



Wheat Producers Advantage

South Dakota Wheat, Inc.

February 2022

Congressional Delegates Talk with Board Members!



Again, this January, our Board of Directors, met with our South Dakota Congressmen to highlight farm bill issues. The Farm Bill is comprised with 85% SNAP dollars and only 15% Farm Bill, which means we have to work especially hard to get our message out. Our South Dakota delegates understand agricultural issues, which include farm support programs, temporary work visas, WOTUS, and Right to Repair, just to name a few.

President Doug Simons shared his thoughts concerning the regulation of Climate Policies. Any climate policy needs to be voluntary, incentive-based and market based, and factor in the unique and varied growing conditions across the country for wheat production. He also shared his concern with carbon credits and the fact that mandatory policies, would be harmful and detrimental.

Past President Todd Mangin hires additional help for his farm/ranch operation using the H2A visas. His discussion with our delegates asked for some type of solution or a change to allow visa holders to have availability to a permanent statute to help stabilize the agricultural workforce. Mangin also touched on the need for reasonable cost and availability to fertilizer and chemicals. "Is there any way to change EPA regulations so that we can utilize the natural gas that is being burned off?" asked Mangin. "Wouldn't it make sense to build a factory to utilize what we have right here in the United States."

Director Tanner Handcock touched on the positive impact from crop insurance and protection from extreme weather events. Producers received \$10 Billion in aid through the USDA for relief from drought, heat and other weather events which negatively impacted producers.

Director Steve Rumpza thanked Representative Dusty

Johnson for his support on a letter to Ambassador Tai and Secretary Vilsack written by NAWG. Agriculture is very competitive, domestically and abroad, but American producers are working at a severe disadvantage. India's government is subsidizing more than half of the value of the production of rice and wheat instead of the 10% allowable under the World Trade Organization (WTO). "We ask that you swiftly take action to reverse the trend of non-compliance by India with WTO domestic support requirements by initiating a dispute settlement case."

Follow the Conversation - Take Action on Issues — Share Your Opinion with Legislators

Sign-on at - sdlegislature.gov

- Monitor bill progress
- Listen live to recorded debates
- Follow your legislator's votes

Email a Legislator

A legislator's email is: `FirstName.LastName@sdlegislature.gov`. You may also go to sdlegislature.gov. Under the "2022 Legislators" tab, select Legislator Contacts and click on a legislator's email address.

Call and Leave a Message for a Legislator

- Senators: call (605) 773-3821
- Representatives: call (605) 773-3851

Write a Senator or Representative:

c/o LRC — 500 Capitol Ave — Pierre, SD 57501

Fax a Message to a Specific Legislator:

(605) 773-6806 (available only during Session)

Contact Governor Kristi Noem

Email: governor.sd.gov

Click on "Contact", then select "send an email"

Write: 500 East Capitol Ave. — Pierre, SD 57501

Phone: (605) 773-3212

Fax: (605) 773-4711



Directors

DISTRICT 1

Open

DISTRICT 2

Adam Roseth, Midland

DISTRICT 3

Tanner Hancock, Wall

DISTRICT 4

Doug Simons, St. Lawrence

DISTRICT 5

Todd Mangin, Gettysburg

DISTRICT 6

Steve Rumpza, Wilmont

DISTRICT 7

Paul Hetland, Mitchell

Caren Assman, Executive Director

PO Box 667

Pierre, SD 57501

Office: (605) 224-4418

www.sdwheat.org

wheatinc@midco.net



Reid Christopherson, Executive Director

Office: (605) 773-4645

Bryan Jorgensen, Ideal

Tregg Cronin, Gettysburg

Terry Hand, Midland

Julian Roseth, Midland

Leon Koepe, Claire City



Included in this issue is the 2021 Annual Report for the South Dakota Wheat Commission. The report certainly provides an opportunity to reflect upon the past year, but equally important is the opportunity to look ahead.

When the Annual Report was submitted to the publisher the 2022 Winter Wheat Seedings had not yet been released by USDA-NASS. When the report became available on January 12th it estimated the South Dakota Winter Wheat seeded area for 2022 to be 830,000 acres. This is a 3.75% increase over the 800,000 acres seeded last year. Although not a large increase it does continue the increasing trend in 2021 of a 27% increase over 2020. Many industry representatives feel that the 2022 projections are far lower than the producer projections that were being shared in their region. Accurate data projections are extremely important to management decisions and appreciation is extended to the producers who participate in these surveys.

