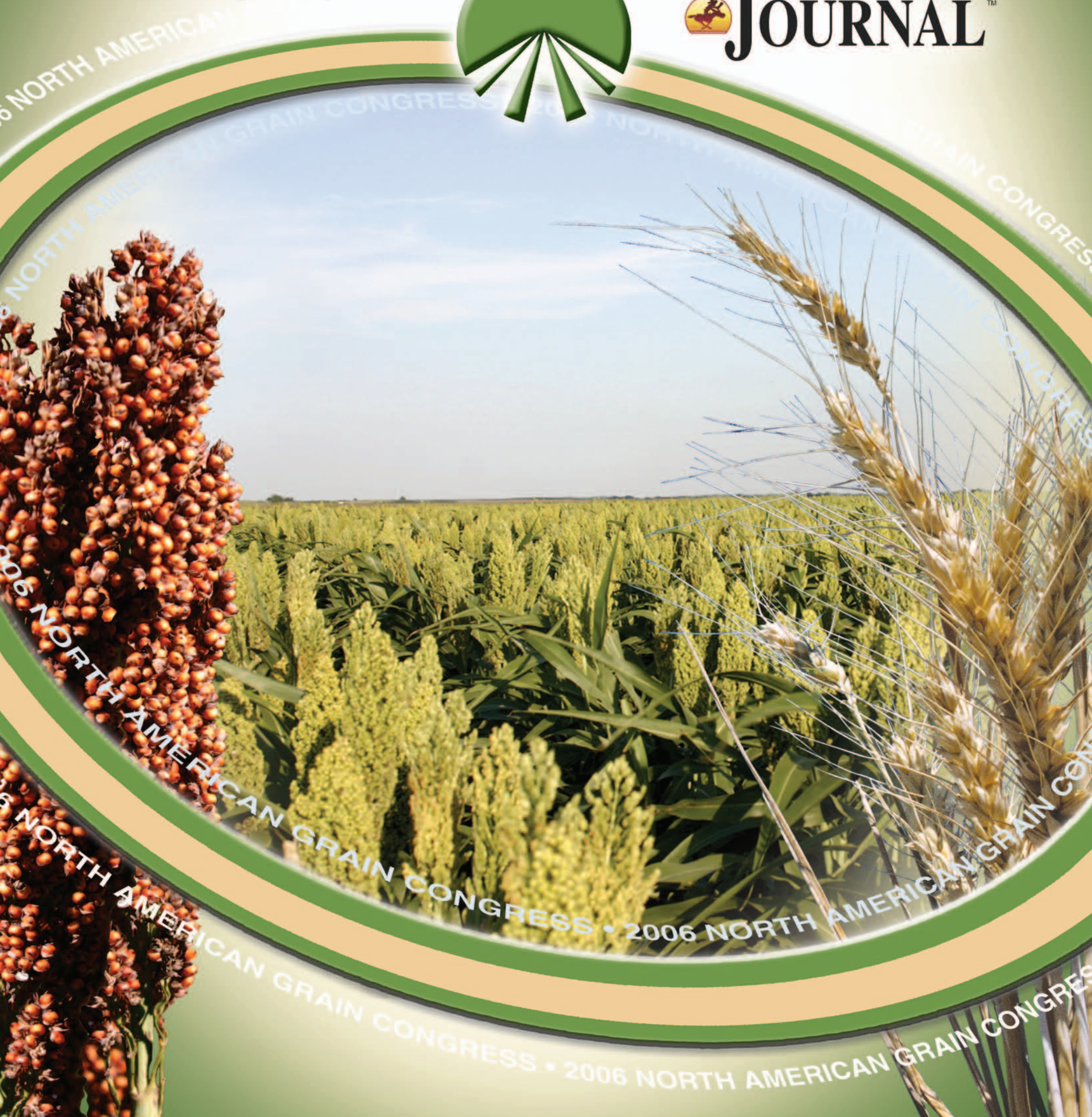


North American Grain Congress

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HIGH PLAINS
JOURNAL™



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The world wants us to pay cash, but U.S. producers want to continue their historic efforts to feed the world with food.

Wheat, sorghum stakeholders updated on farm policy, trade

By Jennifer M. Latzke

Monday morning, Feb. 6, of the North American Grain Congress began with the general session, which brought together wheat and sorghum producers to learn about farm policy and changes that will affect their businesses in 2006 and beyond.

Teresa Lasseter, administrator of the U.S. Department of Agriculture's Farm Service Agency, started off the morning with a discussion on the producer partnerships with FSA.

Lasseter spoke about various farm support programs and their execution in different regions. She also updated producers about the restructuring of the FSA and how that will be implemented. She said it is now up to the assorted state committees to review the opportunities in their own states to cut unnecessary operations. There is no mandated plan, but rather FSA is asking the states to use their best judgment in streamlining the offices.

FSA is celebrating the 20th anniversary of the Conservation Reserve Program, Lasseter said. She stated more than 450 million tons of soil are not eroding each year and that the environmental benefits continue to increase. However, one audience member did raise the question of CRP acres taking more land out of agriculture production, adversely affecting rural communities during the question and answer session.

Jim Wiesemeyer, of Informa Economics, Inc., brought a Washington insider's point of view about the upcoming farm bill negotiations. Issues such as ethics violations in Congress, a budget deficit, WTO trade policy negotiations, and the potential for leadership changes after the 2006 election cycle will all have an affect on how the new farm bill shapes up.

Tom Tucker, president of John Stewart & Associates, San Antonio, spoke on the future of renewable energy. Ethanol production is predicted to increase with the Renewable Fuels Standard, up to about 10 to 11 billion gallons, and ethanol's share of U.S. use is estimated to be 4 to 5 percent of motor fuel oil. Gas prices will continue to be dramatically high due to volatile world oil markets and so ethanol, on the wholesale market, could stay at 45 to 55 cents below the motor gas pump price.

