Climate Change Just One “Hot Topic”

By the time you get this, harvest will wrapping up around Idaho. It has been an interesting season to say the least. In the Winchester area, we have seen all the weather extremes possible – high volume of snow, moisture that caused farmers to take the prevented planting option, and near-record rainfall in August right as farmers were hopping in the combine.

But all in all harvest is going well in my area and around the state. Given the crazy weather we’ve had since winter, I am surprised that yields will be at or above average and Idaho grain production will maintain its strong presence in Idaho agriculture’s mosaic.

Meanwhile the U.S. Congress is also maintaining its significance, for better or worse. Our elected representatives are very busy dealing with their own form of volatile weather. The “hot” topic of recent months in our nation’s Capitol involves the debate in developing a national climate change policy to stem man-made greenhouse gas emissions.

On behalf of grain growers, the IGPA, NAWG, and NBGA have engaged in this debate from the outset - putting growers in the front seat of the climate change bus. As a director of the NAWG board and through my leadership role within the organization, I have advocated for legislation that is comprehensive, science-based, and provides a net benefit to producers. Over the past three years it became clear to me, to NAWG, and its member-states that the climate train was rolling fast down the legislative tracks.

In June, the train arrived at the station. Legislation (HR 2454) regulating carbon emissions in the United States passed the House of Representatives. After careful negotiations and hard work by key members in Congress and groups like NAWG and the NBGA, the final bill lessened the regulatory burden on agriculture while providing a net benefit to some grain producers.

In my current role as president of the IGPA, wrapping my arms around the climate change issue is difficult. Its complexity even causes renowned scientists to disagree with each other. In general, Idaho growers tell me they do not believe in the climate change theory, but the IGPA has taken the lead role in addressing the issue. For instance, the IGPA has been a member of the Idaho Governor’s Climate Partnership.

While the climate change issue has proved controversial in all facets, I believe it has highlighted how critical our national organizations are in even finding a seat on the “bus”. If NAWG and the NBGA did not exist, grain growers around the country would be at a major disadvantage in the deliberations of Congress. Thus, our livelihoods would be in jeopardy with only ourselves to blame.

The controversial issue of climate change will directly impact everyone – from the average consumer, to farmers, to manufacturers, our communities, and the ecosystems we live in. For the past few years, an international movement has successfully brought climate change to the forefront of the American public, that of Congress, and ultimately to the doorstep of farmers.

Thankfully the work of our national leaders and those producers simply active in their state associations has kept the IGPA, NAWG, and the NBGA viable and proactive on your behalf. Every farmer should be making their voice heard on these issues that directly impact you. ...continued on page 5
Economic Slowdown, IGPA Uptick

It took many months and thousands of economic “experts” to finally agree that our economy is experiencing a recession, but it’s official. While Idaho’s economy struggles to regain its footing, agriculture has once again proven its strength and relevance.

I will throw out a few quick numbers: In 2008, the net value added by agriculture to Idaho’s gross state product was $2.6 billion. The same year, Idaho’s overall gross state product was $52.7 billion. Thus, best estimates indicate that nearly 5 percent of Idaho’s 2008 gross state product was derived from agriculture.

5 percent may not sound like a large number, but don’t let that be misleading. Most economic experts understand Idaho agriculture is responsible for significant indirect activity that is difficult to calculate, but easy to observe. Translation: the 5 percent is really a much higher number.

What does all of this mean? Given that the popular media crusades against agriculture to its largely urban audience, it is times like these that remind citizens how important your job is. For example, farmers markets are now so popular that they are almost cliché. The motto “Buy Local” is essentially viewed as a lifestyle. And I’m sure you’ve heard or seen radio or TV specials highlighting the rising cost of food and its impact on low-income families in this economy.

While this renewed attention on the relevance of agriculture can be advantageous, this is no time to bask in the summer sun. The Farm Bill passed in June 2008 and its programs slowly being implemented, but agriculture is far from off the radar screen of the State Legislature and that of Congress.

President Obama, his Administration, and Congress are tackling major issues that will impact all of us as citizens but also you as a grain producer. In late June, the U.S. House of Representatives approved legislation to curb climate change through control of greenhouse gas emissions. This bill was arguably the largest single piece of environmental law passed since 1990.

The IGPA opposed the bill, arguing that the net benefits of climate change legislation would not outweigh the added costs to grain growers. We advocated that position to Idaho Representatives Minnick and Simpson – both voted against the bill.

A few short weeks later, the U.S. House passed legislation providing the federal Food & Drug Administration (FDA) unprecedented authority to regulate food processing and production up and down the chain. While we all want our food to be safe, the original bill would have infringed on your property rights and privacy as a food producer. The IGPA worked with our national affiliates to carve out exemptions for the grain industry that essentially took the target off your back before final approval of the bill was given.

Other relevant issues seeking to impact agriculture include everything from continued efforts to breach our dam infrastructure on the Lower Snake River, to applying the Clean Water Act requirements to a mud puddle in your field, to requiring a farmer to have the same permit to spray chemicals on his field as a construction crew does to build a freeway interchange.

These issues are obviously a high priority to the IGPA, and are a small sample of what our officers, the full board, and other Idaho leaders are following on behalf of Idaho’s wheat and barley farmers. Our goal as an association is to advocate for policies that help your bottom line as a farmer.

Agriculture as 5 percent of Idaho’s 2008 gross state product is just that, a number. By making your voice heard and your efforts felt on critical issues, agriculture will continue to prosper no matter the numbers.

Who said anything about an economic recession?
Climate Change

On June 26, the U.S. House of Representatives approved controversial climate change legislation, known formally as the American Clean Energy Security Act (ACES), by a 219 to 212 vote.

The vote followed a week of extensive negotiation, primarily on the part of House Agriculture Committee Chairman Collin Peterson (D-Minn.), who worked with House Energy and Commerce Committee Chairman Henry Waxman (D-Calif.) and House Leadership to add a workable agriculture piece to the underlying Waxman-Markey bill, approved by the Energy and Commerce Committee in May.

