

IDAHO GRAIN

THE IDAHO GRAIN PRODUCERS ASSOCIATION MAGAZINE

SUMMER 2016



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I HOPE that when you read this issue of the Idaho Grain Magazine, your grain crop is looking excellent and that the weather has been good and not caused any problems. Here in the Magic Valley, it looks like planting was completed within a good time frame with an earlier start than normal. The winter wheat and barley crops look really good. We have had more than our share of strong winds, but have had some good rain showers. The water storage outlook is good for this season — so that's good news.

I talked with Sid Cellan who farms in southeastern Idaho near Soda Springs and he said their farming is pretty well on schedule. In northern Idaho, Joe Anderson (Potlatch) had the following comments: "This spring has

been the most 'normal' that we have had in years other than some higher temperatures. We got started in the field in early April, and a few rains caused some delays, but we are done seeding except for some wet areas. Winter wheat looks very good except in the wet areas where it is showing yellow. So far, no stripe rust has been found."

Some of the downsides to this year's crop are the lower commodity prices and the higher value of the U.S. dollar, which can be a factor as we try to export our products to other countries. On the good side, fuel prices are much lower than in the past. We can be positive and hope yields and quality are good and that our export markets continue to expand.

One thing that's been on my mind lately is the Farm Bill. The 2014 Farm Bill has been implemented and farmers have found a few issues that need to be addressed. IGPA, the Idaho Wheat Commission and the Idaho Barley Commission have strongly advocated with agencies to clarify some of the provisions in this Farm Bill. This bill continues through 2018.

A couple of final points: I want to give my compliments on the Spring 2016 issue of the Idaho Grain Magazine. In particular, I want to thank Justin Place and Jonathan Rosenau for taking time to tell about their experiences at the National Barley Growers Association and the National Association of Wheat Growers meetings in Washington, DC. I also want to thank Alex Reed for taking time to tell about his farming operation in Filer. And finally, thanks to Stacey (Editor-in-Chief), Christie (Assistant-Editor), all of the writers, and the advertisers.

Be sure to visit IGPA's website, www.idahograin.org, and follow our Facebook page (search Idaho Grain Producers Association in Facebook to find our page) to access much more information on current issues.

Here's hoping that all goes well with your farm operations this summer. ■

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IGPA members have been busy in their fields doing spring work. I've loved the pictures I've seen — either on Facebook, or in a text, or through the windshield as I've been driving around the countryside. Wheat and barley is being planted, fields are being sprayed and fertilized — farmers are busy in spring.

Similarly, IGPA has been busy this spring. The legislative session wrapped up March 25 (read more about the session on pages 6-8). A few weeks after that, our offices were out of commission for two weeks while we all got new paint and carpet. Next time you're in Boise, stop by — you'll hardly recognize the place!

We are working on our budget and taking time to look ahead to Fiscal Year 2016 – 2017. Since this is my first budget cycle with IGPA, it's been a good opportunity to really examine where we spend our money, to see if there are any efficiencies we can realize.

IGPA is preparing to participate in a couple of negotiated rulemakings — the first with the Department of Environmental Quality on crop residue burning. You might recall that earlier this year, the national standard for ozone of 75 parts per billion was lowered to 70 parts per billion. Because Idaho's statute requires an even tighter standard than the national standard (75 percent of the national standard), this change would have resulted in a significant reduction of allowable burn days — without a change in the standard, likely one half to two third of the days currently allowed would no longer be burn days starting in 2017. The Crop Residue Burning Advisory recommended the Department undertake negotiated rulemaking and subsequently seek a statute change to keep the ozone standard at a level that both protects public health *and* allows for crop residue burning. So DEQ has drafted a proposed rule that sets Idaho's standard for ozone at 90 percent of the national standard, but tightens Idaho's standard for fine particulate matter to 65 percent of the national standard (right now, it's at 75 percent). Negotiations are underway in this rulemaking process. Our bottom line is that we want to maintain the ability of farmers to burn their crop residue, if they so choose, while still protecting public health in a meaningful way.

The second negotiated rulemaking we're working on is with Idaho Department of Transportation; rules need to be updated to include 129,000 lb trucks. But ITD is proposing to look safety, regional harmonization, improved permitting processes, and improved customer service, in addition to looking at truck weights. This broad rulemaking that will effect trucks of all weights is a significant undertaking that IGPA, along with a coalition of other ag groups, will be involved in.

And finally, on negotiated rulemakings, we are going to continue to work with the Idaho Wheat Commission to help them get the information they need to communicate with growers throughout the state.

At IGPA's spring board meeting, there was a lot of conversation about Fish and Game issues, specifically posting and trespassing — staff received direction to engage Fish and Game on these issues, and we are starting to have conversations with the agency.

Lastly, discussions on the 2018 Farm Bill have already begun, which you can read more about on pages 10-12.

It's been a busy spring and promises to be a busy summer as IGPA continues to work for you on all of these fronts and more. ■



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2016 Legislative Summation

By Rich Garber, Legislative Director, Idaho Grain Producers Association

STACEY and I had a very busy but good 2016 legislative session. It was an honor to represent Idaho's wheat and barley farmers throughout this year's legislative process. It is clear that our industry and our voice is well respected and valued at all levels of state government.

In most ways the 2016 legislature was good to agriculture and natural resources. While the state demographics continually shift to more urban areas the legislatures historical strong ties to agriculture continue. Agriculture's significant impact to the state's economy, jobs and overall economic prosperity is not lost on most legislators.

Agriculture is also fortunate to have a very consistent presence and effective voice in the legislature through the strength of its many legislative advisors as well as through the collective voice and strength of Food Producers of Idaho and other agricultural groups. On most policy issues agriculture is generally able to speak with a unified voice.

IGPA has membership in and is actively engaged in Food Producers of Idaho, the Idaho Association of Commerce and Industry and the Idaho Council on Industry and the Environment. Between Stacey and I we are always at the table and actively engaged in any policy issue impacting our producer members.

The Second Regular Session of the 63rd Idaho Legislature began on January 11, 2016. During the session, 831 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 557 bills were actually introduced, along with another 75 resolutions, memorials and proclamations. By the end of the session, 379 bills had been passed. After final legislative action, and following the Governor's review, 377 introduced bills became law, with the new laws to become effective July 1, 2016. Two bills were vetoed by the Governor. The Legislature adjourned sine die on March 25 after 75 days in session.

After six consecutive years of economic growth the Legislature felt confident enough



to more aggressively address areas of vital interest to Idahoans. The Economic Outlook and Revenue Assessment Committee estimated revenue growth of 4.9% for fiscal year 2017. This was an 8% increase over the projected rate for fiscal year 2016.

With these positive trends the Legislature addressed pressing funding needs in a number of state agencies. Public education — both K-12 and higher education — received

substantial General Fund increases, 7.4% for K-12, 8 percent for higher education, 8.7 percent for community colleges and 10.4 percent for career technical education. The Idaho State Police received an increase of 6.9 percent, the Department of Health and Welfare received a 7.3 percent increase and the Department of Environmental Quality received an 8.9 percent increase. A merit pay increase of 3 percent was also approved for state employees.

Bills and Legislative Actions

Rules Review

One of the first things on the docket each session is a review of all pending, pending fee and temporary rules that have been promulgated by state agencies. This can be a somewhat laborious process whereby the Legislature can prevent pending rules from going into effect, as well as prevent final rules from remaining in effect, by rejecting them. Pending fee rules go into effect only if the Legislature approves them. Temporary rules expire at the end of the legislative session unless approved by the Legislature.

As reported in one of our earlier legislative updates the Idaho Wheat Commission submitted a number of rule changes for consideration this year. Most of those changes were approved with the exception of a new rule requiring submission of grower lists to the Commission. This rule sparked much concern regarding confidentiality issues and received significant push back from many of the elevators across the state. It is anticipated that this issue will be revisited next year.

Legislation

Following is a summary of bills, joint memorials and concurrent resolutions that IGPA was engaged in or monitored throughout the session.

Agriculture

H 499 Establishes the Idaho State Department of Agriculture as the delegated state authority for regulation of any non-retail activities subject to the Food and Drug Administration's Food Safety Modernization Act in the event the Legislature enacts legislation directing that the state seeks federal authorization of such regulation. **Law**

H 524 Defines companion animals and torture to an animal. Any person convicted of torture to a companion animal is guilty of a felony on the 1st offense if that person has been convicted of voluntary infliction of bodily injury upon any human being the previous ten years. Any person convicted of torture to a companion animal is guilty of a felony on the 2nd or subsequent conviction. A court shall order a pre-sentence investigation that shall include a psychological evaluation. **Current and normal livestock practices are exempt. Law**

H 531 Prohibits breaches of biosecurity



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through acts with the intent to damage, poison or infect the crops, livestock, products or facilities of an agricultural facility or agricultural operation, without the knowledge and consent of the owner of the facility or operation, and provides for penalties and fines. **Law**

H 553 Provides that all-terrain vehicles, utility type vehicles, specialty off-highway vehicles and motorbikes may travel upon state highways within city limits and within one mile of a city limit, as long as the speed limit is 45 miles per hour or less. **Law**

S 1214 Provides livestock removal requirement for approved feedlots, approved trader lots, buying station, livestock dealers and livestock markets and specifies trichomoniasis testing requirements for non-virgin bull and bulls over eighteen months of age that are leaving a trader lot. **Law**

S 1222 Provides that if non-irrigators join a ground water district for mitigation purposes only, they may be subject to all mitigation plans and activities of the district. **Law**

S 1223 Gives ground water districts the ability to contract with non-members who wish to participate in, and obtain the benefits of, the districts mitigation plan, purpose or activity the district has in force or is developing. Pursuant to terms and conditions acceptable to both parties. **Law**

S 1224 Provides that ground water districts may impose assessments based on the number of acres authorized to be irrigated as an alternative to the quantity of water authorized to be diverted. **Law**

S 1225 Clarifies that ground water districts may incur short-term debt with a repayment term not exceeding one year without holding an election or seeking judicial confirmation. **Law**

S 1229 Provides legal authority for the state of Idaho to allow vehicle combinations with a gross weight of 129,000 or less on Idaho's interstate highway system. **Law**

S 1240 Increases the maximum amount of administrative charges that may be levied against each holder of a stock certificate of a canal company. **Law**

S 1241 Provides that irrigation district assessment payments are timely when post-marked or received on the due date and

that payments due on a weekend are timely if postmarked or received the next business day. **Law**

S 1242 Provides that irrigation districts have the discretion whether or not to issue tax certificates for delinquencies. **Law**

S 1244 Will provide a funding stream that will keep DEQ, rather than the EPA, responsible for underground storage tank inspections. This was one of several primacy bills passed this year to keep Idaho in charge of as many regulatory processes as possible. There will be an annual \$100 per tank fee to support DEQ's underground storage tank program. This will only impact tanks larger than 1,100 gallons. **Law**

S 1260 Amends, repeals and adds to existing law regarding beef cattle feeding operations and dairy farms to revise the authorities and duties of the director of the Department of Agriculture; to provide that certain specified law shall not affect the authority of the Department of Environmental Quality to administer and enforce an NPDES permit program. **Law**

S 1310 Diesel powered motor vehicles shall be subject to inspection for dyed diesel fuel under the following circumstances: (1) when requested by any law enforcement officer at a fixed or portable check station; and (2) when requested by any law enforcement officer as a secondary action when the operator of the motor vehicle has been detained for a suspected violation of another law.

