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IT'S been an interesting spring. By the time this summer edition of the Idaho Grain magazine is printed, everyone will hopefully be finished seeding. One thing I've learned in this business is that it’s never boring. Each year brings a different challenge. This spring has come with record low temperatures then record high temperatures with memorable winds. “Memorable” should probably be replaced with “brutal.” Just when you think you’ve got it figured out, Mother Nature humbles you.

Water issues and disease pressure are always a concern but are a reality early this year. We at the IGPA can’t take away the risk from the elements, but work is always being done on the political front.

There is never a lack of excitement and change in agriculture, and the same holds true for our Association and the good folks we work with daily. I thought I would share with you some short updates:

New NAWG CEO Named
The National Association of Wheat Growers (NAWG), of which the IGPA is a state affiliate, recently hired a new Chief Executive Officer. Jim Palmer, an experienced executive most recently working for the American Soybean Association, will succeed Dana Peterson in the position. Jim was chosen amongst a very strong pool of talent. IGPA vice president Robert Blair represented Idaho on the selection committee that ultimately chose Jim. We appreciate Robert’s dedication and time ensuring that NAWG maintains its strong presence representing us in Congress. The IGPA looks forward to working with Jim.

Progress on the Farm Bill
As I write this article, the U.S. Senate Agriculture Committee has passed its version of a new Farm Bill to the Senate floor and the House Agriculture Committee is expected to follow suit. So far, the two versions of the bill seem favorable to Idaho wheat and barley farmers. We have made a major push in Congress to strengthen federal crop insurance, while pushing for sensible crop payment programs that save taxpayer dollars while providing a safety net for farmers and ranchers. Things look positive so far.

Idaho Barley Growers Well Represented
When it comes to my operation, barley takes a front seat. I’ve spent much of my time with the IGPA focusing on addressing issues that face the everyday Idaho barley grower. Like anything else, organized representation is critical to solving problems and sustaining our way of life.

Through the IGPA, I’ve become closely involved with our national affiliate, the National Barley Growers Association (NBGA). While the group is small relative to bigger commodities like corn, there are some sharp farmers and staff working hard for our industry.

Another such individual has also worked hard on our behalf. Soda Springs, Idaho farmer Scott Brown will soon be wrapping up a two-year tenure as president of the NBGA. During his time as our top barley leader, he has testified in front of Congress and spent countless hours attending meetings, talking to the media, etc. on behalf of Idaho and American barley farmers. It takes a dedicated person to volunteer for that role and we at the IGPA are grateful for his leadership.

In the coming months, the IGPA and the Idaho Wheat Commission will co-host the PNW Wheat Marketing Legislative Tour in Portland, OR. Key state legislative officials, including Lieutenant Governor Brad Little, will interact with Idaho grain farmers while learning about how Idaho wheat is transported and exported.

Also on the calendar is the summer meeting of the NBGA board of directors, and then we begin the annual summer field days and research plot tours around the state. I encourage everyone to attend these informative events.

Last but not least, I would like to thank the IGPA staff for the great work they do and to let the members know we are in good hands. As I mentioned in the spring magazine, timing is everything. Hopefully timely moisture will come this summer and make for a good harvest.
The Summer Season

For the most part, summer is upon Idaho farmers. How do I know? Because the ringing of the office phone grows quieter and the usual abundance of email traffic subsides... somewhat. That’s my signal that the weather has changed and farmers are outside doing what they do best.

Unfortunately, the warmer weather has come at us like a freight train. Moisture is sorely lacking around the state. Water curtailment is already occurring in some areas and as I write Governor Otter has declared four Idaho counties (Fremont, Blaine, Butte and Lincoln) as drought emergency areas. If Mother Nature doesn’t water her “lawn” in the coming weeks, Idaho could have a major problem on its hands.

The strong possibility of drought in Idaho calls to mind the value of crop insurance. Believe it or not, Congress just passed Farm Bill legislation, including a robust crop insurance title, out of its respective House and Senate agriculture committees. By the time this magazine hits mailboxes, the bill may even be approved through at least one of the two chambers. Who knew Congress could conduct its business so swiftly and efficiently?!

Thus far, my best assessment is that both bills appear to be favorable to Idaho wheat and barley farmers. Our top priorities of maintaining a strong federal crop insurance program and constructing an adequate farm safety net are reflected in the legislation we’ve seen so far.

There is no doubt that farm program critics in Congress will make serious attacks at the bills at any opportunity, so we are working through our Idaho congressional delegation and a broad network of national farm groups to prevail over any attempts to weaken or eliminate those pieces of law that threaten the very existence of farmers.

Those of us who advocate on behalf of American farmers continue to face an uphill battle in Congress because so many of our elected officials don’t understand the challenges and value of the agriculture industry.

We know there will be attempts seeking to reduce or completely eliminate commodity programs, remove significant money from the crop insurance program, limiting the size of farmers eligible for programs, and generally undermining the safety net for growers.

These same folks view the Farm Bill as an opportunity to make political statements on such issues as hunger, the federal deficit, immigration, taxes, environmental battles, etc. Unfortunately farmers are not immune to the whims of a Congressman or Senator who has little clue about agriculture.

The silver lining to this somewhat gray cloud is that these threats are nothing new. While advocates for agriculture may be fewer than the bill’s last passage in 2008, the groups still around are simply working harder and becoming more effective.

As your key advocate, the IGPA is working hard to maintain a strong presence here in Idaho and at the national level to influence and educate key decision makers. We are involved in more coalitions, partnerships and advisory boards than ever before. We have developed growers into leaders including holding positions such as the presidency of the NBGA, the chairman of the NAWG Research and Technology Committee, and chair of the Food Producers of Idaho.

While growers take to their fields to grow the food that is the backbone of America, the IGPA and its volunteer farmer-leaders will be ensuring that Congress, the state legislature, and the state and federal government is reminded of, and understands, the value of your occupation.

Our challenge and goal is to ensure that these folks work to preserve and protect your livelihood. If we can do that, we will be preserving and protecting all Americans and this country.
Is the Farm Bill Really About Farming?

by Robert Blair, IGPA Vice President

AS a farmer who watches closely the developments in Washington, DC, I was taken aback by a May 15, 2013 Lewiston Morning Tribune article titled, “Senate Approves Massive Farm Bill.”

As citizens we understand the valuable role the media plays in shaping public opinion, and I strongly felt this headline was completely misleading. The use of the word “massive” coupled with “farm” feeds the fire of a general public which believes that “corporate farms” and “massive subsidies” are what defines modern agriculture. I hear it all the time and the article compelled me to respond. What follows are points I made in my submission to the paper.

Recently the U.S. Senate Agriculture Committee approved a new $955 billion ten-year Farm Bill. Roughly 80 percent of the bill’s cost is directed to the federal food stamps program, now called “SNAP,” or the Supplemental Nutrition Assistance Program. Of the total cost of the Farm Bill, $764 billion bypasses farmers right from the start. Environmentalists, conservationists, wildlife and sportsmen groups want their piece of the pie, so conservation programs comprise 5.9 percent of the bill, or $57.7 billion.

Title 12 of the bill authorizes the federal crop insurance program. The largest “farm” component of the legislation comprises 9.7 percent. Federal support of crop insurance helps offset premium costs and eliminates unanticipated and usually large ad hoc payments for disasters like flooding and drought. With Midwestern farmers paying their share of the premium last year, Congress did not have to find any new money to help out with what proved to be a severe drought.

The other farm component is found in Title 1 of the bill. Commodity Programs are where the government supports farmers with a safety net for price and production risk. This title attracts most of the attention from farm program critics, but absorbs only 4.4 percent of the total cost of the bill.

Spending on other areas of the bill — energy, forestry, rural development, etc. — is 1.1 percent. So the “Massive Farm Bill,” as the headline read, only provides farmers with 14.1 percent of the total before all of the administrative costs are taken out.

While there is heartburn and media hype when a Farm Bill is up for debate, the reality is it’s no longer for farmers. Urban members of Congress have completely changed the scope and direction of a program established to provide security for our great country during the Dust Bowl era of the 1930’s. It is agriculture that is and will be “The Foundation of Manufacture & Commerce” (motto of USDA).

Soybean Executive Named CEO of the National Association of Wheat Growers

LONGTIME soybean industry executive Jim Palmer has been named chief executive officer of the National Association of Wheat Growers (NAWG).

Palmer was selected by the NAWG Board of Directors after a search process led by the NAWG officers and grower-leaders of the National Wheat Foundation, NAWG’s affiliated charitable organization.

He will officially begin work with the Association and Foundation as of June 1, though he plans to meet with NAWG’s grower-leaders and staff throughout the month of May.

“Our farmer-leaders were very impressed with Jim’s experience and vision for the wheat industry, and we are excited to have him take the lead on the NAWG staff,” said Bing Von Bergen, NAWG’s president and a farmer from Moccasin, Mont., who has also served as NAWG’s interim CEO since late February.

