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A FTER a whirlwind of a year, it’s now my time to pass the presidency torch on to someone new to lead Idaho’s premier organization for our state’s wheat and barley farmers. The 2013 Tri-State Grain Growers Conference serves as the IGPA’s annual meeting and it will be a time to reflect on the work we’ve done over the past year and set our compass on a new course for 2014.

As Jimmy Buffet once said, “All the stories we could tell. I have several stories to tell (and some I shouldn’t) spanning my year as your president. Four years ago, I was approached by farmer friends of mine who requested I step up as a leader of this organization. While I was a member, I really didn’t have a grip on all that the Association did for the Idaho grain industry and what being one of its leaders truly meant.

Needless to say I bowed to peer pressure and was elected as an officer representing District 4, a collection of counties in the upper Snake River Plain area. Being shoved into the limelight so abruptly was somewhat of a trial by fire as they say, and I was certainly a little naive and apprehensive regarding my duty and responsibility. But my fellow farmer leaders from around the state were quick to get me up to speed and deal with all of my questions.

I’ve seen a lot, learned a lot and now understand and believe that this Association can really affect change and protect the livelihoods of Idaho wheat and barley farmers. It’s a nice feeling to know that wherever you may farm, there are people who go to work every day with the goal of creating an environment to keep you in business and help you earn a profit one in a while.

As I close the book on my year as president, I feel pretty good about our accomplishments. We are very close to passing a new Farm Bill into law. The IGPA’s hand in its development started over two years ago, and our organization has spent considerable effort to ensure the ingredients in the mix are favorable to Idaho farmers.

From my count, the last two years have meant at least four trips to Washington, D.C., an additional six trips to other meetings of our national grain allies, and conference calls to create a Farm Bill that is responsible to taxpayers and effective for farmers.

In May the IGPA, in partnership with the Idaho Wheat Commission, created an endowed academic scholarship at BYU-Idaho in Rexburg. I spearheaded this project because our industry clearly needs more homegrown professionals in production agriculture and anything we can do to incentivize people to choose that occupation path we should. The first scholarships should be awarded next year.

Just recently the IGPA chose to create our first political action committee (PAC) to support pro-agriculture candidates for federal office. Since 2010 we’ve had a PAC for state candidates, but never doubled in the congressional arena. Our experience from walking the halls of Congress told us one thing: we as grower leaders need to control our own destiny instead of letting others do it for us.

We created the Idaho Grain PAC in September as a vehicle for farmers to engage directly in the election process.

Finally I’ll mention the growth of our state association. As a farmer in eastern Idaho, I’ve found that the majority of my friends and colleagues are not engaged in their industry outside of their own fence line. Most are aware of groups like ours and our two commissions, but truly have no idea that there is an entire network of people and organizations working to support them. The apathy I often get from growers can be really frustrating. Heh, I was a pacificist until I was asked to get engaged and finally did.

I’ve made a point to use my contacts, friendships and other relationships to minimize some of this apathy and to grow the IGPA’s reach and strength. I’m hopeful that soon we can establish an organized group of grain farmers in Jefferson County. There are some motivated and interested farmers there.

Over the past year, the IGPA’s Board of Directors has seen transition to many new and younger faces. It’s encouraging to see.

As I close out my presidency at this year’s Tri-State Grain Growers Conference in Spokane, Washington, I’ve definitely learned much and have much to be thankful for. First and foremost, I need to thank my wife Kristi for supporting me in doing this. I’ve missed a few important events with her and our kids, but we have also got to travel together for my duties and we’ve had a lot of fun. I need to thank my neighbors and business partners who I have relied on to take care of my farming duties while I’m on IGPA business, and also those I’ve put pressure on to sponsor, donate to, or attend various IGPA events. Your time and money was well spent and I hope you continue your support of groups like the IGPA.

Last but not least, thanks to the IGPA. The experience has opened my eyes to the bigger picture and my place in it. I’m proud of this industry and I know I will be passing the torch on to dedicated people.

Happy Holidays to you and yours!
Roots and Shoots

At a recent meeting in Boise of the IGPA Board of Directors, a compelling speech by a past president of our organization left an indelible message in the minds of the farmers sitting around the set of tables.

The past six years has brought significant change to the IGPA board. Attraction has accounted for a roughly 60 percent changeover in the board’s farmer leaders. It was high time that these shiny new faces fully understood their duties and place in our organization and what our organization is all about.

Led by association management expert Sara Schmidt, the orientation session served as an orientation of board members to the operations of the IGPA. Prior to the meeting, Sara and I had reached out to IGPA past president Duane Grant to talk about the responsibility of each director and how they can be effective in their role. His fifteen minute speech certainly left an impression on those assembled.

When I asked my Sara to identify a past leader of the IGPA, I immediately thought of Duane. A selfless volunteer on many boards and committees in his career as a diversified farmer and owner of Grant 4-D Farms in Rupert. However even as the thought crossed my mind, I knew Duane’s typically hectic schedule would prevent him from coming. Much to my surprise he accepted!

Duane began by congratulating the IGPA on its youthful composition and compared it to his tenure as an executive officer from 1998 to 2002. He explained his philosophy that my surprise he accepted!

Duane began by congratulating the IGPA on its youthful composition and compared it to his tenure as an executive officer from 1998 to 2002. He explained his philosophy that...
HE 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:

- 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 coverage. 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 bands to three — resulting in higher costs for those in younger age groups.
- Minimum coverage requirements — policies will be required to cover an established list of essential health benefits.

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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 1902. 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.

By Tricia Carney, State of Idaho Department of Insurance

IDGAH DEPARTMENT OF INSURANCE

Most reported news is usually BAD in some way. In this article I would like to share what I consider to be GOOD NEWS. As a state regulator of grain warehouses, commodity dealers, and seed buyers, I usually don't want to overstate the positive and always speak conservatively when giving opinions about how good things are.