The Department of Energy

is predicting natural gas demand will increase as the economy expands, he said. The warm winter has translated into the price for natural gas. However, nitrogen will increase in price, and phosphorus and potash will follow suit in the near future.

Paul Drazek, of DTB Associates, gave his predictions for the trade environment in the next few years and the importance of trade negotiations to American agriculture. Trade agreements are important to U.S. growers because the world population offers the best opportunity for growth potential. Also, in recent years, the middle class has increased in number in developing countries, which translates into higher exports for American agriculture. Contrary to some beliefs, NAFTA wasn't entirely bad for all segments of American agriculture, and has resulted in a trade surplus with Mexico and Canada, he said.

The session wrapped up with a round table discussion from stakeholders in the new farm bill, including Ralph Grossi of the American Farmland Trust; Sherman Reese, president of the National Association of Wheat Growers; Keira Franz, of the United Fresh Fruit and Vegetable Association; and James Vorderstrasse, president of National Sorghum Producers.

Grossi spoke on his organization's mission of preserving farmland from urban sprawl, and how that translates into farm policy. He said his group would like to see a higher commitment of federal dollars to landowners for conservation programs. Additionally, he said he's hearing more farmers who want market-oriented programs with less government influence, and yet have a safety net in place that won't over stimulate production, or drive down prices.

Franz said that the fruit and vegetable growers would like equal consideration in the next farm bill and that any policy should focus on building upon and increasing the competitiveness and sustainability of U.S. fruit and vegetable growers.

Reese and Vorderstrasse both touched on the need for stability in agriculture, which a new farm bill could provide. Vorderstrasse said that conservation programs and energy issues should play a more important part in any new farm policy. ♦



Wheat industry groups hold historic joint session

By Larry Dreiling

In an historic meeting, held in a ballroom across the alley from the Alamo, board members from the three wheat industry organizations sat down together Feb. 4 for a joint discussion of issues facing them.

Kansas and Idaho representatives of U.S. Wheat Associates, the Wheat Export Trade Education Committee and the National Association of Wheat Growers called for the meeting last fall when efforts at consolidating the three groups collapsed.

"This isn't going to be a meeting of wheat groups," said Ray Buttars, a Weston, Idaho, producer and president of the Idaho Grain Producers Association. "This is a meeting of wheat farmers, that's it."

An outside facilitator was hired by NAWG president, Sherman Reese to direct the meeting. Dr. Bryan Gentsch, co-owner of Association Strategies, an Austin, Texas-based firm that has performed leadership training and strategic planning sessions for wheat producer groups nationwide. A few years ago, Gentsch led training programs for NAWG's Ambassador Program.

Pre-set agenda used

A set agenda was placed before the board members for the two-hour meeting. The agenda included scheduling more



joint meetings in which presentation by joint committees could be held at one time, rather than at the meetings of each group.

"We need to have one common area for people to speak. It's more respectful of those who come in to speak to us," said Dean Stoskopf, a Hoisington, Kan., producer and member of the Kansas Wheat Commission. "I realize schedules get tight for us, but we need to think of others sometimes."

It was decided to have the executives and leaders of the three groups examine the idea of presentations followed by joint discussions and then votes by each of the groups, so as to reduce duplication of effort.

"This is what a consolidated board could do," said one producer. "But this is the best we can do under the circumstances."

Scheduling such a meeting sooner rather than later may prove to be another challenge to the groups. USWA is slated to hold a meeting in July at Boise,



ALL TOGETHER NOW—The leaders of the three wheat industry organizations join together for an unprecedented joint meeting. The leaders (left to right), Boyd Schwieder, chairman of U.S. Wheat Associates; Sherman Reese, president of the National Association of Wheat Growers and Randy Wilks, chairman of the Wheat Export Trade Education Committee, presided over a meeting that discussed co-location, the upcoming Food Security Act and opportunities for future meetings. (Journal photo by Larry Dreiling.)

Idaho. Harvest and planting schedules may preclude some people from attending, according to USWA chairman Boyd Schweider.

"Summer meetings simply are not well attended," said Schweider, a Idaho Falls, Idaho, producer.

Committed to the Classic

For certain, the groups will meet during the 2007 Commodity Classic, set for March 1 to 3 at Tampa, Fla. Wheat producers will be joining corn and soybean

groups in the Commodity Classic next year for the first time and it is likely that this joint meeting of wheat groups will be a day or two prior to the Classic.

"We are committed to the Classic," said Reese, an Echo, Ore., producer. "We are committed to making this work. I'm hoping good things will happen."

Following the talks on meetings, Buttars, NAWG's domestic policy committee chairman, joined with staff members for a strategy update on the 2007

Food Security Act, a name NAWG is giving to the upcoming farm bill.

The fiscal year 2007 budget will be formally released by the Bush administration Feb. 6 and could produce a lot of debate.

"As soon as we get back from Washington we'll be hearing more on a fight, a real fight, for baseline funding for the farm bill in the next couple of months," said Mark Gaede, NAWG director of government affairs for environmental policy. "It seems most of the commodity groups think that we'll see additional restrictions on the budget and whatever comes out of the Doha Round of World Trade Organization talks."

Gaede told the farmers that a supplemental appropriation for emergency agricultural energy assistance, placed into a bill for added funding for the war in Iraq and for Gulf Coast relief following hurricanes Katrina and Wilma, was stripped out at the last minute.

"We have heard from the staff of (Senate Agriculture Committee chairman) Sen. Thad Cochran, which said this fight's not over yet," said Gaede. "There likely will be a disaster payment as an economic loss package."

The final part of the discussion concerned co-location of the groups in a single building. It has been the consensus of the majority of the groups that this should occur.

