



Wheat Producers Advantage

South Dakota Wheat, Inc.

November 2018

Congressional Research Service

House and Senate 2018 Farm Bills Summary

Congress sets national food and agriculture policy through periodic omnibus farm bills that address a broad range of farm and food programs and policies. The 115th Congress has the opportunity to establish the future direction of farm and food policy, because many of the provisions in the current farm bill (the Agricultural Act of 2014, P.L. 113 - 79) expire in 2018.

On June 21, 2018, the House voted 213 - 211 to approve H.R. 2, the Agriculture and Nutrition Act of 2018, an omnibus farm bill that would authorize farm and food policy for FY2019 - FY2023. The Senate passed its version of H.R. 2, the Agriculture Improvement Act of 2018, also a five-year bill, on June 28, 2018, on a vote of 86-11.

In terms of cost, the Congressional Budget Office (CBO) score of July 24, 2018, of the programs in both bills with mandatory spending such as nutrition programs, commodity support programs, major conservation programs, and

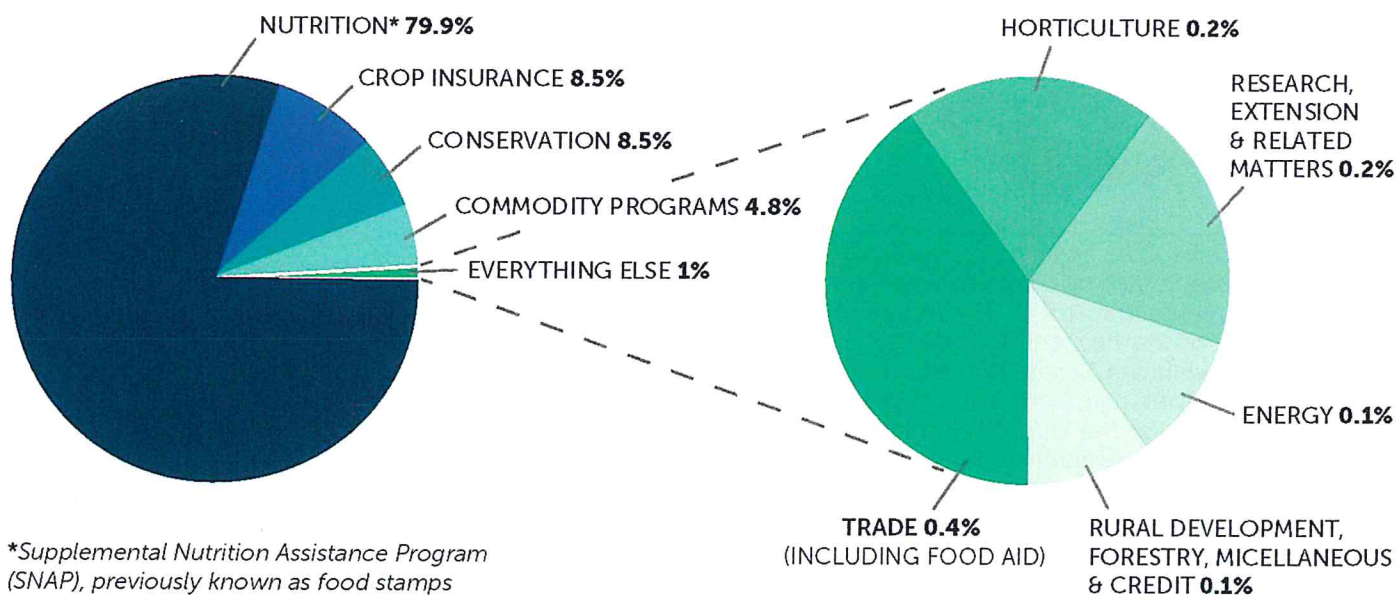
crop insurance over a 10-year budget window (FY2019-FY2028) amounts to \$867 billion in the Senate passed bill and \$865 billion in the House passed bill. These cost projections compare with CBO's baseline scenario of an extension of existing 2014 farm bill programs with no changes of \$867 billion. In both the House and Senate versions of H.R. 2, most existing programs would be extended through FY2023. Overall, the bills provide a relatively large measure of continuity with the existing framework of farm and food programs even as they would modify numerous programs, alter the amount and type of program funding that certain programs receive, and exercise discretion not to reauthorize some others.

