



2019

South Dakota Wheat Annual Report

The Mission of the South Dakota Wheat Commission is:

To stabilize and improve South Dakota's wheat industry through research, market development and education.



2019 In Review

South Dakota Wheat \$ at Work

A very challenging year led the South Dakota Wheat Commission to become focused upon “**South Dakota Wheat \$ at Work**” as producer investments were efficiently directed on behalf of our industry!

The 2019 crop year is one that most producers would simply prefer to forget! Unfavorable weather, lack of trade agreements and low market prices provided challenges at every turn.

Despite increased interest in winter wheat planting, during the fall of 2018 exceptionally wet conditions limited field access and prevented the harvest of crops in time to allow planting. The wet conditions continued into the spring of 2019 preventing the planting of spring wheat as well as row crops. South Dakota unfortunately would lead the nation in prevent planting of nearly four million acres. The planting of spring wheat acres was a record low!

The South Dakota winter wheat acres that were planted produced a strong crop with limited disease problems. The crop contained strong protein levels that were sought out by millers to blend with lower protein winter wheat available in the southern regions of the United States. Spring wheat in central South Dakota was also predominantly of good quality. Unfortunately the very wet conditions in the northeastern counties of the state created high levels of deoxynivalenol (DON), low falling numbers, low test weight, high moisture and reduced desirable color.



Producers gain the opportunity to closely evaluate the merits of potential new wheat varieties during annual performance trials throughout the state.



South Dakota Wheat Commissioners: Left - Clint Vanneman and Right - Chet Edinger

An extremely wet fall has once again limited the opportunity to plant winter wheat for the 2020 season. Soils exhibiting nearly 30% surplus topsoil and subsoil moisture will undoubtedly once again create planting challenges for spring wheat in 2020.

Similar to the producers that support the South Dakota wheat check-off, the South Dakota Wheat Commission will be aggressively managing diminished income against identified priorities in upcoming months.

In 2019 the South Dakota Wheat Commission thanked two outstanding commissioners for their years of dedicated service. Chet Edinger, of Mitchell, completed 12 years on the commission and Clint Vanneman, of Ideal, completed 9 years. South Dakota Governor Kristi Noem has named two exceptional producers to fill these vacancies. We welcome Bryan Jorgensen, of Ideal, and Julian Roseth, of Midland, to these leadership opportunities.

Like the producers of this great state the South Dakota Wheat Commission will remain resilient and focused in our efforts during 2020!



Josh Kranz (right), SD Culinary Academy Director, receives light-hearted direction from Certified Master Chef Tony Seta (center) as they create wheat-based menu innovations at the Culinary Institute of America, in Napa CA.

The South Dakota Wheat Commission carefully balances the investment of checkoff resources between annual investments and multi-year capital projects. In 2019 the Commission completed critical financial commitments towards new greenhouse facilities at South Dakota State University and the Rails to the Future effort extending vital rail service into central South Dakota.

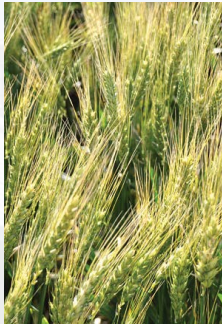


South Dakota 2019 Wheat Variety Survey As of September 24, 2019



Hard Red Winter Wheat

- 64,060 acres reported
- 730,000 acres harvested (USDA NASS Estimate)
- 8.8% acres reported
- 73 responses



The Top Reported Hard Red Winter Wheat Varieties Planted:

- SY Wolf (AgriPro 2012) = 24.0%
- Redfield (SD 2013) = 17.0%
- Oahe (SD 2016) = 14.0%
- SY Monument (AgriPro 2015) = 12.0%
- Ideal (SD 2011) = 11.0%
- AP503 CL2 (AgriPro 2008) = 4.0%
- Overland (NE 2007) = 3.0%



Hard Red Spring Wheat

- 65,275 acres reported
- 770,000 acres harvested (USDA NASS Estimate)
- 8.5% acres reported
- 89 responses



The Top Reported Hard Red Spring Wheat Varieties Planted:

- Surpass (SD 2016) = 17.0%
- Prevail (SD 2013) = 15.0%
- Advance (SD 2011) = 5.0%
- Focus (SD 2015) = 5.0%
- Select (SD 2009) = 5.0%
- SY Rowyn (AgriPro 2013) = 3.0%



All Wheat

- 129,335 acres reported
- 1,500,000 acres harvested (USDA NASS Estimate)
- 8.6% acres reported
- 155 responses

SD Wheat Production Compared to 2018

ACRES PLANTED			BUSHELS HARVESTED		
	Total	Change %	Total	Change %	
Winter Wheat	860,000	+4%	40.0 Million	+26%	
Spring Wheat	640,000	-39%*	26.0 Million	-36%	
Total Wheat	1,500,000	-35%	66.0 Million	-10%	

ACRES HARVESTED			BUSHELS/ACRE		
	Total	Change %	Average	Change	
Winter Wheat	770,000	+17%	52	+4	
Spring Wheat	605,000	-37%	43	+1	
Total Wheat	1,375,000	-20%			



ALL WHEAT
 stored in all positions on September 30, 2019 totaled 83.6 million bushels, down 5% from the previous year.