NAWG policy supports climate change legislation allowing agricultural greenhouse gas offsets to be utilized as an unlimited source of emission offsets. NAWG worked with a broad coalition of agricultural groups to address nine industry principles in the legislation.

H.R. 2454 contained language satisfying most of nine principles identified by the group. In fact, the changes Chairman Peterson negotiated also address additional concerns about regional flexibility, biomass production and indirect land use calculations. With Chairman Peterson's negotiated amendments to the bill, NAWG supported final passage.

Karl Scronce, NAWG President and wheat producer from Klamath Falls, Oregon said, “This is not perfect legislation, but legislation rarely is. We are deeply grateful for Chairman Peterson's involvement in this process and appreciate the continued willingness of House Leadership to address the concerns of the agriculture community. We look forward to working with Senators in a similar manner.”

Work now shifts to the Senate. Senate Environment and Public Works Committee Chairwoman Barbara Boxer (D-Calif.) has tentatively scheduled consideration of the bill by her Committee for September, and floor consideration is anticipated sometime this fall.

Food Safety

Food safety issues have been brewing for some time, and NAWG has been working closely with a broad coalition of agricultural groups to reduce the potential cumbersome impacts on producers.

On July 30, the U.S. House of Representatives passed the Food Safety Enhancement Act of 2009 (HR 2749) after a great deal of quasi-partisan debate over process and content. The final vote on passage was 283-142, after failing to pass the bill under suspension of the rules a day prior.

The final bill gives broad new authority to the FDA to oversee virtually all aspects of the food safety system -- from farm and processing through distribution and retail -- but largely exempts grain operations from overly broad records access and traceability standards.

Important provisions of the House-passed bill include:

**Traceability**

As it relates to grains and “similarly handled commodities,” the traceback system will start at the warehouse or elevator but will not go all the way back to the farm. Growers will still be required to perform additional record keeping.

**Records Access**

Only those foods subject to performance standards or that are the subject of an active investigation will be subject to records access provisions. Wheat should prove exempt since no record of food borne illness has ever been traced to the commodity.

NAWG worked with a number of coalition partners to advocate changes to the bill to ease the potential burden on grain farm operations. The focus will shift to the Senate where the timeline for additional action on this issue is uncertain.

Clean Water Act

Legislation proposing a massive expansion in the authority of Environmental Protection Agency (EPA) regulation under the Clean Water Act is being considered in the U.S. Senate. S. 787, introduced by Senator Russ Feingold (D-WI), seeks to eliminate the word “navigable” from the definition of “waters of the United States” as defined by the original Act.

A number of recent court rulings have struggled to define bodies of water that fall under federal jurisdiction and this
legislation attempts to clarify the law.

In June, the Senate Environment and Public Works committee approved S. 787, but not before Senator Max Baucus (D-MT), a member of the committee, included alternative language to mitigate the potentially harmful effect on agriculture from the bill.

Senator Baucus’s substitute amendment addressed several concerns of production agriculture and clarifies that the bill does not expand the scope of jurisdiction of the Clean Water Act beyond the original intent of Congress.

In addressing key concerns of the agricultural industry, the Baucus amendment codifies the exclusion for prior converted cropland, strengthening the current exemption which is now only regulatory. It also ensures that the existing permitting exemptions for agriculture in the Clean Water Act remain intact.

The committee-passed bill is now eligible for debate on the Senate floor, but action is not currently being considered. ♦

Get to Know Your IGPA Board

Chad Denny, Benewah County

2. Year elected to the IGPA Board: 2000
4. IGPA service (what have you, do you serve on?): I am on the congressional, legislative, tax, and transportation committee.
5. Other community activities: I am currently serving the last of nine years on the Cooperative Agricultural Producers Co-op board. This year I am the board chairman. I help with my kids’ sports teams and their 4H club.
7. Why did you decide to get involved with the IGPA? Steve Johnson is an old family friend of ours, so getting involved was easy to do. I feel it is important to be part of the process in determining the future of agriculture. What better way to do that than through the IGPA?
8. What do you like best about the IGPA? That the organization is an all encompassing effort to improve Idaho agriculture from the producer to the dinner table.
9. If you could change one thing about agriculture or farming today, what would it be? I would like more consumers to see the value in there safe, cheap food source which farmers all across the country provide.
10. What do you think is the biggest issue facing grain farmers in Idaho right now? Environmental activists are a big issue whether it is burning or water issues. The practical application of what they want to accomplish can be devastating to producers.

It is very frustrating to me to watch so called “environmentalists” try to tell us how to operate and care for the land. Every producer I know does their best to preserve and conserve the land they care for and produce crops on. Perhaps if they spent a day or two in our shoes they would see the light? ♦

IGPA Upcoming Events, Fall 2009

With harvest in full tilt, the upcoming fall season brings several events and meetings.

Below is a general list of upcoming events for the late summer and fall of 2009. We hope to see you at any and all events and meetings!

Sept. 2-7......Twin Falls County Fair & Ag Pavilion, Filer.
Sept. 5-12......Eastern Idaho State Fair, Blackfoot.
Oct. 21-23.....NAWG-USW Fall Board Meeting, Snowbird, UT.
Oct. 28-30.....IGPA North Idaho County Meetings, Districts 1-2.
Nov. 3-5 ........IGPA Southern Idaho County Meetings, Districts 3-5.
Nov. 18-20 ....IGPA Full Board & Executive Board Meetings, Boise.

Check the “Calendar” link on our website, www.idahograin.org, for an updated list of events.

Views ...continued from p. 2

The IGPA is your conduit, your audio amplifier if you will. Your voice affects how we represent you. So how do you get involved? You can start by simply attending a meeting of your county grain grower group this fall. The IGPA has county organizations in 26 counties, all composed of farmers volunteering their time.

Can’t make a fall meeting? Then join us and Oregon’s grain farmers for our annual convention, December 1-3 at the Coeur d’Alene Resort. It’s at our convention where every grower has the opportunity to make their position heard and help shape and set the policies and resolutions that will guide us for the year 2010. More information is available on our website at www.idahograin.org.