USWA's lease on its current office space ends in July 2008 while NAWG's Foundation is looking for a tenant to fill a floor in its building. The groups decided to continue to look for a solution to the issue.

"You've taken a great leap in going forward," Gentsch said at the end of the meeting. "There is consensus. We are all on the same page on many issues. This was a great meeting, one these groups should be proud of." ♦

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BIO TECHNOLOGY

Revised biotech wheat statement approved

By Larry Dreiling



BIOTECH UNITY—Darrell Hanavan, executive director of Colorado Wheat and chairman of the Joint Biotechnology Committee of the Wheat Export Trade Education Committee, U.S. Wheat Associates and the National Association of Wheat Growers tells of Syngenta being in the research stage in development of a biotech wheat variety with a fusarium resistant trait. (Journal photo by Larry Dreiling.)

“Syngenta is not ready to begin the regulatory process yet. It’s very costly and time consuming. However, it is the only consumer-ready trait that will be available in the next 10 years and we need to be ready for it.”

The three groups also approved a resolution stating its support of continued research and development of Syngenta’s fusarium tolerant transgenic trait in wheat and to work proactively with stakeholder in the food system for the benefit of customers and consumers worldwide, U.S. wheat producers and the whole U.S. wheat industry.

The process to create a single document was a laborious one, Hanavan told each group. Still, two members of NAWG’s biotechnology committee argued over what they thought was “some bad grammar” in the document, but they eventually came around to the realization that if that committee changed any language, even for poor syntax, the other two groups would be forced into having to vote for the new document.

“We haven’t had unanimity for two years now,” Hanavan said. “This is a unified strategy. I think we should keep it that way for awhile.”

Joint committee member Art Brandli, a Warroad, Minn. producer, made several presentations throughout the North American Grain Congress about the need for biotech wheat with traits that can benefit consumers. In his presentation, he described how other crops with biotech benefits have muscled their way into his state’s agricultural system.

“We’ve lost a million acres of wheat in the last ten years to other crops,” said Brandli. “Examine the trends and you’ll see that soybeans have surpassed wheat. Consider the prices, yields and the costs of both crops and soybeans surpass wheat as a profitable crop.”

Brandli gave his endorsement of Syngenta’s research into developing wheat varieties genetically modified to resist fusarium, a bane of farmers, handlers, shippers, millers and bakers alike.

“We just need to provide a good product and the customer can decide. I told you a few years ago that we didn’t need (other types of biotech) wheat a few years ago, but this is different,” Brandli said. “We need this kind of technology and we need it now. It’s our do or die.” ♦

The Joint Biotechnology Committee of WETEC, U.S. Wheat Associates and the National Association of Wheat Growers presented a revised position statement to the boards of the three groups, which passed by voice vote in each group.

One of these revisions includes language stating the wheat industry will support and assist in the development by all segments of the industry of an orderly marketing system to assure delivery of non-transgenic wheat within reasonable tolerances to markets that require it.

“Syngenta is in the research stage in the development of biotech wheat with a fusarium resistant trait,” said Darrell Hanavan, committee chairman and executive director of Colorado Wheat. “We on the committee have worked with Syngenta on this revised clause of the position statement.

Lack of biotech wheat is costly in many ways

By Larry Dreiling

The scientific costs of not pursuing genetically modified wheat are as immense as the financial costs, one research leader said at the research forum of the North American Grain Congress, held recently at San Antonio, Texas.

It’s estimated that the financial costs to wheat research and industry may be as much as \$100 million since the first license for the planting of biotech wheat was issued for tests in Montana in 1996, according to Dr. Forrest Chumley, assistant director of the Agricultural Experiment Station at Kansas State University.

The scientific cost meanwhile can be seen in the number of licenses issued for various crops, Chumley said.

“While there have been 5,535 tests for biotech corn since 1996, there have been only 396 tests for biotech wheat,” Chumley said. “That amounts to only 3.2 percent of the biotech testing licenses issued since Monsanto received the first license for biotech wheat.”

Of those licenses, Monsanto received 225 of them, compared with 46 licenses for other companies. Universities accounted for 95 licenses and government received 30 licenses, Chumley said.

There are no biotech wheat products, a big difference compared with the wide range of other biotech products that address agronomic benefits and enhanced nutrition, from non-allergenic soybeans to decaf coffee plants, Chumley said.

“One thing that we could create from biotechnology is celiac friendly wheat, keeping the gluten strength but remove the allergenic traits,” Chumley said. “Drought tolerance is being researched at CIMMYT (the international corn and wheat research center based in Mexico.) The gene construct is from Japan and is funded by Australia. We’re just not in the scene in the U.S.”

Chumley applauded the decision by the wheat industry to pass a resolution stating its support of continued research and development of Syngenta’s fusarium head blight tolerant transgenic trait in wheat.



LACK OF BIOTECH COSTS—Dr. Forrest Chumley, assistant director of the Agricultural Experiment Station at Kansas State University, estimates the financial costs to wheat research and industry may be as much as \$100 million, but the scientific costs of not pursuing genetically modified wheat are as immense as the financial costs. Chumley explained his estimates at the research forum of the North American Grain Congress, held recently at San Antonio, Texas. (Journal photo by Larry Dreiling.)

“We need this tool. Here we have a trait that can get a toxin out of the environment without chemicals. It also opens the way to other things,” Chumley said.

He also praised U.S. Wheat Associates for beginning to craft a worldwide education campaign to promote biotechnology.

“We need to concentrate on what’s being done, rather than what is not being done,” Chumley said. “There will come a time when we look back at this and wonder what all the fuss was about.” ♦





USWA budget to post shortfall for fiscal 2007

By Larry Dreiling

U.S. Wheat Associates approved a \$4.087 million producer-funded 2007 fiscal year budget, based on the assessment to member states of \$4.495 million.