“We are confident that under Jim’s leadership, NAWG will be able to face the challenges we have before us now in Washington and grow our industry well into the future.”

Palmer has worked in administrative roles for national and state agriculture organizations for the past 30 years, most of that time in the soybean industry.

From 1997 until early 2012, he worked as the executive director for the Minnesota Soybean Growers Association and the Minnesota Soybean Research and Promotion Council.

Earlier in his career, he was engaged in commercial agriculture credit and was the staff lead during the development of the United Soybean Board, the national soybean checkoff.

Since leaving Minnesota Soybean, he has worked as an independent management and development consultant with agriculture companies around the United States.

“I am extremely proud to be selected to serve as NAWG’s next CEO,” Palmer said. “The future will be bright for our wheat farmers working together, partnering with NAWG’s strong state organizations and our industry agribusiness friends, as well as other farm organizations. The bottom line is, I’m so eager to take on this new role at NAWG that I’ve mentally started already.”

Palmer grew up on a large, multi-generational family farm in northeast Missouri, near Hannibal. He attended the University of Missouri-Columbia, where he earned a bachelor’s degree in agricultural economics as part of an honors program that also conferred graduate credits.

More about Palmer is available online at www.wheatworld.org/about-us/contact-us/jim-palmer/.
IN an Earth Day ceremony at National Geographic Headquarters, in Washington D.C., the U.S. Water Alliance presented its U.S. Water Prize to three winners: MillerCoors, The Freshwater Trust, and Onondaga County (NY). The Honorable William K. Reilly (U.S. EPA Administrator 1989-93) addressed the audience of 300 environmental leaders gathered to honor the awardees, recounting environmental challenges over the years and the growing need for innovative solutions. The U.S. Water Alliance presents the annual award to foster action and public support for water sustainability. Nominations were reviewed by an independent panel of judges including some of the most respected names in the water and environmental sector. “We’re honoring three champions who are diverse in so many ways yet united in their passion and action to integrate and innovate for “one water” sustainability” proclaims Ben Grumbles, president of the Alliance. “They are winners for their courage to think and act outside the box and sometimes against the current. They offer leadership that coalesces public, private, and NGO partnerships to produce economic, environmental and social benefits.”

Kim Marotta, MillerCoors Director of Sustainability, accepted the award for MillerCoors and acknowledged her co-partners in the effort, The Nature Conservancy and the Idaho Silver Creek barley farmers. “Together, our national organizations and the farmers in this project have made a real difference in watershed stewardship, hundreds of miles away from the ultimate purchasers and consumers of our MillerCoors products.” The company’s comprehensive water strategy, which has also seen great success in reducing the water footprint in its breweries, presents an action plan for the company’s water future. “When we invest in water, it’s about more than capital investments,” explains Marotta. “Our employees have been a driving force in our success, 80 percent of the solution is driven by our breweries embracing water sustainability.”

“More barley crop per water drop, is the way I like to characterize how MillerCoors is leading the way with footprinting stewardship and education. MillerCoors deserves the 2013 U.S. Water Prize for more than the efficiency changes in their facilities,” describes Grumbles. “It’s the innovative reach beyond and up the agriculture supply chain that caught our attention.” The company is working with barley growers in Silver Creek Valley in Idaho to help increase water conservation. It’s paying off.
They’ve noted a 20 percent reduction in water use.

The Freshwater Trust (TFT), an Oregon-based, national non-profit, wins the Prize for its cutting-edge, collaborative work to save rivers and streams in the Pacific Northwest. For seven years, their program has been enabling regulated entities to achieve regulatory compliance by restoring rivers and streams. The program includes new tools such as market-based trading to create incentives and efficiencies to keep cleaner, cooler water flowing. “We’re insuring it’s not a shell game,” described President Joe Whitworth when accepting the award. “We’re avoiding massive expenditures, by having watershed-based parameters in the system that offers transparency and is verifiable.”

TFT-patented software calculates and quantifies the ecosystem services nature provides and then turns them into credits that can be purchased and traded by wastewater treatment facilities and power plants to achieve regulatory compliance on impaired waterways. Their work is done in partnership with water agencies, irrigators, regulators, and farmers and gets away from traditional, costly “built” solutions such as cooling towers or narrowly focused restoration projects on limited acreage. They are also “scaling” their ideas. They’ve developed Streambank, a patented web-based platform that allows more efficient implementation of restoration work, covering the nuts and bolts such as funding, procurement, permitting, and such. “The key to much of their success,” explains Grumbles, “is collaboration. President Joe Whitworth, and his team, are very good at convening regulators, agricultural producers, and the energy sector to get better environmental results than traditional command and control strategies and concrete structures might offer.”

Executive Joanie Mahoney accepted the award for Onondaga County. “As the first County with a consent order to use green infrastructure, we knew we were going to be a model,” explains Mahoney. “Receiving the U.S. Water Prize affirms that we made the right decision.” When faced with the task of reducing the frequency of combined sewer overflows Onondaga County officials had a choice: spend millions on building new wastewater treatment plants or try an alternative approach, a new, greener, method for stormwater abatement. They convinced the federal court to amend the consent order to allow a more balanced approach where green and gray (pipes in the ground) infrastructure complement each other. It was a bold step that saved $20 million in projected savings and paid off in lots of social benefits beyond the dollars saved.

Public private partnerships were an essential ingredient for their success. Onondaga County built a team that includes Syracuse University, the local business community, environmental organizations and others. Focused public education campaigns engaged and involved the community as their pride in the program continues to grow right along with the green roofs, urban wetlands, parks and bio-swales. Harvesting and reusing stormwater for ice making at the professional hockey arena, is another creative feature along with permeable pavement. “The secret, which the U.S. Water Alliance wants to shout out around the country,” explains Grumbles, “is to think beyond the traditional, risk-averse strategies and build collaborative teams for integrating and innovating on some of water’s most challenging opportunities.”

The U.S. Water Prize, first launched in 2011, is organized and administered by the U.S. Water Alliance. Through the prize, the national non-profit underscores the value of water and the need for one water integration, innovation, and collaboration among environmental, business, utility, and community leaders. Sharing these goals, sponsors joined together to make the celebration possible including: CH2M HILL, Veolia North America, Brown and Caldwell, ARCADIS, CDM Smith, and MWH-Global.

The U.S. Water Alliance was formed in 2008 as a 501c3 nonprofit educational organization whose goal is to unite people and policies for “one water” sustainability. A broad cross-section of interests is coming together through the Alliance to advance holistic, watershed-based approaches to water quality and quantity challenges. www.USWaterAlliance.org.
By Emily Callihan, Idaho Department of Lands

In early May the Idaho Department of Lands (IDL) unveiled a new website, BurnPermits.Idaho.Gov, enabling Idahoans to obtain fire safety burn permits online.

Idaho law (38-115) requires any person living outside city limits anywhere in Idaho who plans to burn anything — including crop residue burning and excluding recreational campfires — during closed fire season to obtain a fire safety burn permit. Closed fire season begins May 10 and extends through October 20 every year.

The fire safety burn permit is free of charge and good for 10 days after it is issued.

Prior to 2013, the law requiring fire safety burn permits was not consistently applied across Idaho because multiple agencies were issuing the permits using manual processes. Therefore, many residents in southern Idaho — especially growers planning to burn fields — may not even be aware of the law requiring the fire safety burn permit.

Residents and growers in northern Idaho, on the other hand, generally are accustomed to obtaining the fire safety burn permit along with other necessary permits depending on where and what they plan to burn.

Legally, it has always been the responsibility of IDL to administer 38-115 but because most of the IDL fire protection responsibilities and offices are located in north central and northern Idaho, the IDL delegated the authority to issue the fire safety burn permits south of Riggins to the U.S. Forest Service and the Bureau of Land Management, federal agencies that have significantly larger fire protection presence in southern Idaho.

In 2012 fire managers revisited the administration of the law and agreed to move the responsibility of issuing all fire safety burn permits statewide under the purview of the IDL, to provide uniform applicability of the law in all parts of Idaho.

The IDL and cooperating agencies developed the online self-service system to bring more consistency to the permitting process and make it easier for all Idahoans to comply with the law.

In addition to issuing IDL fire safety burn permits, the new website will provide tips for safe burning practices and information about fire restrictions in place. If there are other burning restrictions in effect or additional or alternate permits required, the website will provide instructions for Idahoans on how to contact those entities.

The fire safety burn permit system will help inform fire managers where burning activities are occurring, reducing the number of false runs to fires and saving firefighting resources for instances in which they are truly needed. It also enables fire managers to respond more quickly to fires that escape, potentially reducing the liability of the burner if their fire escapes.

Growers with questions about the fire safety burn permit can contact the IDL Fire Management Bureau in Coeur d’Alene by calling (866) 581-6498 or emailing comments@idl.idaho.gov.
The Affordable Care Act – A Primer

by Tricia Carney, State of Idaho Department of Insurance

The Affordable Care Act (ACA), or Obamacare, has left many people confused about how it affects them. The Idaho Department of Insurance is preparing a series of articles and website links to help consumers understand the implications of the ACA.