Our work on these “hot topics” is far from over. In September, the climate change bill will meet its next hurdle in the Senate. Several other efforts are underfoot that will directly impact you. Rest assured the IGPA officer team and our national affiliates will spend hours to get the best deal possible for grain producers.

I encourage more producers to make their voice heard. ♦
ARS barley breeder Don Obert discusses his barley trial work as part of the July Twin Falls County Crop Tour.

University of Idaho grain pathologist Juliet Windes (right) inspects IGPA Vice President Scott Brown’s barley during the July Caribou County Crop Tour.

Pete Coors relayed his views on trends in the beer industry during the July Miller-Coors Barley Days in Burley, Idaho.

ARS barley breeder Don Obert discusses his barley trial work as part of the July Twin Falls County Crop Tour.
Lewis County wheat grower Scott Riggers discusses erosion mitigation practices during the June Lewis-Idaho County Crop Tour.

Filer barley grower Clark Kauffman toured Miller Brewery during the National Barley Growers Association June meeting in Milwaukee, Wisconsin.

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December 1 – 3, 2009
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TUESDAY, December 1

9:00 - 11:00 am ................................ IGPA Executive Board Meeting
................................ OWGL Executive Committee Meeting
11:00 – 12:00 ................................... OWGL Board of Directors Meeting
................................ IGPA Full Board Meeting
................................ – Followed by lunch
1:00 – 4:30 pm ................................ Idaho Committee Meetings
................................ (1-3:30 pm) Cong.-Legislative-Tax-Trans
................................ Conservation-Environ.-Crop Protection
................................ Marketing, Grain Quality & Energy
................................ (3:30-4:30) PR & Membership
................................ Research & Risk Mgmt.

Oregon Committee Meetings
................................ (1:00-2:30) Production & Research
................................ Environment & Regulations
................................ Membership
................................ (3:00-4:30) Federal Programs
................................ Marketing
................................ Transportation

4:00 ........................................ Registration Opens

6:30 ........................................ OWGL Annual Meeting
................................ (Dinner Served)
................................ IGPA Annual Meeting
................................ (Dinner Served)

8:30 – 12:00 ................................ Hospitality Room Open
................................ (Registered Attendees)

WEDNESDAY, December 2

8:00 am ........................................ Exhibitors Arrive/Set Up

8:00 ........................................ Registration Open

8:00 – 10:15 ................................ Welcome General Session:
................................ Introductions:
................................ Celia Gould, Director, Idaho State
................................ Department of Agriculture
................................ Katy Coba, Director, Oregon State
................................ Department of Agriculture
................................ Keynote Speaker: Jim Wiesemeyer,
................................ Informa Economics (invited)

10:15 ........................................ Exhibit Hall Officially Open

10:30 – 12:00 ................................ Joint (OR/ID) Awards Luncheon
................................ (General Session Hall)

2:00 – 2:30 .................................. Exhibit Hall Open
................................ – Break with Exhibitors

2:30 – 4:00 .................................. Educational Workshops

4:00 – 5:00 .................................. Exhibit Hall Open
................................ – Research Poster Session

5:00 – 6:30 .................................. Wine & Cheese – Welcome Reception
................................ in Exhibit Hall

6:30 – 8:30 .................................. Dinner & Entertainment
................................ Featured Entertainment:
................................ Baxter Black – Cowboy, Poet, Humorist

8:30 – 12:00 ................................ Hospitality Room Open
................................ (Registered Attendees)

THURSDAY, December 3

7:00 – 8:30 am ................................ Early Bird Workshops
................................ (Breakfast Served)

7:00 – 8:30 .................................. OWGL & IGPA Past Presidents’ Breakfast
................................ (By Invitation Only)

8:00 ........................................ Exhibit Hall Open

8:45 – 10:15 ................................ National Organization Update
................................ – General Session
................................ USW, NAWG, NBGA, USGC

10:15 – 10:45 ................................ Break in Exhibit Hall
................................ – Research Poster Session

10:45 – 12:15 ................................ Educational Workshops

12:15 – 1:30 pm .......................... Luncheon with the Exhibitors
................................ – Door Prizes

1:45 – 3:15 .................................. Educational Workshops

3:30 – 4:00 .................................. Break in Exhibit Hall

4:00 – 5:30 .................................. Educational Workshops

6:00 – 9:30 .................................. Auction, Dinner & Entertainment

9:30 – 12:00 ................................ Hospitality Room Open
................................ (Registered Attendees)

FRIDAY, December 4

Convention Is Concluded
................................ – Attendees Travel Home

Exhibitors Strike, Decorator Strike
Modern Varieties & Proven Performance for Idaho Growers

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2009 OREGON/IDAHO GRAINS CONFERENCE
December 1 – 3, 2009
Coeur d’Alene Resort, Coeur d’Alene, Idaho

“FULL REGISTRATION”
Register by November 15, 2009 to receive the reduced rate of $250 per registration!!!!!

First Name __________________ Last Name ____________________________ Full Registration $250.00 $_____
Spouse Name ___________________ (If attending) Full Registration $250.00 $_____

November 16, 2009 Registration is $320.00 $_____

Cancellations will be accepted through November 20, 2009 and refunds, less $25 per person administrative fee, will be granted upon written request through this date. No refunds will be granted after November 20, 2009, however substitute registrants are acceptable.

Farm Name / Company ____________________________ Title ____________________________
Address ____________________________________________________________________________
City ___________________ State ___ Zip Code ____________ Home Phone ____________
Work Phone ______________ Fax ___________________ E-Mail ____________________________

FULL REGISTRATION INCLUDES ALL EVENTS…
Additional Meal Tickets can be purchased…Call 208-345-0706 for additional tickets

ONSITE REGISTRATION IS $350.00 FOR FULL REGISTRATION…REGISTER EARLY!!!!!!

FOR IDAHO GROWERS ONLY: The first 125 full registrations who farm in Idaho will receive $100 refund from the Idaho Grain Producers Association! Reimbursement will be issued in December.