The budget includes a 4 percent increase in domestic staff salaries. The budget also includes a \$110,000 shortfall, due to estimated reductions in wheat production by USWA member states. This means that USWA likely would tap into their current reserves of \$2.349 million.

Also, two states, North Carolina and Kentucky, have grower organizations that have dropped out of USWA while Maryland growers have told USWA president Alan Tracy their group likely will leave in July at the end of the 2006 fiscal year.

As committee members announced their funding commitments, it was clear that weather would be the deciding factor in whether or not those commitments would be met.

For example, Kansas committee member Dean Stoskopf offered that his state would pledge its full commitment of \$898,806, but with a caveat.

"We are looking at an average crop so far, but we're dry," Stoskopf said. "If we don't get some moisture, we may have to come back and reduce our pledge."

Other states, such as South Dakota and Texas, said pretty much the same thing.

Meanwhile, Tracy informed directors that USWA would receive matching funds from the U.S. Department of Agriculture's Foreign Market Development Program and Market Access Program that amount to a match of \$2.8 federal funding to every dollar of producer funds spent.

At a separate meeting of USWA's budget committee a list of disbursements was approved. One disbursement of note was in November 2005 when past chairman Keith Kisling was reimbursed \$1,600 for seeking private legal advice on consolidation.

"I just wanted to make sure everything was fair as to the weighted votes on consolidation," said Kisling, a Burlington, Okla., producer.

The committee also approved a plan by USWA chairman Boyd Schweider to begin looking at new office space in Washington, D.C. for the organization when its current lease expires in 2008.

Schweider, an Idaho Falls, Idaho, producer, said he would direct this new committee to also include the current facilities of the National Association of Wheat Growers.

"Nebraska would prefer something that would be a co-location with NAWG," said Chuck Tines, chairman of the Nebraska Wheat Board. "It could be the current building. It could be someplace else."

At the end of the USWA meeting, secretary-treasurer Ron Suppes, reminded the other members that the position a unified Kansas wheat structure thinks all organizations should be co-located.



USWA OFFICERS—The U.S. Wheat Associates Board of Directors elected new officers at their recent meeting at San Antonio, Texas. New officers are (left to right): Michael Edgar, Yuma, Ariz., secretary-treasurer; Leonard Schock, Vida, Mont., chairman; Boyd Schwieder, Idaho Falls, Idaho, past chairman; Ron Suppes, Scott City, Kan., vice chairman; and Alan Tracy, president. (Journal photo by Larry Dreiling.)

"There is a unified position on the matter," said Suppes, a Scott City, Kan., producer. "We just want to go on record in support of this."

Added Kansas wheat commissioner Dean Stoskopf: "I add my sentiments to Ron's statements. Another part of this refers to the (low number of a) weighted vote. Notice that we didn't have a single weighted vote at this meeting." ♦

USWA calls Aussie kickbacks to Saddam a "moral outrage"

By Larry Dreiling



MORAL OUTRAGE—Alan Tracy, president of U.S. Wheat Associates, describes secret financial arrangements between AWB Ltd., the former Australian Wheat Board, and the regime of former Iraq president, Saddam Hussein. Tracy called the over \$200 million in kickbacks to Saddam "serious stuff." (Journal photo by Larry Dreiling.)

The U.S. Wheat Associates board of directors Feb. 4 blasted AWB Ltd., the former Australian Wheat Board, for secret financial arrangements between AWB Ltd. and Saddam Hussein's regime, which accounted for more than 14 percent of illicit payments made to Iraq in connection with humanitarian purchases under the United Nations' Oil for Food Programme between 1999 and 2003.

Meeting at San Antonio, Texas, the USWA board passed a unanimous resolution reading that "kickbacks that propped up the Saddam regime are a moral outrage, and, in most countries, a crime."

The USWA resolution urges the U.S. Congress, the State Department, the Justice Department, the Export-Import Bank and the U.S. Department of Agriculture to examine the ramifications of AWB's actions and take whatever actions are necessary to protect the integrity of U.S. market development and export programs.

The resolution also called for insisting the final agreement of the World Trade Organization Doha Round dismantles the monopoly status of AWB Ltd.

Last October, a report by the Independent Inquiry Committee into the United Nations Oil-for-Food (OFF) Programme named the AWB as the most egregious violator of the humanitarian segment of OFF.

The report explains how nearly \$222 million in OFF money was diverted through an Iraqi transportation company in Amman, Jordan, directly back to the Saddam Hussein regime.

"Folks, this is serious stuff. A wheat company was the largest source of kickbacks to Saddam Hussein's regime under a humanitarian program," said Alan Tracy, USWA president, before a room filled with U.S. wheat producers and as many Australian reporters as American reporters. "These were kickbacks that NBC News reported could be funding insurgent attacks against our soldiers—and Australian soldiers."

"We must hold this corporation accountable for paying millions of dollars of kickbacks to Saddam Hussein at the exact time that Saddam was trying to shoot down U.S. pilots who were patrolling the no fly zones."

Demanding corporate accountability from AWB is not, as some have suggested, an attack on an ally, Tracy told the crowd.

"The AWB is not the Australian government, nor is it a nonprofit organization made up of hardworking Aussie farmers," Tracy said. "It is a vast independent multinational corporation that uses its monopoly control of Australian export wheat supplies to compete unfairly against American farmers."

"I am proud that USW has stood up for American farmers—and for American values—and is actively exploring a range of possible responses to AWB's illicit payments in a market that was closed to U.S. wheat."

Tracy also told of investigations into AWB bribes for wheat sales to Pakistan, Yemen, Indonesia and South Africa that may have led to reduced U.S. wheat exports, which in turn leads to lower U.S. prices—which costs American wheat farmers in the pocketbook and increases government support program costs.