As producers look ahead in the next few weeks to their 2022 Spring Wheat seeding decisions they are encouraged to identify their seed sources early. The drought conditions of 2021 have in some cases significantly limited seed availability. One great resource is the Certified Seed Growers Directory published by the South Dakota Crop Improvement Association and available at: <https://www.sdcrop.org/copy-of-seed-directories>

Crop performance testing results are released annually through the activities of SDSU Extension and the South Dakota Agricultural Experiment Station at SDSU. The latest Spring Wheat Variety Trial Results are available at: <https://extension.sdstate.edu/spring-wheat-variety-trial-results>.



National Association of Wheat Growers

25 Massachusetts Avenue, NW, Suite 500b • Washington, D.C. 20001 • (202) 547-7800 • wheatworld.org

Economic Conditions in Wheat Country

2018 Farm Bill Provides Needed Certainty:

- The 2018 Farm Bill passed with historic bipartisan support in both the House and Senate, and we look forward to Congressional oversight hearings on implementation.
- The 2021 Crop Year was particularly challenging for farmers across America who experienced extreme drought and other weather challenges throughout the growing season.
- Wheat growers look forward to working with you in opposing efforts to undermine the Farm Bill through other legislative vehicles and as the U.S. Department of Agriculture (USDA) continues its implementation and review of the 2018 Farm Bill programs.

Wheat Prices:

Wheat farmers finally caught a break from historically low wheat prices with the Marketing Year Average Price projected to be the highest since 2013. Unfortunately, the high prices, caused largely by the pandemic, are not expected to sustain while the price of inputs, which has outpaced commodity prices, are expected to remain high for the next several years. However, these high prices have helped to improve the farming economy after years of struggling through low prices in a depressed economy, but growers are also seeing extremely high prices for inputs supplies like fertilizer and crop protection tools.

Farm Income:

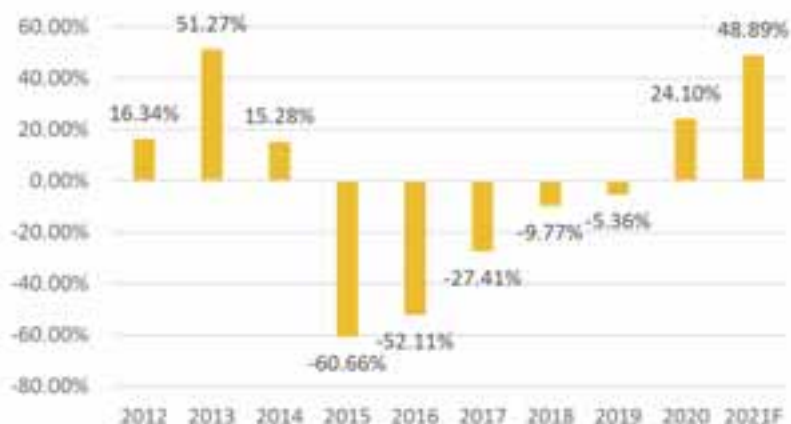
Net cash farm income is the cash available to farmers to draw down debt, pay taxes, cover family living expenses, and to invest. Thanks to the high prices, farmers are also seeing the highest net cash income since 2013. This has been a much-needed break from record low levels. This has led to a decrease in farm debt, improved credit conditions, and increase in farmland values. Prospects for farm income moving into the new year remain high.

Wheat Marketing Year Average Price



Source: <https://quickstats.nass.usda.gov/>, *(P)= projected

Percent Change from 10 year Average of Farm Business Net Cash Income



**THIS IS
YOUR GRAIN.**



Protected with Diacon®-D IGR



Unprotected wheat after 150 days
of insect infestation*

**THIS IS YOUR
GRAIN ON BUGS.**

Keep Wheat and Barley Neat with Diacon®-D IGR

From causing discount penalties to rendering grains altogether inedible, stored product insect infestations make a verifiable economic impact. Diacon®-D IGR is a ready-to-use, dry formulation solution protecting wheat, barley and other grains in a variety of storage sites including water challenged situations.

