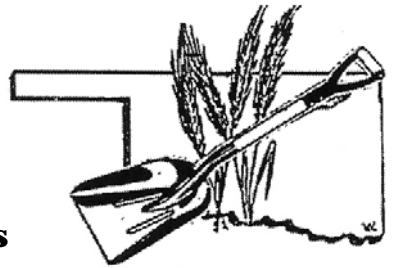


The Inside Scoop

A membership newsletter for Oklahoma's Wheat Producers



from the Oklahoma Wheat Growers Association

Aug 2010

U.S. Wheat Associates Officers Installed at Board Meeting

Bozeman, Montana – The U.S. Wheat Associates (USW) Board of Directors installed new officers at its annual meeting July 12, 2010, in Bozeman, MT. Don Schieber of Ponca City, OK was installed as Chairman, while Randy Suess of Colfax, WA, became Vice Chairman, and Darrell Davis, of Ipswich, SD, began his term as Secretary-Treasurer. Janice Mattson of Chester, MT, moves to Past Chair and will chair the USW Budget Committee. These USW officers were elected to their one-year positions at a January 2010 Board of Directors meeting.

The USW Board meeting began Sunday, July 10, with committee meetings, including Biotechnology and International Trade committees that stand jointly with the National Association of Wheat Growers (NAWG). On July 1, Dr. Don Fast, Chairman of the Montana Wheat & Barley Committee, welcomed the board to Montana, followed by reports from wheat producers who participated in trade visits to monitor USW activity in Asia, the European Union, and North Africa. Louis Dreyfus Senior North American Wheat Trader Neal Driscoll also provided an outlook of the U.S. and world wheat market. In addition, the board, family, colleagues, and friends honored outgoing USW Chair Janice Mattson at a special event hosted by the Montana Wheat & Barley Committee.

The meeting continued on July 12 with committee reports and a presentation by Dean Folkvord, CEO of Montana Farms & Bakery, on consumer bakery product trends. USW Vice President of Overseas Operations Vince Peterson reported on global export market activities, and USW Director of Policy Rebecca Bratter reviewed critical trade policy priorities for wheat producers. The meeting concluded with an update on U.S. wheat research by Kansas Wheat Executive Director Justin Gilpin and installation of the new officers.



Disaster Assistance

On Friday, Lincoln's office released a letter from the Office of Management and Budget (OMB) assuring her that money would be found for agricultural disaster assistance, as she was promised earlier this week by White House Chief of Staff Rahm Emanuel. Lincoln has been pushing for such funds to assist growers who suffered losses but have not received long-delayed SURE payments. She dropped legislative efforts to secure the funding following Emanuel's commitment that the requested \$1.5 billion would be found in and allocated by USDA.

Kansas Policy Specialist Dana Peterson Named New NAWG CEO

Dana Peterson, a longtime policy staffer at Kansas Wheat, will be the next chief executive officer of the National Association of Wheat Growers.

Peterson accepted the position this week after an extensive search process undertaken by a committee including NAWG's officer corps and three leaders from NAWG's affiliated state associations. The final staffing decision was recommended by the executive Board made up of NAWG's officers and producers representing NAWG's member-states.

"We are absolutely delighted to be bringing one of our dynamic state staffers to the national office," said Karl Scronce, NAWG president and acting chief executive, in a press release about the selection.

"Dana is great to work with and showed confidence and poise throughout the interview process. She has ideas and enthusiasm that we need in Washington to help NAWG grow and the wheat industry thrive in a very competitive policy and production environment."

As a policy and membership specialist at Kansas Wheat since 2001, Peterson has been intimately involved in key issues on the national and state levels for nearly a decade. Her experience includes participation in the last two farm bill debates; the push to increase research funding and give wheat producers access to biotechnology; and the industry's look at new uses and expanded markets for wheat and wheat byproducts, including cellulosic ethanol.

During her time at Kansas Wheat, Peterson also spent significant time managing federal and state grants for producer risk management education and participating in the budgeting process for a recent \$4 million award from the Kansas Bioscience Authority.

"I am thrilled to be coming to NAWG after a fantastic run at Kansas Wheat, where I learned more than I could have imagined about wheat farming and wheat farmers," Peterson said in the release.

"I am cognizant of the realities of the wheat industry and looking forward to getting in the weeds, literally and figuratively, to tackle the issues facing our crop. Wheat is a big part of my life, and I am dedicated to seeing this industry succeed."

Kansas is frequently the top-producing wheat state and is known as the country's breadbasket in popular imagination and among Members of Congress. Kansas Wheat, which operates under a cooperative agreement between the Kansas Association of Wheat Growers and the Kansas Wheat Commission, is one of NAWG's larger affiliated state associations.

Peterson is a double graduate of Kansas State University, having obtained bachelor's and master's degrees in agricultural economics there. She grew up on a farm first homesteaded by her family in 1871, where two of her four brothers are now the seventh-generation producing wheat, grain sorghum and cattle.

House Committee Approves Chesapeake Bay Legislation

On July 28 the House Agriculture Committee passed legislation, HR 5509 The Chesapeake Bay Program Reauthorization and Improvement Act, introduced by Congressman Tim Holden (D-PA) and Congressman Bob Goodlatte (R-VA). This legislation supported by NAWG and some 24 other major commodity and ranching interests, will give farmers and ranchers some common sense tools that they can utilize to meet water quality and nutrient management standards. The legislation will allow the Chesapeake Bay region to maintain a robust farm economy while putting farmers and ranchers on a glide path to achieve water quality goals. To achieve these goals, the legislation includes the introduction of an interstate nutrient trading program, a revamped environmental assurance program and an extended timeline for Total Maximum Daily Loads (TMDL's) for nitrogen, phosphorous and sediment from a daily standard to one that will account for seasonal variations. The legislation further provides that if farmers and ranchers meet certain voluntary standards, they will be provided a safe harbor from any further regulatory action.