“Informed consumers will be better prepared to make the best choices for their individual situations,” Department of Insurance Director Bill Deal said. “We encourage Idaho citizens to learn all they can about the ACA and how it may impact them. We have information and links on the Department website to help consumers wade through the many changes associated with health care reform.”

Although aspects of the ACA were challenged by the states — including Idaho — the impact is that most all Americans are required to have health insurance. Many provisions have already been implemented. More changes will take effect on January 1, 2014, including:

Idaho’s state-based Health Insurance Exchange — a marketplace for individuals (many of whom will qualify for subsidies or tax credits) and for small employers;

Minimum coverage requirements — policies will be required to cover an established list of essential health benefits;

Individual mandate — you will be required to buy health insurance if you don’t have other qualifying coverage such as Medicare, Tricare, Medicaid or employer-sponsored coverage, or be subject to a penalty.

Individual insurance plans in 2014 may look different from current coverages. Costs are expected to increase because of expanded coverage, broadened benefits, changes in how insurers are allowed to calculate premiums, and increased taxes and fees on health insurance required by the federal government.

Insurance rates are affected by the makeup of individuals in the pool of insureds. In a pool comprised of young, healthy insureds, the rates can be lower because risk is lower. In 2014, previously uninsured consumers will become a part of the insurance pool. All consumers will be eligible for health insurance without restriction due to health history or preexisting medical conditions, contributing to an increase in premium rates.

Insurers also determine rates based on the age of the insured. Age groups — or bands — are being compressed from five to three, resulting in higher costs for those in younger age groups.

Individuals and families without access to qualified health insurance through an employer may be eligible for subsidies to help them pay for insurance through the Idaho Health Insurance Exchange. These subsidies will be available through the Exchange for people with incomes from 100 percent to 400 percent of the federal poverty level.

Small employer groups with 50 or fewer employees will be eligible to buy through the Idaho Health Insurance Exchange. Groups with fewer than 25 full-time employees may qualify for an employer tax credit.

The Department of Insurance encourages Idaho citizens to visit the website, www.doi.idaho.gov, to learn more about the ACA and to keep abreast of upcoming changes. Consumers may call the Department, 334-4250 in the Boise area or 800-721-3272 toll-free statewide.

About the Department of Insurance
The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.
There is a lot of buzz in Washington again this year about the prospects of a farm bill. For those of us in agriculture, a five-year farm bill is one of the few things Congress can do to take some of the guesswork out of farming.

That’s because farming is an inherently risky venture, and Mother Nature never seems to run out of tricks to play on America’s farmers. Floods one year, droughts the next, followed by a year or two of great weather peppered with a tornado, a late-spring freeze, and then a crash in commodity prices just as your crop comes into harvest.

How in the world can one businessman plan for all of those possibilities? The simple answer is crop insurance.

Crop insurance is a nationwide program that enables farmers to purchase insurance to partially protect themselves from both weather-related and market-related disasters. I’ve been a wheat farmer for 34 years, and when I started farming, crop insurance was just a shell of what it is now. Back then, it was not widely available, was not purchased by many farmers, and was completely administered by the federal government.

Today’s crop insurance policy is a completely different animal. It’s partially underwritten by the federal government but sold and delivered by private sector insurance companies, ensuring efficient handling of claims and speedy delivery of indemnities when claims are filed. Today, it protects about 86 percent of planted cropland in the United States.

Most reliable safety net
Farmers today find crop insurance to be critical, and in 2012, they spent $4.1 billion out of their own pockets to purchase its protection.

One thing that farmers today can agree on, despite which commodity they grow, is that in the next farm bill, crop insurance is a top priority. It’s our principal, and most reliable safety net.

As unbelievable as it sounds, during last summer’s great drought, which was the worst this country had seen since the Dust Bowl years, there were groups claiming that “farmers are praying for drought, not praying for rain.” People who make an appalling statement like that have no business talking about agriculture. But those same groups are calling for big changes in crop insurance.

One of those changes is an idea called means testing. In a nutshell, means testing would force many large farmers to pay more for their federal crop insurance coverage, which could keep many of them from buying any crop insurance coverage at all.

Means testing would be a big mistake and could spell higher premiums for all farmers who purchase crop insurance. Why? Because by parsing out the biggest farmers, the pool of insured shrinks and thus the risk for those remaining gets bigger. For example, if a car insurance company excluded the best drivers from their pool of insured, the only drivers left would be those who are the riskiest, and thus the costliest to insure. This fact would drive up the premiums for all remaining drivers.

Riskiest Montana business
The fact is that farming in Montana is riskier than in other parts of the country because our rainfall is generally much less than in the Corn Belt. The fear for me as a wheat producer is that means testing would alter the mix of those who purchase crop insurance and skew it against those of us who are in the high-risk areas. Premiums in Montana, and throughout the rest of wheat country, will go up.

Think about it this way: this country has faced back-to-back years of major natural disasters. The year 2011 saw record floods, freezes, droughts and even a hurricane. Then 2012 was the worst drought we’ve seen in decades. Yet despite this level of farm loss, there wasn’t a single call to Washington for a farm disaster bill for cropland. That’s because most farmers were already protected by crop insurance policies they had purchased for themselves.

When Congress begins its discussion of the next farm bill, crop insurance is sure to be a key topic of conversation. Congress should remember a simple saying that has been my north star through my life: “If it’s not broken, don’t fix it.” Congress should do no harm to crop insurance.
The Idaho Wheat Commission has hosted a series of educational webinars for Idaho grain growers over the past two years. We invite you to take a few minutes to peruse the library of webinars located on the Idaho Wheat Commission website at http://idahowheat.org/media/webinars.aspx. Listed below is an overview of the topics covered in 2013.

**Glyphosate Product Performance**
Guest presenter Donn Thill, Professor Weed Science, University of Idaho provides the viewer with a brief history of the herbicide glyphosate, followed by some general facts about glyphosate uptake, movement and breakdown in plants. Because uptake of glyphosate by plants is the rate limiting step, Thill presents information on how plant leaf surfaces and herbicide spray droplets affect herbicide uptake. The rest of his presentation focuses on factors that affect the performance of glyphosate, which include project formulation, weed species and size, spray additives, water quality, spray volume, spray nozzle type, environment, time of day when the herbicide is applied, rainfall, dew, dust and tire tracks, and resistant weeds.

**The Biggest Market Factors That Will Affect Idaho Wheat Growers Over the Next Decade**
Guest presenter Shawn Campbell, Assistant Director for US Wheat Associates, provides an overview of the Pacific Northwest’s export markets. Shawn discusses factors impacting markets, which includes quality and proximity to markets. Campbell also discusses the end of the Canadian Wheat Board and the emergence of a North American wheat market.

**Transportation of Grain from Idaho, Past, Present and Future**
Guest presenter Terry Whiteside, is a principal in Whiteside and Associates, a transportation and marketing consulting firm in Billings, Montana. This Webinar provides the viewer with a very brief history of rail development since the 1980 Staggers Rail Act that partially deregulated the railroad, the regulatory environment (the Surface Transportation Board) and what is the unreasonable rate standard. Additionally, analysis of current rate levels, increases in rate rails and prospects for future conversations with the railroads regarding rates and service issues are explained.

**Planting Date Importance Webinar**
Guest presenter Dr. Brad Brown, University of Idaho Extension Soil and Crop Management Specialist, discusses how planting dates affect many aspects of small grain production. Yield, quality, response to diseases and insects, variety performance, water use, can all be influenced by planting dates. Brown explores how crop management practices may compensate to some extent for less than optimal planting dates; seeding rates, fertilization, crop protection, variety selection, planting method, are discussed.

If you have a topic that you would like the Idaho Wheat Commission to cover in a webinar, please email Teresa Waterman at ts@idahowheat.org or call (208) 334-2353.
MENTION Asian cuisine to an Idahoan and chances are rice will quickly come to mind. Yet noodles have long been a mainstay of Asian diets and their popularity, particularly wheat-based noodles, is growing.

That trend could open doors for even more wheat exports from Idaho to Asia. Ned Moon, a wheat grower from Acequia, recently visited Taiwan, South Korea and Vietnam as part of the Governor’s Trade Mission to Asia. He calls the experience eye-opening. Even though he has read articles and briefings about the growth of the middle class in Southeast Asia and what that growth means for wheat demand, seeing it firsthand brought that information to life.

Moon visited South Korea 30 years ago as part of a church mission. The growth in industrialization was astonishing to him but given that three decades had passed was not unexpected. Members of the trade team who had visited Vietnam just seven years ago were also surprised by the changes they observed. Bicycles have been replaced by scooters as the predominant means of transportation within Ho Chi Minh City. They were told that the city boasts a population of 10 million people and 5 million scooters.

“You’d see a family of five on a scooter,” he said. “They treat it just like a family car.”