Introduced, not voted on

SCR 135 Supports the settlement agreement entered into on June 30, 2015, between participating members of the Surface Water Coalition and participating members of the Idaho Ground Water Appropriators, Inc. **Sent back to committee**

SCR 136 Recognizes the need for the managed recharge of the Eastern Snake River Plain Aquifer and resolved that the state establish a managed recharge goal of 250,000 acre-feet on an average annual basis across the ESPA. **Adopted**

SCR 137 Requests that the Idaho Water Resource Board address statewide aquifer stabilization and sustainability projects, including managed recharge, conduct aquifer recharge studies and develop ground water modeling. **Adopted**

SCR 138 Supports the settlement agreement entered into on June 30, 2015 between participating members of the Surface Water Coalition and participating members of the Idaho Ground Water Association. **Adopted**

Education

H512 Provides for Community College Trustee Zones within a Community College District and requires trustee representation in each zone. The purpose of this legislation is to ensure representation is distributed evenly throughout a community college district. **Law**

S 1210 Updates references in Idaho Code from Professional-Technical Education to Career Technical Education, which is consistent with nationally recognized terminology. **Law**

Government

H 463 Prohibits political subdivisions from establishing a minimum wage that is higher than the minimum wage provided by state law. **Law**

HCR 38 Recognizes National Day of the Cowboy, which honors the contributions of cowboys to American history, society and culture. **Adopted**

Natural Resources

S 1213 Prohibits the use of unmanned aircraft systems (drones) for hunting, molesting or locating game animals, game birds and furbearing animals. **Law**

S 1239 Establishes the process for appealing IPDES permits issued by DEQ and provides DEQ with necessary minimum enforcement authorities. **Law**

S 1278 Provides that a person or entity operating a canal or conduit for irrigation or other beneficial uses authorized by a water right that permits water to be diverted from a natural watercourse for such purposes shall not be required to obtain an additional water right for the incidental use of that same water where the water is diverted for irrigation or other beneficial use and thereafter used to generate hydroelectricity in the canal or conduit. **Law**

S 1340 Authorizes claims against the Big Game Depredation Account for damage to bees and beehives by bears, in addition to existing authorization for damage to honey. **Law** ■

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Finding our way to the next Farm Bill

By John Gordley, President, Gordley Associates

AS Congress begins to consider writing a new farm bill in 2018, it's time to review how the Agricultural Act of 2014 (AA-2014) is performing, what problems have arisen, and how these concerns might be addressed before and during the upcoming debate. It's also time to consider the need for production agriculture to work cooperatively with former partners in the conservation and nutrition communities to avoid another protracted struggle which could imperil getting a bill done at all.

As background, let's begin with the yardstick that is used to measure the cost of current programs and to set the spending parameters for 2018 – the budget estimates prepared by the Congressional Budget Office. In March 2014, just after enactment of AA-2014, CBO estimated its cost at \$956 billion over ten years (2014-2023). As indicated in the third column in the table below, this amount included \$756.4 billion for nutrition programs, primarily SNAP, \$44.5 billion for Title 1 programs, \$89.8 billion for crop insurance (including \$3.3 billion for the cotton STAX program), and \$57.6 billion for conservation programs. The other nine titles of the farm bill, spanning programs from rural development and research to trade and forestry, were

estimated to cost less than \$10 billion over the entire ten-year period.

The estimate also reflected savings of \$16.5 billion from the CBO baseline in May 2013, which was the reference point from which changes in costs were measured (see second column). These savings were achieved by cutting \$14.3 billion from Title 1, \$8.0 billion from nutrition, and \$4.0 billion from conservation, while adding \$5.7 billion to crop insurance and \$4 billion to the other titles (horticulture, research, rural development, etc.).

Two years later, CBO's March 2016 estimates indicate that overall spending under AA-2014 is expected to be \$24.6 billion less, largely due to the reduced cost of SNAP as the national economy has improved (see fifth column). Nutrition spending is now down \$35.5 billion, Title 1 is up \$13.5 billion, and conservation is up slightly, by \$175 million. Crop insurance is down \$1.5 billion, with a \$1.8 billion increase in the basic program more than offset by a \$3.1 billion reduction in the cost of STAX.

Even if these "paper" savings are realized, no one expects them to be available to spend on the next farm bill. The spending baseline will be whatever the CBO estimates are in March 2018. And no one expects Congress to increase funding for the 2018 farm bill. Instead, there will be renewed efforts to reduce program costs, primarily in SNAP, Title 1,

and crop insurance. In addition, horticultural crops and other sectors may press to increase their slice of what may well be a smaller pie.

With Congress looking to reduce overall spending on farm programs, opponents pushing for their elimination or wholesale reform, and competition for funding within the legislation itself, there's plenty of concern about whether we will be able to find our way through to a new bill. The best case scenario may be that production agriculture will be fortunate to defend, extend and, where necessary, amend AA-2014 for another five years.

Which brings us to the question of how AA-2014 is performing. In the case of farm programs, the answer, not surprisingly, is that it depends on who you ask. The Act offered producers of Title 1 commodities a choice between shallow-loss revenue protection under the Agricultural Risk Coverage (ARC) program and price protection under the Price Loss Coverage (PLC) program. Over 90 percent of corn and soybean farmers and two-thirds of wheat producers chose the county ARC (ARC-CO) program, while nearly all rice, peanut and canola producers opted for PLC.

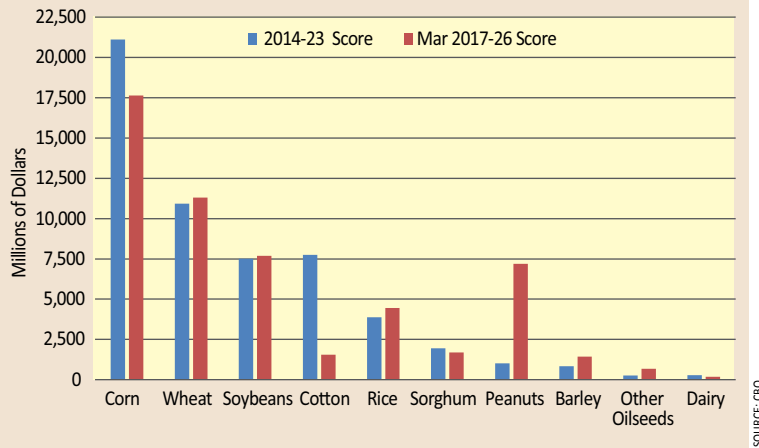
The charts on the next page compare CBO's ten-year cost estimates for Title 1 commodities in the May 2013 baseline with its latest estimates in March 2016. In the left table (outlays range from \$183 million to \$20.9 billion) corn and sorghum show declines, wheat,

Budget Estimates Prepared by the Congressional Budget Office

Titles	May 2013 CBO 2014-2023 (\$ million)	AA-14 Change to May 2013 (\$ million)	Total Cost AA-14 (\$ million)	March 2016 CBO 2017-2026 (\$ million)	Change Mar 2016 vs AA-14 Cost (\$ million)	Change Mar 2016 vs May 2013 (\$ million)
Title I — Commodities	58,765	(14,307)	44,458	57,970	13,512	(795)
Title II — Conservation	61,567	(3,967)	57,600	57,775	175	(3,792)
Title IV — Nutrition	764,433	(8,000)	756,433	720,899	(35,534)	(43,534)
Title XI — Crop Insurance	84,105	5,722	89,827	88,298	(1,529)	4,193
Other Titles	4,036	4,048	8,084	6,839	(1,245)	2,803
Total Farm Bill Baseline	972,906	(16,504)	956,402	931,781	(24,621)	(41,125)
Crop Ins. Breakdown						
Cotton - STAX	—	3,288	3,288	178	(3,110)	
Crop Insurance	84,105	2,434	86,539	88,298	1,759	

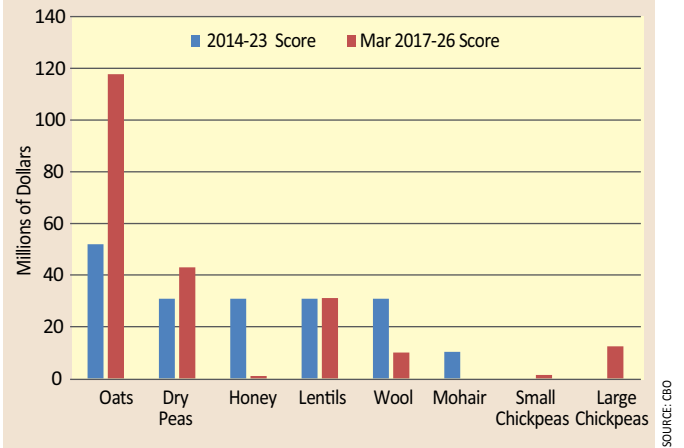
Total Payments by Commodity — Title I

Outlays from \$183 million to \$20.9 billion



Total Payments by Commodity — Title I

Outlays from \$0 to \$118 million



soybeans and dairy are little changed, rice, barley and minor oilseeds are up somewhat, cotton is down significantly, and peanuts are up substantially. In the right table (outlays from 0 to \$118 million) you find oats and chickpeas up substantially; dry peas up some; lentils down slightly; honey, wool and mohair down significantly.