As Congressman Goodlatte pointed out during the Committee's consideration of the legislation, the reason so many national agricultural organizations were supporting the Holden-Goodlatte bill was that more stringent water quality and nutrient management standards and guidelines will be "coming to a watershed near you." HR 5509 now awaits action by the full House of Representatives. NAWG and other agricultural organizations are also working with members of the U.S. Senate where similar initiatives are being considered.

More information on HR 5509 can be found at <http://www.wheatworld.org/issues/environmentalissues/>.

What can be done about low protein?

A surplus of wheat on the world market means that it is a buyer's market, and many end users have indicated that they are not interested in wheat with < 12% protein. This has put elevator managers and farmers in a tight spot and significantly decreased the cash price for wheat in Oklahoma. The questions now are what caused the low protein and how to we keep this from happening again?

Wheat protein is primarily determined by genetics, nitrogen fertility, and temperature. Wheat protein contents of varieties tested in the OSU wheat variety testing program are available at www.wheat.okstate.edu under variety testing. In most circumstances, however, I would not choose a variety based on wheat protein. If you can find a variety that fits the agronomic profile you need AND has high protein potential, that is great; but I would not give up the agronomic characteristics I need just to get a variety with a slight protein advantage.

Nitrogen fertility is the protein-influencing factor that has received the most attention. While this answer would not get an 'A' in organic chemistry, nitrogen is the basic building block of amino acids and protein is a big bunch of amino acids strung together like a chain that is twisted and folded on itself. So, the plant needs adequate nitrogen fertility during grain fill to form proteins, but Mother Nature throws a curve by dictating that the nitrogen must come through the phloem with the products of photosynthesis. This means that the nitrogen for grain protein is mostly taken up by the plant much earlier in the season and then remobilized when the plant needed it. We probably did not have adequate uptake of nitrogen in Oklahoma this year due to a variety of reasons. Rainfall moved many of our pre-plant applications of nitrogen deeper in the soil profile and they were not accessed by the crop. Likewise, wet conditions during February and March delayed or prevented topdress nitrogen applications to wheat. Finally, many producers chose to cut back on fertilizer applications because of cash flow considerations. High temperature during grain fill reduces carbohydrate accumulation (starch) at a greater rate than N accumulation, which increases the final N level in the plant. This generally reduces grain yield as well, so there is *sometimes* an inverse relationship between protein and grain yield. Grain fill in southwestern Oklahoma was marked by cooler than normal temperatures, which improved grain yield but may have negatively impacted grain protein. This was beyond the farmers' control.

What can farmers do to increase grain protein? The best thing that farmers can do to increase grain protein content is to provide adequate nitrogen fertility to the crop in a timely fashion. This is not a recommendation for nitrogen fertilizer in excess of that which is required for a reasonable yield goal. If farmers fertilize their crop to achieve a reasonable yield goal, they are fertilizing to produce acceptable protein too. If market conditions change, there could be some potential to boost protein with post-flowering, foliar application of nitrogen fertilizer, but there is little incentive for the individual producer to make an extra pass across the field at this time. Again, the take-home message for farmer should be to provide adequate nitrogen fertility to the crop via pre-plant and/or topdress application of nitrogen fertilizer.

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NAWG Publications Win Three American Ag Editors' Awards

NAWG publications were recently awarded three MarComm Awards, which are presented each year by the American Agricultural Editors' Association (AAEA).

The awards went to Melissa George Kessler, NAWG's director of communications, for work done on the Association's newsletter, website and media relations.

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[Russia Bans Wheat Exports, Sending Prices Soaring](#)

Wheat prices soaring on news of production problems in Russia got an unusual boost this week when the country announced a ban on grain exports until at least December.

The country has been facing a severe drought and wildfires that have destroyed at least 20 percent of the Russian wheat crop. Still, the country has stocks and was until recently planning to draw on them to complete export orders.

The ban includes wheat and other grains as well as flour and goes into effect on Aug. 15, regardless of existing sales contracts, though the situation is very fluid and some contracts could be fulfilled.

Wheat buyers from around the world planning to source from Russia are expected to look elsewhere following the announcement on Thursday by Russian Prime Minister Vladimir Putin. This could affect U.S. wheat exports, which have been inching higher anyway; in July, the International Grain Council raised its forecast for U.S. wheat exports from 24.3 MMT to 29.2 MMT, which would be slightly above average.

In the U.S., futures prices for wheat reacted to the tightening supply by going up near the daily limit on Thursday, then falling by the limit on Friday.

At least temporarily, new export demand could mean Russia's move on the global wheat market helps farmers in hard red winter wheat areas who have been facing cash prices well below the cost of production.

U.S. Wheat Associates, a sister association of NAWG's and the industry's export development organization working in 90 countries, assured its contacts that the U.S. is open for business and will always have wheat available for buyers regardless of nationality.

"In the genuinely open market we have in the U.S. today there is always wheat available at some price, both to domestic and international buyers," USW President Alan Tracy said in the organization's biweekly newsletter. "Supplies can be plentiful or tight, but the system finds a price that rationalizes the supply and demand balance. As we have said many times before, the U.S. wheat store is always open."

The price spike has created some concerns about increasing food prices, though it is widely acknowledged that the world has sufficient existing wheat stocks to fulfill demand. Wheat commodity prices have nearly doubled since harvest lows in June, but it is believed many large buyers in the U.S. have already arranged to have supplies on hand, and wheat as a base ingredient makes up a very small percentage of the cost of any food product.