The reported bribes to Pakistan, exposed in hearings held in Australia, may have been as much as \$12 million over a three-year period, an amount as much per year as U.S. Wheat's entire producer-funded budget.

"How can we compete against that," Tracy asked. "Of course, Australian farmers, who unknowingly paid the bills, buried into their wheat pool price, didn't have any say in this matter either. This wasn't OFF money in this case. This was their money."

"U.S. Wheat has long called for disciplines on the export monopolies. The Oil for Food travesty adds new urgency to the need for reform." ♦

USWA holds long-range planning session

By Larry Dreiling

For the first time since October 2004, the Long Range Planning Committee of U.S. Wheat Associates held a meeting.

The committee, meeting during the North American Grain Congress, had not met since then because it had been anticipated USWA would consolidate with the National Association of Wheat Growers and the Wheat Export Trade Education Committee.

Since consolidation was voted down in October, USWA directors decided to resume the planning process.

"This entity, whatever name it is, still must go forward while networking and remaining in touch with the other orga-

nizations," said Mattson, a Chester, Mont., producer and a member of the Montana Wheat and Barley Commission. "It has to move forward in order to be successful."

Added USWA's vice president for planning, Jim Frahm: "We're trying to pick up where we were last year and to make sure that a sound plan is implemented."

Part of the planning process is in developing what is called a Unified Export Strategy (UES) for the organization. The UES is presented to the U.S. Department of Agriculture's Foreign Agriculture Service in order to justify

FAS funding of USWA overseas operations.

Mary Ponomarenko of the Grain and Feed Division of FAS attended the meeting. She told the committee that she had attended some conferences with USWA overseas staff and was pleased to see "a wonderful staff of people with such knowledge and experience and the dedication to your industry."

Ponomarenko also credited USWA staff for the way they used the UES for its intended use.

"Usually the process is done for the government's sake. You do it the way you want it for your industry," Pono-

marenko said. "You are to be commended for that; for setting reasonable goals and expectations and seeing reasonable results. Doing it in a logical way. I only see good things from your group."

She said some groups would often overpromise what they can do with FAS funds. USWA does not, which means their funding requests receive little criticism.

"You can't go around exaggerating your claims about what you can do with that money," Ponomarenko said. "You promise to make an impact, make a difference in market development and you deliver." ♦



WETEC disbandment appears certain *By Larry Dreiling*

It appears the end is near for the Wheat Export Trade Education Committee (WETEC).

The three wheat industry organizations have each voted to establish a six-member panel consisting of two members of the U.S. Wheat Associates Board and president, Alan Tracy along with two members from the National Association of Wheat Growers and its CEO Daren Coppock to come up with a plan to dissolve WETEC and merge the groups duties into the other two organizations.

The WETEC Board of Directors Feb. 3 approved the deal by a voice vote. The USWA Board voted in favor of it Feb. 5 while the NAWG Board gave its consent Feb. 7.

WETEC's mission is to educate the industry and

members of Congress on issues affecting U.S. wheat exports and trade policy. According to its mission statement, WETEC monitors, analyzes and disseminates international trade information about administrative, legislative and international decisions influencing wheat exports.

In the last few years, WETEC has been used as a lever in consolidation talks, with USWA and NAWG wrestling with how to continue the organization's mission. Indeed, at the Feb. 3 meeting, WETEC directors from Idaho and Montana announced they would no longer fund the body.

Kansas and Nebraska offered no commitment of funds for WETEC. Finally, Mark Darrington, a Declo,

Idaho producer, moved to dissolve the organization.

After 45 minutes of spirited debate, a break was called for. During the break, Tracy, Coppock, USWA past chairman, Keith Kisling and NAWG president Sherman Reese headed into a room near the ballroom where the WETEC meeting was being held.

There, the four men cobbled out a deal where the six-member panel would look at USWA covering work with administrative and diplomatic efforts while NAWG would expand its legislative efforts to cover trade issues.

After the WETEC meeting, passage of the plan at board meetings of the other two groups were held with little debate and quick approval. ♦

Smaller HWWW crop is estimated *By Larry Dreiling*

The U.S. 2006 hard white winter wheat was estimated Feb. 2 at 781,963.4 metric tonnes (28.643 million bushels) on estimated planted acreage of 757,400 acres, according to the Hard White Wheat Committee of U.S. Wheat Associates.

That estimate, released at the North American Grain Congress, is down from 975,000 metric tonnes for the 2005

crop. The decline is thought to be from continued dry weather in the primary HWWW growing area.



HWWW LOVEFEST—Dan Maltby, director of southwest grain operations for General Mills, Kansas City, Mo. explains his plans for a “rolling thunder bus tour” to bring producers, country elevators, shippers, millers and exporters together to discuss hard white winter wheat. “It will be a hard white wheat lovefest,” Maltby said. “We are all in this thing together.” (Journal photo by Larry Dreiling.)

Estimates ranged from Kansas at 300,000 acres to Colorado at 143,000 acres. Other High Plains state totals included Nebraska at 15,000 acres; Oklahoma, at 24,000 acres; South Dakota, at 11,000 acres and Texas at 50,000 acres.

The committee has just been given committee status after several years as working group.

“I’m grateful the U.S. Wheat Board

has now given us a committee status,” said Ron Stoddard, executive director of the Nebraska Wheat Board, who serves as committee chairman.

The USWA Board had earlier appointed four other people to serve on the committee, which also includes Justin Gilpin, international marketing specialist for the Kansas Wheat Commission; Dan Maltby, director of southwest grain operations for General Mills, Kansas City, Mo.; Joe Anderson a Potlatch, Idaho, producer who serves on the Idaho Wheat Commission; and Laird Larson, a producer from Clark, S.D. who is a member of the South Dakota Wheat Commission.

The individuals were chosen to represent all areas where hard white wheat is produced, in order to give producers an equal voice.

