



Wheat Producers Advantage

South Dakota Wheat, Inc.

April 2019

National Association of Wheat Growers holds meeting in conjunction with Commodity Classic

SD Wheat Inc Board of Directors Shannon DePoy and Adam Roseth attend NAWG committee and Board meetings in Orland Fl. NAWG is working closely with NRCS, USDA and FSA to implement the recently passed Farm Bill. Representation at the national level means that South Dakota has a seat at the table to voice South Dakota needs. Attending NAWG meetings provides SDWI Directors a broad perspective of how many people and agency work to orchestrate a Farm Bill and implementation of that Farm Bill. Here are just a few who presented during NAWG committee meetings.

- Andrew Vlasaty, Senior Professional Staff Member, Senate Agriculture Committee for Chairman Roberts
 - Ashley McKeon, Senior Professional Staff Member, Senate Agriculture Committee for Ranking Member Stabenow
 - Anne Simmons, Staff Director, House Agriculture Committee Chairman Peterson
 - Josh Maxwell, Senior Professional Staff Member, House Agriculture Committee for Ranking Member Conaway
 - Kevin Norton, Acting Associate Chief of NRCS
- Mike Seyfert (FMC Government Affairs Director) and Rick Ekins (FMC Innovations Manager) spoke to the board. The NAWG meetings are held jointly during the Commodity Classic.

Commodity Classic is farmer-led and farmer-focused. That means every experience you have at Commodity Classic is current, relevant and important to the future of



your farm. With outstanding education, a huge trade show, inspiring speakers and presenters and the chance to network with thousands of your fellow farmers.

“Farmers across the country are using new challenges in the industry as a launch pad for innovation, and that was clear this year at Commodity Classic, where interest in the educational sessions and new technologies was elevated to a new level. The energy and enthusiasm among farmers and agri-businesses alike made for some deep and engaging conversations and an overall very positive experience.

Additional highlights of the 2019 Commodity Classic included:

A huge trade show with 404 exhibiting companies comprising a total of 2,105 booth spaces, encompassing the latest in technology, equipment, inputs, services and innovation in agriculture.

A keynote address by Sonny Perdue, U.S. Secretary of Agriculture, who also greeted farmers during a walkaround on the trade show floor.

More than 40 educational sessions covering a wide range of topics including soil health, farm policy, trade, yield barriers, farm transition and many more.

A three-day showcase of innovation, technology, equipment and groundbreaking ideas that are changing the face of agriculture and food production.

Dozens of opportunities for farmers from across the nation to network and learn from each other.

Meetings and policy development sessions involving the presenting commodity associations.

The 2020 Commodity Classic will be held February 27-29, 2020 in San Antonio, Texas. For more information and to sign up for email updates, visit CommodityClassic.com.



Adam Roseth and Shannon DePoy attended the National Association of Wheat Growers for SD Wheat Inc., to be a voice for South Dakota wheat producers.



Directors

DISTRICT 1

Shannon DePoy, Lantry

DISTRICT 2

Adam Roseth, Midland

DISTRICT 3

Tanner Handcock, Wall

DISTRICT 4

Doug Simons, St. Lawrence

DISTRICT 5

Todd Mangin, Gettysburg

DISTRICT 6

Steve Rumpza

DISTRICT 7

Paul Hetland, Mitchell

Caren Assman, Executive Director

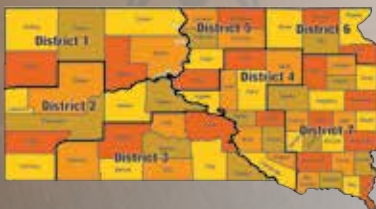
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2018 National Fusarium Head Blight Forum

Thank you to the South Dakota Wheat Commission for sponsoring my trip to St. Louis for the 2018 Fusarium Head Blight Forum. I also, want to thank Reid Christopherson for attending with me and representing the South Dakota Wheat Commission there. It was nice having Reid there as he knows many of the attendees and introduced me to many people from numerous states.

This was my first time to this forum since I took over for Laird earlier this year. The Forum is a once a year event and the steering committee that I serve on meets in April and December of each year. Much of the Forum consists of presentations from breeders, plant pathologists and biologists from across the country who focus on cereal grain research. Many of the presentations are very science based and I didn't garner much from those meetings. However, it is good to see how the dollars are spent in research.