Make sure your grains stay clean with Diacon®-D IGR. Call 800.248.7763 or visit BugFreeGrains.com to learn more.



*In laboratory setting

Always read and follow label directions. Diacon and Diacon with design are trademarks of Westcott's International. Central Life Sciences with design is a registered trademark of Central Station & Fuel Company. ©2017 Westcott's International.



CENTRAL Life Sciences

**NOBODY
DELIVERS
CROP INSURANCE
LIKE THIS.**



Cody P. / customer since 2006 >



**Proprietary tools,
unsurpassed expertise,
peace of mind.**

Crop insurance is increasingly complex. That's why, along with full-time officers and ongoing training, we invest in proprietary tools – such as Optimum – that sort through dozens of options for a plan that fits your personal financial and risk management needs.

Discover the difference by calling 800-884-FARM.

Agriculture Works Here..
> FCSAmerica.com

This institution is an equal opportunity provider and employer.

Influencing Policy and Production

Your Links To An Effective Wheat Industry

Open Position, District 1



Wheat Works —
Profit With Wheat Seminars

Adam Roseth, District 2



RMA —
SW/WW Insurance Dates

Tanner Handcock, District 3



Farm Bill —
Payments and Programs

Doug Simmons, District 4



State Legislation —
Representation

Todd Mangin, District 5



Ag Horizons —
Education

Steve Rumpza, District 6



Prairie Grains —
Communications

Paul Hetland, District 7



Shared Production Knowledge —
Producer to Producer

*If you are a current
member you will
find the MEMBER
code on your label*

SDWI MEMBERSHIP FORM

- Grower — \$100.00
 Landlord — \$100.00
 Three-Year Membership — \$250.00

Return to:

SDWI
PO Box 667 • Pierre, SD 57501
On-line:
www.sdwheat.org

Welcome New Members!

Andy Rankin
Miles Harvesting
Chris Sieh
Cooper Gordon
Candice Mizera
Justin Davis

Name _____

Farm _____

Address _____

City _____

State _____

Zip _____

Phone _____

Email _____

County _____

NWF Announces National Winners for the 2021 National Wheat Yield Contest

The National Wheat Foundation's (NWF) National Wheat Yield Contest (NWYC) offers growers the opportunity to compete with farmers from across the United States and improve their production practices through new and innovative techniques. Today, NWF is happy to announce the national winners for the 2021 National Wheat Yield Contest. See who won and read more about their entries here!

"Better than expected" is how many of the grower participants describe their 2021 wheat crops. The crops in the spring wheat areas overcame historic drought and a heat-wave that is being described as a 1000-year weather event. The winter wheat crop experienced the "Valentine's Week Historic Winter Outbreak" of snow, sleet, freezing rain and extremely cold temperatures that lasted for several days. In the Northeast, the rain was plentiful and too much so during harvest time. Despite these challenges, 387 wheat growers still entered the contest and 150 of them took their entries to yield in order to compete and see how they fared versus other growers in the country.

Wheat growers are resilient and hopeful by nature. The challenge of growing better wheat than they did the year before motivates them to try new management practices, varieties, and techniques. We know the winners appreciate the prize of being recognized, but more importantly, learn and improve their wheat yields and quality every season.

"NWF would like to thank each grower for enrolling in the NWYC and thank our sponsors for helping to make the Contest available to wheat growers in the United States. Entries for the Contest were 387 this year, spring wheat entries were down a little, due to the drought," stated National Wheat Foundation Board Chairman, David Cleavinger. "Yields and quality were excellent in this year's entries and contestants tell us they are continuing to learn how to increase their yields and quality on their farms."

The contest recognizes winners in two primary competition categories: winter wheat and spring wheat, and two subcategories: dryland and irrigated. Grain must be Grade 1 or 2 by Federal Grain Inspection Service (FGIS) standards to be eligible for awards. National winners will receive a trip to the Commodity Classic in New Orleans, LA in March 2022 and be recognized at an awards reception.

The sponsors for the 2021 National Yield Contest are AgriMaxx, Ardent Mills, BASF, Croplan/Winfield, Elevate Ag, Grain Craft, GrainSense, John Deere, Miller Milling, Michigan Wheat, Nutrien, Ohio Corn and Wheat, and WestBred.