Throughout the two-hour long meeting, the committee discussed adding more members to the committee. There were suggestions to add wheat breeders, exporters, millers, and country elevator operators. Also discussed was adding a member from the board of the National Association of Wheat Growers to assist in political strategy.

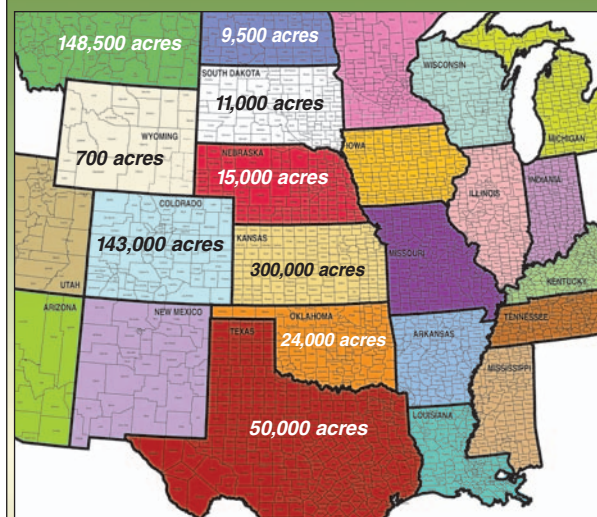
After a while, Stoddard said the committee needed to work its way into growth.

“I don’t want this committee to get so big it gets cumbersome,” Stoddard said.

Another part of the meeting centered on new variety releases, some that will be available next fall, with some in the pipeline that could be as much as 10 years away for growers to use.

Meanwhile, Maltby announced he was planning a “rolling thunder bus tour” for late March that would begin

U.S. Hard White Wheat Estimated Planted Acres
High Plains Journal Coverage Area



*Information compiled by the Nebraska Wheat Board from information provided by FSA & NASS—updated from recent NASS figures

in eastern Colorado and pick up passengers on a trip to Kansas City to learn more from each other about HWWW.

“I want to bring producers, country elevators, and shippers together. We go to Kansas City and meet four millers, maybe two exporters. We may have someone from the railroad,” Maltby said. “It will be a hard white wheat lovefest. We are all in this thing together. We’re going to pull all the segments together and that will make them all feel better about what they are doing.” ♦

Lack of moisture to force NAWG budget reductions *By Larry Dreiling*

The board of directors of the National Association of Wheat Growers met at San Antonio, Texas Feb. 7 and stared the South Plains drought in the face, looking at a possible 5 percent reduction in its nearly \$1 million budget.

The reduction is primarily being caused by the Texas Wheat Producers Association’s \$49,000 formula payment obligation reduced to a \$9,535 payment. TWPA is basing this payment on what is likely to be one of the smallest wheat crops in state history. Other southern states are offering smaller commitments as well.

The Texas Agricultural Statistics Service Feb. 6 rated the state’s winter wheat crop as 88 percent poor or very poor.

“We always have come up with our full obligations. We meet our commitments,” said Foy Gibson, a Bend, Texas producer who serves as TWPA president. “If we had any wheat, it would have burned up in the barn (referring to recent South Plains wildfires). We wish we could increase our commitment, but we just can’t do it.”

NAWG is hoping that new income can be derived through the group’s foundation, which owns NAWG’s Washington, DC offices. The three-story building, appraised recently at \$5 million, is about to undergo a \$157,000 facelift to its first floor.

LaRouche PAC calls

NAWG CEO Daren Coppock is hoping that the building’s second floor, left vacant for over a year in anticipation of a possible wheat industry consolidation, will again see tenants soon.

“We’ve had a tenant recruitment firm market the building,” Coppock said. “One interesting contact was the Lyndon LaRouche PAC. We declined.”

The NAWG board also is looking at how to staunch the

flow of declining membership. A report delivered at a meeting of the NAWG Foundation Board of Directors unveiled results of the beginning of a Six Sigma -driven study of American wheat farmers who are not members of their state grower associations and, in turn, NAWG.

Marty Wojcik, cereals product manager for DuPont, presented the study commissioned for NAWG.

The study showed that while most wheat farmers were aware of NAWG and their state wheat commissions, they were less clear of the missions of U.S. Wheat Associates and Wheat Export Trade Education Committee.

The study also indicated that 20 percent of wheat farmers were unaware of wheat organizations, another 40 percent were aware but didn’t know the value of membership while the other 40 percent were aware but too busy to be involved.

“There’s no shortage of other organizations competing for farmer’s time,” Wojcik said. It’s not just farm groups; there are civic groups like the local school board, and there are recreational and wildlife groups like Ducks Unlimited. With all that diversity, competition became a lot stiffer.”

Wheat summit ahead?

As a final word to the board before stepping down as NAWG president, Sherman Reese, an Echo, Ore., producer, called for a summit meeting of all stakeholders in the industry to address the shrinking amount of U.S. wheat acreage and the gains made by other crops.

“We look at the wheat industry and I see wheat’s in a crisis. We’re in the center of it,” said Reese. “We have all these input costs driving us to extension rapidly. We get the cost and price squeezed and we’re caught in the middle.”

“A good parasite never kills its host. Well, we’re the host



NAWG Officers—The board of directors of the National Association of Wheat Growers elected new officers at the recent North American Grain Congress at San Antonio, Texas. New officers are (left to right): David Cleavinger, Wildorado, Texas, second vice president; Sherman Reese, Echo, Ore., past president; Dale Schuler, Carter, Mont., president; John Thaumert, Sylvan Grove, Kan., first vice president; and Karl Scronce, Merrill, Ore., secretary-treasurer. (Journal photo by Larry Dreiling.)

and we’re being eaten. We need to have a wheat summit, with two or three people from each segment talking together. Let’s get these groups talking about the question: How can we get wheat profitable? Wheat’s no longer profitable, even with a massive infusion of money. If you could buy into the vision, we could fill in the blanks.”