I did attend the Hard Winter Wheat Coordinated Project meetings. The first was the Variety Development and Host Resistance (VDHR) and the second was Hard Winter Wheat Coordinated Project (HWW-CP). Our own Sunish Sehgal is now the chairman of coordinated projects which is very valuable for South Dakota.

On Wednesday, December 5th the Steering committee met for a little over an hour. The funding cycle is for two years and we are just going into the second year of funding so there was not a lot on the agenda. We did approve the budget for fiscal year 2019.

Respectfully submitted,

Bryan Jorgensen



Bryan Jorgensen and his grandson, Hayes Jorgensen

FY18 Final Research Plan Budget Funding by State

State	FY18 Final Rec. Amt.
Alabama	\$ 21,014
Arkansas	\$ 92,655
California	\$ 21,747
Georgia	\$ 89,466
Idaho	\$ 168,998
Illinois	\$ 264,055
Indiana	\$ 139,081
Kansas	\$ 312,383
Kentucky	\$ 356,905
Louisiana	\$ 82,903
Maryland	\$ 44,139
Michigan	\$ 434,306
Minnesota	\$ 1,205,614
Missouri	\$ 105,401
Montana	\$ 77,208
North Carolina	\$ 200,771
North Dakota	\$ 1,331,980
Nebraska	\$ 122,175
New Jersey	\$ 115,434
New York	\$ 134,807
Ohio	\$ 162,369
Oregon	\$ 71,183
Pennsylvania	\$ 64,007
South Carolina	\$ 17,231
South Dakota	\$ 203,546
Tennessee	\$ 13,243
Texas	\$ 65,687
Virginia	\$ 288,551
Vermont	\$ 20,709
Washington	\$ 20,344
Wisconsin	\$ 20,418
Grand Total	\$ 6,268,330

NAWG Voices Concern About President's 2020 Budget Proposal

The White House Office of Management and Budget Acting Director Russ Vought released the President's Fiscal Year 2020 Budget of the United States Government: "A Budget for a Better America: Promises Kept. Taxpayers First."

In response, NAWG President and Lavon, TX wheat farmer Ben Scholz issued the following:

"While NAWG continues to review the budget proposal in more detail, we do see that it proposes drastic cuts to some key programs for farmers. Congress just passed a farm bill by historical margins from both sides of the aisle which rejected many of these misguided cuts to agriculture that are proposed in the President's budget request.

"The Administration's 2020 proposal will make crop insurance policies more expensive for farmers when input costs already remain high and commodity prices are low. This additional cost could result in many growers not hav-

ing insurance and may make it difficult for them to stay in business. NAWG will continue to impress upon Congress the difficult economic conditions in wheat country and thus why these programs shouldn't be cut through the budget and appropriations process."