Last year Idaho grain buyers added more than a million bushels of new storage capacity in order to serve Idaho producers better. Some unused facilities were acquired and pressed into service. There have been a few new companies licensed and some new locations. All this reflects the past growth and profitability of the grain and seed business in Idaho. As producers continue to raise the highest quality of crops, the buyers have increased investment in facilities in order to handle the increased volume of production and to better preserve the high quality of the crops delivered to them.

Producers can sell to Idaho licensed buyers with confidence due to the strong financial position of the buyers verified by financial statement reviews and on-site financial reviews conducted by Warehouse Program inspectors. In the event a licensed buyer has financial difficulties for some unforeseen reason, producers are protected up to 90% of the value of their crop by the Commodity and Seed Indemnity Funds. The Commodity Indemnity Fund has its maximum value of $12 million and is the third largest in the country. The Seed Indemnity Fund has its maximum value of $5.7 million which is a fair amount relative to the risks involved. To have the protection of the funds a producer must sell to an Idaho licensed buyer. You can verify a buyer is licensed by calling 208-332-8660, or by going to www.agri.idaho.gov and clicking under the Warehouse link and listed buyers.

As always we encourage producers to sell to Idaho licensed buyers, most located in Idaho, some located outside of Idaho, and some co-licensed with Washington State. Best wishes on a 2014 growing season.

By Dave Ogden, ISDA

Our Classroom Covers Five States
Northwest Farm Credit Services employees love learning about the businesses they serve, and sharing their knowledge as well. Makes sense when you consider most of our employees grew up on a farm or ranch.

While we offer outstanding seminars, workshops, and online resources, a lot of knowledge sharing happens right in the field, face-to-face. And we wouldn't have it any other way.
IGPA, Other Wheat Leaders Gather in Portland for Fall Meetings

Idaho Grain Producers Association officers joined wheat grower-leaders from around the country at the Joint National Association of Wheat Growers (NAWG) and U.S. Wheat Associates (USW) fall meeting held Nov. 4-6 in Portland, Oregon. The annual business meetings included a wide ranging review of financial and policy topics.

Serving as chairman of the NAWG Research and Technology Committee, IGPA Vice President Robert Blair (Kendrick) led a discussion on biotech wheat research, the food labeling ballot initiative in Washington State and several other hot topics.

A member of the NAWG committee on Domestic and Trade Policy, IGPA Secretary/Treasurer Sid Cellan (Soda Springs) represented Idaho’s wheat growers in discussions on the Farm Bill, rail transportation, issues impacting the Columbia and Snake River systems, among other topics. Making a special report to Cellan’s committee wasIGPA past president Wayne Hurst of Burley. Hurst discussed his role representing American agriculture as a member of the federal Surface Transportation Board’s Rail-Shippers Transportation Advisory Committee.

Also representing Idaho’s grain producers at the national meeting were IGPA past presidents Scott Brown (Soda Springs) and Joseph Anderson (Genesee). Brown continues to serve on the NAWG Budget Committee which met on Sunday, November 3 and reviewed NAWG’s financial situation.

The NAWG Board of Directors accepted several resolutions from its committees, including the two standing joint committees with USW that focus on biotechnology and trade policies. Two new resolutions restated existing policy outlined in the NAWG/USW Biotechnology Position Statement, on biotech food labeling and threshold levels for adventitious presence.

Other resolutions expressed support for ongoing wheat royalties with the European Union; on tariff rate quota utilization for World Trade Organization member countries; and supporting trade promotion authority (TPA). The NAWG Board also accepted the organization’s annual audit, a revised budget and a revised industry partners program, and it encouraged increased support for the Wheat Innovation Alliance.

Washington State Voters Reject GMO Food Labeling Ballot Measure

On November 5, Washington voters rejected a measure to label genetically modified (GM) foods and foods made with GM material. The ballot initiative known as I-522 failed by an approximately 54 percent to 45 percent margin with about 30 percent of ballots, which are submitted by mail, counted. The measure would have made Washington the first state to implement GM labeling and sparked a heated debate in the state, as did a similar failed measure in California in 2012.

An estimated $30 million was spent on advertising and other public messages between the two campaigns. The “No on 522” campaign took issue specifically with exemptions that appeared in the initiative, for instance foods purchased at restaurants, alcoholic beverages and meat and dairy products from animals fed GM grains.

Current IGPA policy expresses support for commercialization of transgenic wheat and barley through public and private research efforts upon customer approval of acceptable tolerance levels. NAWG and U.S. Wheat Associates policy supports the introduction of biotechnology into the wheat crop and voluntary labeling of food products that is consistent with U.S. law and international trade agreements and is truthful and not misleading.

Farm Bill Talks Optimistic

Congressional agriculture leaders continue to meet in hopes of finding agreement on a new Farm Bill with Democratic agriculture leaders in both House and Senate chambers expressing cautious optimism that a conference report could be ready by Thanksgiving.

The farm bill conference committee met officially for the first time on October 30, allowing the 41 Member group to jumpstart with finding an as-of-yet elusive compromise to make their opening statements and offers. As was expected, negotiations have shifted from a public forum to private discussions led by Senate Agriculture Committee Chairwoman Debbie Stabenow (D-Mich.), Senate Ag Ranking Member Thad Cochran (R-Miss.); House Agriculture Committee Chairman Frank Lucas (R-Okla.); and House Ag Ranking Member Collin Peterson (D-Minn.).

Both Peterson and Stabenow have said in recent press conferences that they seek a deal that would be mostly complete before the Thanksgiving break. Such a timeline would give the five-year legislation the best chance of actually being completed by year’s end. That speed of progress, though, is predicated on compromise on several sticky issues, including Title I farm safety net programs and controversial nutrition and food stamp program spending.

Idaho Congressman Concerned Over Grain Inspection Disruptions

In a recent letter led by Washington Congressman Cathy McMorris Rodgers, congressional Members expressed their collective concern to US Department of Agriculture Secretary Tom Vilsack over ongoing interruptions to official grain inspections at the Port of Vancouver in Washington State.