Both bills would extend commodity support programs largely along existing lines while modifying them in different ways. For instance, the House bill could raise the ef-

(Continued on page 2)

2014 FARM BILL

BUDGET BREAKDOWN FY14-FY18



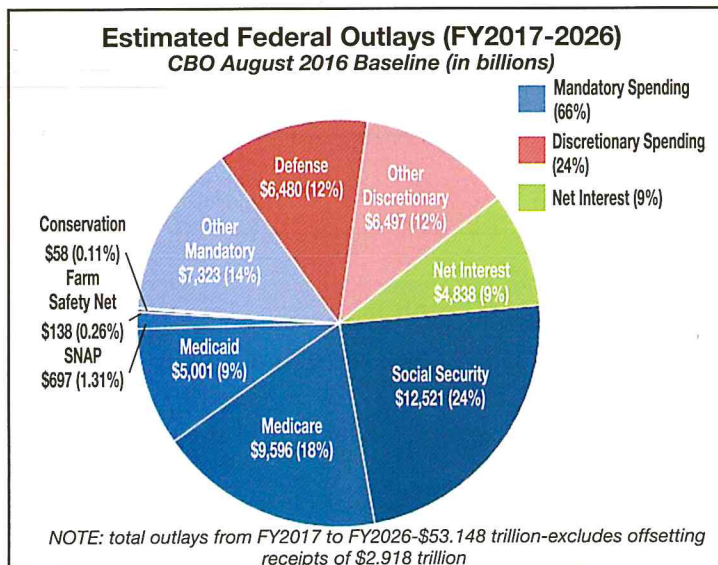
Farm Bill *(continued from page 1)*

fective reference price for crops enrolled in the Price Loss Coverage program (PLC) under certain market conditions. It would also amend payment limits and the adjusted gross income (AGI) limit for eligibility for farm program payments and increase the number of producer exemptions from payment and income limits. In contrast, the Senate bill would leave payment limits unchanged while lowering the AGI limit for payment eligibility. The Senate would also leave PLC unchanged while adopting changes to the Agricultural Risk Coverage program (ARC) that could enhance its appeal as a program option. Both bills would amend disaster assistance programs but under different approaches. Both bills would also rename the dairy program and expand coverage choices for milk producers, and both bills extend the sugar program with no changes.

The House and Senate bills would reauthorize the Supplemental Nutrition Assistance Program (SNAP) for five years, and both bills include polices intended to improve error and fraud detection. Among their differences, the House bill includes multiple changes to who is eligible for SNAP and the calculation of benefits, which are not included in the Senate bill. The House bill includes major changes to work requirements, while the Senate bill would make changes that are minor by comparison.

Within the conservation title, the two bills would raise the acreage limit on enrollment in the Conservation Reserve Program (CRP), with the House bill setting a higher limit than the Senate does. Among other differences, the House

The Senate bill includes a number of provisions that are intended to facilitate the possible commercial cultivation of industrial hemp, while the House bill would amend certain regulatory requirements that apply to industrial hemp. For rural communities, the House bill would authorize the Secretary of Agriculture to reprioritize certain loan and grant programs and take other actions to respond to specific health emergencies, and it would require the Secretary to promulgate minimum acceptable standards for broadband service. The Senate bill would establish priorities for awarding loans and grants for rural broadband projects and add a new program on substance abuse education and prevention. Both bills extend most bioenergy programs, but the House bill places them within the title on rural development and infrastructure, while the Senate bill maintains a separate energy title. Moreover, while the House bill would provide discretionary funding for these programs but no mandatory funding, the Senate bill would provide both mandatory and discretionary funding.



bill would repeal the Conservation Stewardship Program (CSP), whereas the Senate bill would extend CSP but lower the limit on acreage enrollment. The House bill also increases funding for the Environmental Quality Incentives Program (EQIP), while the Senate bill reduces funding for EQIP. Within the credit title, both bills increase the maximum loan amounts for the U.S. Department of Agriculture's guaranteed farm ownership loans and guaranteed farm operating loans. The Senate bill would also raise the limits for direct farm ownership loans and direct farm operating loans, whereas the House bill would not. The miscellaneous title of both bills establishes an animal disease preparedness program and a vaccine bank, although they diverge over funding.

Commissioner Hand Re-appointed to SD Wheat Commission



Governor Dennis Daugaard has reappointed Terry Hand, of Midland SD, to serve a three year term on the South Dakota Wheat Commission. Hand was originally appointed as a commissioner in 2012.