Fortunately, both the ARC and the PLC programs retained the structure of “decoupling,” under which producers are paid on their crop acreage bases rather than on current-year production when revenue or prices for a crop fall below recent average revenue or a fixed reference price. Decoupling prevents distortions in crop production by encouraging farmers to respond to market prices rather than to the potential for government payments. If Title 1 is reauthorized in the 2018 farm bill, it is essential that decoupling be included for commodity programs.

While CBO’s out-year estimates go well beyond the expiration of AA-2014, the most recent years reflect very real changes in income support payments for 2016 through 2018 crops. They also reflect problems in how programs under the Act have performed for specific commodities.

In the case of cotton, only 27 percent of producers are participating in STAX. The sharp increase in peanut outlays is being driven by the conversion of former cotton base to “coupled” generic acres, on which producers are paid based on the crop they plant each year rather than on their historical crop bases. Peanuts have a PLC reference price well above current market prices, which has encouraged producers with former cotton base to plant the crop and receive higher program payments.

This is a problem not only for cotton farmers who have already lost income support under AA-2014, but for efforts to develop a better

cotton program by 2018. With only a fraction of the funding it had when the current bill was written, it will be harder to develop a more effective program to support cotton prices and income in the next farm bill. This very real problem is behind current Congressional efforts to have cottonseed declared an “other oilseed,” which would make cotton producers eligible for additional Title 1 benefits.

Another commodity experiencing problems with a new program is dairy. Under the Margin Protection Program (MPP), participating milk producers are reimbursed when the difference between feed costs and milk prices exceeds \$4.00 per hundredweight. While producers are eligible to buy up protection to a margin of \$8.00 per hundredweight, the cost is higher than most producers have been willing to pay. Moreover, the margin has remained close to but not higher than \$4.00 and the program hasn’t been paying out. So many of the 50 percent of milk producers who signed up in 2014 and 2015 are not expected to participate again in 2016.

A third problem needing to be addressed is the difference in payments received by farmers in adjacent counties under the county ARC (ARC-CO) program. AA-2014 did not specify how county payment yields should be established, and USDA decided to use published NASS yields, when available. However, NASS only publishes yields when at least 30 producers in a county respond to its annual survey. For counties without a NASS yield, USDA chose to use RMA yields, which are frequently higher than NASS yields. As a result, ARC-CO payments for 2014 crops were substantially lower in some counties than they were in adjacent counties, a situation expected to be repeated for 2015. Farm organizations have met with FSA officials in an effort to resolve which data to use going forward, and how to

make it consistent. While a solution has yet to be found, we want to take this problem off the table before it becomes an issue in the 2018 farm bill debate.

A fourth concern outside of Title 1, and a major priority for farm organizations, is how to prevent the crop insurance program from being cut or means-tested, either before or during the next farm bill process. Opponents have pointed to its rising cost as farm prices have fallen since 2013, arguing that crop insurance has become more of an income support program than a true insurance product. The Administration and Congressional leaders tried to cut \$3 billion in payments to insurance companies in last fall’s budget agreement, an effort that was reversed in subsequent legislation after staunch opposition. Still, the President’s FY-2017 Budget went on to include \$18 billion in cuts over ten years. And while crop insurance is separately authorized, further efforts will be made to reduce its cost during the farm bill debate. Its supporters need to come up with better explanations for how the program buttresses the farm economy against low prices and income, and better justifications for the amount of premium subsidies paid to farmers.

It is important that ways to address these problems in Title 1 programs and crop insurance be found before the farm bill positions of different groups are finalized. Farm organizations have met twice so far this year to discuss their concerns and how to coordinate efforts in order to reduce the potential for misunderstandings and improve cooperation. In addition, passing the next farm bill will require restoring and building on past coalitions between the farm sector and the conservation and nutrition communities.

In the debate on AA-2014, opponents of crop insurance made major efforts to reduce

the premium subsidy or cap payments to producers and/or insurance providers. This attack was staved off only when farm organizations agreed to support a priority of the conservation community, to make conservation compliance a requirement for crop insurance eligibility. In exchange, mainstream conservation groups agreed to oppose more draconian proposals. This alliance needs to be reestablished based on the priority both sectors share to reauthorize their programs in 2018. However, some conservation groups have made it known that they feel shortchanged in terms of the effectiveness of their programs under AA-2014, while some producers still chafe at having conservation compliance tied to crop insurance.

The alliance between the farm and hunger communities dates back to much earlier farm bills, and reflects longstanding recognition that an ag-only bill is unlikely to pass the urban-dominated House and a nutrition-only bill would have difficulty in the Senate. In recent farm bills, however, collaboration between groups willing to support both the farm and the social safety nets has declined, as competition for a larger slice of a shrinking pie has grown. The result was apparent in 2013, when opponents of both farm and nutrition programs combined to defeat a farm bill that included both on the House floor. To avoid a similar debacle,

proponents of farm and social support programs need to reestablish an effective working relationship long before their organizations begin to testify on policy priorities.

Finally, the path to the next farm bill will be more difficult due to the state of the U.S. agricultural economy. Farm prices and income are down 40 percent from 2013, and land rents haven't adjusted to the reduction in per-acre revenue. Lenders are more reluctant to extend operating loans, and farm input costs remain high relative to commodity prices. In this environment, finding the "sweet spot" where everyone is satisfied with their level of support going forward will be a major challenge.

All of this is not to say that it will be impossible to find our way through the thicket of problems that lie ahead in order to pass a new farm bill in 2018. What it does say is that production agriculture must be much better prepared to solve them than we were before the three-year donnybrook that was AA-2014, and much better than we are today. Otherwise, we'll have no one else to blame if we find ourselves bogged down again in two years, unable to find a way to enact new farm legislation.

Gordley Associates provides federal government relations services to agriculture-based trade associations and companies in Washington, D.C. ■



- Age: 25
- Home: Troy, Idaho
- Farm: 3,300 acre family operation with father, uncle and two brothers
- Crops: Wheat, Timothy hay, lentils, garbanzo beans, green peas, black peas
- Affiliations: IGPA board member for Latah County, Troy FFA Alumni Association
- Education: Bachelor's in Agricultural Systems Management, University of Idaho, 2013
- Volunteer: Troy Volunteer Fire Department, studying to become an EMT

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Osborn

TRAVIS Osborn is a fourth-generation farmer inspired by his father and grandfather to carry on the family farming operation, which has been sowing seeds in Latah County for nearly 100 years.

His motivation is the gratification he feels knowing that he's feeding someone somewhere and helping to make their life easier, he said.

It's a noble endeavor shared by most of his fellow producers, but it is not without challenges.

Osborn talked about some of those challenges and other industry topics from a young farmer's perspective in a recent interview for Idaho Grain Magazine (some answers are paraphrased for brevity).

Q: What are some of the biggest issues facing the grain industry?

A: Making sure we have the necessary research and development. A lot of it is now being done by large companies, and there needs to be more funding for universities to work on breeding and new varieties, especially for my neck of the woods. We need wheat bred for our region, not just generally bred for the western U.S.

There have been leaps and bounds in breeding advance-

ments, but it would be nice to see those efforts return to what they used be — more localized.

Q: What are some other challenges?

A: Another big challenge, especially for grain producers, is competition with other countries and capturing the value of the quality of wheat grown in the U.S. Most of the wheat grown in our area goes overseas, and although everyone around the world wants grain from the U.S., buyers have cheaper options and often value quantity over quality. The industry needs to better promote the quality and uniqueness of U.S. grain.

The push for GMO-free and organic is also challenging conventional grain growers. But if that's what the consumer wants, we have to go for what our demand is. We can't get stuck in what we've always done.

Q: What is another area that needs work?

A: More use of social media. We don't have a lot of young farmers coming up, and they're the ones who have grown up on that. Transition is hard for older generations; the guys up here find it hard to even get used to GPS.

If we're going to attract the younger population of consum-

ers, we need to go to what they're interested in. That's who we're selling to, and we need to tap into this younger market. It's an easier way of educating the public, reaching more people and helping farmers.

Q: What are the advantages of farming in the PNW?

A: For dryland farmers, it's the nice rainfall, good ground and good weather. We don't have to worry about irrigating and you don't have to put too much time into growing the crop, but conditions still allow for good yields.

It's also a close-knit community, with grain growers helping each other out and sharing information on the best practices for tilling, fertilizing and timing of harvest. Everybody gets along, enjoys each other's company and

everybody makes more money. We have a lot of small growers, and we all kind of stick together.

Q: Why did you get involved with IGPA and is it importance for farmers to be involved in their trade organizations?

A: I wanted to give back and be a part of more than just what I do locally. I wanted to do more for farming, help out and do my part for the industry.

Being involved is a vital way to have a voice in the industry, particularly for small farmers in light of the growing presence of large corporations in agriculture. It's vital to stay active and better ourselves as farmers.

Q: How do you see the future of U.S. grain production?

A: I think there is a bright future for it. We're going to have some setbacks along the way but as a whole, it's pretty positive. But we need to keep the little farms going, keep it alive. Too often when a small farmer dies or retires, the farm is sold to a larger farming operation or to development.

As a general whole, though, I think the future is bright. There's always new research and technology coming out to help farmers and improve production. ■



Rancher, Senate newcomer grew up on politics

Legislator Profile



Mark on lead trailing cattle.