Idaho’s own Congressman Mike Simpson added his voice to the chorus who strongly urged Secretary Vilsack to ensure that the Federal Grain Inspection Service develop a plan that would prevent future disruptions at Pacific Northwest grain export facilities so that farmers and agribusiness in the industry is not harmed.

The letter continued stating in part that: “Wheat growers play a significant role in the Pacific Northwest’s economy — approximately 80 percent of wheat grown in the region is exported abroad with a significant portion going to Asia via export facilities in the Pacific Northwest. Japan, South Korea, and Taiwan pay a premium for wheat from the Northwest because they know that not only is it a high-quality wheat, but through the years, the region has provided timely and reliable delivery. Key trading partners, as well as farmers, grain handlers and exporters from the Northwest, depend upon accurate, timely, and cost-effective delivery of mandated official grain inspection and weighing services administered by FGIS and its designated and delegated agencies. As such, it is imperative that we continue to assure all of our trading partners that the Northwest will continue to provide a reliable supply of high-quality wheat.”

The IGPA appreciates Congressman Simpson’s attention and leadership in this important matter and will be monitoring the situation with our grower and industry partners.

IGPA Officer Selected For Wheat Leadership Training Class

IGPA Secretary/Treasurer Sid Cellan will join a geographically diverse group of his peers for the 2013 class of the Wheat Industry Leaders of Tomorrow (WILOT) program. The class is set to meet beginning Nov. 16 in St. Louis, Missouri.

The training program, which is generously sponsored by Monsanto, is intended to teach leadership skills to growers who are new to serving in a wheat industry organization. The programs six-day agenda includes sessions on agriculture and food policy, media training, advocacy techniques, understanding the wheat industry organizations, establishing consumer trust, effectively using social media, and new wheat technologies.

“I’m humbled and excited to be selected for WILOT,” said Cellan. “I’ve talked to several other Idaho growers who have participated in the program and they got a lot out of it.”

Other wheat growers joining Cellan include: Brian Brooks, Walsh, Colo.; Sid Cellan, Soda Springs, Idaho; Rob Davis, Larsian, Mont.; Jace Gibbs, Scott City, Kan.; Steven Parsons, Ducor, Calif.; Michael Peters, Okarche, Okla.; Eric Orom, Ione, Ore.; and Shayne Suppes, Scott City, Kan.

Also participating will be NAWG farmer-officers Paul Penner (Kansas) and Brett Blankenship (Washington).

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Idaho Wheat Commission

T IMELY June rains on the Northern Camas Prairie and the Idaho Palouse resulted in a 2013 wheat crop in Idaho that was 5-10% larger than it would have been without those rains. Acres were down slightly in 2013 compared to 2012, but higher yields due to the rains accounted for the increase in total bushels.

The 2013 wheat crop tallied in at 101 million bushels, with 62 million bushels of winter wheat and 39 million bushels of spring wheat. Crop quality throughout the state was generally good to excellent, Irrigation water continued to be available throughout southern Idaho for the majority of the growing season. The wheat growing region most impacted in 2013 due to weather conditions was far eastern Idaho where many dry farms received insufficient rainfall and crops came in half or less of normal.

Based on a wheat crop of 101 million bushels, the Wheat Commission has set a FY’14 budget of $3,137,057. The largest portion of this budget, $1,664,739 or 53% will be spent on research. This includes variety development, pest management, production practices, capital items for wheat breeding programs in Aberdeen and Moscow, and other research projects.

The second largest budget category, $729,785, is for grower information and education. This includes Central Schools, Direct Seed Workshop, Wheat Quality Workshop, PNW Export Tour, Domestic Education Tour, and scholarship programs for Idaho students in agricultural programs at the University of Idaho, BYU-Idaho, and Utah State. Funding for Idaho’s lobbying efforts through IGPA and NAWG is also part of this budget. The third largest budget category is Market Development and includes funding for U.S. Wheat Associates, Wheat Marketing Center, and PNW cooperative marketing work with Oregon and Washington.

In FY’13 the IWC provided $90,000 in funding toward a cookie-cracker line at the Wheat Marketing Center, in cooperation with Oregon and Washington. The FY’14 budget includes an additional $61,500 toward the cookie-cracker line. This new piece of equipment will allow additional products to be developed for the Asian market which uses soft white wheat from Idaho, Oregon, and Washington.

A new joint marketing initiative between Idaho, Oregon, and Washington for FY’14 is the hiring of a milling consultant to promote the sales of PNW soft white wheat into Latin American markets. Most tortillas are made with 100% hard red winter wheat, but research has shown that 20-30% soft white wheat flour blended with hard red winter flour results in a higher-quality flour tortilla. The blending consultant will convert customers to this blended tortilla product and the result will be more sales of soft white wheat from Idaho, Oregon, and Washington into the west coast markets of Mexico, Colombia, Peru, Ecuador, and Chile.

The University of Idaho/Limagrain/Idaho Wheat Commission wheat breeding partnership in Moscow is beginning to yield results. Several new varieties are working their way through the channels and are expected to hit the market in 2014 and 2015. Limagrain has also negotiated the marketing rights to UI Stone, a new soft white spring wheat with fusarium resistance developed by the Aberdeen breeding program.

Idaho has been a leader in educating growers on the benefits of direct seeding of wheat. The IWC will host its sixth annual Direct Seed Workshop in Idaho Falls on March 6, 2014. Attendance at this grower education event continues to grow illustrating the strong interest in the topic and the quality learning that is provided.

Having a grower voice in Boise and Washington, D.C. as legislation is created that affects the well-being of wheat farmers is important. A portion of the IWC budget goes to help fund NAWG for their D.C. lobbying and IGPA for their Boise efforts. One of the key lobbying tasks currently is renewal of a Farm Bill.

Idaho Wheat Commission FY2014 Budget

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Don’t Take Our Word For It.....
Ask A Producer
Eric Odberg

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final turn is made, the header on the combine raises, and with that, yet another Pacific Northwest wheat harvest comes to a close. Overall, farmers should be pleased by the quality of the crop they have just harvested. The crop’s average protein level is reported at 10.1 percent, slightly higher than last year but equal to the five-year average, and all levels are reported as being low. There have been some reports of low falling number levels in eastern Washington, and while most definitely devastating to some farmers, it appears to be fairly localized. In fact, overall, all average falling number levels for soft white are higher this year than last year.