In addition to higher incomes, the countries visited also boast higher education levels and a strong work ethic. “Their dedication to their job was amazing to me,” Moon said. He met an individual who has worked with the U.S. wheat industry for 28 years and his secretary has been there 22 years.

Even so, Moon was somewhat surprised to see workers bagging flour into 50-pound bags in an otherwise very modernized mill. Even though millers and noodle makers are using technology to improve efficiency, labor remains cheap. It is more cost-effective to pay someone to hold bags and sew them shut than to install expensive equipment. “They are bright, articulate and they know their business,” Moon said of the noodle makers and millers he met during the eight-day mission. “They know exactly what they want in terms of wheat quality to make the best possible product and get the best possible price out of that.”

MORE HARD WHITE WHEAT
What they really want is more hard white wheat and they’d like to source it from Idaho.

South Korea and Taiwan are two of the top five buyers of Idaho wheat. Millers and noodle makers like to buy U.S. wheat because they know exactly what quality of wheat they are getting in contrast with buying wheat from other countries that have lower grading standards. They particularly like buying hard white wheat from southern Idaho because the quality is so consistent.

“We heard several times of the desire to buy more hard white wheat from Idaho. They would buy it, the demand is there, the opportunity is there,” said Laura Johnson, head of the marketing development program for the Idaho State Department of Agriculture. “Idaho has a tremendous reputation for quality and consistency.”

Since end users are already sold Idaho wheat, they had just two questions for Moon: “Can you make it more cost-effective with Australia?” and “Can you grow enough hard white wheat to satisfy demand?”

Taiwan would like to contract directly with...
Idaho wheat growers, but the logistics make it difficult.

The Taiwan Flour Mills Association imports 60,000 metric tons of wheat, enough to fill a Panamax ship, every three months. That wheat is then distributed among all the millers. Moon himself produces just 22,000 tons of wheat on his farm and that production is split between four different varieties. Assuming that his hard white wheat accounts for 5,000 tons of that production, another 11 growers would also have to agree to supply 5,000 tons or 183,718 bushels each to fill just one Panamax.

At the same time, local demand for hard white wheat is also growing. Moon hopes a new variety developed in Colorado will help boost hard white wheat acreage in Idaho. Although hard white wheat requires fewer inputs and a lower protein content than hard red winter, only spring varieties are available.

The new variety supposedly acts like a soft white winter wheat in the field but mills like a hard red winter wheat, giving growers what they want in one variety. Snowmass has been planted in trials in Acequia and Swan Valley as well as north-central Idaho.

If the plots do well, Moon would probably increase his acreage of hard white wheat and plant less hard red winter. Not only is the price better, but after visiting Asia he is convinced production must increase to maintain the U.S. share of the market.

“If we don’t get into the noodle market, we will lose more market share,” he said.

Instant noodles provide a quick way to get a meal on the table that still tastes good. Some market researchers are predicting that the world market for instant noodles will exceed 154 billion packs by 2017.

Moon describes these instant noodles as being similar to the ramen noodles available on grocery shelves in Idaho, but more like fresh noodles. “I get the taste that I’ve slaved all day over the stove but can still put them on the table in ten minutes,” he said. That’s increasingly important because of the number of two income households and the fact that the Asian workday often runs from 8 a.m. to 6 p.m. in addition to a long commute.

Hard white wheat gives the noodles the whiteness desired by Asian consumers. Americans, on the other hand, prefer yellow noodles because they are accustomed to making noodles from semolina rather than rice flour.

RELATIONSHIP BUILDING

Although no new wheat deals were inked during the trade mission, the trip allowed Moon to personally meet many end users. The prestige of traveling with Governor C.L. “Butch” Otter and ISDA Director Celia Gould was unmistakable.

That was demonstrated during the Idaho Appreciation receptions held in South Korea and Taiwan. Idaho had not sent a trade delegation to South Korea since 2005. When ISDA began planning the reception for that country, the local contractor told the agency to expect 100 people to attend. He was shocked when the week prior to the reception, 180 — the number budgeted for — had already sent reservations. In contrast, a reception held by the Western United States Trade Association a year earlier did draw a crowd of just 100 and 11 states were represented.

“That tells you the real potential for trade with South Korea,” Johnson said.

In Taiwan, RSVPs flooded in pushing the number past the budgeted 180, then 200, then 220. The hotel agreed to charge the Idaho delegation for just 200 people but many more attended. The fact that so many business people were willing to attend an evening function is reflective of the good strategic business relationship building Idaho has been engaged in for over 25 years.

Sending inbound trade missions, hosting receptions and honoring most valued partners is a way to show that Idaho appreciates those relationships. ISDA Director Celia Gould said attending the receptions reinforces just how important that relationship building is and will continue to be.

“It’s very important that producers like Ned go over and meet our business partners,” Gould said. “It means a lot to them and shows that we value these partnerships and we want more business.”

About 80 percent of Idaho’s market development work is geared toward increasing established market such as South Korea and Taiwan, with the remaining effort aimed at pioneering in new markets such as Vietnam.

Although growth slowed in many emerging markets following the global recession of 2008, analysts expect consumption to pick up as more people worldwide enter the middle class. That’s good news since 98 percent of the world’s population lives outside of the U.S. and 80 percent of the world’s wealth is also outside the U.S.

“The importance of our export markets and trade missions like this one to further develop those markets can not be overstated,” Gould said. “We can grow a lot of great, high quality wheat in Idaho but we can’t sell it at the price we need without our export markets.”

Mr. Ron Lu, U.S. Wheat Associates, Taiwan, Noodle restaurant owned by Mayfull Foods in Taipei
2013 Schedule of Crop Tours/Field Days

18 Jun  Tammany: UI Cereals Extension Field Day
WHERE: Henricksen Farm, 2810 Powers Ave Powers Ave, Lewiston, ID
WHEN: 8:00 AM
CONTACTS: Nez Perce County Extension, Doug Finkelnburg, 208-799-3096, dougf@uidaho.edu;

25 Jun  Craigmont: UI Prairie Area Crop and Conservation Tour
WHERE: starting in Craigmont at the Community Center
WHEN: 7:00 AM – 12:00 PM, breakfast provided
CONTACT: Ken Hart, (208-937-2311), khart@uidaho.edu;

25 Jun  Rockland: UI Wheat Breeding Program, 9:30 am
WHERE: West Deeg Road off Rock Creek Exit
Arbon Valley: UI Wheat Breeding Program, 1:30 pm
WHERE: West Crystal Road east of Lower Rattlesnake road and West of Mink Creek Road
WHEN: 9:30 AM in Rockland, 1:30 PM in Arbon
CONTACTS: Reed Findlay, (208-226-7621), rfindlay@uidaho.edu; Jianli Chen, (208-397-4162), jchen@uidaho.edu;

25 Jun  Kimberly: UI Snake River Pest Management Tour,
WHERE: Kimberly R & E Center
WHEN: Tour starts at 8:30 a.m., lunch provided.
CONTACTS: Don Morishita, (208-423-6616), don@uidaho.edu;

26 Jun  Rupert: UI Cereals Extension Field Day
WHERE: 701 N. 600 E Rupert Grant 4D Farms
WHEN: registration at 8:30 a.m. Lunch is provided.
CONTACTS: Joel Packham, (208) 878-9461, jpackham@uidaho.edu; Juliet Marshall, (208-390-4859), juliet.marshall@uidaho.edu;

26 Jun  Boundary County: UI Cereals Extension Field Day
WHERE: Tim Dillin’s, 5285 Farm to Market Rd
WHEN: 10:00 a.m.
CONTACTS: Tim Dillin, (208) 290-3773, tdillin@hotmail.com; Doug Finkelnburg, dougf@uidaho.edu;

26 Jun  Aberdeen: UI Snake River Pest Management Tour
WHERE: Aberdeen R & E Center, 1693 S 2700W
WHEN: Tour starts at 8:30 a.m., lunch provided.
CONTACT: Pam Hutchinson, (208-397-4181), phutch@uidaho.edu;

27 Jun  Aberdeen: UI Cereals Extension and Wheat Breeding Field Day
WHERE: Aberdeen R&E Center, 1693 S 2700 W
WHEN: Tour starts at 9:00 AM. Lunch provided.
CONTACTS: Juliet Marshall, (208-390-4859), juliet.marshall@uidaho.edu; Jianli Chen, (208-397-4162), jchen@uidaho.edu;

9 Jul   UI Moscow Parker Farm field day
WHERE: Parker Farm is located 3 miles east of Moscow on the north side of Highway 8
WHEN: 8:00 AM – 1:00 PM, lunch will be provided
CONTACTS: Donn Thill, dthill@uidaho.edu;

11 Jul  Blackfoot: General Mills Field Day
BY INVITATION ONLY
CONTACT: Brett Wilken, (208-243-0008), brett.wilken@genmills.com;