Along with father and brothers he raises spring and winter wheat, sunflowers, corn and milo in the Midland area. In addition, the family runs a cow/calf and back grounding operation.

Hand brings several decades of farming experience to the position. After attending South Dakota State University, and obtaining a degree in Ag Business, he returned to the farm and has been farming ever since.

Hand, along with Clint Vanneman, represents the western part of the state. He believes all farmers should take an active part in developing checkoff programs which supports production, variety research, market development, and education. "I believe all farmers should learn more about what the Commission is doing with their check off dollars to better enhance our markets and improve marketing opportunities."



Reid A. Christopherson, Executive Director

Written collaboratively by Ruth Beck, Jonathan Kleinjan, Christopher Graham, Emmanuel Byamukama, Adam Varenhorst, and Paul O. Johnson.

Winter Wheat Decisions

With winter wheat planting season fast approaching, producers may be facing some difficult planting decisions. The current drought monitor indicates that roughly 30% of the state is experiencing abnormally dry conditions. This is a real concern for producers who remember the autumn of 2012 when large fields of winter wheat did not germinate due to extremely dry conditions. In other areas where crops were lost this summer due to hail, producers may be anxious to get something else growing to replace the first crop and provide cover to the soil.

Planting

Factors affecting the success of winter wheat can be impacted by grower's decisions. In South Dakota, the recommended planting time for winter wheat is September 10-October 10. Areas further north may want to consider planting earlier than areas further south.

Winter wheat will survive the winter better if it is planted in time to develop 2-3 leaves and at least one tiller in the fall.

Many of the seasoned winter wheat producers, plant at 1.1-1.2 million PLS (pure live seeds) per acre. Planting into abnormally dry soil may necessitate a higher planting rate to account for poor germination. In areas where grasshopper populations are at or above thresholds around the fields, increased planting populations can also reduce the impact of grasshopper feeding.

The goal with winter wheat is to produce one main head with one to two tillers. A good plant stand can decrease the tendency of winter wheat to produce late tillers, which contribute to uneven maturity in the crop and can use precious soil moisture.

Variety Selection

Choosing the right winter wheat variety for your area is a very important step for many producers. Varieties will vary in maturity, winter hardiness, disease resistance and

grain quality. SDSU performs winter wheat variety trials at 15 locations across South Dakota each year. Results can be found on the Winter Wheat Variety Trial Results page. Consider as much performance information as possible when selecting a variety, and give more weight to information from trials close to home, as some varieties may be better suited to certain geographic areas. Also pay close

attention to relative performance over many locations. This type of performance is an indication of "yield stability". Good yield stability refers to the ability of a variety exhibit high yield potential at many locations over years. For example, a variety that ranks in the upper 40% at all locations exhibits better yield stability than a variety that is



number one for yield at one location but ranks in the lower 40% at some other locations. Performance over multiple years is also very important. Growing conditions in a single season may favor certain varieties, providing a poor representation of yield potential over time. For example, growing conditions in 2018 tended to favor later-maturing varieties and the absence of stripe rust allowed susceptible varieties to perform better than average. A good rule of thumb is to plant 65%-75% of your acres to varieties with a proven track record (i.e. a good multi-year average) and plant the remaining 25%-35% to a promising new variety.

Good Quality Seed

Using certified seed is a good option for producers. However, if producers choose to use their own wheat as seed, it is recommended that they get a germination test and seed count done. For more information, contact the

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AC HORIZONS CONFERENCE

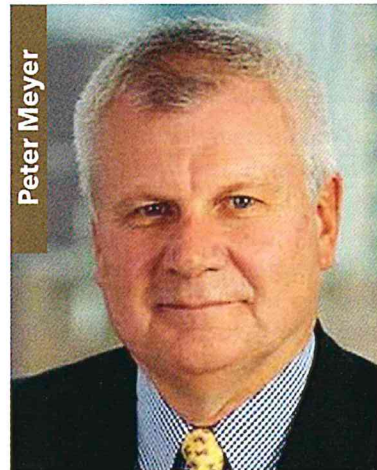
Febina Mathew



Phomopsis on Sunflower
SDSU Crop Pathologist

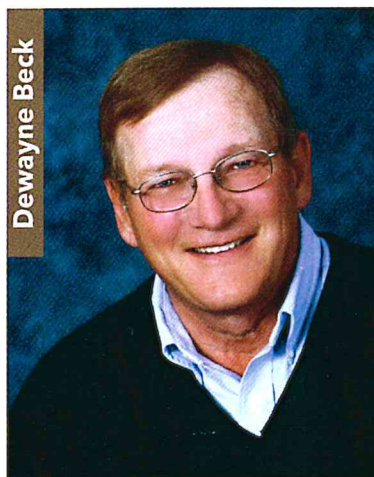
Marketing Concepts
Production Applications
Soil & Water Quality
Weed Management
Disease & Insect Control
Farm Management Practices
Crop Variety Trial Outcome
Grain Transportation Changes
Estate Planning