While the quality of this year’s crop is high, and supplies are projected to be lower than last year’s, farmers’ markets may be disappointed by the lower prices they receive. Over the past few years the soft wheat market has benefited a great deal from high corn prices which resulted in a large amount of high quality soft white sold as feed wheat to domestic feed mills, as well as Japan and Korea. In 2011/12 nearly 75 million bushels of soft white were sold as feed, 25 percent of the total use and 22 percent of exports. In 2012/13 soft white sold as feed dropped to nearly 30 million bushels, equal to 12 percent of the total use. These amounts would have likely been even higher if it were not for competition from cheap wheat supplies from India and Australia.

However, it appears that the boom in feed wheat sales is coming to an end this year. The USDA is projecting a record corn crop, and the resulting drop in corn prices has given soft white prices room to move downward as well. Soft white Portland track prices dropped sharply this year between March and July, falling by over 15 percent during that period. Since July soft white prices have remained stable, with only minor movements up or down. Corn has provided a floor price for wheat over the past few years, but with that floor now gone, wheat is left to its own fundamentals.

Wheat fundamentals aren’t exactly supportive of soft white wheat prices either. The USDA is projecting a record world wheat crop this year, over 2.60 billion bushels. The world is literally awash with cheap wheat. Canada, the European Union, the Black Sea Region, and India have all harvested bumper crops. Australia, which has only just started harvesting, is also expected to have a large crop. All of these exporters are geographically closer to many overseas markets, giving them a distinct advantage when selling based on price alone. There is even increased competition for soft white exports from within the United States. Soft red winter production this year is the highest it has been since 2008/09. Taken all together it is hard to find many analysts, if any, who are willing to project soft white prices going significantly higher any time soon.

There are some bright spots in the market. It is highly doubtful that the European Union and Black Sea Region can keep up their current pace of exports indefinitely, their tight beginning stocks won’t allow it. This might make soft white more competitive into some markets later in the marketing year. As well, this year has seen the re-emergence of price premiums for club wheat and lower protein soft white, both of which represent marketing opportunities for a farmer to squeeze the highest value possible out of their crop.

Soft white has always been a wheat sold into very distinct types of markets. One end of the spectrum, it has a reputation for being the highest quality soft wheat available on the world market. The other end, soft wheat tends to be relatively lower priced compared to other US wheats, largely thanks to its higher yields. This results in soft white often being sold for its price, rather than its quality, when market conditions result in cheaper alternatives being unavailable. Two examples of this would be increased exports to Egypt when drought hit the Black Sea region, and increased feeding of soft wheat when corn prices get too high.

The soft white market has changed a great deal over the past decade. Ten years ago a significant portion of soft white wheat went to Egypt, Pakistan, and other Middle Eastern countries. They purchased soft white because it was the cheapest wheat available at the time. The fact that it was also high quality was just an added bonus. When a new supply of cheap wheat became available thanks to the emergence of the Black Sea region as a major wheat exporter, soft wheat exports to the area dropped. Today the only consistent large buyer of soft white in the Middle East is Yemen.

Market development by US Wheat Associates for soft white has become increasingly focused on more quality oriented markets over the past decade as it has become harder to compete solely on the basis of price. These are markets that are willing to pay a premium for soft wheat because they view it as having higher value. Historically the largest markets for soft white (Japan, Korea, and Taiwan) fit into this category. However, these three countries are heavily developed with declining populations, and demand for soft wheat has been largely stagnant and may even be lower in the future. Instead, the focus of future soft wheat export growth is on developing regions like Latin America, Southeast Asia, and China.

Latin America has risen to a small but growing market for soft wheat white. Guatemala, El Salvador, and Chile are all major buyers, and work is being done to increase exports to Costa Rica, Panama, Colombia, Ecuador, and Peru. While early work by US Wheat Associates focused on using soft white for traditional soft wheat products, efforts are now also being undertaken to promote soft white as a blending wheat in the region to help millers and bakers cut costs. This has included numerous trade teams visiting the United States and the utilization of milling and baking consultants to directly educate potential buyers.

Southeast Asia has been one of the largest growth markets for wheat demand in the past decade and is expected to continue this trend in the future. While markets like the Philippines and Thailand have been long time consistent buyers of soft white, new markets like Indonesia, Malaysia, and Vietnam are all growing importers. US Wheat Associates have been very hands on in these markets, helping to introduce soft wheat products for the growing middle class and promoting the use of soft white wheat. This has not been without its challenges. Australia for a time was selling poor quality cheap wheat into the market that was being blended into soft white, lowering the quality of the end products. US Wheat Associates helped introduce better rheological tests to the baking industry, forcing the millers to stop this practice.

Exporters have long seen China as a source of huge potential soft wheat exports, but efforts have always been stymied by government import quotas and concerns over TCK fungus. US Wheat Associates has been working with the three Pacific Northwest wheat commissions to undertake TCK surveys of the soft white crop to help alleviate these concerns. US Wheat Associates has also been working with the private milling industry in China to help boost quota levels. Demand for soft white in China is so high that imports by the private milling industry have been growing since 2008/09. In 2012/13 soft wheat imports by China reached 4.4 million bushels, and are expected to be even higher this year.

Of the six US wheat classes, soft white has always ruled the most upon exports with 75 percent of the crop exported each year. The soft white market of today looks very different than it did ten years ago, and the wheat market of tomorrow will likely look very different from today. Thanks to the efforts of the US Wheat Associates, Idaho Wheat Commission, Oregon Wheat Commission, and Washington Grain Commission farmers can rest assured that overseas markets will be looking for their high quality soft white wheat both in the present and in the future.
Transmission Capacity

Mary C. Kjellander, president of the Rocky Mountain Power spokesperson, “It’s also how electricity use has changed for our existing customers.