CHILD CARE AVAILABLE AT AN ADDITIONAL CHARGE
(PRE-REGISTRATION REQUIRED…Deadline for registration is 11/15/09)
(Subject to cancellation for non-participation)
Thursday, December 3…5:30 pm– 10:00 pm

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ADDITIONAL INFORMATION INCLUDING ONLINE REGISTRATION AND
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Please make check payable to PACIFIC NORTHWEST GRAINS CONFERENCE and mail with your completed registration to: 821 West State Street, Boise, Idaho 83702-5832. If you have questions, please call (208) 345-0706 (Idaho Grain Producers Association).

Oregon Wheat Growers League       Idaho Grain Producers Association
821 State Street       Boise, Idaho 83702-5832...(208-345-0706)       Fax: (208-334-2505)       www.idahograin.org
The Idaho Wheat Commission (IWC) was established in 1959 to promote and support market development for the benefit of Idaho wheat growers.

The Commission meets much of this responsibility through agreements with entities who have expertise in specific areas. Throughout the year, these projects are subject to review by the IWC to be sure that Idaho wheat growers are getting what they pay for.

A major area of focus is production research and technology transfer. Most of this service is provided through a research contract (MOU) with the University of Idaho (U of I).

Development of wheat varieties that help improve grower profit margins are of utmost importance. The IWC gives major attention to ensuring that these varieties are readily available to Idaho growers at as low a cost as possible. The current MOU with the U of I was three years in the making and required input from the Attorney General’s office. However, it is critical that the interests of Idaho growers be protected and that they gain the benefit from technological discoveries that come from these projects.

Different Varieties, Different Releases

The IWC also strives to ensure that Idaho wheat growers have access to varieties developed at other land-grant universities.

Many years ago a Tri-State Wheat Agreement was developed between U of I, WSU, and OSU that provided a process whereby seed companies and growers in all three PNW states could acquire public varieties developed by any of the three land grant universities. This process served the region well and growers have had access to varieties that have been developed anywhere in the region quite easily.

In the late 1980’s some land grant universities looked at financial opportunities available by licensing varieties to individual companies, rather than releasing varieties publicly.

There was concern at that time that a grower in Idaho may not have access to a particular variety that was developed at the University of Idaho, even though his wheat commission assessment helped pay for the breeding program. A group representing the various stakeholders negotiated a procedure that worked well for many years.

However, a danger still existed that became evident with the exclusive licensing of potato varieties by the Idaho Research Foundation to entities outside Idaho. Additional provisions were needed to protect Idaho growers. The IWC worked very hard to help the U of I reorganize its technology transfer responsibility. The responsibility for commercializing newly discovered technology, including plant varieties, was removed from the Idaho Research Foundation.

Under the revised system this function is now transparent. It does not, however, mean that all releases will be public.

Protecting Intellectual Property

The IWC has representation on the U of I Foundation Seed Stock Committee. This committee advises the College of Agriculture and Life Sciences as to what newly developed varieties are suitable for release and what mechanism should be used to protect the intellectual property and commercialize the variety.

The IWC MOU with U of I provides that the IWC must be informed of any new variety release. The IWC then has the first right to negotiate a contract for a new variety in the event the decision is made to commercialize the variety by licensing rather than public release. If the IWC chooses not to negotiate a license, and subsequently it is licensed to another party, the IWC has the right to meet those same terms and acquire a license to the variety.

In short the MOU with the University of Idaho makes the release and commercialization process transparent, includes grower input, and ensures that Idaho growers have access to the variety.

The need to refocus variety release/technology transfer policies becomes even more apparent when genetic material is provided to the University of Idaho.
under license from a private company. These private technology providers insist that the ownership and integrity of their genetic traits be protected and that the licensing and reporting procedures be efficient.

**Private Technology Providers**

The current case in point is with Clearfield varieties (see related article). The University of Idaho must obtain a license from BASF. BASF has very exacting requirements to protect the property right and also the longevity of the trait. Seed companies and growers are bound by BASF requirements. Likewise, Oregon State University and Washington State University are required to meet the BASF terms for licensing the Clearfield trait.

An agreement has been reached that allows seed companies to deal with only one entity in the licensing of Clearfield varieties developed at any one of the three PNW universities, not all three. The three state wheat commissions endorsed this concept and have been heavily involved in the drafting of the agreement.

**The Future Looks Brighter**

Mark Darrington, Idaho Wheat Commissioner, serves on the NAWG/USW Joint Biotechnology Committee. The Committee has met with private companies that have the most potential to provide novel traits.

The private companies have made it very clear to the Joint Biotechnology Committee that they will not go through the agony of dealing with dozens of land grant universities, each with its unique set of legal entanglements.

To their credit the U of I, WSU and OSU have found a way to work through the legal issues. They have come to an agreement for handling varieties that include a novel trait developed by a private company.

These three institutions are way ahead of the curve in terms of inter-university cooperation in the transfer of novel trait technology to growers. Their efforts will serve as an example of what can and needs to be done to help keep US wheat growers competitive in world markets.

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**Huge Export Losses for Wheat Growers Expected if U.S. Colombia FTA Not Ratified**

U.S. wheat sales to Colombia would likely drop by more than 50 percent if Congress fails to soon ratify the U.S.-Colombia free trade agreement (FTA), say Colombian wheat buyers and millers. USW estimates that would cost U.S. wheat producers more than $87 million in annual sales.

Once ratified, the U.S.-Colombia FTA would immediately eliminate most tariffs on U.S. exports, including wheat, with all remaining tariffs phased out over time. Canada this fall expects to ratify its own FTA with Colombia, which would give a major wheat-exporting competitor an immediate price advantage.

“If importers are forced to pay duties on U.S. wheat and not on Canadian wheat, our members believe U.S. market share is likely to fall,” said Mr. Jaime Jimenez, executive director of FEDEMOL, the Colombian millers association. “We have longstanding ties with the U.S. wheat industry and we prefer U.S. wheat, but the difference in price in that situation would be impossible to ignore.”