Peter Meyer



Economic Realities of Farming
S&P Global Platts-PIRA

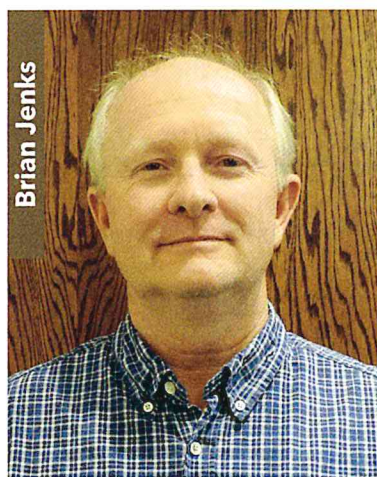
Dewayne Beck



"Stop The Bleeding"
Dakota Lakes Research Farm

State & Federal Ag Policy
Association Annual Meetings
Exhibitors & Motivational Speakers
(24 CEU's Applied For)

Brian Jenks



"Are We Winning the Weed War?"
NDSU Weed Scientist

Registration Information

Per-Person Cost if pre-registered by November 16, 2018 is \$85.

After November 16, 2018 cost is \$95.

One Day Cost: \$50.00

Register on-line at www.sdwheat.org

Room Reservation Information

Ramkota RiverCenter

Phone 605-224-6877

Single or Double \$106.00

Reservations @ pierreramkota.com

Club House

Phone 605-494-2582

Single or Double \$124.00

Governors Inn

Phone 605-224-4200

Single or Double \$63.00 (state rate accepted)

Days Inn

Phone 605-224-0411

Single or Double \$73.00 (state rate accepted)

★ ★ ★ ★ ★ Reservation deadline for convention room rate is **November 15, 2018** ★ ★ ★ ★ ★

Tuesday, November 27, 2018

7:30 - 8:00	Lobby	Breakfast
8:00 - 8:05	Amphitheater II	Welcome SD — Ag Secretary Dr. Dustin Oedekoven
8:00 - 8:50	PM	Are We Winning the Weed War? — Brian Jenks, NDSU Weed Scientist
9:00 - 9:50	Breakout Sessions	
	CM Gallery G	Non GMO Soybean Production & Management — Paul Johnson & Jon Kleinjan, SDSU
	PD Gallery F	Requirements for Ag Trucking — Lt. Joel Peterson, SD Motor Carrier Services
	SW Gallery D-E	Climate Trends & Extremes in SD — Laura Edwards, SDSU Climatologist
10:00 - 10:50	Breakout Sessions	
	PD Amphitheater I	NRCS Services: Farm Bill Update — Jeff Zimprich, State Conservationist, NRCS
	NM Gallery G	Diseases in Sunflowers = Management — Febina Mathew, SDSU Crop Pathologist
	PD Gallery D-E	Estate Planning — Keep Farmers Farming — Danci Baker, Legacy Consultant
11:00 - 11:50	SW Amphitheater II	Stop the Bleeding — Dwayne Beck, SDSU Dakota Lakes Research Farm
12:00 - 1:00	Luncheon B&C	Dr. John Killefer, Dean of Ag, SDSU Luncheon speaker
1:00 - 1:50	PD Amphitheater II	Economic Realities of Farming, Pete Meyer, S&P Global
2:00 - 2:50	Breakout Sessions	
	PD Gallery F	Grain Analyzers: Technology's Impact on Grain Prices — Jory Harris, Perten Inst.
	PM Gallery D&E	Nitrogen Uptake in Wheat — Chris Graham, SDSU Extension Agronomist
	PM Amphitheater I	Palmer Amaranth: Biology & Management — Jennifer Rees, Nebraska Extension
2:50 - 3:00	<i>Cookie Break — Sponsored by Farm Credit Services of America</i>	
3:00 - 3:50	SW Amphitheater II	How to Manage Soils for Resiliency and Profit — Soil Health Panel Bryan Jorgensen, Levi Neuharth, Dennis Hoyle, Kurt Stiefvater, Dan Forgey