Senator Mark Harris Idaho District 32

- Age: 45
- Home: Bear Lake County, south of Soda Springs
- Occupation: Rancher
- Family operation: 1,000 mother cows, private ground, Bear Lake County, two grazing permits on Caribou National Forest; 2,000 head feedlot and farm, Cassia County
- Family: Wife, Cheryl, four sons ages 15, 12, 8 and 1-1/2
- Education: B.A., Political Science, Utah State University, 1998
- Affiliations: Idaho Cattle Association, past board member; Idaho Farm Bureau, District 1 leader, Young Farmers and Ranchers past chairman; Bear Lake Memorial Hospital trustee; Bear Lake Planning and Zoning Committee past member.
- Politics: Idaho Republican Party, several leadership positions including the executive committee
- Senate: Appointed in 2015, serves on the Senate Ag and Health and Welfare committees

FOURTH-GENERATION rancher Mark Harris is just as comfortable in the legislative chambers of the Idaho Senate as he is at the local saleyard — and he has his parents to thank.

That's because he grew up with news on the radio and politics in the household. Whether it was riding in the combine or riding in the pickup, his father always had the news on and always talked politics.

"He really liked Ronald Reagan — so of course I did to," Harris said.

A backdrop of ongoing news reports and his dad's political banter is what sparked his interest in government and politics, but it was also nurtured by his parent's involvement in the Bear Lake County affiliate of the Grand Old Party. By the age of 14, he was accompanying his parents to the Idaho Republican Party's state convention.

"I've always had that interest in the importance of government in our lives and what it can do — and it can do too much," Harris said.

The awareness of the breadth of the effects of government in people's lives spurred Harris to get involved, both in the Idaho Republican Party and in county government.

"If I don't get involved, someone might get involved for me — and I might not like what they do," he said.

Last August, Harris was appointed to the Idaho Senate by Gov. C.L. "Butch" Otter to fill the remaining term of long-time Sen. John Tippets, who resigned to lead the Idaho Department of Environmental Quality.

Harris said serving in the Senate was an opportunity to broaden his knowledge, something he values highly. And he was fortunate to be appointed to the Senate Ag Committee, where he is helping to educate people about agriculture and the issues facing the industry.

"Agriculture is my life, it's the life of my

district, and it's something that needs to be represented," he said.

There are always well-intentioned people who want to make regulations or pass laws, but those can have unintended consequences that harm agriculture, he said.

A prime example is some people's desire to over-regulate the phosphate industry, for one reason or another. But the issue is broader than mining; phosphate provides fertilizer that allows farmers to economically grow viable crops, he said.

"I think we have to be careful how we regulate stuff or if we regulate too much. It could hurt the farmer, make his life miserable or shut him down," he said.

Equipped with an understanding of balance but new to the Legislature, Harris experienced his first run in the Senate earlier this year.

"It was fun actually. I had a good time. I learned a lot. It was challenging for me, which was good," he said.

He already knew a little about what goes on and how the process works, but he was impressed by the people and how generous everyone was. There was always someone there to help, he said.

"We're lucky to live in the state we do. The people are good-natured, trusting and well-intentioned," he said.

He also felt the state's fortune that its roots in agriculture are still thriving.

"Even the people that come from the cities realize how important agriculture is to Idaho and were always willing to listen to the ag industry and take that into account in the decisions they made," he said.

"It's comforting to me. I didn't meet anyone who didn't have some appreciation for agriculture and how important it is to Idaho and the nation," he said. ■

Ladies, take time to get your cancer screenings!



By Sarah Bedke,
Oakley, Idaho

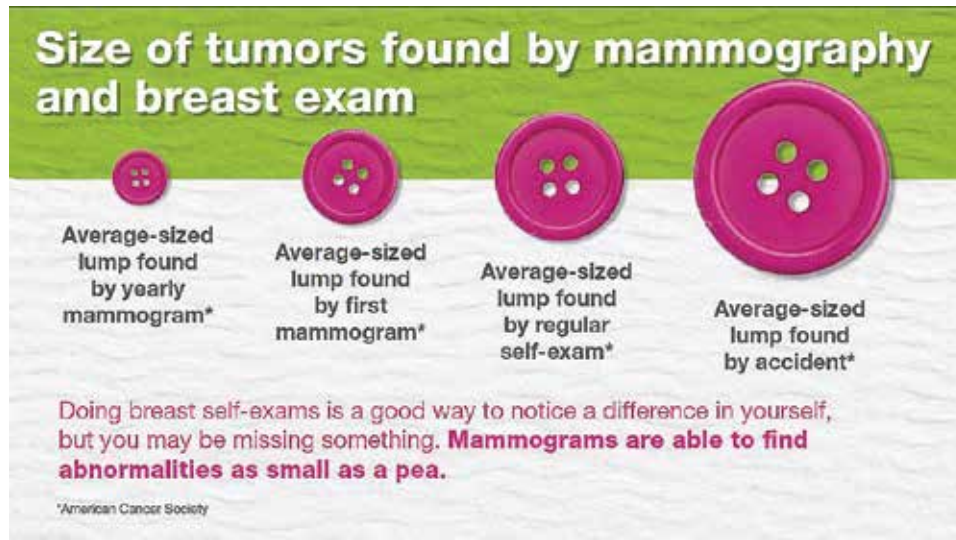
LADIES of Idaho, I know you are busy! Busy taking care of your family, taking care of your husbands, busy with work both inside and

outside the home. But most women have a bad habit of taking care of others at the expense of ourselves. Today I'm asking you to take care of yourself for just one day! Today I am asking you to make a cancer screening appointment.

Idaho's breast and cervical cancer screening rates are dismal, with the state ranking 51st for cervical cancer screenings and 50th for breast cancer screenings. More than one-third of Idaho's women over the age of 40 have not had a mammogram in the past three years. Breast and cervical cancers are two of the most preventable and treatable if caught early, so it's vital that Idaho women have access to these screenings and are educated about their importance.

Without proper screening and diagnosis, cancer is often found at late stages — costing lives and more money to treat. If breast cancer is caught early, the five-year survival rate is 99 percent. But when it's diagnosed later due to lack of earlier detection, the survival rate drops to only 25 percent. Cervical cancer can be completely prevented by removing precancerous lesions found during routine screenings. However, only 16 percent of women will survive a late-stage cervical cancer diagnosis.

I am one of those who benefited from regular screenings. I was motivated to do so after my sister was diagnosed with breast cancer. In my case a mammogram



caught my cancer early. After treatment I am now cancer free and back to enjoying my life as a mother, a wife, and a grandmother.

Studies show there are two main barriers to women getting their cancer screenings done — cost and fear.

The cost concern is less relevant today in that new insurance guidelines require that preventive screenings are fully covered if you have health insurance. If you don't have insurance, there are many programs that exist to

help cover the costs of your screening appointment. Most hospitals have financial assistance programs to cover mammograms. In nearly every instance, you can get your screening accomplished at no cost to you. Don't let cost be a barrier for you — call your local hospital or provider for more information.

The second barrier to

screening is the fear of finding something wrong. But did you know that nearly ninety percent of mammograms show perfectly normal, healthy results? Yet it is so important to establish a baseline mammogram and continue to get regular mammogram screenings so that if there IS some change, you will be catching it early, in its most treatable stage.

Ladies of Idaho, I urge you to discuss with your medical provider the need for screenings, when to have them, and the financial assistance available.

And to the men of Idaho — encourage your wives, daughters, and mothers to

schedule their cancer screening appointments.

Regular cancer screenings are one of the most important things a woman can do for herself — and her family. I know the importance of early cancer screenings because early detection saved my life. Let's ensure all of Idaho's women take advantage of these lifesaving screenings.

Sarah Bedke is a farmer, rancher, wife, mother, and grandmother in Oakley. She and her husband Scott, Speaker of the Idaho House of Representatives, own and run a ranch with his family. ■

One in eight women will get breast cancer in their lifetime.

It's especially important to get regular mammograms if you have a family history of cancer.

Idaho has one of the highest breast cancer mortality rates in the U.S.

The key to success is to catch it early. Yearly screening is the best way to do that.



2016 Schedule of Crop Tours/Field Days

DATE	TIME	EVENT/LOCATION	CONTACT
June 6	10:00 am	Hermiston Wheat Field Day	Ken Frost (kenneth.frost@oregonstate.edu)
June 7	8:00 am	Pendleton-Ruggs Wheat Tour	Mike Flowers (mike.flowers@oregonstate.edu)
June 8	8:30 am	Milton-Freewater Wheat Tour	Mike Flowers (mike.flowers@oregonstate.edu)
June 8	4:00 am	Dayton Wheat Tour	Mike Flowers (mike.flowers@oregonstate.edu)
June 8	1:00 pm	Ritzville	Aaron Esser, 509-659-3210
June 14	7:30 am	Pendleton Field Day-CBARC	Mary Corp, 541-278-4415
June 15	7:30 am	Moro Field Day-CBARC	Mary Corp, 541-278-4415
June 15	9:30 am	Rupert-Minidoka Field Day –Lunch provided	Carlo Moreno (morenocr@uidaho.edu) or 208-436-7184
June 17	8:00 am	*Registration Required-Diagnostic Clinic	Steve Van Vleet, Whitman Co. Ext., 509-397-6290
June 20	8:30 am	Malhuer Co & Parma, ID Cropping Systems Field Day	Bill Buhrig (william.buhrig@oregonstate.edu); Olga Walsh (owalsh@uidaho.edu)
June 21	8:00 am	Tammany Crop Tour, Lewiston, ID	Doug Finkelnburg (dougf@uidaho.edu)
June 22	8:30 am	Pomeroy Wheat Tour	Hannah Kammeyer (Hannah.kammeyer@oregonstate.edu)
June 22	12:00 n	LCS Field Day at Walla Walla, WA	Frank Curtis (frank.curtis@limagrain.com)