12 Jul  Rexburg: BYU-Idaho
WHERE: Ag Shop on BYU-ID campus
WHEN: 9:00 AM, lunch provided
CONTACTS: Greg Blaser, (208-496-4527), blaserg@byui.edu; Paula Arnold (208-496-4581);

16 Jul  Idaho Falls: UI Cereals Extension Field Day with Bonneville County Grain Growers
WHERE: Idaho Falls, Marc Thiel’s on New Sweden Hwy, 2550 S 45th West
WHEN: Tour starts at 4:00 p.m. Dinner provided.
CONTACTS: Juliet Marshall, (208-390-4859), juliet.marshall@uidaho.edu; Wayne Jones, (208-529-1390), wjones@uidaho.edu; Matt Gellings, (208-206-0126), mgellings@msn.com; Clark Hamilton; Gordon Gallup, (208) 483-4071, gogallup@hotmail.com; Mark Mulberry, (208) 524-5218, mulberry@ida.net;

17 Jul  InteGrow Malt 3rd Annual Field Day & Malt Plant Tours
BY INVITATION ONLY
WHERE: 5005 South 15th West, Idaho Falls, ID, lunch provided
WHEN: 10:00 AM
CONTACT: John Zietz, (208-528-1457), John_Zietz@cargill.com;

16 Jul  Swan Valley: Direct Seed Field Day
WHERE: Gordon Gallup’s, mile post 366 on Highway 26 heading east
WHEN: Starts at 10:00 a.m., Gordon Gallup’s Farm, lunch provided.
CONTACTS: Gordon Gallup, (208-251-9552), ogallup@hotmail.com; Cathy Wilson, (208-334-2353), cathy.wilson@idahowheat.org; Juliet Marshall, (208-529-8376), juliet.marshall@uidaho.edu;
25 Jul  
Soda Springs: UI Cereals Extension Field Day with Caribou County Grain Growers  
WHERE: Starts at Sid and Janet Cellan’s farm  
WHEN: 4:00 p.m. Dinner provided  
CONTACTS: Steve Harrison, (208-547-3205), steveh@uidaho.edu; Juliet Marshall, (208-390-4859), juliet.marshall@uidaho.edu; Sid Cellan, Scott Brown, Jeff Godfrey, Jake Ozburn

23 Jul  
Brewers Association Field Day, USDA-ARS / IBC / UI  
BY INVITATION ONLY  
WHERE: Aberdeen, ID  
CONTACTS: Kelly Olson, (208-334-2090), kolson@idahobarley.org; Chris Evans (208-397-4162), chris.evans@ars.usda.gov; Julien Marshall (208-529-8376) juliet.marshall@uidaho.edu;

24 Jul  
Aberdeen Twilight Tour, Open to the General Public  
WHERE: Aberdeen R&E Center  
WHEN: 4:00 PM – 8:00 PM, dinner provided  
CONTACTS: Kristi Copeland 208-307-4181, kcopeland@uidaho.edu

18 Jul  
Soda Springs: UI Cereals Extension Field Day with Caribou County Grain Growers  
WHERE: Starts at Sid and Janet Cellan’s farm  
WHEN: 4:00 p.m. Dinner provided  
CONTACTS: Steve Harrison, (208-547-3205), steveh@uidaho.edu; Juliet Marshall, (208-390-4859), juliet.marshall@uidaho.edu; Sid Cellan, Scott Brown, Jeff Godfrey, Jake Ozburn

25 Jul  
Ashton: UI Extension Field Day with Jefferson/Madison/  
Fremont County Grain Growers  
WHERE: at Don Marotz’s farm 1383 N 4200th E  
WHEN: Starts at 8:30 a.m.  
CONTACTS: Lance Ellis, (208-624-3102), ellis@uidaho.edu; Juliet Marshall, (208-529-8376), juliet.marshall@uidaho.edu; Ben Eborn, (208-354-2961), beborn@uidaho.edu; Kelly Olson, (208-334-2090), kolson@idahobarley.org

25 Jul  
Tetonia: Barley/Potato Field Day  
WHERE: UI Tetonia Research Farm, Hwy 33  
WHEN: noon to 2 pm, includes BBQ and barley/potato research tours  
CONTACTS: Kelly Olson, Idaho Barley Commission, Boise 208-334-2090; and Dr. Phil Nolte, UI Idaho Falls, 208-529-8376

Hard White Wheat Returns to North Idaho Fields

Idaho is the largest producer of hard white wheat and has been for several years, but production has been centered on the irrigated deserts on eastern and southern Idaho. Now, growth of this class of wheat is also happening in northern Idaho.

Two factors are responsible for the return of hard white wheat to the fields of northern Idaho. First, the USDA nutrition guide gives a strong push to whole grain foods, and flour milled from hard white wheat is more attractive and sweeter than flour milled from hard red wheat. Second, changes to the school lunch program require more whole-grain rich foods and school children prefer lunch menu items made with hard white wheat over products from hard red wheat.

ADM Milling in Cheney, WA has been quick to pick-up on these changes and is buying more hard white wheat from eastern Washington and northern Idaho. “Hard white wheat is the fastest growing part of our mill operation,” reports Bob French of ADM Milling. “We have been growing hard white acreage at a rate of 50% over prior years. This year we have 35,000 acres of hard white wheat being grown, up from 20,000 acres last year.” ADM expects expansion of hard white acres to continue, although perhaps more at a 10-15% growth rate instead of 50%

PNW Cooperative supplies hard white wheat to both ADM Milling and Pendleton Mills. “The protein scale on hard white wheat has been more favorable to growers than the protein scale on hard red winter and spring wheats,” said Sam White of PNW Cooperative. “The current varieties of hard white wheat also out-yield hard red and fewer inputs are required to make protein.” ADM Milling requires a protein of 12.0%, according to French. Actual protein has been averaging 12.5%

The last big push on hard white wheat in northern Idaho occurred in the mid-90s. When protein fell short of milling requirements large quantities of wheat sat in inventory for several years. However, new varieties of hard white wheat, such as Westbred Hartline, make it easier to achieve protein and growers are more educated on how to do it. Millers and grain handlers are cautiously optimistic that Idaho can continue growing the market this while avoiding the traps of the mid-90s.

Change You Can Taste:  
School Lunch Program Gets a Makeover

When you walk around many of the nation’s cafeterias, you will notice that plenty of changes have taken place on school lunch menus. Thanks to new standards and other efforts by the USDA, the lunches for our children have become healthier.

The new standards, which were implemented for the 2012-2013 school year, made significant improvements to the National School Lunch Program. Some of the changes include offering only fat-free or low-fat milk options, ensuring that fruits and vegetables are served every day of the week, and increasing the amount of whole grain-rich foods on menus.

The requirements to offer whole grain-rich products will be phased in for the school meal programs over the next school year. Schools have already begun phasing in whole grains. Currently half of the grains offered during the school week must meet the whole grain-rich criteria.

Beginning July 1, 2014, all grains must meet the whole grain-rich criteria. All grain must be whole grain-rich in order to meet National School Lunch Program criteria. Foods that qualify as whole grain-rich for the school meal programs are foods that contain 100-percent whole grain or contain a blend of whole-grain meal and/or flour and enriched meal and/or flour of which at least 50-percent is whole grain.
Variable Rate Application Technology: *Is it right for you?*

In principle, the strategy of VRA or Variable Rate Application sounds simple: Apply an input, whether seed, fertilizer, herbicide, pesticide, fungicide or even water, at a rate based on the anticipated need for the input on a specified management zone in the field. On the other hand, VRA seems complicated compared with managing the whole field one way. So why would a grower choose VRA? Growers may adopt VRA practices hoping to save time, labor, costs of inputs, and to reduce risk, but the new practices have to be cost effective and simple to implement. This article will examine VRA’s potential for adding to overall farm profitability.

In the past ten years advances in mechanical engineering, computing science, information technology, and the proliferation of wireless service in rural areas have created field management opportunities that could not be imagined a decade ago. Current VRA technology allows application of any input on a field to be controlled in very small increments, on the fly, for field units as small as 2 square feet. Computerized controllers can operate 18 or more lines of seed, fertilizer or chemicals and receive directions from the onboard computer to change the rate of application or chemicals and receive directions from the onboard computer to change the rate of application on demand. The technology is remarkable, but how does one decide whether using it will actually lead to greater farm profits?

The VRA practice hardest to justify in wheat production is VRA seeding, though it still warrants consideration. VRA seeding technology was developed in hybrid corn, soybeans, and sugar beets where the genetics and seed treatments were so costly growers understood the need to make “every seed count.” The profitability of growing wheat at current prices along with the increased cost of advanced genetics in new varieties, is motivating the research necessary to provide similar high value seed treatments for wheat. Wheat producers are beginning to adopt the “make every seed count” philosophy.