Annual Meetings

4:00 - 5:00	Lewis & Clark A&B	SD Wheat Incorporated Annual Meeting
5:00 - 6:00	Lake Francis Case	SD Pulse Growers Association
6:00 - 7:00	Lake Sharpe	SD Crop Improvement Association
		Night on the Town — on your own

Wednesday, November 28, 2018

7:30 - 8:50	Breakfast	
8:00 - 8:50	PD Amphitheater II	2019 Outlook, Pete Meyer, S&P Global
9:00 - 9:50	Breakout Sessions	
	CM Gallery G	Small Grain Diseases Update — Emmanuel Byamukama & Ali Shaukat, SDSU
	CM Gallery F	Financial Footing of Record Keeping — Blaine Carey, Mitchell Vo-Tech
	SW Gallery D-E	Dynamic Soil Properties: Biopsies of the Soil — Carrie Werkmeister, NRCS
10:00 - 10:50	Breakout Sessions	
	NM Amphitheater I	Potential of Microbial Fertilizers and Pesticides — Heike Bucking, Natural Sciences SDSU
	SW Gallery G	Salinity and Sodic Situations in Soil — Kent Vlieger, Soil Health Specialist,
	PM Gallery D-E	Update on Insect Research in Sunflowers — Adam Varenhorst, SDSU
11:00 - 11:50	Breakout Sessions	
	PM Amphitheater I	Cover Crops, Soil Moisture, & Crop Productivity Relationships — Anthony Bly
	CM Gallery D-E	The Pulse Crop Revolution — Tim McGreevy, US Pea & Lentil Council
	SW Gallery G	Palmer Amaranth: Biology & Management — Jennifer Rees, Nebraska Extension
12:00 Noon	Gallery B&C	Awards Luncheon & Attitudes for Excellence — Bob Prentice

Back by Popular Demand — INDUSTRY SEMINARS

1:00 - 1:30	Gallery D PM	Rescue for Bug Infested Grain — Paul Drache, Central Life Sciences
1:30 - 2:00	Gallery D PM	Crop Protection Decisions in Wheat — Todd Landsman, Sales Manager, Arysta Life
2:00 - 2:30	Gallery D CM	What's Happening with Pulse Crops — Emily Paul, Pulse USA
2:30 - 3:00	Gallery D PM	In-Furrow Protection so Advanced, Its Simple — Jared Pokrzywinski, FMC Manager
3:00 - 3:30	Gallery D CM	Not Your Dad's Sunflower Crop — Alison Pokrzywinski, Nuseeds Tech Agronomist
3:30 - 4:00	Gallery D CM	Indigo Wheat™ for 2019 — Kevin Kephart, Indigo Ag
4:00 - 4:30	Gallery D PM	Wheat Disease Management — Wally West, Agronomy Services Syngenta

Continuing Education Units (CEUs) for the Certified Crop Advisor Program are tentative. (24 CEU's Applied For) 2-Nutrient Management; 5-Soil & Water; 6-Pest Management; 7-Crop Management; 5-Professional Development



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DISTRICT 2

Adam Roseth, Midland

DISTRICT 3

Tanner Handcock, Wall

DISTRICT 4

Doug Simons, St. Lawrence

DISTRICT 5

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Wheat Decisions (continued from page 3)

SDSU seed testing lab. Using good quality, healthy, clean seed is very important.

Seed Treatments

Prior to planting, insecticide seed treatments may be applied to the seed. There is evidence that the addition of the insecticide seed treatment can reduce aphid populations in the field and also reduce the incidence of Barley yellow dwarf virus, which is vectored by the aphids. However, these treatments are generally not effective against grasshopper populations, which may require a foliar border treatment immediately after emergence.

Fungicide seed treatments provide protection from soil-borne pathogens that may interfere with seed germination or plant establishment. These pathogens may cause damping off of young seedlings or may cause root rots leading to reduced plant vigor. Seed-borne pathogens such as loose smut pathogen can lead to systemic infection that result in smutted wheat heads. The greatest value of a seed applied fungicide is to prevent catastrophic loss to seed-borne pathogens. However, not every field benefits from fungicide seed treatments. A fungicide seed treatment may be beneficial in fields with a history of poor plant stand establishment, poor drainage, non-rotated, and where non-certified seed is being used. For information on fungicide seed treatment products, see the 2018 South Dakota Pest Management Guide - Wheat (under seed treatments).