DATE	TIME	EVENT/LOCATION	CONTACT
June 24	9:30 am	Arbon Valley Dryland Wheat Field Day on Mink Creek Road near where Upper Rattlesnake roads takes off of Mink Creek Rd.	Terrell Sorensen, Power Co. Extension, 208-226-7621 (tsorensen@UIdaho.edu)
June 24	1:30 pm	Rockland Dryland Wheat Field Day, Neeley Exit off I-86, South on Lower Rock Creek Rd, West on Deeg Rd, ½ mile.	Terrell Sorensen, Power Co. Extension, 208-226-7621 (tsorensen@UIdaho.edu)
June 28	7:00 am	Prairie Area Crop and Conservation Tour, Nezperce, ID	Doug Finkelburg, dougf@uidaho.edu; Lewis County Extension (lewis@uidaho.edu)
June 28	9:30 am	Madras Wheat Field Tour	Katie Ralls (Katie.ralls@oregonstate.edu)
June 28	10:00 am	Walla Walla-legumes	Wayne Thompson, 509-240-5018
June 28	3:30 pm	Walla Walla-cereals	Wayne Thompson, 509-240-5018
June 30	10:00 am	Bonner's Ferry Crop Tour	Kathleen Painter (kpainter@uidaho.edu)
July 6	8:30 am	UI-LCS Joint SWW Field Day, Moscow ID	Kurt Schroeder (kschroeder@uidaho.edu)
July 11	9:00 am	Palouse	Steve Van Vleet, 509-397-6290
July 12	8:30 am Rexburg 10:30 am Swan Valley	Hard White Winter Grower Trials (1 ac/variety) tour; Rexburg Irrigated trial & Swan Valley dryland trial; Lunch provided by IWC and hosted by grower, Gordon Gallup.	Jonathon Hogge (jhogge@uidaho.edu) 208-716-5602; C.M. Wilson, IWC (cathy.wilson@idahowheat.org) or 208-830-7784
July 12	4:00-5:30 pm	Bonneville Co.-Idaho Falls, Field Day	Juliet Marshall (jmarshall@uidaho.edu)
July 13	8:30 am – 1:00 pm	Aberdeen Cereals Field Day-Lunch provided	Juliet Marshall (jmarshall@uidaho.edu); Jianli Chen (jchen@uidaho.edu)
July 19	3:00-6:00 pm	Soda Springs Field Day	Kyle Wangemann (kylekingkong@gmail.com) 801-361-7139
July 19	5:30-6:30 pm	Soda Springs Hard White Winter Wheat Grower Trials (1 ac strips); Jerry Brown's farm	Jonathon Hogge (jhogge@uidaho.edu) 208-716-5602 or C.M. Wilson (cathy.wilson@idahowheat.org) or 208-830-7784
July 20	5-8 pm	Kimberly R & E Center Twilight Tour	Don Morishita (don@uidaho.edu)
July 28	10 am-noon	Ashton Field Day	Jonathon Hogge (jhogge@uidaho.edu) 208-716-5602



Wheat grower names are kept confidential

THE confidentiality of grower names and addresses are protected under Idaho statute, IDAPA 74-107, Subsection (7). It states that *“shipping and marketing records of commodity commissions and the names and addresses of growers and shippers maintained by commodity commissions are exempt from disclosure.”*

This means that grower names and addresses are not released when requests are received under Idaho Public Records Law. As a further safeguard, the Idaho Wheat Commission has adopted a policy stating that all grower records are shredded after three years.

Idaho Administrative Code, IDAPA 42-01-01, provides for the Idaho Wheat Commission to have access to grower names, addresses, and wheat tax paid by the grower to the first purchaser of wheat. About half of the elevators in Idaho currently submit this information with their quarterly wheat tax remittance. Additional information on

grower names and addresses are collected and submitted to the wheat commission by their audit representative, the Idaho State Department of Agriculture.

The primary reason for keeping a list is to be accountable to our growers and to have the means to conduct polls periodically and make sure grower needs are met and to assess whether growers feel check-off funds are well spent. It is embarrassing, but to the cumbersome nature of assembling a grower list from diverse sources and inconsistent time periods, the Wheat Commission does not have a good listing of grower names and addresses.

Secondary reasons for a grower list are numerous. For example, time is of the essence when stripe rust and other fast-moving diseases hit, and information quickly disseminated directly to the grower via an accurate mailing list will help them react. Another example is the \$1.00 price premium for lower-protein soft white wheat the past year.



If a grower has not been made aware of this, someone else in the supply chain pockets the premium. A further example is the need we have currently to provide RMA with copies of settlement sheets showing discounts for sprouted wheat.

In order to meet the needs outlined above and to better communicate marketing opportunities to wheat growers and provide education, the Idaho Wheat Commission will submit an administrative rules change to the 2017 legislature to require the first purchaser of wheat to provide the wheat commission with a listing of grower names and addresses in a uniform format at the end of each harvest year. ■

Idaho wheat industry says good-bye to Jerry Kress

LONG time Idaho Grain Producers Association member and past Idaho Wheat Commissioner Jerry Kress died on March 23.

Jerry was born and raised on a combination dryland wheat farm and beef cattle ranch in Rockland Valley, Idaho. Upon graduating from high school, Jerry ventured first west to obtain his B.A. from Pacific Lutheran University, Tacoma, WA. And then east, to continue his education at the University of Michigan earning his PH.D. in Philosophy. After 11 years as a professor at the University of Maryland, Jerry returned home to the farm to begin his second career.

Jerry was actively involved in the Idaho Grain Producers Association and served as an Idaho Wheat Commissioner from 1989-1999. Kress also served on the U.S. Wheat Associates board and executive board from 1990 to 1998, where he represented Idaho wheat growers at the international level.

Jerry went above and beyond the call of duty for Idaho's wheat industry; never too busy to take on an assignment, never too tired to do it right, and never one to complain. Idaho wheat producers have been well served by his efforts. ■



Jerry Kress and Mark Samson, former Idaho Wheat Commission Executive Director host a Japanese Trade Delegation in the early 1990's.

Quality, partnership at core of Thresher Artisan Wheat

WHEAT is not a commodity at Thresher Artisan Wheat; it's a high-quality food ingredient prized by the company's milling customers.

The company name is relatively new in the grain fields and broader industry of southeastern Idaho, but Thresher is building on a winning business model initiated by its predecessor General Mills.

Parent company Agspring purchased General Mills' grain assets in the area in the spring of 2014 and created Thresher to aggressively grow the business of producing, handling and marketing southeast Idaho's premium wheat, said Bradford Warner, Agspring's vice president of marketing, customer engagement and sustainability.

The company has a vision of building the supply of its premium wheat to facilitate greater demand, bringing opportunity to its growers and economic support to local communities.

"Thresher "is clearly the market leader" in southeastern Idaho's wheat industry and offers some of the largest identity preserved programs in the U.S.," said Warner.

"We want to provide the best service throughout the industry and throughout the region," said Thresher CEO Don Wille. "Thresher wants to create value, not just for growers but throughout the supply chain," he said. "This is a partnership between the mill, the producer and Thresher."

Due to fluctuating international markets, General Mills began moving away from the region's historical production of soft white wheat for export about 15 years ago by introducing hard wheat varieties for the domestic market.

Thresher has kept that model with an eye on continued improvement in seed varieties and economically and environmentally sustainable wheat production. By introducing premium milling varieties and certified seed with better yields and disease resistance, Thresher's producers are able to grow premium quality wheat embraced by millers.

"We consider ourselves a partner with area producers and the wheat industry as a whole," said Wille. "We exist to provide services that will enhance the profitability of both the local



Improvements at the Moreland location



Improvements and expansion at Newdale

farmers and our processing customers by providing premium seed, researching agronomy practices in growing and caring for our crops, as well as developing new sustainability opportunities for our region."

Seed is the cornerstone

It all starts with the seed, which Thresher develops in partnership with universities, Syngenta, Monsanto and milling companies – such as Grain Craft, the third largest U.S. flour miller with 15 mills in 9 states.

Wheat varieties are rigorously tested to meet both the agronomic traits desired by growers and the milling qualities desired by customers, Wille said. Variety development is about a five-year process to get the seed Thresher is looking for, starting with about 15

varieties.

"If we get it down to three or four, we really feel like we're ahead of the game," Wille said.

"Thresher is strongly committed to developing the best wheat varieties, exploring the best farming practices that deliver real-world improvements and then bringing these benefits to our producers to insure the long-term viability of wheat as a preferred crop in Idaho."

The company contracts with growers in the Snake River region to grow certified seed from those varieties for Thresher's wheat growers. The grain grown from that seed ends up in one of Thresher's elevators located in Newdale, Idaho Falls, Pocatello, American Falls, Moreland and Rockford. Those elevators supply wheat to the operation's hub in Blackfoot, where the grain is cleaned for mill-

ing – primarily by Grain Craft.

Idaho growers have a unique wheat-based infrastructure in Blackfoot with the co-location of the Thresher facility and Grain Craft's state-of-the-art mill.

"Wheat quality is critical to Grain Craft and its customers," said Reuben McLean, Grain Craft's director of wheat quality and food safety. "This focus on end-use quality has led to the development of a Grain Craft preferred variety list for specific growing regions, which provides an additional reference point for local growers making planting decisions."

The focus is a partnership between the mill and producers that provides growers a consistent market, a consistent price and a premium on their production, Wille said. "We promote high-quality, milling-grade wheat across the nation and continue to educate end-users on the value of the superior wheat grown in Idaho."

The bottom line is a significant increase in the overall value of the crop and economic benefit to Idaho communities, Warner said.

"Agspring's intention is to aggressively grow Thresher's business because it has such a strong performance record, with growers continually growing a higher quality crop," said Warner

"Thresher has an impeccable reputation for consistently delivering grain of very high quality, and it can continue to grow its downstream customers looking for high-quality, food-grade grain."

"If we can continue to increase supply, we can continue to increase demand," said Warner.

"That also requires protecting and improving Idaho's high-quality production, making it something of a powerhouse for Idaho's economy forever."

Preparing for growth

In anticipation of additional opportunity, the company has made a number of infrastructure upgrades over the past year and a half. It has



Conditioning Plant

Agspring provides resources for growth

HEADQUARTERED in Kansas City, Agspring is a holding company with long-term private capital and a solid platform for capital improvement and expansion for midstream agribusiness.

The company acquired General Mills' grain operations in southeast Idaho in 2014 with a goal of improving efficiency and expanding operations.

Agspring's mission is "feeding a changing world through commercial partnerships to increase productivity in sustainable ways." It works to accomplish that by combining entrepreneurial teams, sustainable agriculture supply chains, and permanent private capital for global success. It brings agribusinesses together into a major network supplying grains, oilseeds and related products to growing global markets.