VRA seeding provides the most benefit when planting high value seed on fields with a wide range of variation in soil type or when growers use a high seeding rate to compensate for potential risk of poor germination due to soil type, weather, disease or insect damage. But the yield increases gained by increasing the seeding rate are usually offset by the increase in seed costs. VRA seeding can be profitable as part of a management system that adopts other practices to increase seedling stand establishment. Seed treatments, liquid starter fertilizer shanked in below the seed at planting, and new genotypes that handle stress better, will all contribute to using lower seeding rates to get optimum stand.

Seedling stand establishment determines the maximum potential yield of a field, regardless of the season or any other input. Growers can maximize the potential of each plant with proper fertilizer, water management, and pest and disease control. But not much can be done if the plant stand is sparse beyond the capacity of the plant to compensate by tillering. Variable rate seeding allows the amount of seed being planted per unit of ground to be adjusted based on maps of soil type, soil moisture, organic matter or numerous other factors, during the same pass over the field. Regardless of whether one plants heavier or lighter in a given area, the objective is to identify and respond to differences in the field that may reduce stand establishment and thus limit yield.

Maps of management zones are defined by testing for the factor(s) the grower believes is limiting stand establishment. It might mean soil testing for residual nutrients, testing soil texture or density, or testing moisture with soil moisture probes. The grower’s challenge is to figure out what factor(s) is limiting stand establishment and where that is in the field. Is it soil texture in the seedbed, availability of water in the top 3-4 inches of the seedbed or retention of excessive water in the seedbed, or is it a disease or pest problem?

Here is an example: One grower had sandy ridges in the field and could never get a good stand on them. He mapped the sandy ridges by driving the perimeter of the sandy area with a 4-wheeler. A tablet device mounted in his vehicle received and logged GPS positioning data. MapInfo Professional software converted the positioning data to an outlined management zone on a Google Earth map of his field. Once the management zone map was uploaded to the onboard computer on his tractor, the computer software read the map and relayed a prescription for seeding rate to the controller on the seed drill, adjusting seeding rate. The grower had typically seeded the whole field at 120 pounds/acre in order to get necessary stands on the sandy ridges. With variable rate seeding he could back off to 90 lb/acre in the areas with more organic matter and better moisture retention. Will his strategy
result in higher yield or greater profit? If he gets a more optimum plant stand across all parts of the field, he might see a modest increase in yield per acre. He will definitely save money on seed costs compared to planting the whole field at the higher seeding rate. Another consideration is that it is possible to get too dense of a plant stand and reduce yield because of plant competition for nutrients, increased disease due to lack of air flow in the plant canopy and reduced tillering of the plant.

What factors were limiting stand establishment on the sandy ridges? Likely it has to do with the ability of the sand to hold water and bind nutrients to keep them available for the seedling’s early root development. It is hard to keep sandy soils uniformly moist, especially on windy ridges. When seeds imbibe moisture and then dry out, they generally don’t germinate or the rate of germination is erratic. Another possible factor could be that the field has been uniformly fertilized with the high rates of fertilizer necessary for a predicted yield. Lower yielding areas may not have used all of the nutrients resulting in high residual rates of Nitrogen and salts. In this scenario, the poor yielding zones may need lower rates of nutrients applied. High levels of residual Nitrogen or salts can injure tender seedling roots before they can move down to the moisture zone and anchor the plant. The solution to this grower’s sandy ridge problem probably requires looking beyond just VRA seeding to variable rate fertilizer application and variable rate irrigation as well.

continued on page 18

At Northwest Farm Credit Services we’re 100% committed to our customers because we’re 100% committed to agriculture. As an 11 billion dollar financial cooperative, our mission is to support the food and fiber industries that are so vital to the Northwest.

We proudly stand behind the customers we serve and are dedicated to moving this industry forward. 100%.
Most growers and agronomists agree that managing nitrogen for a projected yield is not an effective strategy when trying to adopt VRA fertilizer management. This fact necessitates a shift in how growers think about fertilizer application. Fertilizer management with VRA is about avoiding plant stress due to nutrient deficiency. VRA can be useful in a situation where a yield monitor map shows a spot in the field that has not yielded well and soil tests confirm high residual nutrients and salts. Variable rate fertilizer application would allow the grower to prescribe a different rate or even type of nutrient application on identified zones.

Perhaps the most effective way to use VRA is for real-time Nitrogen management. Real-time management utilizes soil sensor or plant sensor technology to measure the indicators of soil fertility and plant health during the growing season. Sensors are often fixed to a boom on the front of the tractor, and can measure pH or electrical conductivity (EC), plant canopy reflectance, transpiration, and infrared heat emissions as the tractor passes over the field. Data from these sensors is sent to an on board computer which generates a fertilizer prescription based on plant health and soil fertility for that unit of the field. The prescription is sent to controllers on the fertilizer applicator, leading to a real-time, on the go adjustment.

Using different sensors, the same technology can be utilized for herbicide or pesticide application. Growers can realize cost savings on chemicals when they are applied only where needed and at VRA rates dependent upon the severity of the problem in a specific zone. One grower saved money simply by being able to shut off nozzles as the herbicide boom passed over his grass drainage ditches. He saw a cost reduction of $200/acre when he did not have to reseed his ditches.

Variable rate fertilizer application is often the first VRA practice a typical grower will try, but it is a difficult one to quantify its effect on farm profitability. Growers must have a good idea of what they want to accomplish with any form of VRA. “Growers have to set a goal of what they want equipment to do and they have to be willing to put in the time to learn how to use it correctly. It takes some practice,” advises precision agricultural enthusiast Robert Blair of Kendrick, ID. Growers need to test for factors they believe are limiting production capabilities. Then they decide what can be controlled and how much they want to spend to do it. The decision comes down to individual goals and needs.

What about irrigation? In many areas of the country aquifers are drying up. Water conservation is on everyone’s mind. In Idaho we have enjoyed abundant water in our irrigated production areas, but that won’t always be the case.

VRA Irrigation is still a challenge. While optimum water management has some of the greatest potential for increasing yield and improving the quality of the grain harvested, it presents many obstacles. VRA irrigation uses the same principles of defining management zones and regulating application to the optimum need for the zone. The management zones may be defined by soil moisture holding capacity, soil texture and density, moisture infiltration, organic matter content and topography. Growers have to find a control system and software program that is designed for the form of irrigation they use, whether center pivot, wheel sprinklers, flood irrigation, or siphon tubes. CropMetrics is a program being tested in 2013 on center pivots by about 40 growers in eastern Idaho. Using management maps based on topography and soil density, the program can cut a pivot into 180 management zones. Wireless signals sent to a controller alter the walking speed of the pivot to vary the amount of water applied to the management zone.

So there are many things growers can do with precision controllers and VRA technology. But the bottom line is… the bottom line. Will the use of VRA lead to an increase in overall farm profitability? It can, if each grower thinks through the decision thoroughly. Short and long term objectives need to be defined. Investigate the technologies and options available in light of those objectives. What works for your neighbor may not be suitable for your goals. Carefully consider what factors are limiting yield in each of your fields. Seek the help of a professional agronomist to answer these questions when necessary. If you have a yield map, a soil test map or a soil moisture map, study them overlaid on each other to determine where and what needs to be fixed.

Overall farm profitability will depend upon each grower’s unique situation; the land they farm, the crop rotation, current management practices and equipment available, and the value of the crops being grown. VRA is probably not for everyone. However, with a careful appraisal, it could be an excellent investment for your operation.
With the grain storage and handling industry coming under attack in recent weeks by several media outlets in the United States examining the safety of these operations in light of fatalities involving grain engulfment and grain dust explosions, several prominent members of the industry insist that every effort is being made to prevent such catastrophic events from occurring.

“I think it’s pretty clear that the grain industry has and continues to be very proactive in terms of its safety awareness and training employees about issues such as grain entrapment and dust explosions,” said Dirk Maier, head of the Department of Grain Science and Industry at Kansas State University in Manhattan, Kansas. “While every accident and every death is a tragedy, it is a relatively small number compared to when you put into perspective the number of facilities and the amount of grain bushels being handled throughout the country.”

Grain engulfment fatalities at commercial facilities have seen a recent unfavorable trend, said Mark Daniels, director of health and safety at CHS, Inc., hence the national media attention. Statistics compiled by Purdue University in West Lafayette, Indiana, U.S., found that in the eight-year window from 2000-07, the number of fatalities averaged five per year. But in a three-year timeframe from 2008-10, the number of fatalities increased to an average of 19.

In 2010, there were 26 fatalities, an increase that in part could be attributed to a late, wet harvest, Daniels said. The following year, the number of fatalities decreased to 8. Statistics for 2012 have yet to be finalized, Daniels said.

While every circumstance is different, the most common incidents involve grain bin entry while reclaim equipment is still in operation, Daniels said.

“Especially tragic are the young people who are new to industry,” Daniels said, noting that several of the fatalities in 2010 involved very young people.

“It is especially tragic given that these accidents are avoidable with proper procedures, training and equipment. These must be emphasized and enforced at all bulk grain storage facilities. Our industry must continually ensure all involved in bin entry are fully aware of the risks and the precautions.”