The board voted to approve the concept and called on staff to seek funding.

The board also elected new officers for 2006. Elected were Dale Schuler, president, Carter, Mont.; John Thaumert, 1st vice president, Sylvan Grove, Kan.; David Cleavinger, 2nd vice president, Wildorado, Texas; and Karl Scronce, Merrill, Ore., secretary-treasurer. ♦



Sorghum producers begin new leadership format at NAGC

By Jennifer M. Latzke

The National Sorghum Producers debuted its new committee format at the 2006 North American Grain Congress, which was a result of the 2005 restructuring of the organization's leadership.



INAUGURAL MEETING—Members of the National Sorghum Producers gather for the first Legislative Resources Work Team meeting at the North American Grain Congress. The Work Team format allows for more producer and industry input on issues important to sorghum. (Journal photo by Jennifer M. Latzke.)

While the organization will still be producer-driven, it was decided in August 2005 to create a larger Delegate Body, which would include affiliated industry partners and work to grow the sorghum industry. From that Delegate Body, a smaller board of directors would be elected, consisting of representatives from producers and allied industries. And a national president and president-elect would be elected from the Delegate Body to lead the organization.

Saturday, Feb. 4, the NSP Delegate Body met and discussed issues that will face the sorghum industry this coming year. Topics included agriculture policy, the next farm bill and ag appropriations; food sorghum; crop and silage insurance and LDPs; ethanol; e-membership drives; domestic and foreign sorghum markets; and the new sorghum forage program.

"Attendance at the Delegate Body meeting was very good," Lust said. "Twenty percent of those attending were new to the Delegate Body and had no prior involvement with the organization. They elected new leaders and a board of directors. And for the first time there was industry representation, which is a critical component."

"There are opportunities there to spread the leadership responsibilities around," he added. "There are a healthy number of new leaders and seasoned veterans, representing various sectors and geographies within the industry, as well as private industry and producers from across the belt." Greg Shelor, Minneola, Kan., was elected president and Dale Murden of Monte Alto, Texas, was elected as president elect. James Vorderstrasse, Hebron, Neb., will serve as past president. The delegates also elected to the board: Jeff Casten, Quenomo, Kan.; William Greving, Prairie View, Kan.; Jeff Filingier, Cuba, Kan.; Troy Skarke, Claude, Texas; Dale Artho, Wildorado, Texas; Bill Kubecka, Palcios, Texas; Gerald Simonsen, Ruskin, Neb.; Kenneth Rose, Keyes, Okla.; Toby Bostwick, Melrose, N.M.; Dan Krienke, Perryton, Texas; Neil Strong, Moneta, Va.; and Malcom Haigwood, Newport, Ark.

Robert White, of the National Ethanol Vehicle Coalition gave the Delegate Body information on General Motors' new campaign, "Live Green, Go Yellow," which touts its new line of flex fuel vehicles that can run on E85. The ad campaign had its notable start during the Super Bowl. GM now has nine 2006 vehicle models that are compatible with E85 fuel and it plans to add 400,000 of these models to the fleet in the coming year. Additionally, GM OnStar customers will be able to use the system to find E85 fueling sites and all new GM FlexFuel

vehicles will be equipped with eye-catching yellow fuel caps to remind owners to fuel up with E85.

Chris Corry, senior director of International Operations for the U.S. Grains Council, told the Delegate Body that U.S. sorghum has been sold to Morocco for the first time in almost six years, due to the U.S.-Morocco Free Trade Agreement, which eliminated a 35 percent duty on U.S. sorghum, yet taxed U.S. corn at 17.5 percent. A Moroccan importer has ordered 25,000 metric tons of U.S. sorghum, Corry said. Morocco could import up to 300,000 tons of U.S. sorghum in 2006.

In addition to the new, larger Delegate Body, Work Teams were added so that more sorghum producers and interested industry parties could contribute to NSP. The Work Teams are: Legislative and Regulatory Policy; Domestic Marketing; Foreign Marketing and U.S. Grains Council; Research and Technology; Legislative Resources; Communications; and Business Development, Industry Relations and Membership. The Board of Directors selects interested applicants for service on the Work Teams. An NSP staff member and a board member serve as liaisons for each team, and each team elects its own chairperson.

From the discussions in the legislative work team meetings it's clear that NSP wants to emphasize to Congressional agricultural leaders that sorghum should have a place in any progressive farm policy for several reasons. First, because of its "water sipping" attributes, sorghum has a lot to offer in the form of water conservation in the High Plains and elsewhere. And, even more important, sorghum will play a larger role in any future energy policy because of its use in ethanol production. President Bush made it clear in his recent State of the Union address that renewable fuels will be the future of the U.S. energy industry.

The Research and Technology Work Team focused on how research through the Great Plains Sorghum Initiative at Kansas State University, Texas Tech University and Texas A&M University will help the industry advance. The institutions are making new discoveries in the areas of yield, grain quality and profitability and sorghum producers continue to give input through the research process. NSP staff and leadership emphasized that any public research efforts on sorghum must continue to be fully funded in any new farm policy.

Other Work Teams discussed the new e-membership drive, which encourages elevators to sign up their sorghum producers for NSP membership, as well as domestic and foreign marketing opportunities. ♦

National Sorghum Producers had a productive and successful 2005

By Jennifer M. Latzke

The National Sorghum Producers celebrated its 50th anniversary in 2005. Besides celebrating its history last year, the organization underwent some changes to improve its future as well.

