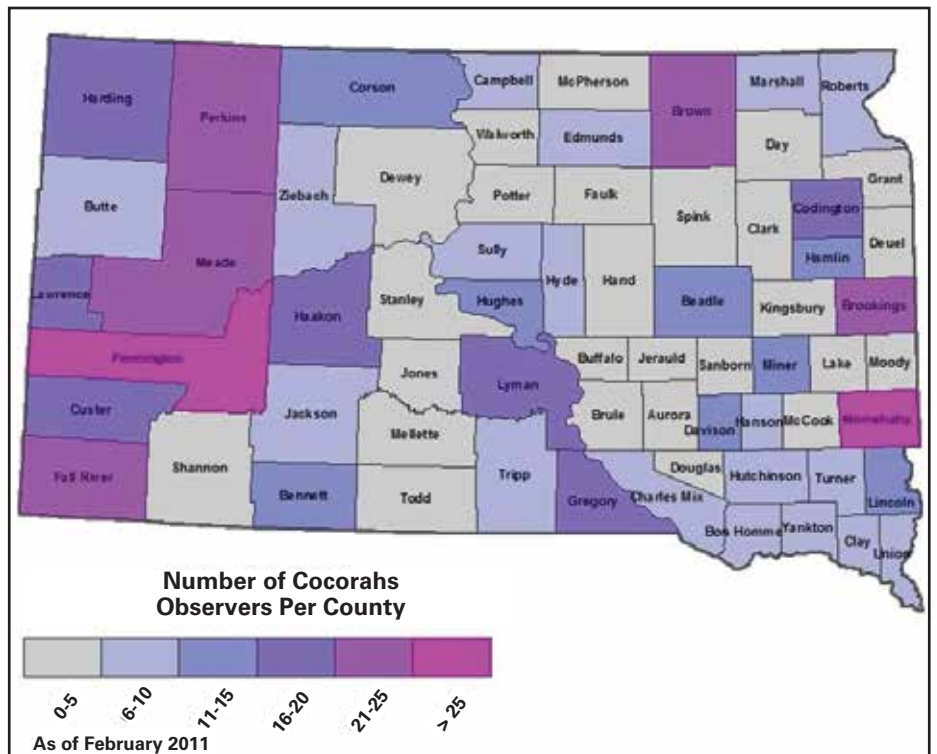
Who is sponsoring this network?

The National Oceanic and Atmospheric Administration (NOAA) and the National Science Foundation (NSF) are major sponsors of CoCoRaHS. Other organizations have contributed either financially, and/or with supplies and equipment. Our list of sponsors continues to grow. Many other organizations and individuals have pitched in time and resources to help keep the network up and running. We are grateful to all of you, as CoCoRaHS would not be possible without your help.



You can help determine drought levels

One of the newer capabilities that is important for drought, is the addition of the "Condition Monitoring Report." This is a great way to submit how conditions are getting worse, or



getting better, in your area. Any drought-related report submitted through the CoCoRaHS website is forwarded to the national drought impact database at the University of Nebraska-Lincoln. This is the same group that runs the Drought Impact Reporter website. Starting this year, I get a weekly report of drought impacts that have been reported for each state, which includes condition monitoring reports from CoCoRaHS. A drought or condition report alone is not sufficient for a map category to change, but it can help justify a drought level or a reconsideration of the climate data.