Intensive education campaign
Industry organizations such as the National Grain and Feed Association (NGFA) and the Grain Elevator and Processing Society (GEAPS) have gone to great lengths to communicate with their memberships on how to eliminate fatalities, he said.

“I think that has been partially effective, but not everyone is a member of these organizations,” Daniels said. “Beyond that there is an intensive education effort that has become mainstream. Many facilities are preplanning emergency rescue operations, adding equipment for rescues, and looking at anchor points in bins that provide a vertical lift for people who are partially engulfed.”

The real focus is looking at reducing the number of entries to start with, he said.

“If you don’t go in, you’re not at risk. There are a number of things happening at a practical and technological level that will reduce entries over time,” Daniels said.

When it comes to new bin construction, many facilities are opting for hopper bottom bins which self empty, versus flat-bottom bins. Where flat-bottom bins are being used, newly designed bin sweeps are being utilized.

“There are several being marketed as “zero-entry” bin sweeps that can be operated externally,” Daniels said. “In some applications they are working well. But there’s a phase-out period as the industry replaces riskier equipment with...
the new technology.”

Awareness of grain conditioning and the importance of turning grain more frequently so it doesn’t set up is another issue that can help eliminate grain engulfment tragedies. If grain sits too long under poor storage conditions, it can begin to harden and won’t flow as well.

Maier said a strong correlation exists between grain spoilage conditions in bins and entrapment accidents. He said these situations are easily avoided with the use of aeration and other techniques that prevent spoilage and crusting.

“There should be absolutely no reason for anybody to have to go into a grain bin and ‘walk down’ grain,” Maier said. “That is primarily a result of poor management practices causing grain to spoil and not flow freely.”

Facilities are also working with local responders on how to help should someone become engulfed in grain, Daniels said.

“A number of companies have brought in professional trainers to train local responders. The Safety and Technical Rescue Association (SATRA) has portable engulfment equipment where, in a controlled setting, it can partially submerge people in grain to show how quickly it can happen, how helpless you are and what it takes for a rescue.”

Daniels noted that in recent years the rate at which grain moves has been constantly increasing in both commercial and on-farm operations. What used to be 20,000 bushels per hour reclaim may now be 40,000 bushels.

“The risk of engulfment directly relates to the rate the grain is moving,” Daniels said.

Many employees at commercial operations are coming from agriculture backgrounds and are perhaps too comfortable around bulk grain, he said. But they aren’t used to the commercial setting and the rate of flow at the facilities.

“It’s incumbent on the industry to place newcomers with someone who is seasoned,” Daniels said. “They need to go through the permit process with someone who is aware of the risk to make sure there aren’t shortcuts.”

The U.S. Occupational Safety and Health Administration (OSHA) has specific standards that govern entry procedures into upright as well as flat storage grain structures, and to the extent they are observed, people are safe.

“The risk is very real; I wouldn’t discount the risk,” Daniels said. “At the same time, I think the industry is making progress in ensuring safe entry procedures are implemented.”

One positive trend is that more workers engulfed in grain are being rescued alive than in the past. From 1964-2005, 74% of all reported entrapments ended in death, but from 2008-11, the number of fatalities as a percentage of reported entrapments was reduced to 42%, according to Purdue.

Safety in grain operations is not just an issue in the U.S. but in every country that stores and processes grain, José Daniel Peloni, board member of APOSGRAN, said.

APOSGRAN offers courses on safety topics such as rescue in confined spaces, dust explosion prevention and general maintenance in grain facilities. In Brazil, similar courses are offered by APOSGRAN’s sister organization, ABRAPPOST.

“Were thoroughly satisfied with the number of people attending these courses,” Peloni said. “As far as I know, there are no educational programs on safety issues in our other neighboring countries. APOSGRAN receives many phone calls from companies located in neighboring countries asking for information on our available courses.”

“These incidents are happening less frequently than they used to, but when they happen, 99% of the cases are triggered due to irresponsibility and reckless behavior on the part of workers or because of their immediate superiors’ erroneous commands,” Peloni said. “In order not to lose time, workers enter (or are ordered to enter) a full grain bin to solve a problem without wearing appropriate safety equipment, or even worse, wearing no equipment at all.”

Grain dust explosions declining

When it comes to grain dust explosions, statistics from OSHA show that the industry has made great strides in this area in recent years. Since 1976, there have been 503 grain dust explosions in the U.S. that caused 677 injuries and 184 deaths.

Nearly half of the explosions (240 of 503) over that 36-year period occurred from 1976-1986, and an even greater percentage of injuries (445 of 677) and deaths (145 of 184) occurred during that 11-year span.

The U.S. grain industry had averaged less than one grain dust explosion-related fatality per year from 1999-2010, but that number spiked to seven in 2011 due to an explosion at a facility in Atchison, Kansas, U.S. which killed six.
Preventing your Farming Operation for the Affordable Care Act

By Jerry Brown, CPA

The Affordable Care Act was passed almost three years ago with the goal of extending quality health insurance coverage to more Americans. The Act’s core requirements are that most Americans must have health insurance and that all but small employers must offer insurance to full-time employees.

To encourage compliance, the Act takes a carrot-and-stick approach: for both individuals and employers, credits are offered for those who need financial help with buying insurance, and penalties are defined for those who do not get insurance. These requirements, credits and penalties become effective January 1, 2014.

FOR TAXPAYERS

Will I have to have health insurance?

Effective January 2014, the Affordable Care Act requires you to have “minimum essential” health insurance if you are a U.S. citizen or legal resident. Your dependents must also be covered. Exemptions will be allowed for:

- Financial hardship (standards will be defined by the Secretary of Health and Human Services)
- Religious objections (applies only to certain faiths)
- Members of American Indian tribes
- Those uninsured for less than three months
- Undocumented immigrants
- Incarcerated individuals
- Those for whom the lowest cost plan option exceeds 8% of income
- Those with incomes below the tax filing threshold

What happens if I don’t have health insurance?

Starting in 2014, if you don’t have minimum essential coverage, or one of the accepted exemptions listed above, you will have to pay a “shared responsibility payment” (penalty). The penalty starts out fairly low for 2014, but increases considerably in 2015 and again in 2016.

How much is the penalty?
The annual penalty will be a set amount per individual (including dependents) or a percentage of your taxable income, whichever is greater. The annual penalty is capped at an amount roughly equal to the national average premium for a qualified health plan. In other words, the penalty will be no more than it would have cost to buy insurance in the first place. For adults the set amount is 1/12th of $95 for each month not insured in 2014. It increases to 1/12th of $325 for 2015 and 1/12th of $695 for 2016. For individuals under the age of 18 the set amount is one half the adult rate.

The penalty is charged for each month you (and your dependents) don’t have minimum essential coverage, and will be figured on your tax return. You can be uninsured for up to three months without penalty.

If I don’t have insurance, when is my penalty due?
The penalty is figured on your tax return and is due by the normal tax filing deadline, usually April 15.

What if I can’t afford health insurance?

As listed above, exemptions are provided for those with low income. Also, being covered by Medicaid counts as being covered, and Medicaid will expand to cover those under age 65 who have an income of up to 138% of the federal poverty level.

Also, people in their 20s may have the option to buy a lower-cost “catastrophic” health plan.

Finally, if your income is less than 400% of the federal poverty level, a new Premium Tax Credit will be available to help you buy insurance.

What is “minimum essential coverage”?
The Affordable Care Act requires health insurance plans to provide minimum services in 10 categories, called “essential health benefits.” While nearly everyone must obtain minimum essential coverage, each state can choose from a set of plans to serve as its benchmark plan. Whatever benefits that plan covers in the 10 categories will be deemed the essential benefits in that state. The 10 categories are:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Where would I get insurance?

Most people who have insurance at work will continue to be insured there. If your share of the premium for the insurance is more than 8% of your income, you’ll be able to shop for insurance in a state insurance Exchange.

The Idaho legislature spent considerable time this past session establishing the Idaho Exchange.

What is a health insurance exchange?

Exchanges, or marketplaces, are new organizations that will be set up for buying health insurance. They will offer a choice of different health plans. Each state is expected to establish an Exchange, with the federal government stepping in if a state does not set one up.

What’s the least amount of insurance I can buy?

The lowest cost plan would be the Bronze plan offered by an Exchange. Each state’s Exchange will offer the following coverage levels:

- Bronze = covers 60% of covered healthcare expenses

continued on page 22
What is the Premium Tax Credit?
The purpose of the credit (also known as a subsidy) is to help individuals with moderate income buy health insurance through an Exchange. The credit is refundable, so it will increase your tax refund or help provide you one. If you don’t have the money needed to pay the full insurance premium upfront, you may qualify to get the credit in advance, without waiting for the refund on your tax return. Such an advance payment of the credit would not come to you; it would go directly to the insurance company. The advance credit payment will be reconciled against your actual credit amount when you file your tax return. You must be enrolled in a health insurance plan through an Exchange to be considered for the credit. The credit is effective January 2014.