That’s why Idaho Power is partnering with the Rocky Mountain Power, Bonneville Power Administration and PacifiCorp to build nearly 1,300 miles of new high voltage power transmission lines from eastern Wyoming to northeast Oregon. The lines will pass over federal, state and private lands.

These proposed projects are the first major updates to the power transmission system in nearly three decades even though demand has increased by 25 percent over the same time. But critics say that according to Idaho Power’s own long-term plan, the capacity isn’t needed to service Idaho customers for another 20 years.

SITING IS BIGGEST CHALLENGE

While concerns about property values and questions about how the presence of a transmission line will impact agricultural operations below an important, the biggest challenge for utilities when siting new lines is getting permission to cross federal lands. That process actually begins with the utility’s integrated resource plan that evaluates all aspects of power from generation to transmission to demand management programs. Idaho Power’s plan, for example, is updated and published every two years.

Once the need to update the grid has been identified through the planning process, then the lengthy permitting process begins. Lynette Berrios, a spokesperson for Idaho Power, used the proposed Boardman to Hemingway line as an example.

“The process to create overlay districts, transmission corridors to build it on.”

While Kress waits to find out exactly where his fields will be impacted, he uses the Populus Substation, near Downey, as an example. From the regulators point of view, the substation was overbuilt and being used, it recovered more of the cost. “That was a gamble they took,” he explained.

LOW COST RESOURCE

Utilities must balance the need for power with the ability to reimbursed for the cost of providing that power.

“The real issue for us when it comes to regulatory oversight, is that a project makes sense in terms of the cost recovery shouldered by customers,” Kjellander said.

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I

Thank you for investing in me and helping me to be the intern that I have been awarded this scholarship, " Derek offers. "I am proud of my rural roots and I am excited about being able to have a future in agriculture. Thank you for helping me down the road.”

BY INVESTING WHEAT ASSISTANCE DOLLARS IN THE EDUCATION OF OUTSTANDING YOUNG MEN AND WOMEN, IDAHO WHEAT PRODUCERS ARE PROMOTING AGRICULTURE AS A WAY OF LIFE AND OFFERING A POSITIVE, PROACTIVE RESPONSE TO OUR COMMON CONCERNS FOR THE FUTURE. WHERE IS THE NEXT GENERATION OF AGRICULTURAL LEADERS? THEY ARE RIGHT HERE AMONG US!

KELLIE HODGES has been around horses, cattle, and the newspaper business all her life. Kellie, a sophomore at the University of Idaho, grew up on a ranch while her dad was a farmer. She relates, “Agriculture is very near and dear to my heart; throughout high school I actively participated in FFA, receiving my American Degree. "At UI, Kellie is studying agricultural education in hopes of becoming an agriculture teacher so she can pass on her passion about agriculture to future agriculturalists. She is also pursuing her interest in public speaking as an intern in the Extemporaneous Speaking CDE. On campus, Kellie enjoys participating in Collegiate FFA and the Student Idaho Cattle Association. She connects her future to wheat saying, “I may educate students about agriculture…in one way or another, I want to inspire a student to pursue the passion of agriculture. One of those students could very well be from a family of wheat growers.”

At first, SHEILA MCCOLLUM had a hard time deciding what to study in college. “Growing up in the small town of Weippe, ID, where the logging industry is people’s way of living, I wasn’t exposed to all of the career opportunities the world has to offer.” That changed when she took a course entitled “Plants and People” at Lewis-Clark State College. “It was the first class I ever enjoyed going to,” she recalls. “I was so excited… I knew that I wanted to have a career involving plants.” Now a junior in the Sustainable Crop and Landscape systems program at the University of Idaho, Sheila is still excited about plants. She adds, “You have made a tremendous impact for me financially; I sincerely appreciate this scholarship and your willingness to help me achieve my goals.”

JOHN W. BARKLEY grew up in a small community near Haile, ID on a working cattle and farming operation. He comments, “Since a very young age I have been involved in agriculture and the wheat industry. My goal after school is to return and expand the family business. I plan on raising grain and am committed to helping that side of the business all her life. Kellie, a sophomore at the University of Idaho, grew up on a ranch while her dad was a farmer. She relates, “Agriculture is very near and dear to my heart; throughout high school I actively participated in FFA, receiving my American Degree. “At UI, Kellie is studying agricultural education in hopes of becoming an agriculture teacher so she can pass on her passion about agriculture to future agriculturalists. She is also pursuing her interest in public speaking as an intern in the Extemporaneous Speaking CDE. On campus, Kellie enjoys participating in Collegiate FFA and the Student Idaho Cattle Association. She connects her future to wheat saying, “I may educate students about agriculture…in one way or another, I want to inspire a student to pursue the passion of agriculture. One of those students could very well be from a family of wheat growers.”
Taiwan Flour Mills Sign $484 Million Wheat Deal in Idaho

The Taiwan Flour Mills Association (TFMA) signed a letter of intent in Boise, Idaho Sept. 16, to purchase up to 62.5 million bushels (1.7 million metric tons) of U.S. wheat, worth an estimated $484 million, over two years between 2014 and 2015.

The signing ceremony was held at the Idaho State Capitol with Governor C.L. "Butch" Otter, Celka Caudil, Director Idaho State Department of Agriculture, Idaho Wheat Commission Chairman Ned Moon and commissioners Bill Florey and Jerry Brown.

"We met with the Taiwan Flour Mills Association during my trade mission to Asia in April and greatly appreciate their loyalty as an Idaho customer," said Governor Otter, "We met with the Taiwan Flour Millers Association during my trade mission to Asia in April and greatly appreciate their loyalty as an Idaho customer. This visit will continue to foster further sales opportunities for our state." Taiwan and Idaho also enjoy a close trade relationship. In 2012, Taiwan was Idaho’s third-largest export market; Idaho exported US$755 million to Taiwan in that year, said Mr. Wei-Chang Chang, Executive Director of the TFMA. "Taiwan’s consumers have long appreciated high-quality Idaho grown wheat.” The U.S. wheat industry has had an excellent working relationship with Taiwan for more than 40 years. The Taiwan Flour Mills Association imports 60,000 metric tons (2.2 million bushels) of wheat, every three months which is distributed among all of the millers. The TFMA continues to be one of Idaho’s best customers year-after-year, coming in as one of the top5 wheat importing trade partners.