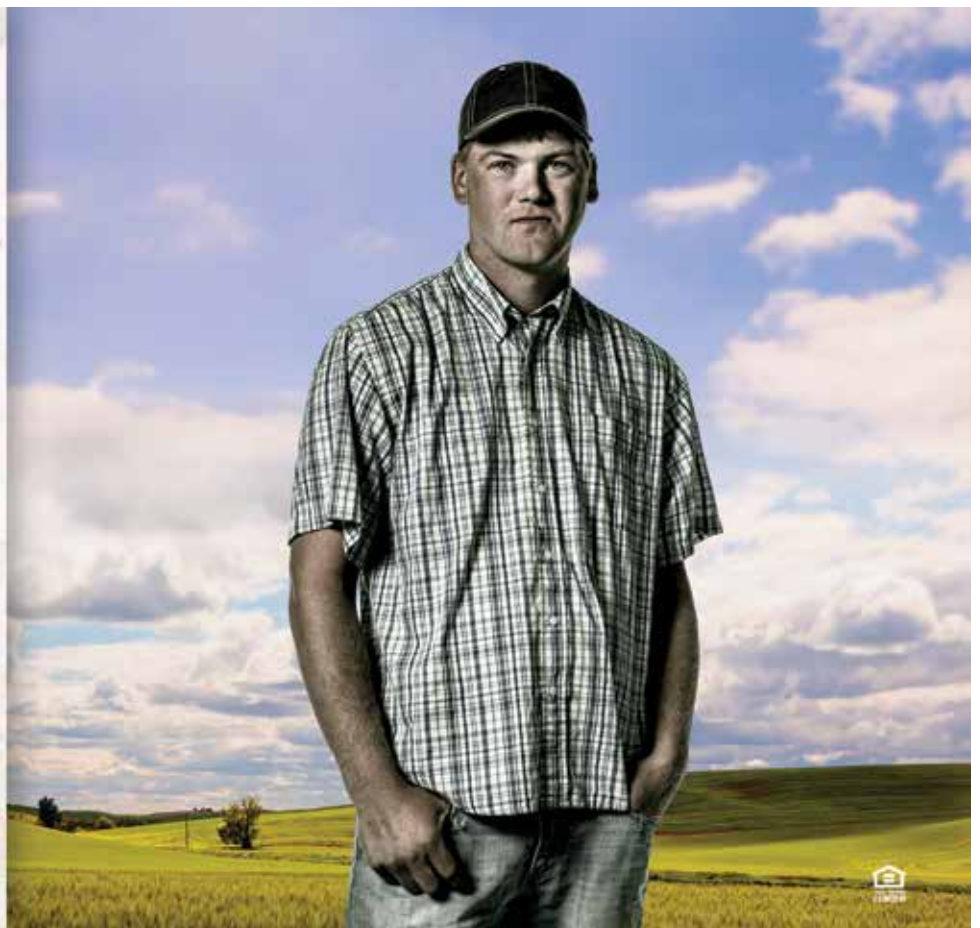
NAWG is the primary representative in Washington D.C. for wheat growers, working to ensure a better future for America's growers, the industry and the general public. NAWG works with a team of 21 state wheat grower organizations to benefit the wheat industry at state and national levels. From their offices in the Wheat Growers Building on Capitol Hill, NAWG's staff members are in constant contact with state association representatives, NAWG grower leaders, Members of Congress, Congressional staff members and the public.

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CoAXium™ Wheat Production System driven by Aggressor™ herbicide nearly doubles returns by controlling grassy weeds

*Yields 22+ bu/acre over untreated weedy checks, no dockage with 0% foreign material at harvest
CoAXium™ Wheat Production System delivers on promise: Cleaner fields. Higher yields.*

CoAXium™ Wheat Production System driven by Aggressor™ herbicide exceeded expectations in 2018 performance evaluation trials, demonstrating visibly superior control of feral rye (cereal rye), downy brome and jointed goatgrass. The new CoAXium™ technology co-launched by wheat experts Albaugh LLC, Colorado Wheat Research Foundation and Limagrain Cereals Seeds delivered cleaner fields all season and higher yields at harvest in Colorado, Idaho, Kansas, Montana, Oregon, Nebraska and Washington.

In a Ritzville, Washington, plot with heavy pressure from a natural feral rye population, CoAXium™ varieties treated with 10 oz/acre Aggressor™ yielded 64.7 bu/acre with 0% foreign matter. The untreated check variety, in comparison, yielded 42.5 bu/acre with 40% foreign matter from feral rye seed in the sample. With a price per bushel of \$6.42, the treated plot returned \$415.37 per acre gross revenue, versus a \$212.50 per acre return from the untreated feral rye check plot.

Montana State University (MSU) and Oregon State University (OSU) conducted CoAXium™ Wheat Production System trials with equally impressive results. In Bozeman, Montana, high pressure from feral rye was obvious in an untreated plot planted with equally impressive results. In Bozeman, Montana, high pressure from feral rye was obvious in an untreated plot planted bushels/acre — 44.1 more than the untreated check. In Pendleton, Oregon,

the untreated plot presented a trifecta of winter annual weeds: downy brome, jointed goatgrass and feral (cereal) rye. The CoAXium™ plot treated with 10 oz/acre of Aggressor™ herbicide out-yielded the untreated check by nearly 30 percent — 103.2 bu/acre versus 79.5 bu/acre.

“These CoAXium™ Wheat Production System plots, driven by Aggressor™ herbicide and powered by the AXigen™ trait, performed extremely well across eight key winter wheat producing states by targeting tough-to-control winter annual grassy weeds,” asserts Chad Shelton, Director of Global Proprietary Products at Albaugh. “The performance of Aggressor™ herbicide within CoAXium™ Wheat Production System is delivering a new tool to growers to help increase weed control performance and return on investment. We are very proud and excited to bring this high performing technology to wheat farmers.”