Arbon, Idaho wheat grower Hans Hayden met with the Colombia team in Washington, D.C. in June. Mr. Hayden along with U.S. Wheat Associates staff, met with congressional representatives, State Department and USDA officials to discuss the importance of passing the U.S.-Colombia FTA.

Jimenez was in the U.S. recently with a team of Colombian millers and U.S. wheat producers. The team also included Mr. Francisco Cabal, general manager of Molino Santa Marta S.A., Mr. Felipe Laserna, president of wheat importer CIGSA, USW Regional Vice President Alvaro de la Fuente and Policy Director Rebecca Bratter, and wheat producers Chet Edinger of Mitchell, SD, and Hans Hayden of Arbon, ID. The team met with members of Congress (arranged by NAWG) and the Obama administration to stress the benefits of the FTA for U.S. exporters, for their enterprises, and the Colombian economy. The team also visited Edinger’s farm and wheat industry sites in Nebraska with support from the South Dakota Wheat Commission and the Nebraska Wheat Board.

USW is grateful that customers like the Colombian millers and U.S. wheat producers are willing to stand up and share their commitment to free and fair trade. The organization wants to thank each member of the team and the state wheat commissions for their efforts. To read more about the team and the U.S.-Colombia FTA, click on the following link: http://bit.ly/rpHjX.
Half of Idaho wheat exported
- U.S. Wheat Associates work puts Idaho wheat in 33 countries
- China begins purchasing PNW wheat again
- Low-protein Hard White Wheat disposed of
- PNW Export Tour

Marketing programs make Hard White Wheat Idaho’s fastest-growing wheat class

Barge shipping is protected through PNWA membership

Wheat breeding for northern Idaho & southern Idaho
• resistance to Ug99 stem rust high priority

Wheat nurseries & variety trials (18 locations throughout state)

Aberdeen Wheat Quality Lab

Cereal Schools (eight locations throughout state)

Direct Seed Workshop

Wheat Quality Workshops

Wheat-Buying Teams Visit Idaho

Field-burning reinstated

Idaho wheat grower interests protected with IGPA state & federal lobbying
• personal property tax repealed
• Farm Bill benefits guarded

Maintaining a Healthy Wheat Industry
How wheat assessment benefits Idaho growers

PORTLAND

MILLS IN CALIFORNIA, UTAH, ARIZONA

IDAHO GRAIN • FALL 2009
Buying Foreign Farmland Will Not Provide Food Security
by Alan Tracy, USW President

There have been numerous press stories about food importing countries planning to buy land abroad to secure their food supplies. While that is perhaps a natural reaction to the shockingly high prices that basic food commodities reached briefly early last year, it will not work. It sounds plausible and will make some politicians feel good about themselves, but it will not provide any genuine food security and can distract countries from other steps than really can make their peoples’ stomachs more secure.

Saudi Arabia, the United Arab Emirates and Qatar have reportedly been seeking farmland in Africa and Asia. China, India, and most recently Japan have expressed interest, with China already invested in Mozambique and elsewhere in Africa. A South Korean company has bought a majority interest in a large farm in eastern Russia. Pakistan is said to be welcoming investors. In my view, there is nothing wrong with foreign investment in agriculture, as long as it makes improvements and introduces new technology to enhance production as a commercial enterprise. But don’t pretend that it extends a nation’s sovereignty and control into another nation’s territory. That is a desert mirage, not a fertile field.

Some have already labeled these efforts as “land grabs” or “second generation colonialism.” Any such investment large enough to provide a meaningful amount of production is bound to generate resentment by local farmers who do not have the capital to compete with the foreigners. That resentment will provide a ready excuse for the host country to reassert its control if it ever decides it needs that food or the land itself. Logistics also martial against real or lasting control. Let us imagine that a Saudi company buys 25,000 hectares in Kazakhstan or Ukraine, enough for one good shipload of wheat. Or ten times that much, if the local authorities will let them. Where do they store the harvest? Whose inland transport do they use? Whose roads, railroad tracks or waterways? Whose export facilities? You cannot build such facilities for one shipload, or for ten or twenty, for a seasonal product; you need vastly dispersed local storage and a steady process flow from the countryside through to export. The country of origin can still forbid the movement or export, tax it, or even take back the product or the land. The importing country will have absolutely no more control over their supply lines than they do now.

The only real food security for importing countries comes from open markets and strengthening the global institutions of free trade. Local production makes sense, too, as long as it is economically feasible. But Japan imports half of its caloric intake; China has nearly 20 percent of the world’s population and only nine percent of the world’s arable land. Egypt has some wonderful farmland but is mostly desert; India and China, with their huge populations and growing economies, will increasingly rely on imports in the future. These countries, above all others, should be clamoring for a stronger World Trade Organization with rules against export restrictions, trade distorting subsidies, export State Trading Enterprises, and other trade disruptions. Rather than the reluctant participants many of them have been, they should be working hard to make the Doha round succeed.

Food importing countries should also remember which suppliers closed their doors when food supplies grew short last year, and which countries kept their markets open, and they should reward the latter with their continuing business. The U.S. Constitution forbids export taxes, and our laws and practices give foreign buyers the same access to our food markets as domestic buyers. Having first come to Washington myself in 1980 to protest the Carter grain embargo against the Soviet Union, I am confident that we will never make that mistake again. Our farmers need and appreciate our foreign customers, and our country will never shut them out. The fact that the U.S. is one of the world’s largest agricultural exporters provides genuine food security to our customers.

Buying farmland abroad seems logical, but it will not guarantee food security. Open markets will.
The Problem

One challenge with the release of wheat cultivars in the Pacific Northwest is that while cultivars easily cross borders, agreements to release and sell cultivars sometimes do not. This is especially true when dealing with wheat cultivars that carry a protected trait such as herbicide resistance that requires seed dealers to be licensed to sell the wheat to producers. This is the case with Clearfield wheat cultivars that carry a gene for resistance to the herbicide Beyond®.