The importance of maintaining trade relationships with valued customers was one of the objectives when Idaho Wheat Commission Chairman (IWC) Ned Moon traveled to Taiwan in April as part of the Governor’s Trade mission to Asia, where he meet with the Taiwan Flour Mills Association. “These millers are some of our most sophisticated and progressive customers,” said Moon. “They like to buy U.S. wheat because they know exactly what quality of wheat they’re getting in contrast with buying wheat from other countries that have lower grading standards. We enjoyed meeting with TFMA during their stop in Idaho and thank them for their commitment to purchase Idaho wheat.”

U.S.-Taiwan Partnership in Wheat Taiwan is the sixth largest market for U.S. wheat, purchasing 520 million bushels (14.2 million metric tons) since 1998, worth an estimated $3.27 billion. USW Country Director Ron Lu and his Taipei-based staff have an excellent working relationship with Taiwan Flour Mills Association and the Taiwan baking industry.

TFMA imports wheat on behalf of all 26 Taiwanese flour mills. U.S. wheat represents nearly 80 percent of Taiwan’s total imports, an estimated annual value of about $280 million. Heavy use of hard red spring (HRS) reflects a need for strong gluten flour for breads, rolls and frozen dough products as well as for blending with hard red winter (HRW) flour to make traditional Chinese flour foods and noodles.

Soft white (SW) imports, including western white, help meet growing demand for cake, cookie and pastry flours.

Recognizing an opportunity to increase bread consumption, USW and other U.S. cooperators, with excellent support from USDA Foreign Agricultural Service (FAS) staff posted in Taiwan, developed a Global Broad-Based Initiative project under the Market Access Program in 2010/11. USW, the California Raisin Administrative Committee, the U.S. Highbush Blueberry Council and U.S. Grains Council are working with the Taiwan Bakers Association and the China Grain Products Research & Development Institute (GSPRD) to develop new healthy, whole wheat breads and high fiber noodle products to professional bakers and noodle makers. USW and the other cooperators are also helping the commercial bakers and processors introduce the products to consumer through events including a news conference co-sponsored by the Taiwan Baking Association at a popular Taipei shopping mall.

Additionally, USW helps provide technical assistance and education to millers and bakers to help them produce better quality, better tasting whole wheat products.

U.S. Wheat Sales to Taiwan

<table>
<thead>
<tr>
<th>Crop Year (June–May)</th>
<th>HRW</th>
<th>HRS</th>
<th>SRW</th>
<th>SW</th>
<th>Durum</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>97</td>
<td>233</td>
<td>0</td>
<td>36</td>
<td>0</td>
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</tr>
<tr>
<td>2012</td>
<td>123</td>
<td>588</td>
<td>0</td>
<td>129</td>
<td>0</td>
<td>1,040</td>
</tr>
<tr>
<td>2011</td>
<td>244</td>
<td>518</td>
<td>5</td>
<td>129</td>
<td>0</td>
<td>1,098</td>
</tr>
<tr>
<td>2010</td>
<td>315</td>
<td>694</td>
<td>1</td>
<td>109</td>
<td>2</td>
<td>891</td>
</tr>
<tr>
<td>2009</td>
<td>310</td>
<td>419</td>
<td>1</td>
<td>114</td>
<td>2</td>
<td>846</td>
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<tr>
<td>2008</td>
<td>189</td>
<td>425</td>
<td>11</td>
<td>83</td>
<td>0</td>
<td>971</td>
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<tr>
<td>2007</td>
<td>312</td>
<td>605</td>
<td>3</td>
<td>102</td>
<td>0</td>
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</tr>
<tr>
<td>2006</td>
<td>269</td>
<td>592</td>
<td>9</td>
<td>117</td>
<td>1</td>
<td>1,007</td>
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<tr>
<td>2005</td>
<td>265</td>
<td>522</td>
<td>2</td>
<td>109</td>
<td>0</td>
<td>930</td>
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<tr>
<td>2004</td>
<td>274</td>
<td>587</td>
<td>0</td>
<td>101</td>
<td>2</td>
<td>973</td>
</tr>
</tbody>
</table>

Data current through August 22, 2013

One metric ton = 36.74 bushels
U.S. WHEAT ASSOCIATES REPORT ON ACTIVITIES
BUILDING DEMAND, FACING CHALLENGES

U.S. Wheat Associates (USW) helped maintain strong demand for U.S. wheat in marketing year 2012/13 (June-May) that continued into 2013/14. Political delays in funding for the export development programs from USDA's Foreign Agricultural Service and the discovery of isolated wheat plants with an old, experimental biotechnology trait in the past year presented difficult challenges. Yet, with impressive support from our state wheat commission members, combined with expert technical assistance and trade servicing from the USW staff, the United States once again led world wheat trade with total commercial export sales exceeding 27.4 million metric tons (MMT) in 2012/13. And, as that marketing year ended and 2013/14 began, Brazil and the People's Republic of China turned aggressively to U.S. wheats because they were informed about our plentiful supply, excellent quality and efficient supply chain.

As the industry's export market development organization, USW promotes all six U.S. wheats: hard red winter (HRW), hard red spring (HRS), soft red winter (SRW), soft white (SW), durum and hard white (HW). Funding for this work is provided by checkoff dollars, goods and services from 19 state wheat commissions and market checks from the USDA Foreign Agricultural Service. This report reviews USW activities in 2012/13 and looks ahead to 2013/14. For more information, please visit www.uswheat.org/success, e-mail info@uswheat.org.

Our work and the positive influence our market development activities have on farm gate prices would not be possible without your support. Thank you for your commitment to expanding U.S. wheat exports.