“It has been encouraging to talk with growers who participated in CoAXium™ Wheat Production System trials,” said Brad Erker, Executive Director at Colorado Wheat Research Foundation. “They are so pleased to finally have a wheat production system that consistently controls winter annual grassy weeds in wheat. Farmers asked for a simple, cost-effective wheat production system that combined elite wheat varieties, a patented non-GMO herbicide-tolerance trait and a new post-emergent ACCase grass herbicide. Now they’ve got it.”



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*in laboratory setting

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An In-Depth Look at the WTO Panel Report on China's Grain Subsidies

On February 19, 2019, the World Trade Organization (WTO) released the final report of the panel in the U.S. case alleging that China has not complied with its domestic support commitments on wheat and rice. While the panel disagreed with a few arguments, it agreed with the accusation that China was far out of compliance due to the operation of the market price support (MPS) program for certain commodities.

U.S. Wheat Associates (USW) believes it is important for its overseas customers and the farmers it represents to better understand why the United States brought this case to the WTO and how the panel reached its conclusion.

Most countries with sizable agriculture sectors provide some domestic support (subsidies or safety net programs) for farmers. The countries that negotiated the WTO Agreement on Agriculture (AoA) established disciplines for domestic support because they had experienced the price suppressing effects of foreign or, in some cases, domestic agricultural subsidies. The WTO members agreed to set limits on the types of support that could impact farmer's production decisions and, thus, distort trade. A government subsidy that incentivizes the farmer to plant more wheat than barley is one example. On a large enough scale (such as across a country), that additional production can significantly suppress wheat prices for other wheat farmers who are not eligible for these subsidies.

Developed countries like the United States, Japan, and European states provided most agricultural subsidies at the time the AoA was negotiated. Over time, these countries either reformed their programs or have stayed within their limits. However, within the past decade, trade distorting domestic support has shifted significantly to developing countries, with China and India leading the way. Those countries are, in many cases, far out of compliance with their WTO commitments.

The U.S. government recognized that if any countries are allowed to flout WTO rules consistently, the incentive for others to follow the rules collapses. It also kills the potential for productive negotiations, since negotiating partners must be convinced that others will uphold their end of the bargain. Therefore, in 2016, the U.S. launched this case against China both to address the particular concerns in China and to demonstrate that the rules apply to all countries (Australia, Brazil, and Guatemala recently launched similar cases against India over its support for sugar production).

In the China domestic support case, the U.S. legal team chose to focus specifically on a measure called mar-

ket price support (MPS) to demonstrate that China had breached its commitment on aggregate measurement of support (AMS). MPS sets a commodity's floor price at which a farmer can sell to a government buyer instead of to a private buyer. This keeps internal prices artificially high and signals farmers to produce more of the supported commodity.

The AoA has a specific formula to calculate how MPS contributes to AMS: the quantity of eligible production multiplied by the difference between the annual support price and a fixed reference price established in the AoA. This was a legal case, so there were arguments about everything, but the most important question was what constitutes eligible production.

China's argument was that eligible production is only the amount procured by the government. But the panel

agreed with the United States, saying eligible production is the "amount of product which qualifies to be purchased from producers," not the amount that is, in fact, purchased. The only limitations in Chinese rules were that the price supports only applied in six provinces (covering approximately 80 percent of production) and to wheat that met basic quality

standards (99 percent of production in those provinces). In 2015, this was 103 MMT out of the 130 MMT produced. In its notification to the WTO for that year, China claimed only 21 MMT. Under that notification, China claimed it was complying; under the panel's methodology, this quantity put China far out of compliance.

The 2015 support price was 2360 renminbi (RMB) per metric ton (MT) and the panel confirmed that the fixed reference price was 1698 RMB/MT. The difference between the two times the 103 MMT of eligible production equals 68 billion RMB, or 22.4 percent of the value of production. Since China's WTO limit is 8.5 percent, China's AMS for wheat in 2015 was nearly triple its allowed limit. This AMS figure only accounts for MPS – the panel did not review a suite of other subsidies available to Chinese wheat farmers that would likely increase the size of China's AMS violation. The panel made a similar finding for rice and did not make calculations for corn due to technical reasons.