Tim Lust, chief executive officer of NSP, said perhaps the most significant issue NSP faced in 2005 was the equitable calculation of sorghum Loan Deficiency Payments throughout the Sorghum Belt. Many producers weren't receiving fair sorghum LDPs in their areas because the U.S. Department of Agriculture had moved from a county-level LDP to a regional LDP calculating system to minimize the difference between the posted county price and the LDP. The difficulty lay in that the regions used in calculating the LDP were too expansive, and didn't take into account local factors such as ethanol plants that would affect the cash price for sorghum at the elevator. NSP would like to see the regions used in calculating LDPs broken up into smaller segments to account for local factors.

NSP's new leadership model debuted at the 2006 North American Grain Congress, with the first crop of E-members taking part in the meetings. E-membership is one way for industry partners to become involved. It offers elevator managers, boards of directors, members and customers access to NSP's resources and a partnership with state sorghum associations. While six of the major sorghum-growing states have established checkoff programs for grain sorghum, there are still a few that haven't done so yet. Assessments in checkoff states fund projects that improved the profitability of sorghum. But, the checkoff funds cannot be used for legislative activities. E-members become members of their state associations, and can give input to NSP staff about legislative issues important to their respective areas. Lust said in 2005 there was a 30 percent growth in E-membership.

Another key event in 2005 was the organization's name change, from National Grain Sorghum Producers to National Sorghum Producers. This allowed the group to emphasize the forage side of the sorghum business through its Quality Hybrid Forage Program.

"One of the action items from the board for us to work on was to put more effort into the research and development of forage sorghum, or sweet sorghum, for use in

ethanol production," Lust said. NSP's Sorghum Synergies, LLC, is conducting more development efforts of ethanol plants in communities, too. Forage sorghum acreage is predicted to rise because of evaporating water resources and high costs to pump it from the ground. The Quality Hybrid Forage Program will help producers make better decisions about selecting varieties that will fit their individual requirements.

These NSP-branded varieties will have about the same quality and yield of corn forage. The top varieties will have a record of high performance and quality from testing conducted at Texas A&M University's Bushland Experiment Station near Amarillo. The NSP logo will start to appear on seed bags in 2006. Brent Bean, of Texas A&M, began his research into forage sorghum in 1999 and has developed several new varieties for the Quality Hybrid Forage Program.

"Sorghum has always had to compete with corn as far as energy values in dairies and feedyards," Bean said. His challenge was to find sorghum that would yield well while still making the most of limited water resources. He found a few varieties that yield the same as corn, while using 30 percent less water.

"The in vitro digestibility of these sorghums are equal to that of corn," said Jeff Dahlberg, NSP director of research. "The real beauty is the water savings you have to grow the same amount of sorghum as corn."

Dahlberg reported that the U.S. Department of Energy's Joint Genome Institute is nearly a third of the way done sequencing the sorghum genome. The project is currently at the 2-3X stage and will be done at the 7X stage. Dahlberg said that sequencing the sorghum genome can lead to higher yield potentials and better nutritional values. With the genome map, researchers can manipulate the genes already present in the crop and bypass the sticky subject of biotechnology in sorghum, by using standard breeding practices in a targeted manner.

In 2007, NSP will gather separately from the National Association of Wheat Growers, who will be joining the Commodity Classic. The Sorghum Industry Conference will be Jan. 14 to 16, in San Ana Pueblo, N.M. The Sorghum Improvement Conference of North America will join NSP for the three-day meeting. ♦



FOOD IN FOOD AID—Bonnie Fernandez, executive director of the California Wheat Commission and chair of the joint wheat industry Food Aid Working Group, tells producers of a plan to keep donations of U.S. food aid to impoverished nations in food rather than in cash. During the recent North American Grain Congress, the wheat industry issued a statement stating it opposes any attempt in the World Trade Organization or in any other venue to change the food aid convention of the United Nations Food and Agricultural Organization to require grant or “money only” donations. (Journal photo by Larry Dreiling.)

Wheat industry out to keep food in food aid

By Larry Dreiling

U.S. farmers need to work to keep the food in food aid, according to the leader of the wheat industry’s food aid working group.

“A few years ago, the European Union decided to change their way of distributing food aid from food to cash,” said Bonnie Fernandez, executive director of the California Wheat Commission and chair of the joint Food Aid Working Group. “When they made that choice, the value of their total contribution declined. Isn’t it interesting that happened?”

Speaking to each of the wheat industry groups, Fernandez also told the group that the Bush administration wants to move the independent U.S. Agency for International Development into the Department of State and to have giving aid by either food or cash only in cases of emergency.

“Once again, it’s interesting that most of these countries are in Africa,” said Fernandez, who sought industry’s endorsement of a position statement opposing any attempt by the World Trade Organization or any other organization to require that food aid be given as cash only instead of allowing donor nations to provide direct food assistance.

“Let’s keep the food in food aid, because if we don’t we will always wonder where the cash goes,” Fernandez said. “We want government to know what the wheat industry believes in.”

The statement approved by the three industry groups reads as follows:

The U.S. wheat industry opposes any attempt in the World Trade Organization or in any other venues, to change the food aid convention of the United Nations Food and Agricultural Organization to require grant or “money only” donations.

The wheat industry supports funding food aid programs at levels no less than the amounts needed to provide food donations levels of at least 6 million metric tons annually, of which 3 million metric tons should be wheat.

Wheat producer organizations support the original intent that wheat held in the Bill Emerson Humanitarian

Trust be used for the purpose to provide direct food aid and should not be sold back into the U.S. domestic market.

Wheat producers urge the administration to promptly

replenish commodities released from the Bill Emerson Humanitarian Trust in a timely manner.

U.S. wheat producers believe that current programs

administered by the U.S. Department of Agriculture are effective and should remain under USDA management.

Wheat producers believe that except in times of emer-

gency U.S. food aid programs should be comprised of U.S. produced food.

Wheat producer organizations oppose withholding food aid for political purposes. ♦

Wake up to Wheat

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