FACING NEW CHALLENGES TOGETHER

USW and the entire wheat value chain faced a surprising challenge in May 2013 with the discovery of volunteer wheat plants in a fallow field in eastern Oregon that carried a genetically modified trait to resist glyphosate. An on-going investigation by the Animal and Plant Health Inspection Service (APHIS) quickly confirmed that this event posed no food safety risk, that it was isolated and that none of this material had entered commercial production or sales. Out of extreme caution, however, USW suspended new purchases of Western White (a blend of SW and up to 20 percent club wheat), USW, NWGW, state wheat organizations, U.S. grain handlers and exporters, and USDA officials, together with Monsanto, spared no resource and these critical markets re-opened within several weeks. Sales have steadily increased and, as of early November 2013, USW March 14 sales were equal to sales at the same time in 2012/13. This event was clearly unexpected and APHIS had not issued its final assessment when this report went to press. Ultimately, this situation demonstrated that the system for managing events like this functions well in the United States. It also proved that the entire U.S. wheat value chain works in harmony for the benefit of farmers, suppliers and the customers.

Yet record global demand shows the world's farmers may not be able to produce more and better wheat for a growing world in the face of climate change and an increasing need for improved agricultural sustainability without the full benefit of scientific research. That is why USW, NWGW and many other organizations remain united in their commitment to foster innovation in a responsible way. To read more, visit www.uswheat.org/biotechnology.

RECORD DEMAND PACES WHEAT SUPPLY

Weather and lower prices coming out of 2011/12 contributed to a significant drop in world wheat supplies in 2013/14. Global demand hit a record high, however. Planted area increased and production rebounded by eight percent for 2013/14 USDA expects another year of record demand ahead with world supply expected only to match demand. Supplies of Black Sea, Eastern European and Canadian wheat will be very competitive with U.S. wheat in 2013/14. While U.S. wheat export sales in 2012/13 were about five percent less than 2011/12, as of late October 2013, USDA expected U.S. wheat sales to rebound by nine percent to 29.9 MMT.

Here are ways USW supported 2012/13 sales and is fostering demand growth in 2013/14 – and how the industry responded to significant challenges.

Japan, Mexico and Nigeria remained the top three U.S. wheat importers in marketing year 2012/13 (ended May 2013). Sales to Korea and the Philippines remained strong. That line up may be quite different at the end of 2013/14 because China and Brazil are purchasing U.S. wheat at year as remarkably strong prices.

TARGETING CANADIAN DOMINANCE IN LATIN AMERICA

The Canadian Wheat Board (CWB) used to dominate wheat trade in Latin America. That is changing. CWB faces increased competition from U.S. wheat due to U.S. price advantage, U.S. supply stability and a U.S. millers' call for an anti-dumping duty against Turkish flour. We now compete fairly there but it is against a lingering preference for Canadian spring wheat among millers and bakers. With USW demonstrating the benefits of SW, HW and SRW through milling and baking demonstrations and through a trade team visit to the United States, USW's wheat is making a comeback. In 2012/13, Ecuador purchased nearly 7.6 million bushels of U.S. wheat, valued at $56.73 million, up 52 percent from 2011/12. Sales in 2013/14 are on a similar pace. That is possible because USW has funding from Idaho Wheat Commission, the Washington Grain Commission, and USDA's Market Access Program.

A few years ago, price advantages for wheat sold by the CBW monopoly and for Argentine wheat made it challenging to boost U.S. wheat sale in Chile. But USW recognized that Chilean baking customers needed new flour products to expand their product lines in this growing market. Trade teams visit, together with milling and bakery demonstrations, are helping convince more Chilean millers to replace Canadian spring wheat with significant quantities of dark northern spring, HRW and SW from Pacific Northwest ports while still sourcing up to 45 percent of its total U.S. wheat supply from the Gulf. Chile purchased 29.8 million bushels of U.S. wheat in 2012/13 or about 37 percent more than it purchased in 2011/12. In the first five months of 2013/14, Chile bought more than 14 million bushels of U.S. wheat or 50 percent more than what it had imported at the same time in 2012/13.

OPENING TRADE BARRIERS

USW also invests grower and federal funds to identify and remove increasingly important trade barriers to U.S. wheat exports. A most striking example is USW's support for our long-term and loyal flour milling customers in the Philippines who are facing what we consider to be unfair “dumping” of Turkish flour into that market. Only one other country imports more U.S. HRS and SW than the Philippines. But Turkish flour sold there at a price that is less than flour costs in Turkey. Now, USW is publicly supporting the millers' call for an anti-dumping tariff on Turkish flour and helping them seek redress at the world trade organization and build international opposition to the Turkish dumping scheme. USW is taking this action because an estimated $70 million in lost wheat sales to the Philippines in 2012/13 is on the line for U.S. wheat farmers.
Food barley initiative paying dividends
In recent years the IBC launched a multi-pronged strategic initiative to expand food barley acreage in Idaho. This effort is now paying dividends. Food barley initiated paying dividends growing season. In order to achieve this $1 million investment over the next five years, the IBC board voted to raise the Idaho barley assessment from the current rate of $0.22 per hundredweight (less than 1 cent/bu) to $0.03 per hundredweight (1.4 cents/bu), effective July 1, 2013. This barley check-off increase will sunset after 5 years unless a future IBC board votes to continue the 0.33¢/Cwt. rate. The UI is committed to an equal or greater investment, including 100% of the cost of a new scientist’s salary and some technical support immediately and up until the 5-year period when adequate funds are generated by the IBC’s endowment investment. The UI also agrees to help cost-share this science into perpetuity, guaranteeing that this research position will NOT be eliminated in the face of future state funding cuts. 