The United States and other countries have been arguing for years that China has a responsibility to bring its programs into compliance so that its farm production decisions are no longer based on artificial price signals or other incentives that violate China's WTO commitments.

Now they – and thousands of wheat farmers outside China – have a WTO panel decision to back them up.



Sustainable Production of High Yields

Sustainability and meeting food production goals

The long-term sustainability of the South Dakota wheat industry depends upon profitability, soil and water stewardship, and the personal satisfaction experienced by growers. The “optimization of wheat production” and the “sustainability of the wheat industry” are interlinked and are much more than yield alone. Obtaining sustainable wheat production requires a personal commitment by a producer to manage production for long term profitability, which may be different than short-term maximum production. Long-term profitability is heavily dependent upon a producer’s care for the soil and water resources. Maintaining soil health involves management to maintain or increase soil organic matter, a stable and well-aerated soil structure, and an active microbe population, all while minimizing the conditions that lead to soil erosion.

Management options such as crop rotations, genetics, pest control, tillage, cover crops and fertility all impact long-term productivity and the ability to optimize yields for a given environment or a soil landscape. Weekly or bi-weekly scouting is necessary to monitor weeds, insects, diseases, and nutrient deficiencies. Optimizing wheat production in South Dakota is dependent upon producers making good management choices for the sustainability of their individual farms and the state’s wheat industry.

Crop Rotation

A long-term crop rotation offers diversity, both in terms of crop type (cool or warm season, grass or broadleaf, ni-

trogen fixing or nitrogen consuming, tap or bunch root type) and water use intensity (length of time using water). Diversity disrupts disease, insect and weed cycles, and it may improve soil quality. Including high residue crops in the rotation, such as corn, helps build organic matter, which, in turn, helps to improve the resilience of the entire system. Wheat following field peas often out-yields wheat following wheat. Carr et al (2005) reported that wheat or barley yields were increased by 20% when following field peas rather than small grains. The reason for this rotational effect is not well understood.

Planting Date

Adopting management practices that increase the length of the grain filling period is critical for increasing yields. For example, planting spring wheat early at uniform planting distances reduces competition between adjacent plants and allows heading and flowering to occur earlier, avoiding the hottest weather of summer.

Winter wheat should be established before freezing temperatures to attain cold tolerance and accumulate energy reserves for the following spring. Winter wheat planted too early can have disease problems, while if planted too late it can suffer from winterkill. Due to climactic variability, the optimum planting date will vary.

Table 1.1 Hints to produce 100 bu/acre

- Pay attention to the details
- Use high quality seed and plant a uniform stand with good disease and lodging resistance at an appropriate rate.
- Use soil sampling to monitor soil nutrients and try to return more nutrients than those removed in the harvested grain.
- Consider a split application of N to minimize lodging and improve wheat quality
- Control pests in a timely manner.
- Scout weekly and apply fungicides as needed.
- Minimize yield losses during combining
- Adopt practices that increase the length of the grain filling period.
- Plant field peas prior to wheat and use rotations to reduce disease, insect and weed problems.

Ag Organizations Launching the SD Agricultural Land Trust

You may have already heard the SD Cattlemen's Association (SDCA) has partnered with the SD Farm Bureau Federation, SD Grassland Coalition, and SD Association of Conservation Districts to launch the SD Agricultural Land Trust (SDALT) this year. While SDALT is still in its infancy, it's important to share some basic information about who we are and where we're going.

Background

First, let's address the question, "What is a land trust?" ConservationTools.org defines a land trust thusly:

A land trust is a charitable organization that acquires land or conservation easements, or that stewards land or easements, to achieve one or more conservation purposes. The conservation purposes may include protecting natural habitat, water quality, or scenic views; ensuring that the land is always available for farming, forestry, or outdoor recreational use; or protecting other values provided by open land. Land trusts work cooperatively with landowners to complete real estate transactions, sometimes purchasing property interests and sometimes accepting donations of those interests. Land trusts also work to ensure that land previously acquired or placed under easement is properly conserved.

In short, SDALT will be another tool we can offer South Dakota's farmers and ranchers in their conservation toolbox. Today, there is essentially no functioning statewide land trust or other entity that is qualified to work with conservation partners such as NRCS to meet the demand from landowners (NRCS receives approximately 200 inquiries per year about its conservation easement programs) and conserve our state's natural resources.