Winter Wheat – Dryland

William Willard	MD	Bin Buster
Jeffery Krohn	MI	1st
Brian Kreider	PA	2nd
Douglas Goyings	OH	3rd
Michael Ebelhar	KY	4th
Tyler Ediger	KS	5th

Winter Wheat - Dryland % Increase

Travis Freeburg	NE	1st
Shawn Kimbrell	TX	2nd
Zach Balahtsis	OK	3rd
Kenneth O'Neal	TX	4th
Matt Jaeger	KS	5th

Spring Wheat – Dryland

John Hofer	ND	Bin Buster
Dallas Diesen	MN	1st
Robert Holzwarth	SD	2nd
Bruce Anderson	ND	3rd

Spring Wheat - Dryland % Increase

Greg Messer	ND	1st
Chris Carlson	ND	2nd
Jordan Christman	ND	3rd

Winter Wheat – Irrigated

Steven VanGrunsven	OR	Bin Buster
Rylee Reynolds	ID	1st
Joel Zwainz	WA	2nd

Spring Wheat – Irrigated

Phillip Gross	WA	Bin Buster
Boe Clausen	WA	1st
Dallin Wilcox	ID	2nd

*It should be noted winners are selected by the percentage increase their yield exceeds the most recent 5-year Olympic County average as determined by USDA.

For more details on the winning entries and to review the official rules and entry details for the 2022 contest, visit yieldcontest.wheatfoundation.org.

Watch for SD Wheat Yield Contest application in next issue.

Why Black Sea tensions matter for wheat: Analyst's Insight

Political tensions in the Black Sea are a big part of why wheat prices have bounced in the past few days. The latest news relates to comments by the US Secretary of State about the number of Russian troops near Ukraine's border.

Political and/or economic events often have more impact on grain prices in our winter. This is because there's less news about grain supply. But, the tensions matter as both Russia and Ukraine are major exporters of wheat.

The current export situation

The two countries have exported significant volumes of grain already this season. But, there is still much more to ship:

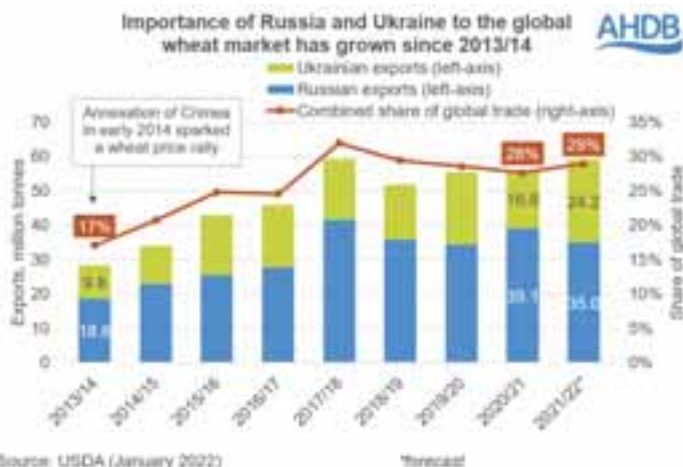
So far in 2021/22, Ukraine's Agriculture Ministry reports the country has exported 16.1Mt of wheat (July to 10 Jan, Refintiv). This equates to two-thirds of the USDA's latest forecast (24.2Mt).

Meanwhile, Russia have exported an estimated 21.1Mt from July to December (Refintiv). SovEcon estimate that a further 2.6Mt could be shipped in January. Combined, this could take Jul-Jan exports to 23.7Mt or 68% of the current USDA forecast (35Mt).

Based on the latest USDA forecasts, this leaves around 20Mt to ship before the end of June. This is a significant volume. It means the market is still vulnerable to any potential disruption to exports from political tensions. As a result, if the political tensions continue, they could well continue to offer some support to old crop prices for some weeks yet.

New crop risk as well?

It's also worth bearing in mind that Russia and Ukraine are expected to hold more of the exportable wheat stocks than normal at the end of this season. The stocks held by major exporters are important as they are most accessible to the market.