To sell Clearfield wheat cultivars the seed dealer must be licensed and producers need to agree to a stewardship plan. The plan helps protect the longevity of the technology by reducing the risk of selection of Beyond® resistant weeds and gene flow to related weed species, such as Aegilops cylindrica (jointed goatgrass).

With two state breeding programs (Oregon State University and the University of Idaho) producing Clearfield wheat cultivars this meant that each seed dealer needed to enter into agreements with each university to be able to handle their respective cultivars. (Washington State University plans to have its first Clearfield variety available in 2012.)

In addition, it could have been possible that U of I and OSU would have had different requirements in their licenses, making it difficult for the seed dealer and wheat producer to stay in compliance.

As plant breeders, this appeared to be a potential impediment to getting the new cultivars into the hands of producers.

An Innovative Solution

In 2007, Dr. Jim Peterson, wheat breeder at Oregon State University, proposed the development of a Tri-State Agreement on Clearfield Wheat that would streamline access to new Clearfield cultivars from any of the land grant universities in the Pacific Northwest. This would create uniform guidelines for handling the Clearfield cultivars by seed dealers. Such an agreement would reduce the time and effort on the part of seed dealers to license new cultivars, regardless of the university of origin.

This would also make it possible for wheat producers to have access to new cultivars in the shortest time possible. The uniformity of the licensing agreement insures that stewardship of the herbicide resistance technology is consistent for all cultivars across all three states.

While it took a while to get all three universities on-board, by summer, 2009 a Tri-State Clearfield Wheat Agreement was developed that met the approval of the three universities and the three wheat commissions in the Pacific Northwest.

The agreement meets the goals of streamlining release of...
new cultivars and creates a uniform stewardship plan for all Clearfield wheat cultivars developed by the U of I, OSU, and WSU. In addition the agreement sets up a mechanism for handling and distributing royalties associated with these cultivars back to the university of origin of the cultivar.

Blueprint for the Future

This agreement can now serve as a model for the development of future agreements among the universities on the release and management of other wheat releases, such as hard white wheat cultivars.

The agreement can also be expanded. Utah State University has expressed interest in joining the Tri-state Clearfield Wheat agreement. This would open up Utah to Clearfield cultivars from the Pacific Northwest and make Clearfield wheat cultivars from Utah State University available to wheat producers in Idaho, Oregon and Washington.

It is hoped that the development of such multi-state agreements will lead to increased collaboration among the land grant university wheat breeding programs, improving efficiency of cultivar development and creating cultivars that improve profitability for wheat producers in Idaho, Oregon, Utah and Washington.

The CLEARFIELD® Production System

The CLEARFIELD® production system matches herbicide tolerant seed varieties with custom designed imidazolinone (imi) herbicides. If a grower plants Clearfield seeds and uses an imidazolinone herbicide then only the weeds are killed. It does not affect the wheat crop.

This has proven especially beneficial to growers with goat grass, wild oats, downy brome, cereal rye and others. It is estimated that there are over 550,000 acres in the Northwest planted with Clearfield wheat varieties.

All Clearfield varieties are non-transgenic and are NOT classified as GMO's.

Testing Improves Success

An important part of the IWC research program is effective weed management practices. Bob Zemetra, University of Idaho winter wheat breeder, has developed several lines of imazamox-resistant winter wheat by crossing the herbicide resistance trait into varieties like Lambert and Brundage 96.

Each of these herbicide-resistant lines must be rigorously tested in the field for tolerance to imazamox herbicide to insure adequate crop safety before Zemetra and BASF Corporation (manufacturer and seller of Beyond® herbicide) decide to release a new variety with the Clearfield trademark.

Donn Thill and Traci Rauch, University of Idaho weed scientists, have been field testing Dr. Zemetra’s imazamox herbicide-resistant lines for the past three years.

“Control of winter annual grass weeds, such as jointed goatgrass and downy brome (cheatgrass), can be difficult in winter wheat,” says Thill. “Using Clearfield® herbicide-resistant wheat technology and Beyond® (imazamox) herbicide can greatly improve control of troublesome grass weeds in winter wheat.”

Each study included five to six winter wheat cultivars that were treated with the maximum labeled rate (1X) of Beyond® herbicide and two times (2X) the maximum labeled rate. The higher herbicide rate is included to insure that wheat can tolerate spray application overlaps and other application factors that can cause doses higher than the labeled rate.

Herbicide treatments also were applied in the spring at two wheat growth stages, an early stage (1 to 3 tiller wheat) and a later stage (4 to 7 tiller wheat) to make sure wheat plants can tolerate Beyond herbicide at different application times and under different climatic conditions.

“Tests found that a 2X application of Beyond® herbicide, especially at later wheat growth stages may significantly injure Clearfield® winter wheat,” says Thill. “Growers should try to minimize spray overlaps and spray smaller wheat plants to reduce the potential for crop injury when applying Beyond® herbicide to Clearfield® winter wheat.”

The CONTINENTAL MILLS

MAKERS OF KRUSTEAZ BAKING MIXES

Pendleton, Oregon
(541) 966-5901
The high quality flour produced from Idaho wheat is well known among bread makers, cereal companies and plywood manufacturers. Plywood manufacturers?

Yes. Flour ground from Idaho wheat is found in most Northwest laminated wood products. And that flour comes from Idaho Milling and Grain (IMG) in Malad, Idaho.

Kerry Phillips, has been General Manager at IMG since 1982, when the current company was formed. “Our product has a great reputation throughout the NW,” he says. “Customers often say they have to have that Idaho flour.”

IMG – Idaho Milling and Grain

While most flour mills produce food grade flour, IMG is one of a handful of flour mills in the world producing industrial grade flour and the only one in the Northwest.

The product IMG produces is more than a run-of-the-mill wheat flour. Just like food grade flour, the end product has to meet specific customer specifications. The official term for IMG’s product is ‘Premium Resin Extender’ for the Northwest. The flour is mixed with other additives, bagged and used as the main ingredient in resin for the wood products industry.