It's also important to note that, while this is a relatively new discussion in South Dakota, we won't be plowing entirely new ground. Today, more than seven of SDCA's counterparts across the west have established agricultural land trusts to provide a service to their members. The oldest of these, the Colorado Cattlemen's Agricultural Land Trust (CCALT), has been around for more than two decades. Others include the Wyoming Stockgrowers Ag Land Trust, the Kansas Ag Land Trust, the Texas Ag Land Trust, the California Cattlemen's Ag Land Trust and others.

In addition, CCALT and other agricultural land trusts have joined together to form the Partnership of Rangeland Trusts (PORT), with a stated mission to "conserve working lands and western heritage for the benefit and wellbeing of future generations." SDALT will join with PORT in embracing the following principles (from PORT's website (<https://rangelandtrusts.org/>):

PORT members work to conserve un-fragmented agricultural landscapes and economically viable farms and ranches through voluntary, incentive-based methods. In order to support this conservation approach, members of PORT agree to adhere to the following operating principles:

- 1. Pursuit of conservation mechanisms that support the long-term protection of agricultural land, but do not adversely impact the landowner's day-to-day management decisions.*
- 2. Non-participation in conservation efforts that result in an increase in public lands or employ any type of condemnation action.*
- 3. Recognition of the role of sustainable land uses as a means of maintaining open and productive landscapes.*
- 4. Refusal to acquire conservation easements with the intent to transfer to governmental ownership.*
- 5. Respect the rights of individual landowners to make decisions regarding public access issues on private lands.*
- 6. Avoidance of fee title ownership as a means of land conservation, with the exception of the brief periods necessary to facilitate the transfer of land into private ownership.*
- 7. Acceptance of conservation easements on properties which represent a significant contribution to agriculture by themselves, as a part of a farm or ranch, or to the surrounding agricultural community.*

Current Status

The SD Agricultural Land Trust has seated its initial Board of Directors, made up of members of the four founding organizations. Governing documents for the land trust have been drafted and are close to being finalized, including a business plan, articles of incorporation, and by-laws. We continue to work our way through the paperwork, documents and hiring necessary to create the SDALT as a stand-alone entity, in the hopes we will be in a position to facilitate our first easement transactions by early 2020. Watch for more details and informational meetings as the SD Agricultural Land Trust becomes a reality.

In the meantime, please feel free to contact me with any questions or concerns. I can be reached at the SDCA office, 605-945-2333 or executive@sd cattlemen.org.

Upcoming Events — 2019

- | | |
|----------------|---|
| April – May | Wheat WORK Program & SDWI District Dialogue |
| May 15 | Wheat Yield Contest Application Deadline |
| June | SD Wheat Inc., Board Meeting |
| September | Wheat Yield Harvest Forms Deadline |
| December 10-11 | Ag Horizons |

Go to www.sdwheat.org for more information about these events

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SY Ingmar—Protein leader for maximum premiums

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Economic Return¹—3-Year South Dakota Spring Wheat Variety Trial Results

	Yield (Bu/A)	Protein %	\$/Bu	Gross \$/Ac
SY Valda	58.7	15.7	\$6.95	\$408.27
SY Ingmar	56.7	16.2	\$7.19	\$407.65
WB9653	59.0	15.5	\$6.79	\$400.46
HRS 3504	58.9	15.4	\$6.71	\$395.25
Surpass	54.2	16.2	\$7.19	\$389.89
SY Rustler	54.2	15.9	\$7.11	\$385.27
LCS Trigger	61.0	14.7	\$6.16	\$375.52
Prevail	52.2	15.8	\$7.03	\$366.92
Boost	50.5	16.5	\$7.19	\$363.38

2016-2018 Average—SDSU Extension Data

¹ Economic return calculated using Sept. local cash grain price of \$5.60 for 14% protein. The premium for 15% protein is 79.45 cents, and the discount for 13% is \$5.36 cents. Up here and in the past we have capped out the premiums at 16% protein.

Locations:

2018 – Aberdeen, Agar, Miller and Selby

2017 – Aberdeen, Agar, Miller, Doland, Selby was halted out

2016 – Aberdeen, Agar, Miller, Faulkton and Selby



For local performance data, call your local AgriPro Associate.



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