Do I qualify for a Premium Tax Credit?
The credit is available only to those who buy insurance through an Exchange and meet certain requirements:

- Your household income must be no more than 400% of the federal poverty level. For example, using the 2013 amount for a family of four, the top cutoff amount would be $94,200.
- Your part of the insurance premium must be more than 9.5% of your household income or the employer-offered insurance must not cover more than 60% of covered healthcare costs.

What will the amount of my Premium Tax Credit be?
The actual amount will be tied to the cost of premiums in the Exchange for your area and your family income. The credit will be the difference between the cost of the second-lowest, “Silver” plan and your contribution. Your contribution is limited to the following percentages of income for specific income levels:

<table>
<thead>
<tr>
<th>Your Percentage of Federal Poverty Level</th>
<th>Your Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>100–133%</td>
<td>2% of income</td>
</tr>
<tr>
<td>133–150%</td>
<td>3–4% of income</td>
</tr>
<tr>
<td>150–200%</td>
<td>4–6.3% of income</td>
</tr>
<tr>
<td>200–250%</td>
<td>6.3–8.05% of income</td>
</tr>
<tr>
<td>250–300%</td>
<td>8.05–9.5% of income</td>
</tr>
<tr>
<td>300–400%</td>
<td>9.5% of income</td>
</tr>
</tbody>
</table>

Do I have to take the insurance my employer offers?
No, you can join your spouse’s coverage, buy coverage through an Exchange, or buy insurance on your own, directly from an insurance company or broker. However, as of 2014, when individual responsibility requirements take effect, if you refuse your employer’s coverage and are without coverage for yourself and your dependents, you will be subject to a penalty.

If you waive coverage for any reason other than that it costs more than 9.5% of your adjusted gross income or that it does not cover at least 60% of covered healthcare expenses, you can still buy coverage through an Exchange, but will not be eligible for the Premium Tax Credit.

Are there new taxes to help pay for the increased costs of providing health insurance coverage to more people?
Effective in 2013 some individuals will be subject to a 3.8% Medicare contribution tax on unearned income. This includes interest, dividend, rental, and capital gain income. This new tax will apply to single taxpayers with a modified adjusted gross income (MAGI) in excess of $200,000 and married taxpayers with a MAGI in excess of $250,000 if filing a joint return, or $125,000 if filing a separate return. Congress added the provision as a means of raising revenue to pay for health care reform. It targets wealthier taxpayers, as can be seen by the thresholds at which the tax applies.

My W-2 has the cost of my employer provided health insurance included in box 12. Are health insurance premiums taxable?
Any employer who files 250 or more W-2 forms must disclose on each employee’s annual W-2 the cost of the employee’s health insurance coverage. This is not taxable to the employee.

FOR EMPLOYERS

Will I be required to offer health insurance to all my employees?
Effective January 2014, if you have 50 or more full-time equivalent employees, the Affordable Care Act requires you to offer your full-time employees “affordable minimal essential coverage”, or you may have to pay a penalty. The Affordable Care Act does not require you to offer health insurance or pay penalties for part-time employees. If you have fewer than 50 full-time equivalent employees, you would not be required to offer your full-time employees coverage, nor would you be subject to a penalty.

Who is counted as a full-time employee?
A full-time employee (for the requirement of offering insurance) is one who works an average of at least 30 hours per week.

Will I be required to offer health insurance to part-time employees?
No, part-time employees (those working fewer than 30 hours per week on average) are only used in the calculation to determine whether you are a large or small employer. If you have 50 or more full-time equivalent employees, you are defined as a large employer, and are required to offer insurance to full-time employees. The Act does not require employers to offer health insurance to part-time employees or pay penalties for not offering insurance to part-time employees.

Do penalties apply to part-time employees?
No, part-time employees are not counted when calculating the employer penalty. An employer will not pay a penalty for any part-time employee, even if that employee receives subsidized coverage through an Exchange. Part-time employees are used only when calculating whether the employer is a large employer and thus required to offer full-time employees coverage, not when calculating a penalty.

Do I have to offer insurance to a new full-time employee on the first day of employment?
Employers are allowed a waiting period of 90 days without incurring a penalty for non-coverage. On day 91, employers must offer coverage to new hires or pay the penalty for not doing so.

Do I have to include seasonal workers when...
calculating full-time equivalent employees?
Yes, but there is a “Seasonal Worker Exception.” If the sum of an employer’s full-time employees and full-time equivalent employees is 50 or more for 120 or fewer days and the employees in excess of 49 are seasonal workers, the employer is not considered to employ more than 50 full-time employees, thus it would not be considered a large employer that would be subject to penalties.

Example: The employer has 30 full-time equivalent employees, but hires 40 seasonal employees to work October 1 through December 31. The total full-time equivalent employees would appear to be 70 for October–December, but the employer is not required to include the 40 seasonal employees because they are not employed for more than 120 days. The employer is not a large employer, since it has only 30 full-time equivalent employees. Four calendar months may be treated as the equivalent of 120 days. The four calendar months or the 120 days do not have to be consecutive.

I’m a small employer, how will the Affordable Care Act affect me?
Employers with fewer than 50 full-time equivalent employees are exempt from penalties for not offering insurance to full-time employees. The Credit for Small Employer Health Insurance Premiums is available to help offset the cost of insurance for companies that have 25 or fewer employees and a workforce with an average wage of up to $50,000.

Does the Affordable Care Act have requirements that are subject to all employers, large and small?
Yes, all employers will serve as a source of information for their employees. Employers must inform employees about the Exchange in their state and how to access it. Guidance is expected soon to help employers with what information should be provided and how to provide it.

Can I still purchase coverage through my agent or do I have to buy insurance through an Exchange?
You are not required to buy insurance through the Exchange. If you prefer, you may purchase insurance through an insurance agent or broker.

Should I offer health insurance to my employees (and their dependents) or pay the penalty?
Beginning in 2014, a large employer who has at least one full-time employee receiving the Premium Tax Credit will be subject to a penalty of $2,000 times the total number of full-time employees minus the first 30.

Example: if there are 50 full-time employees and one of them receives a Premium Tax Credit, the calculation would be 50–30 = 20 full-time employees, times $2,000, for a penalty of $40,000 (assumes coverage is not offered for the full year).

Keep in mind, the insurance offered to employees must be affordable, or a large employer who offers insurance could also incur a penalty if at least one full-time employee receives the Premium Tax Credit. The employer would be subject to a penalty of the lesser of $3,000 for each employee receiving the Premium Tax Credit or $2,000 for each full-time employee, excluding the first 30 employees. Employers with fewer than 50 employees are exempt from penalties.

If I offer health insurance to employees (and their dependents), does that mean I won’t incur any penalties?
Not necessarily. If the insurance is not affordable and at least one full-time employee receives the Premium Tax Credit, you would be subject to a penalty. The penalty is the lesser of $3,000 for each employee receiving the Premium Tax Credit or $2,000 for each full-time employee, excluding the first 30 employees.

Example: A large employer with 50 full-time employees offers insurance that is not affordable to all of its employees (their wages are lower). Three employees receive the Premium Tax Credit. The penalty would be $9,000, calculated as $3,000 times 3 employees, because that is less than 50–30 = 20, times $2,000 = $40,000.

How can I tell whether my plan provides minimum value?
The IRS and the Department of Health and Human Services will provide a calculator to help you determine the minimum value. You’ll be able to enter information about your plan, such as deductibles, co-pays, percentages covered and so forth. If the calculation shows that your plan covers at least 60% of covered healthcare expenses, it provides minimum value.

Are there penalties for large employers who offer required coverage that is unaffordable to their employees?
Yes, in certain circumstances. If the insurance does not cover at least 60% of covered healthcare expenses, or if the employee share of the premium is more than 9.5% of an employee’s income, then the employee can get insurance in an Exchange and be eligible for the Premium Tax Credit. If a full-time employee receives the credit, the employer will incur a penalty.

As you can see this topic is extremely complex. Seek the advice of your accountant and insurance agent. Everyone could be affected differently depending on your facts and circumstances. As we get closer to the implementation date additional information will be released.
How do you know if the 9R/9RT is right for you?

Ask yourself...

Are you the type of person who recognizes that price is negotiable but value is not?

Do you want a tractor that delivers high, consistent performance throughout the year—not just during a wet Spring?

Do you want a cab that’s comfortable, refined and well-equipped, and a tractor that has the horsepower to get through a tough day of field work?

Do you find value in a dealer network that supports both the iron and the technology, because you’d rather be in the field than waiting on parts?

Finally, ask yourself this... when the day comes, and you’re ready to trade your 9R/9RT in for a new John Deere 4WD, would you prefer that your investment not lose a significant portion of its value?

It takes a special person to own a 9R/9RT. If you base your buying decision on quality, cost of ownership, strong dealer support and high resale value, then call your John Deere dealer today and ask to test drive a John Deere 9R/9RT Series Tractor. Because Nothing Runs Like A Deere.