The gluten in the flour helps the veneer boards stick together otherwise, layers have a tendency to move. The viscosity of the glue needed is very important as it changes depending on the way it is applied and other glue components.

Hard Wheats Only Need Apply

To get the required level of gluten only higher protein hard wheats are purchased. Hard red winter and springs and hard whites between 10.5% and 12.5% protein are stored in a series of 16 on site bins that hold a half million bushels. The wheat is cleaned, tempered and ground in a regular flour mill. After the grain has gone through 4 runs in the mill it is blended to meet customer preferences. Up to this point the process is similar to a food grade mill, except that grain for food grade flour goes through additional grinding. All byproducts of the milling process stay in Idaho, mostly in animal feeds.

“Times are Changing”

“When I started here,” says Kerry, “there was only one type of extender and we sold it all in the same size package. Today everyone specializes.”

Other changes can be seen in the wheat production end. The impact of increasing consolidation of farms over the years is clear when Kerry looks at his sourcing patterns. “In 1981 I purchased grain from over 130 farmers, some as far away as Colorado and Montana. Today nearly a quarter of that number, provide enough quality grain within a 30 mile radius.”

Local growers appreciate having this niche market. John Wittman grows 1,750 acres of winter and spring wheat near Malad and has sold a portion of his wheat to IMG for many years.

“It’s a life saver to have a mill in town so you don’t have to truck it all to Ogden,” says Wittman. “The mill’s an important marketing option for us and it helps the local economy.”

Demand changes on a yearly basis. Some years the company has used 700,000 bushels to make enough resin extender to fill orders. That number rises and falls with the building industry which experiences more volatility than the food side of the business. It takes 2.2 bushels of wheat to mill 100 lbs of flour. Customers order the resin extender in 2,000 or 3,000 lb bags, and in 100 or 50 lb bags.

“The next time you pick up some plywood – think ‘Idaho wheat’. And hope for another building boom!”

Not all resin extenders are the same. Phillips and his crew of 10 employees stay busy keeping up with changing customer demands. Using a computerized system the flour is blended with other additives to customer’s specifications. A combination of different customer ‘recipes’ and packing options produces 32 different products that are loaded on flatbeds and delivered around the Northwest.

For each customer, IMG must provide a consistent product. “Consistency is paramount,” says Kerry. “With high speed production lines, low profit margins and the advanced technology being used to make boards, each of our customers depends on getting a consistent product from us, day to day, month to month and year to year. Our business depends on maintaining consistency. It’s what brought us to the dance and keeps paying the fiddler.”
Idaho Wheat
Transportation Characteristics

Rails – Rivers – Roads

Rails, rivers, roads – each plays a major role in moving wheat from fields to end users. Keeping markets viable means getting the right wheat, to the right people, at the right time.

Where does Idaho wheat go?
Idaho is one of the few places in the world where buyers can find several different classes of wheat in one place. Wheat class is determined by kernel hardness and color, and by its planting time. Each class of wheat has its own characteristics related to milling, baking and agronomic needs.

- **Soft White Wheat (winter & spring):** pastries, pancakes, cakes, cookies, crackers, flat breads, snack foods and cereals.
- **Hard Red Wheat (winter & spring):** yeast breads, hard rolls and bagels, Asian noodles, flat breads.
- **Hard White Wheat (winter & spring):** blended flours, Asian noodles, steam breads, domestic foods made with whole wheat.
- **Durum:** pasta

Idaho wheat production is usually between 85-95 million bushels/year. Wheat production plays an important role in Idaho’s economy. The value of production in 2008 was $646 million; $378 million from winter wheat, $262 million from spring wheat and $6 million from durum.

Due to Idaho’s unique geographical position in the Pacific Northwest (PNW), marketing opportunities continue to evolve and are equally divided between export destinations and domestic markets.

### Export Markets

The Pacific Rim. The Middle East. Latin America. Consumers around the world enjoy products made from Idaho wheat. Several decades ago nearly seventy percent of Idaho’s wheat moved through PNW export elevators to overseas destinations. Today that number is close to 50% of production.

After moving via rail or barge to Pacific Coast export elevators, Idaho wheat is commingled with wheat from Washington, Oregon and other states and loaded onto ships.

Cost efficiencies gained by using the barge system on the Snake and Columbia Rivers and the competitive ocean freight rates from west coast ports can add up to substantial savings on shipments to many export destinations.

### Domestic Markets

As population numbers grow in the western states the domestic milling industry has grown to meet the demand.

Nearly half of Idaho’s production moves via rail and truck to various end users in states such as California, Utah and Colorado. Idaho has one flour mill which is located in the south central part of the state.

Acres of a new class of wheat — Hard White Wheat — are being grown to meet increasing demand for White Whole Wheat products. Due to quality attributes in our hard wheats Idaho grain continues to replace wheat that was once shipped in from other states.

**NOTE:** A small portion of wheat (less than 10%) is grown for seed and/or used locally as feed depending on price. When wheat is priced close to barley or corn it can be economically fed to livestock. Wheat straw, as a co product with the grain also has many uses.
During harvest the wheat is transported by the farmer’s grain trucks to either on-farm storage or nearby commercial grain elevators. When ready for shipping, it is transferred by truck to regional rail or barge-loading facilities or trucked directly to end users.

Grain not shipped in a timely manner creates cash flow problems for our buyers, delivery schedule headaches for the mills and leaves piles of wheat exposed to the elements too long. All this inefficiency has negative economic impacts and reduces our ability to compete in domestic and world markets.

Rails, rivers and roads play a major role in keeping supply lines open and keeping the industry viable. However, the degree of dependence on transportation modes varies throughout the state.

Breakdown of Information into Regions

The following information is categorized into four Idaho regions as defined by USDA Idaho Agricultural Statistics: north, southwest, south central and east. The categorizing of information into regions, rather than counties ensures confidentiality of information.