Source: USDA (January 2022)

Further escalation of the tensions could disrupt grain exports from the region. It could also push up natural gas and/or crude oil prices. In turn, higher natural gas prices could push up nitrogen fertiliser prices, which are already very high. Meanwhile, higher crude oil prices can make it more attractive to use more biofuels, such as those made from wheat or maize. More demand for biofuels increases demand for the grains and vegetable oils they're made from.

In early 2014, wheat and crude oil prices rose sharply as Russia annexed the Crimea. Between 19 of February and late March, nearby UK feed wheat futures rose over £13/t (+9%).

When we compare the USDA's export forecasts made in January 2014 and the latest estimates, it suggests that the total exports from Russia and Ukraine were not impacted in 2013/14. For example, in Ukraine, the latest export figures for 2013/14 are close to the forecast made in January 2014 (-0.2Mt). For Russia, over the same period the latest estimates are higher (+2.1Mt).

Despite this, uncertainty is a powerful driver of markets. The situation dominated headlines for weeks in the spring of 2014. Meanwhile, the uncertainty added to the complexity of global trade.

This season, global wheat supplies are so tight that any disruption to exports from the region could have serious impacts. The USDA forecasts wheat stocks held by all major exporting countries at the end of 2021/22 is estimated to be the lowest since 2007/08. This is despite increases in last week's USDA report. What's more, Russia and Ukraine account for far more of wheat trade (29%) than they did in 2013/14 (17%).



Source: USDA (January 2022)

The amount of stock held by major exporters is already low and expected to fall further by the end of this season. This gives a low buffer against any production issues in 2022/23.

The political tensions in the Black Sea region could threaten the market's ability to access 23% (Ukraine and Russia combined) of those accessible stocks. If this happens, it could give some further support to new crop prices. However, this will only be a factor if there are potential issues with the global 2022/23 crop.

Crop Hour: Wheat Webinars



Crop Hour will run Jan. 11 through Mar. 3, every Tuesday through Thursday, from 10:00 a.m. - 11:00 a.m. CST.

For more information, contact Sara Bauder, SDSU Extension Agronomy Field Specialist or Shelby Pritchard, SDSU Extension Pest Management Specialist.

Schedule

10:00 a.m. - 11:00 a.m. CST each day

• February 1:

“Were there insect issues in 2021 wheat?”

Adam Varenhorst, Assistant Professor and SDSU Extension Field Crop Entomologist

• February 2:

“With Concerns About Herbicide Shortages, What Should I Do?”

Paul Johnson, SDSU Extension Weed Science Coordinator

“Wheat Variety Selection and Management for Better Grain Protein Content”

Jonathan Kleinjan, SDSU Extension Agronomist

• February 3:

“Fertility, soil health and conversion to no-till”

Christopher Graham, SDSU Extension Agronomist

“Wheat Disease Considerations”

Connie Strunk, SDSU Extension Plant Pathology Field Specialist

• February 15:

“South Dakota Forage Update”

Sara Bauder, SDSU Extension Agronomy Field Specialist

“Blister Beetles: Wheat to expect in 2022?”

Patrick Wagner, SDSU Extension Entomology Field Specialist

• February 22:

“Spring and Summer 2021 Climate Outlook”

Laura Edwards, SDSU Extension State Climatologist

• February 23:

“Grain Storage Management for 2022”

Ken Hellvang, NDSU Extension

• February 24:

“Crop Insurance Considerations”

Matthew Diersen, Professor & SDSU Extension Risk/Business Management Specialist

“Profits? Market outlook 2022”

Jack Davis, SDSU Extension Crops Business Management Field Specialist

• March 1:

“Managing Soil Moisture”

John McMaine, Assistant Professor and SDSU Extension Water Management Engineer and David Kringen, SDSU Extension Water Resources Field Specialist

• March 2:

“Precision Agriculture and Sustainability”

Ali Nafchi, Assistant Professor and SDSU Extension Precision Agriculture Specialist

• March 3:

“Precision Profitability Analysis and Carbon Conservation”

Anthony Bly, SDSU Extension Soils Field Specialist and Matthew Diersen, Professor & SDSU Extension Risk/Business Management Specialist

Registration

Registration is required to attend this free webinar. Zoom links and reminders will be emailed to registered attendees.

Register on Zoom

If you are having technical difficulties, please contact Erin Christofferson (605-626-2870) or Aletha Benson (605-773-8120).