It's a fairly young organization and growing rapidly, said Bradford Warner, Agspring's vice president of marketing, customer engagement

and sustainability. The company's model is to maximize the economic potential of trade flows, he said.

Midstream agribusiness, which has often been neglected in the U.S., is a ripe area for the company's goals. The company is focused on modernizing physical infrastructure and creating a strong framework for identity-preserved supply chains.

Maintaining the community and business partnerships that already exist is fundamental to Agspring's way of doing business. The company wants to help people locally and help their communities grow, he said.

In addition to providing the backing for modernization and improvements, Agspring puts leadership teams in place locally where the desire to grow into new markets exists.

The company employs about 250 people and operates on strong partnerships with growers, handlers and processors.

added a 1 million bushel pod at the Rockford location, a 1.5 million bushel pod space at American Falls and rebuilt its Newdale facility, adding 65,000 bushels of storage, increasing receiving capacity by 100 percent.

The company also purchased Moreland Grain and Feed and increased its receiving by 50 percent in the Blackfoot area. "We are continuing to look at more opportunities to grow and serve the Idaho area community," said Wille. Growth could also include production elsewhere.

"We plan to expand our sourcing programs where there is a demonstrated need in the region and a logistics opportunity within the country," said Wille.

"The formula for success is really simple, starting with very high quality wheat varieties that are tested to work for growers and millers and partnering with growers who can produce the crop sustainably," Warner said.

The next ingredient is orchestrating the supply chain, getting the grain from the field to people who need it downstream when and how they need it, and merchandizing the product to get the best price. Thresher works with producers to get the right product at the right time and move it into the best market at the right time.

In that, Thresher wants Idaho's



Thresher AgSpring Field Trials

industry to know "we're going to do things the right way and treat people the right way," said Wille. "The company's mission is that people have a good experience working with Thresher, he said. For growers, that means timely acceptance of harvested grain, support with paperwork, easy access to accounts and information and knowledgeable staff up and down the supply chain."

Growers want to know they have a great supply-chain partner. The worst thing is to produce a product and find out there's no place for it, Warner said. "Because of the quality of this wheat, we're going to have demand for a very long time."

Thresher is also ready to assist growers with changes that will accompany the growing demand for sustainably produced food, Wille said. Thresher wants to be a conduit to help growers find best practices and embrace new technology to help them in the sustainability effort and will be a spokesperson for their sustainably produced wheat in the marketplace, he said. That sustainability provides another competitive advantage for Idaho wheat, Warner said. ■



Planned Closure of the Snake – Columbia Rivers Navigation System: Impact?

Barge and tug at Little Goose navigation lock

ALMOST a year ago, the Army Corp of Engineers, Portland and Walla Walla districts, jointly announced the planned river closure of the Snake and Columbia rivers navigation system. The closure is expected to extend from December 2016 thru March of 2017. The closure of the navigation system has been carefully orchestrated to minimize the length of the closure and maximize the efficiency and team work during the repairs to four locks and dams: The Dallas, Ice Harbor, Lower Monumental, and Little Goose. Commercial navigation businesses understand the necessity of making repairs to equipment that, in some cases, is over 50 years old. But the outage also pin points how critical river navigation is to the

PNW wheat industry. The Snake-Columbia rivers system is the top grain gateway in the US and third in the world. The Corp wanted to give early notice of the closure and frequent updates as the preparations moved forward to allow river users to plan ahead.

Wheat flows out of the PNW by rail, truck or most economically, down the Snake-Columbia rivers system by grain barge. New crop wheat begins to arrive on the river soon after harvest and continues all through the winter, as long as the river is not clogged with ice flows. The river outage will be during the heaviest movement of wheat. This isn't the first planned river outage the Snake-Columbia rivers system has seen. In 2010, the river was closed for 14 weeks from December to March.

Grain, fuel and forest products didn't stop moving to market altogether, but the trip was a lot more expensive than usual. Truck and rail became the main mode of transportation to the PNW ports. The loss of river navigation came with a cost to the shipper. A four barge river tow moves enough grain to fill 140 rail cars or 538 trucks. That is a lot of additional time, energy and fuel to move the same amount of grain. Stakeholders in the river navigation system bore the cost of the river outage knowing the investment in updating ageing navigation infrastructure would secure the future of river navigation. The freight advantage provided by the Snake-Columbia rivers system is critical to staying price competitive in a global export market.

Rob Smith, Port of Portland, Marine Cargo Business Development Manager, has discussed the coming river closure with all of the shippers using the river to transport product into the port. He wanted to be prepared to provide the support shippers might need at the port. Upriver he found relaxed shippers with little anxiety about the up-coming closures effect on grain movement.

What is different in 2016 compared to 2010; the price of coal, natural gas and oil for one thing. In 2010, rail rates were high, rail cars pricy and hard to find. Truck fuel was expensive. Today truck fuel is far less costly, but edging upwards. Rail lines are eager for agricultural and forest products freight. The Rail alternative to the river will be more expensive but there is good availability of rail cars and service at moderate rates. Rail facilities are available to grain producers in northern Idaho, including the relatively new McCoy Grain Terminal near Rosalia, Washington.

PNW Farmer's Cooperative representative, Sam White, said the building of the McCoy Terminal was a strategic as well as preemptive move to add more options for moving grain out of the Palouse. The river closure in 2010-11 focused attention on the value of river navigation to producers and grain handlers. The company realized more river closures would be required to update and repair the vast and aging navigation system on the Snake-Columbia rivers system. The McCoy terminal is designed to load 110 car unit trains headed to the Port of Portland. This terminal was a collaborative project with Cooperative Agricultural Producers, Inc. (CoAg), to add capacity and back-up for the river route. Rail does not have the price advantage of the river barge, but it is another option for producers to move grain to market, when river barges are operating at maximum capacity, or not at all. Mr. White noted that in anticipation of the 2010-2011 river closure, PNW Co-op moved a lot of grain down river before navigation shut down. With the McCoy terminal on line he does not expect that to be necessary this fall. Unit trains will run while the river is closed.



Aerial view of Lower Granite Dam and navigation lock



Tug pushing barge upriver on the Columbia

Producers south of McCoy generally truck from field to river barge terminals. While those north of the McCoy facility truck from field to rail. Mr. White said "There is enough capacity at the McCoy terminal to compensate for the river closure. We are kind of unique to have this option."

Lewiston Clark Terminal's Arvid Lyons said several things need to fall into place for a smooth shipping season out of their terminal. First he noted that the poor quality wheat from the 2015 crop; i.e. high protein and low test weight, needs to be cleared out of storage to make room for what all hope, will be a return to the high test weight and low protein, soft white wheat the region is known for. Mr. Lyons expects a lot of grain to start moving down the river 3-4 weeks before the harvest begins, making space for the new crop in country elevators and in on-farm storage. He also predicts heavy barge traffic on the river right after it opens for navigation in the spring. "River barges will probably be maxed out at times. Truck and rail will pick-up the volume the river can't handle." When asked about the role of rail, he mentioned the new rail capacity at the McCoy terminal. "Rail costs a few cents more per bushel than the river barge, but it can be an efficient alternative". Trucks are also in good supply in the region and while generally moving grain from farm



McCoy Grain Terminal near Rosalia, WA

to river or rail, they can run grain all the way to the coast. This option may be less attractive as fuel prices begin to edge upwards.

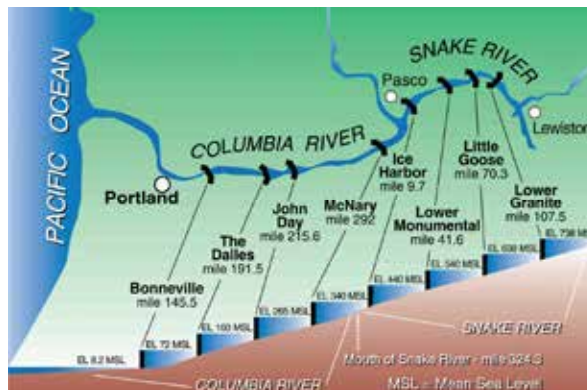
The Palouse is beautiful in the spring with its rolling hills of green, brown and yellow. The region is off to a great start with plentiful soil moisture coming out of winter, minor loss to winter kill in the soft white winter wheat and warm sunny days as farmer's plant spring wheat. On cue rains replenished soil moisture and the grain has taken off. Producers don't like to draw too much attention when the crop is looking good. They all know a lot can happen between May and July, like 60 days of no rain. But right now, the mood is optimistic for a good grain crop and the river closure is expected to be a minor hiccup in the system. ■



Columbia Snake River System extended lock closure

PNWA works with the Corps to plan for 14-week closure in winter 2016-17

PNWA is pleased to report that the federal government continues to plan and invest in the future of the Columbia Snake River System (CSRS). Building upon past successes, the U.S. Army Corps of Engineers' Portland and Walla Walla Districts continue to systematically evaluate our inland infrastructure, and target the highest priority repairs.



The two Districts have identified the next extended maintenance closure to occur for 14-weeks starting December 12, 2016 and continuing to March 20, 2017. Extended lock closures of this kind are very unusual, but are necessary to maintain the integrity of the transportation system. Infrastructure repairs made during this closure will have long term benefits for the entire Northwest. The CSRS is poised for tremendous growth over the next fifteen years. It is fully functional now, and with this targeted maintenance funding, it will remain in service to handle the growth in the coming years. Repair details for the closure include:

Stakeholder and agency collaboration are crucial to ensuring the long-term reliability of the Columbia Snake River System

Bonneville Lock & Dam. System failures and outdated equipment are requiring that the navlock controls at Bonneville be replaced in the FY2017 closure. The Corps predicts the repairs will be complete by week 8 of the overall 14 week closure. \$8.346M is included in the President's FY2017 budget request to ensure the project remains on track. PNWA is advocating for an additional \$3.1M for repairs at Bonneville, part of which is critical to complete the development of programming language for the Navlock Control System.