-5%

*Record Low. Source: USDA NASS September 30, 2019.

Trade Visits with Team from Taiwan

The South Dakota Wheat Commission was honored to once again host a visit of the Taiwan Flour Mills Association to South Dakota. The delegation arrived in Pierre on September 22, 2019 for the three day visit. It had been eight years since South Dakota last hosted a Taiwan Agricultural Trade Goodwill Mission for wheat.

The visit started at the South Dakota Capitol with a ceremony for the signing of a Letter of Intent. Kim Vanneman, Secretary of Agriculture and Reid Christopherson, Executive Director of the South Dakota Wheat Commission co-signed a letter of intent with Tony Y.C. Shu, Executive Director of the Taiwan Flour Mills Association and Jerry Chang, Director General of the Taipei Economic and Cultural Office in Denver. The letter of intent is for the Taiwan purchase of 66.1 million bushels of U.S. wheat during 2020 and 2021. The value of the purchase is estimated to be \$576 million.

“South Dakota wheat producers appreciate the commitment of the Taiwan Flour Mills Association to purchase the highest quality wheat in the world. We look forward to the continuation of this relationship and will maintain our constant focus upon their needs as valued customers and consumers” said Reid Christopherson, Executive Director of the South Dakota Wheat Commission.

To put it into perspective, the island of Taiwan is 18% of the size of South Dakota with a large mountain in the middle. It is populated with nearly 24 million people whose consumption

of wheat is now greater than their consumption of rice. This demand for high quality wheat for bread, cakes and crackers continues to grow. In 2018, Taiwan ranked as the fifth largest market for U.S. wheat. More than 25% of Taiwan’s total agricultural imports come from the United States.

“I look forward to the continued partnership with Taiwan. The economic ties with Taiwan have continued to grow over the years, benefiting all wheat farmers in the United States.” quoted Secretary Vanneman.

While they were in South Dakota, the delegation visited the Cronin Farm west of Gettysburg. Winter wheat planting was in progress allowing the delegation to learn about the full growing cycle of their future imports.

From the farm the team traveled to Onida for a tour of the Oahe Grain Corporation. General Manager Tim Luken provided an excellent overview of the transition of the grain from the farm into the export chain. The delegation was interested to learn how the incoming wheat is evaluated for quality and the ability of the elevator to efficiently segregate the grain to ensure compliance with buyer specifications.

South Dakota looks forward to a continuing relationship with the people of Taiwan and future visits of delegates from the Taiwan Flour Mills Association.



Delegates from the Taiwan Flour Mills Association directly observed the impact of South Dakota Wheat Commission investments into the development of new wheat varieties and the continued focus upon disease resistance at the Cronin Farm west of Gettysburg.

SD Wheat Commission Investments

	FY18*	%	FY19*	%	
Research	586,137	41	765,437	41	Research
Market Development	259,950***	18	400,000	22	Market Development
Education/Promotion	124,159	9	141,990	8	Education/Promotion
Policy/Government Affairs	122,000***	8	182,584	10	Policy/Government Affairs
General Operations	51,600	3	51,600	3	General Operations
Travel	52,600	4	55,100	3	Travel
Personnel Services	191,820**	13	194,125**	10	Personnel Services
Employee Benefits	51,760	4	51,760	3	Employee Benefits
Total	1,440,026	100	1,842,596	100	Total

* Fiscal Year is July 1 to June 30 (i.e. FY19 = July 1, 2018 to June 30, 2019).

** The personnel budget includes a vacant FTE that will not be hired in current fiscal year.

*** Partial membership in U.S. Wheat Associates and National Association of Wheat Growers.

Revised 20 November 2019.



Above: Visitors to the South Dakota State Fair enjoy a tabletop wheat education at the Food Court.

Below: Josh Kranz (left), SD Culinary Academy Director, and Reid Christopherson, SD Wheat Commission Executive Director, at the Culinary Institute of America, in Napa CA.



Above: South Dakota Wheat Commission funds provided for the purchase of a new research plot combine for the wheat breeding programs at South Dakota State University.

Below: Dr Karl Glover, Spring Wheat Breeder at South Dakota State University.



Our Purpose



Representation

- Participation in legislative issues in Pierre, SD and Washington, DC

Communication

- Emails, social media, Prairie Grains Magazine and Regional Directors

Education

- Ag Horizons Conference in Pierre

SDWI Top Priorities:

- Implementing the 2018 Farm Bill
- Preserving farm safety net by protecting crop insurance
- Protecting land owner rights
- Supporting shortline rail and transportation
- Supporting agricultural research
- Promoting free trade and marketing

Supported Organizations



As a founding member of the Northern Crops Institute in Fargo, ND the South Dakota Wheat Commission continues to prioritize this strong program for the investment of checkoff resources.

Collaboration with state and national organizations allows checkoff investments by South Dakota wheat producers to be multiplied, providing a significantly larger impact upon market development and consumer education.