**CURRENT GLOBAL GRAIN MARKET OUTLOOK, NOVEMBER 2013**

Key Market Drivers
- Investment money flow continues to fluctuate widely based on global economic growth prospects, currency, fiscal and monetary policies and geopolitical risks, increasing VOLATILITY in commodity futures markets.
- BIG RECOVERY in 2013 grain production and carryover stocks - Global and US grain production recovered substantially in 2013, expanding carryover and pressuring global grain prices.
- US. barley demand has weakened in the first three quarters of 2013, after increasing 1.3% in 2012.
- Chinese corn imports continue to be a WILD CARD. China has purchased 4.45 MMT of US. corn so far this year, compared to 2.45 MMT for all of last year. Projections show Chinese corn production increasing this year to at least 211 MMT, up 2%, but still falling short of eating domestic demand.
- US. ethanol demand – Ethanol production fell 7% last year due to record high corn prices. This trend has reversed recently on lower corn prices, with USDA now projecting ethanol use will rebound 5% this year. But the fate of the Renewable Fuels blending mandate could greatly impact future corn demand. EPA announced on Nov. 15 that it was proposing to scale back the 2014 RFS from 18.5 billion gallons to 15.5 billion gallons. The conventional corn blending mandate would be cut to about 11 billion gallons, below the 2013 mandate of 13.8 billion gallons and below actual 2013 production of 13.2 billion gallons. A final ruling is set for spring 2014.

**MY 2013/14 World Grain Supply & Demand (USDA, Nov. 8, 2013 (million metric tons, MMT)**

<table>
<thead>
<tr>
<th>MY 2013/14 U.S. Grain Supply &amp; Demand</th>
<th>USDA, Nov. 8, 2013 (million bu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barley</td>
<td>CORN</td>
</tr>
<tr>
<td>2012-13</td>
<td>2013-14</td>
</tr>
<tr>
<td>2012-13</td>
<td>2013-14</td>
</tr>
<tr>
<td>Carryin</td>
<td>22.6 20.4 132.5 134.9 199.4 175.6</td>
</tr>
<tr>
<td>Production</td>
<td>129.9 141.9 862.7 962.8 655.5 706.4</td>
</tr>
<tr>
<td>Total Supply</td>
<td>152.5 161.8 995.2 1097.7 854.9 882.0</td>
</tr>
<tr>
<td>Export/Trade</td>
<td>19.8 19.3 99.7 109.2 147.4 152.1</td>
</tr>
<tr>
<td>Total Usage</td>
<td>132.1 138.9 860.3 933.4 679.3 703.5</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>20.4 22.8 134.9 164.3 175.6 178.5</td>
</tr>
<tr>
<td>Stocks / Use</td>
<td>15% 16% 16% 18% 18% 26% 25%</td>
</tr>
</tbody>
</table>

**Endowed Barley Agronomist**

The Idaho Barley Commission board voted unanimously on July 1 to finalize an Idaho Barley Research Endowment with the University of Idaho. This is to be funded over a period of five years. This one million dollar endowment will enable the University of Idaho to create a dedicated Barley Agronomist / Soil Fertility Professorship (70% applied research and 30% extension) to be located at the UI’s Aberdeen Research & Extension Center. Recruitment for this new agronomist began in mid-October and will conclude in late November. UI intends to hire the new scientist in place by the 2014 growing season.

**MONTHLY AVERAGE PRICE FOR IDAHO BARLEY (bu) (USDA, Nov. 8, 2013)**

- **Idaho Avg. Feed Price**
- **Idaho Avg. Malt Price**

**CURRENT IDAHO GRAIN MARKET OUTLOOK, Winter 2013**

- **MY 2013-14 USDA Nov 8**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Output</td>
<td>141.4 MMT</td>
<td>4.7 MMT</td>
<td>962.8 MMT</td>
<td>355.3 MMT</td>
<td>706.4 MMT</td>
<td>57.9 MMT</td>
</tr>
<tr>
<td>Carryover</td>
<td>22.8 MMT</td>
<td>1.7 MMT</td>
<td>164.3 MMT</td>
<td>47.9 MMT</td>
<td>178.5 MMT</td>
<td>15.4 MMT</td>
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<tr>
<td>Stocks / Use</td>
<td>16%</td>
<td>33%</td>
<td>18%</td>
<td>18%</td>
<td>25%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**US Barley Exports (000 bu)**

<table>
<thead>
<tr>
<th>US Barley Exports (000 bu)</th>
<th>USDA, Nov. 8, 2013 (million bu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barley</td>
<td>CORN</td>
</tr>
<tr>
<td>2012-13</td>
<td>2013-14</td>
</tr>
<tr>
<td>Harvested Acres (MMT)</td>
<td>3.2 3.0 87.4 87.2 48.9 45.2</td>
</tr>
<tr>
<td>Carryin</td>
<td>60 80 989 824 743 718</td>
</tr>
<tr>
<td>Production</td>
<td>230 215 10,780 13,989 2,966 2,130</td>
</tr>
<tr>
<td>Total</td>
<td>304 320 11,332 14,837 3,131 2,998</td>
</tr>
<tr>
<td>Feed, seed &amp; Industrial</td>
<td>155 155 6,044 6,850 1,018 1,023</td>
</tr>
<tr>
<td>Ethanol</td>
<td>4,648 4,900</td>
</tr>
<tr>
<td>Feed</td>
<td>59 75 4,333 5,200 388 310</td>
</tr>
<tr>
<td>Projects</td>
<td>9 10 731 1,400 1,007 1,100</td>
</tr>
<tr>
<td>Total</td>
<td>223 240 11,108 12,950 2,414 2,433</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>80 80 824 1,687 718 565</td>
</tr>
<tr>
<td>Stocks / Use</td>
<td>36% 33% 7% 15% 30% 23%</td>
</tr>
</tbody>
</table>
Normally you wouldn’t harvest in these conditions. Normally, introducing the new track feature for John Deere S-Series Combines. Ready to run on your time, not on nature’s.

The new 36-inch tracks provide reduced ground pressure, allowing you to manage flotation and compaction during less than ideal harvest conditions ... while still offering the superior performance and uptime that only S-Series Combines can give you. And in perfect harvesting conditions? The S-Series delivers the flexibility to work with tires or tracks.

Don’t put off ’til tomorrow what you can harvest today. Visit your John Deere dealer to learn more on how the new tracks option lets you hit wet, muddy ground running. Nothing Runs Like a Deere™.