The Dalles Lock & Dam. The downstream lock gate requires new gudgeon bushings and gudgeon anchors, along with new corrosion protection. Both the navlock controls and the upstream gate require full replacement. The Corps estimates these three projects will close the lock for approximately 14 weeks. \$4.206M is proposed in the President's FY2017 budget, and PNWA is advocating for an additional \$2.012M for repairs at the project, part of which is critical to the navlock work, including \$1M for downstream gate inspection & corrosion protection and \$700K for the upstream gate replacement.

McNary Lock & Dam. During the March 2015 maintenance closure, repairs were made to the downstream mitre gate at McNary Dam. During these repairs, extensive cracking was found and critical crack repairs are planned for 2016 and 2017. Funding has been adequate to date, and \$2M of the proposed \$8.252M in the FY2017 budget request will be directed to structural repairs to take place during the FY2017 extended closure. These repairs are to ensure full reliability of the lock gate.

Ice Harbor Lock & Dam. A very high priority for the Walla Walla District is new operating machinery for the downstream gate at Ice Harbor. Critical components of the machinery require complete replacement during the next extended closure. \$9.172M was provided for the project in FY2016 to fabricate and install these components, and the project remains on track to date.

Lower Monumental Lock & Dam. A new downstream lock gate was installed at Lower Monumental during the 2011 extended maintenance closure. The second phase of this installation is the replacement of the mechanical gear that operates the gate. The newly installed downstream gate is heavier than the original, and the existing gears have reached the end of their service life. The design phase (plans & specs) is complete, and funding for fabrication and installation was included in FY2016. The project is currently on track for replacement in the extended maintenance closure in FY2017.

Little Goose Lock & Dam. Little Goose's downstream gate land-side gudgeon was replaced in April 2014, however, additional work is needed during the FY2017 long-term closure to fully complete replacement of all downstream gudgeon arms and pintles. The mitre gate quoin blocks and other structural items are also in need of repair, as the hinges have fractured welds causing structural failure. A total of \$7.532M was included in FY2016 to complete fabrication of these components, and for installation during the extended closure. Full repairs and gudgeon replacement is estimated to take 14 weeks.

PNWA is working with the Portland and Walla Walla Districts of the Corps, as well as the grain community and other navigation stakeholders, to ensure they are able to plan appropriately for the closure and that impacts to river users are minimized. We continue to work to ensure the continued reliability of navigation in the Northwest. For more information, please contact heather.stebbing@pnwa.net.

Clark Hamilton Travels to Japan and Korea on USW Board Team

EVERY year, U.S. Wheat Associates (USW) sponsors opportunities for farmer directors on the USW board or state wheat commission staff to travel to overseas markets for U.S. wheat. The intense, regional “board team” visits help participants observe the day-to-day work of USW’s overseas offices and connect them to their customers and industry stakeholders.

USW Policy Specialist Elizabeth Westendorf led the North Asia Board Team to Japan and Korea in early March. The team included Clark Hamilton, a wheat farmer from Ririe, ID, and a current USW director representing the Idaho Wheat Commission; Darren Padgett, a wheat farmer from Grass Valley, OR, and a current USW director representing the Oregon Wheat Commission; Greg LeBlanc, a wheat farmer from Crookston, MN, and a director of the Minnesota Wheat Research and Promotion Council; and Gary Bailey, a wheat farmer from St. John, WA and a current USW director representing the Washington Grain Commission.

This was Clark Hamilton’s first marketing trip with USW, who is new to the USW board, “It was an incredible experience,” said Hamilton, “We met with long-time customers who buy our wheat, and sampled the food products they make with wheat we produce. Meeting some of our overseas customers helped me better understand why they want quality and consistency.”

“Board teams help build personal connections between our overseas customers and U.S.

wheat farmers,” says USW Vice President of Overseas Operations Vince Peterson. “U.S. wheat is the world’s most reliable source of high quality wheat, and part of that reputation comes from the people who grow it. We consistently hear how much the customer appreciates getting to know the farmer.”

“Traveling to these countries gave the team a unique opportunity to talk directly with international customers about the wheat they use and what they look for in a product,” said Westendorf. “Each team member shared their own story on what they grow, how they raise it and why they make certain production decisions. They shared photos of their farm and equipment, and each spoke on U.S. farmers’ commitment to producing a quality product.”

Clark Hamilton spoke about current soft white (SW) conditions on his farm and last year’s protein spread, as well as the industry’s process for continuous varietal improvement. Darren Padgett took the opportunity to explain the details of the wheat/fallow rotation he uses to ensure enough moisture in the soil, a technique of which most Japanese millers were not aware. Padgett, Greg LeBlanc, a HRS wheat farmer, offered his perspective on the HRS crop and on current efforts to ensure continued high baking quality and protein.

The team visited wheat product facilities and mills in both Japan and South Korea, allowing them to observe the differences in production and milling between the two countries, while also discussing U.S. wheat use in everyday products. In Japan, one of the highlights was getting to sample Japanese bread products at Pasco. These products, made partially from U.S. wheat, are vastly different from U.S. bread products, and tasting this difference was helpful for the team in understanding Japanese baking goals.



Clark Hamilton observing flour bags loading at Nippon Mills in Japan



Traditional Korean bbq dinner with USW board team members

The team connected with agricultural staff at the U.S. embassy in both countries, allowing them further insights into the intricacies of the agricultural background of Japan and South Korea. In Korea, Embassy staff also joined the team for a day when they toured the Nongshim noodle factory. This was one of the highlights of the trip for the members as U.S. wheat is an essential ingredient in the production of their popular packaged ramen noodles consumed throughout Asia, and the team was able to watch the fried noodles being produced.

“Board team trips are a valuable learning experience not only for the board members participating, but also for the customers with whom they meet, many of whom have never had the chance before to speak directly to farmers producing the wheat they buy,” said Westendorf. “This kind of relationship building exercise strengthens brand loyalty and allows international customers to fully comprehend the effort and dedication our farmers put into their wheat production.”

Oakley added, “The value of USW board team trips is clear. Providing an open and direct line of communication between those that grow the wheat, those that mill the wheat and those that transform wheat into end-user products, benefits everyone.” ■



USW Board team members in Korea at Nongshim Mills

Celebrating Productive Partnerships from Generation to Generation

By Steve Mercer, USW Vice President of Communications

ANNIVERSARIES serve as a pivot point for people and organizations to celebrate successes, contemplate challenges and turn toward future opportunities. This was foremost on the minds of 24 representatives of USW and five state wheat commissions who recently joined their customers at special events in Tokyo marking 60 years with a U.S. wheat promotion office in Japan and in Taipei marking 50 years with an office in Taiwan.

To celebrate these enduring partnerships, the Idaho Wheat Commission, Oregon Wheat Commission, Washington Grain Commission, Montana Wheat and Barley Committee, North Dakota Wheat Commission, Nebraska Wheat Board, Minnesota Wheat Research and Promotion Council and USW sponsored a reception in Tokyo's Palace Hotel April 11 and dinner at Taipei's Sherwood Hotel April 13. The U.S. delegation also met separately with government officials, flour millers and wheat food processors in both countries, as well as grain handlers in Japan and the China Grain Products Research and Development Institute (CGPRDI) in Taiwan.

60 Year Anniversary with Japan

In Japan, the USW delegation met with grain procurement officials in Japan's Ministry



PNW wheat commissioners Jerry Brown, IWC Vice-Chairman, Mike Miller, Washington, and Dale Case, Oregon present a photo of a PNW wheat field to Mr. Tony Chen, Taiwan Flour Miller's Association Executive Director.

Japan has purchased significantly more U.S. wheat than any country in the world, certainly when counting total imports over these 60 years, as well as in most individual years.

flour mills. The Japanese grain trade acts as intermediaries between MAFF and overseas sellers and OMIC, Ltd., provides testing and inspection services

Farmers represented by the Oregon Wheat Growers League and other state organizations in the PNW eventually formed Western Wheat Associates in 1959, which merged with Great Plains Wheat to become USW in 1980. Today, USW's Tokyo office includes Country Director Wataru "Charlie" Utsunomiya and Program Assistant Sadako Ishida, who has served in her position for more than 37 years. Japan has purchased significantly more U.S. wheat than any country in the world, certainly when counting total imports over these 60 years, as well as in most individual years.

"The five states in our delegation represent farmers who grow all of the soft white and much of the hard red spring and hard red winter wheat that Japan imports," said USW



Jerry Brown, IWC Vice-Chairman, thanks a gathering of several hundred Japanese millers and end-users for their 60 years of faithful purchases.

of Agriculture, Forestry and Fisheries (MAFF). The ministry carries out all wheat purchases, then sells the wheat to Japanese



Tree-Ring Cakes are created layer-by-layer as the cake is dipped into batter and baked while rotating.

President Alan Tracy addressing members of the Flour Millers Association of Japan. "Meeting the demand for high quality wheat here in Japan gave successive generations of U.S. wheat farmers the opportunity to expand into other Asian markets. We thank you for your loyalty and pledge continued loyalty to you as suppliers."

In turn, Mr. Masao Shimojima, President of Nitto Fuji Four Milling and Flour Millers Association Chairman, congratulated the delegation on the 60th anniversary and "the great relationship Charlie Utsunomiya, his predecessors and many others in the United States

Idaho is Founding Member of Taiwan Baking School

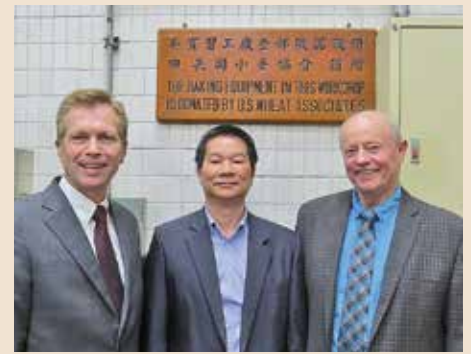
IN 2015 wheat surpassed rice in daily consumption on the island nation of Taiwan. Idaho wheat growers were a key part of this transformation which was 48 years in the making. In 1967 wheat growers in Idaho, along with growers in six other states: Oregon, Washington, Nebraska, Montana, Oklahoma, and Kansas, provided \$125,000 to create the Taiwan Baking School and Cereal Laboratory.