NOTE:
Due to minor yearly changes in supply and demand factors this material is presented in percentage form based on a 3-year average (2005, 2006, 2007). It should be kept in mind that grain grown in one region may be shipped from a different region. Due to the low number of acres planted to Hard White Wheat and Durum and to streamline reporting, data on these two classes is combined with data labeled Hard Red. Amounts less than 1% not shown.

### Northwest Idaho

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<tr>
<td>North Idaho</td>
<td>32%</td>
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<td>51/49</td>
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</tbody>
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#### NORTH IDAHO

**Modes of transportation to various markets**
- Barge Export: Hard Red, 25%: Soft White, 72%
- Rail Export: Soft White, 2%
- Rail Domestic: Soft White, 1%

#### SOUTHWEST IDAHO

**Modes of transportation to various markets**
- Barge Export: Hard Red, 3%: Soft White, 22%
- Barge Domestic: Hard Red, 2%: Soft White, 39%
- Rail Export: Soft White, 3%
- Rail Domestic: Soft White, 17%
- Truck Domestic: Soft White, 14%

#### SOUTH CENTRAL IDAHO

**Modes of transportation to various markets**
- Rail Export: Hard Red, 23%: Soft White, 23%
- Rail Domestic: Hard Red, 14%: Soft White, 8%
- Truck Domestic: Hard Red, 3%: Soft White, 29%

#### EAST IDAHO

**Modes of transportation to various markets**
- Rail Export: Hard Red, 14%
- Barge/Truck Export: Hard Red, 1%
- Rail Domestic: Hard Red, 3%: Soft White, 33%
- Truck Domestic: Hard Red, 30%: Soft White, 19%
In July, the 2009 Korean Wheat Crop Survey Team visited Idaho. Team members represented four major flour milling companies that account for as much as 70 percent of market share in Korea. Within their respective companies, each member contributes to the decision making process regarding the origin of the wheat they will purchase, contract specifications and procurement policies. The collective goal was to learn more about our wheat crop.

The group met with University of Idaho’s soft white winter wheat breeder, Dr. Bob Zemetra, and UI Extension Specialist Brad Brown at the Parma Extension Center.

One topic of great interest was the objectives of the soft white breeding program. Overall team members are happy with the quality of our soft white wheat. They want to see the consistency continue. There are many different varieties and each shipload of wheat is made up of different combinations of varieties. This makes things harder for millers trying to come up with a formula that will hold true month to month and year to year.

Breeding wheat that fits the needs of growers, millers and bakers is always a challenge. The team left with a clearer understanding of some of the details involved in developing and growing the wheat that they want.

Concerns

Last year there was a problem with high protein in soft whites. Many millers had to pay premiums to get the right protein. Due to friendlier weather conditions this year, a similar problem is not anticipated. The weather is one aspect of wheat growing that we cannot control.

Wheat products are becoming more complicated and flour from a single class of wheat is being used instead of multiple classes to maintain uniform product quality and reduce production costs. It is accounted for nearly 12% of all wheat exports from the PNW:

- Soft White 19.4 million bushels
- Hard Red Winter 9.4 million bushels
- Hard Red Spring 11.7 million bushels

It is consistently in the top 5 countries importing wheat from the PNW.

With a population of over 48.5 million people, per capita flour consumption in 2008 was about 74 pounds. (US flour consumption is 138 pounds per person). For 2009 Korea’s total wheat import demand is projected at 75-90 million bushels.

When wheat grower funds are combined with federal and private dollars, many activities happen that help build market development. The IWC in conjunction with US Wheat Associates and other organizations provide Korean representatives a first-hand look at the quality of wheat grown in Idaho through a variety of channels. U.S. Wheat Associates is the overseas marketing arm for Idaho wheat.
Interest in whole grain foods has increased in western countries, especially in the US and Europe because of proven nutritional and health benefits. Unlike many other diets advocated previously, this whole grain food trend is getting stronger and is projected to continue for many years. Many Asian consumers are increasingly aware of the whole food benefits, and flour millers and food processors are realizing new business opportunities in whole grain foods in the near future.

US Wheat Associates (USW), has been working with industry representatives to reduce the cost of flour by increasing flour yield and introducing whole wheat flour to bakers. As the result of several seminars and workshops, major flour mills have started to produce small quantities of whole wheat flour products.

To keep up with growing trends, the Wheat Marketing Center, Portland, in conjunction with USW recently began a new course to introduce the use of whole wheat in different wheat products.

Eager to learn about possible new product lines, a team of Korean flour millers came to Portland to learn more and recently completed the Whole Wheat Flour Product Development Course.

Team members had an overview of whole wheat products in the US and their relationship to health, and focused on making bread, tortillas, pretzels and hamburger buns from whole wheat.

They found that U.S. HRW and HRS whole wheat flours were well suited for producing good quality breads and hamburgers. White bran (from soft white wheat) gave much better product color than red bran when added to breads and hamburgers.

Hard white wheat was also tested. The bread color was much whiter than red wheat breads, but the team preferred coarse red wheat flour for baked products such as breads and hamburger buns. Many Asian consumers prefer to see visible bran particles in their products.

For now, it appears that breads and hamburgers have the immediate market potential. Other products such as bagels, frozen products, noodles, and flour tortillas may have potentials as well.

**Working Together**

To maintain good working relationships with our valued buyers takes an investment of time, personnel and programs. These exchanges provide an opportunity to reinforce that Idaho wheat growers raise high quality wheat and that it is available.

Through such visits we learn more about buyer needs and they gain first hand information about our needs.

By working together we all become more successful.
Twelve hours into a 15-hour day and it feels like the first. All because of a cab that’s fully loaded with comfort and convenience. Simple yet advanced controls. Powerful but calming air circulation. Plus the all-new 8RT Series Track Tractors offer the AirCushion™ Suspension System and the Infinitely Variable Transmission, making them the smoothest around. Oh yeah — these are the tractors of your dreams. So sit back. Relax. And make yourself at home.

The new 8R Series with 225 to 345 engine hp (181 to 284 PTO hp) and 8RT Series with 295 to 345 engine hp (235 to 275 PTO hp).

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