No-tilling winter wheat into stubble is a recommended crop management practice in central and western South Dakota. Snow trapped by the stubble adds moisture and insulates wheat seedlings against cold temperatures, thereby reducing risk of winterkill. Seeding winter wheat into broadleaf crop residue can help reduce insect, weed and disease issues. However, seeding into wheat residue is still common because of the increased winter hardiness associated with this practice.

Breaking the Green Bridge

Winter wheat planting is also a time when management decisions for certain diseases and insect pests need to be made. An example of such a disease is Wheat streak mosaic virus (WSMV). This virus is transmitted by the wheat curl mite (microscopic mites that are blown by wind) and can be devastating in winter wheat. However, this virus can also effectively be managed through elimination of what is called "the green bridge". The green bridge refers to volunteer wheat and grassy weeds within a field. These can host insect vectors and other pathogens until winter wheat emerges. To reduce the chance of WSMV and other pathogens and pests surviving on the green bridge, the volunteer wheat and grassy weeds within the field should be destroyed at least two weeks before winter wheat planting. A burn down herbicide application is the best way to destroy the green bridge.

Other pests that may take advantage of the green bridge include Hessian flies as well as common aphid pests of wheat. In South Dakota, Hessian fly reports have been steadily increasing. Part of this trend may be the drought conditions that were experienced in 2017 that resulted in many previous wheat fields being planted back to wheat. Another factor that can impact Hessian fly populations is planting date. Earlier planted wheat is at a risk for Hessian fly infestations.

Check Herbicide Labels

Producers should check labels of herbicides used this past year in areas intended for winter wheat this fall to insure that there are no plant-back restrictions on wheat for those areas.

Insurance

Winter wheat insurance is available to producers in all counties in South Dakota. The final planting date is 15 October.

Value-adding - Wheat into wine, beer, sweets

At the Manildra Group's Nowra starch plant, Australian wheat is milled to flour then put through a range of different processes and transformed into a wide array of products as starch, glucose and ethanol.

The ethanol is used in cars and deodorants, the glucose in confectionery, the starch on bedsheets and perhaps even in the paper you are reading.

"When people come here it blows them away because they've got no idea you can produce such a diverse range of products from flour," says plant general manager Brian Hanley. "If somebody said those chocolates you're eating or the beer you're drinking are made from products that come from flour, it can be hard to link the two."

But the comprehensive and sometimes surprising uses for wheat epitomise the nature of the Manildra Group's business - the world's biggest wheat-starch plant - on its 20-hectare site at Nowra. Operating 24 hours a day, 365 days a year, it produces its wide range of diverse products through integrated processes - 'vertical integration' in industry speak - that leave nothing to waste. The business, in the end, goes full circle.

Mr Hanley says there is no waste through the entire chain of the operation. "We start off on the land and we end up back on the land," he says. "It's all value-added right through the process ... even the carbon dioxide is collected and used."

The Nowra plant relies on 8000 tons of flour each week delivered by rail from the Manildra Group's three NSW

mills. On arrival, the flour is separated into its two components: gluten, which is on-sold to food industries, and starch, some of which is on-sold directly and some directed to an onsite syrups plant, where it is processed and sold as brewers' syrup, glucose and Gemspray (a form of glucose used in dried food products including soups and baby food).

Starch is also fed to the onsite ethanol plant, where it is combined with sorghum and converted to ethanol for fuel and industrial markets. Carbon dioxide created by the ethanol process is collected and piped across the road to a local business, where it is compressed and used in carbonated drinks.

Meanwhile, the remaining waste stream from the ethanol plant goes to a stillage recovery or waste-water plant, where the coarse materials are removed, mixed with bran and dried to create high-protein cattle feed at a rate of 250 tonnes a day.

"We reuse all of our water," Mr Hanley says. "We recycle water in the processes within the plant, but all the water that's excess to that we use to grow crops and beef cattle."

It is this kind of lateral thinking that has seen the company grow from one mill in 1952 to what it is today: Australia's biggest user of industrial wheat, sourcing at least one million tonnes every year, and the country's largest flour exporter, with about 60 per cent of the market.

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*In laboratory setting

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