Later renamed the China Grain Products Research and Development Institute (CGPRDI), it is situated on a scenic strip of coastal property in the suburbs of Taipei. Trainees come from all over Taiwan to learn the manufacturing and processing of wheat products. Thousands of wheat industry workers have been trained at

CGPRDI and have helped fuel the rapid rise of wheat consumption in the country.

In its early days, the research efforts were focused on formulating wheat to be used in traditional cuisine such as noodles and steam breads. Now, with Taiwan's diet having broadened significantly, the baking school trains wheat industry workers in pastries, cookies and crackers, noodles, bread, steamed bread, donuts and nearly everything wheat can be used for.

Training programs include baked products training and Chinese Traditional Food Training. Laboratory services include product development and improvement, technical and certification services, and grain analysis.



Blaine Jacobson, IWC Executive Director and Jerry Brown, IWC Vice-Chairman join Mr. Charles Ching, Chairman of CGPRDI and general manager of the Lien Hwa flour mill.



Wheat executives from Idaho, Oregon, Washington, Montana, and North Dakota joined with U.S. Wheat Associates to thank customers in Taiwan for their 50 years of wheat purchases.



Ron Lu and Serena Wu have worked for U.S. Wheat Associates in Taiwan for 33 years and 38 years, respectively. Mr. Lu has brought numerous Taiwan trade team to Idaho.

have developed with our industry.”

Some delegation members later visited Nitto Fuji and its port facilities to see workers unload U.S. HRW and “western white” wheat from a bulk vessel. Others visited the impressive Yamazaki Bakery. In separate meetings, the entire delegation met with managers from Nisshin Flour Mills, which owns Miller Milling in the United States, and Nippon Flour Mills.

Nisshin President Mr. Nobuki Kemmoku said his company depends on U.S. farmers for a safe, secure and reliable wheat supply and looks forward to continuing this “stable partnership.” Mr. Kemmoku also offered an official toast to the anniversary celebration at the reception.

After a generous greeting by Mr. Takehiro Fujiwara, who heads wheat procurement at Nippon, USW Secretary-Treasurer Mike Miller, a wheat farmer from Ritzville, WA, said there is great respect for Japan as a customer.

“Because of this partnership, as a kid on the farm I was taught that a lot of the wheat we harvested would end up on the tables of Japanese consumers,” said Miller. “Now my generation is doing everything we can to make sure our wheat keeps flowing to Japan.”

More than 250 Japanese industry guests,

including several honored executives and members of Japan’s baking trade media, joined the U.S. delegation and USW colleagues at the gala reception. A highlight came when David Miller, Minister-Counselor for Agricultural Affairs from the U.S. Embassy greeted the guests and read a letter of congratulations from U.S. Ambassador Caroline Kennedy.

“We would have no market in Japan without the contributions of our valued Japanese partners in the importing, milling, baking and food processing industries as well as the Japanese government,” said Miller. “It is because of the dedicated hard work by all of you in this room that today we have this vibrant and valuable market for American’s wheat farmers.”

50 Year Anniversary with Taiwan

Moving on to Taiwan, the cross-generational good will flowing from a 50-year relationship with flour millers, scientists and food professionals was almost immediately evident. At their first visit in Taiwan to the CGPRDI in Taipei, the U.S. delegation observed the statue of the institute’s late founder Mr. Yu-Shiu Miao. Later the same day, at the celebration dinner, his son, Matthew F.C. Miao, Chairman of Lien Hwa Industrial Corporation, remem-

bered his father talking about how collaboration with U.S. wheat farmers helped CGPRDI grow.

CGPRDI has maintained a close working relationship with USW in developing 4,000 to 5,000 new grain food products and training about 150,000 baking and food service students. As he observed the next generation of baking students working a practical lesson at the institute, Brian O’Toole made the connection between farmers at home, USW associates past and present and their customers.

“This is it. Right here,” he said. “This is worth all the hard work on all the combines in the United States.”

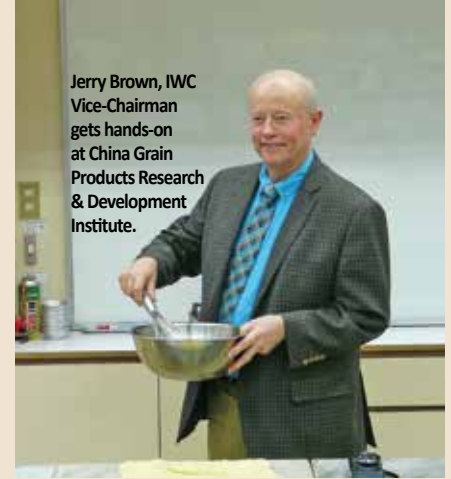
Mr. Kuen-Ho Shih, CGPRDI President, thanked the delegation for their role in building a successful and trusted wheat flour milling and foods industry in Taiwan. He specifically thanked recent USW colleagues.

“For many years, USW’s Director Mr. K. H. Lu and Mr. Ron Lu have strongly supported our work and we appreciate that very much,” said Mr. Shih.

Ron Lu joined USW more than 33 years ago and has served as USW Country Director since 2008. His Taipei colleagues include Ms. Shu-ying “Sophia” Yang, Asian Products and Nutrition Technologist and Ms. Serena C. Wu,



Blaine Jacobson, IWC Executive Director and Jerry Brown, IWC Vice-Chairman tour China Grain Products Research & Development Institute.



Jerry Brown, IWC Vice-Chairman gets hands-on at China Grain Products Research & Development Institute.

who has served as Office Manager for more than 38 years and plans to retire later in 2016. In addition, Ms. Fiona Lee, who joined the staff as Executive Secretary/Accountant on April 1, assisted the team and delegation.

“Perhaps the ultimate measure of our work with U.S. Wheat Associates has been our mutual support of the Taiwan Baking Contest Committee,” said Mr. Charles H.S. Ching, CGPRDI Chairman. The committee, including USW and CGPRDI, helped train and send a Taiwanese team for the first time to the prestigious World Bakery Cup in 2008 that earned a bronze medal. Another bronze followed in 2012, and this year Taiwan’s baking team won a silver medal.

Taiwan’s flour milling companies, today represented by the Taiwan Flour Mills Association (TFMA), established CGPRDI with an aim to promote wheat products. When the delegation met with TFMA, its Chairman Mr. Tony I. T. Chen assured the partnership between TFMA, the Taiwan Bakery Association and CGPRDI with U.S. wheat farmers would continue for many years.

“Our millers and consumers prefer products made with flour from U.S. wheat,” he said. “Even this year, with plenty of wheat stocks and a strong U.S. dollar, your share of our market remains strong.”

Reflecting the power of cooperation, he continued, is the fact that consumption of wheat foods in Taiwan has now surpassed that of rice, despite the fact that Taiwan produces no milling wheat.

“I am struck by the strong connections in this industry and its tremendous commitment to quality,” answered Alan Tracy. “Over the past 50 years, Taiwan’s wheat flour and food industry has come farther than any other country in building demand for a diverse

range of high quality wheat foods and we thank you for your efforts.”

Among the guests at the 50th anniversary celebration dinner on April 13 was Mr. Kin Moy, Director of the American Institute in Taiwan. Mr. Moy noted that the anniversary coincides with the year of the horse, a fitting metaphor for the commemoration.

“The horse represents strength and endurance, much like the wheat trade between the United States and Taiwan,” he said. “I want to thank all of the people here today and from the past for their partnership and success.”

The connections to the past came alive later, following a delightful ceremony and dinner, when Mr. Chikuan Chung, General Manager of the Hsia Fha flour mill was looking at the program booklet. He stopped, looked up and said to the people at his table that there, in a photograph representing the technical training provided by USW, was his late father.

USW Vice President of Operations Vince Peterson had the honor to close the celebration events in Japan and Taiwan. Thanking the customers and the international grain trade for its critical role, Peterson pivoted to the future in his concluding remarks.

“We realize that our wheat farmers can only be successful if our customers are equally successful.” He said. “So tonight, we invite you to join us on the next portion of this journey together. We have had decades of proven work together that makes us, collectively, a unique force in our ability to address and surmount any change or challenge that might come before us. Thank you for joining us to commemorate the past and to re-dedicate our efforts to make the future even brighter and more successful for you and for U.S. wheat farmers.” ■

...consumption of wheat foods in Taiwan has now surpassed that of rice, despite the fact that Taiwan produces no milling wheat.

Jerry Brown Attends Anniversary Celebrations

JERRY Brown, vice chairman of the Idaho Wheat Commission and USW board member traveled to Japan and Taiwan in April to represent Idaho wheat growers at the celebration anniversaries to thank long time customers for purchasing Idaho wheat.

“The people we met in Japan and Taiwan extended a very warm welcome and made our visit there for the 60th and 50th celebrations a delightful experience,” said Brown. “I appreciated their many acts of kindness and friendship. They were always eager to introduce themselves and exchange business cards. Luckily, their English was much better than my Japanese and Chinese.”

Brown noted that wheat industry leaders in both countries shared common concerns. These two trading partners represent a large volume of U.S. west coast wheat exports. Their historic purchasing patterns reflect their desire to purchase high quality wheat. They are sensitive to price, however up to a point, they are willing to pay a little extra for higher quality.

As Jerry visited with Japanese and Taiwanese customers he listened to their concerns that last year’s soft white wheat protein level was an issue. “Industry representatives were very curious about our opinion of the condition of the 2016 crop,” said Brown. “Their millers and bakers produce products for their customers that require high quality wheat. The importance of producing exactly what our customer’s desire was again impressed upon me. If we are to maintain the market share we have in these countries we must maintain high quality levels in the wheat we produce.”

After spending time with customers in Japan and Taiwan, Brown recognizes the importance of the Trans Pacific Partnership trade agreement (TPP). “Without passage of this agreement, our wheat will be even more expensive in relation to other potential suppliers that join TPP, said Brown.” “It is essential that this agreement be ratified by our congress and signed by the President in order for us to maintain our current market levels with Japan, Taiwan, and other Asian partners.”

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