



The Sheaf



Newsletter of the Wyoming Wheat Commission

Volume II, Issue I

Calendar:

- April 19 - 20, Wyoming Legislature, Interim Agriculture Committee Meeting, Torrington
- May 8, Time: To Be Determined, Location TBD, U.S. Congress, Full Committee on Agriculture -- Public Field Hearing, Regarding: Review of Federal Farm Policy, Greeley, Colorado
- May 23 (Likely), Wyoming Wheat Marketing Commission, Torrington
- Late June, Wyoming and Nebraska Wheat Plot Tours
- July 14 - 17, US Wheat Associates Summer Meeting, Boise, Idaho

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Commission Board Members on USWA Board Travel to Asia

"Faces are better than voices!" Tim Anderson, Albin wheat producer and Wyoming Wheat Marketing Commission vice-chairman, was part of the US Wheat Associates (USWA) Asia Board Team that visited South Korea, China, Taiwan, and the Philippines in November 2005. Fred Barton, WWMC member from Arvada, was also on the five-person team that met with many government officials during their two-week tour.

Anderson said, "I had no idea that the world-wide demand for hard white wheat is so incredible and that we're still not meeting it. We found that Asian markets wouldn't care if the U.S. stopped raising hard red wheat. They are clamoring for all the hard white wheat they can get!"

"Meetings like this create a connection," Anderson continued. "Later, when you talk to someone on the phone, you can actually visualize a face and personalize the discussion. We exchanged information, from an overview of the quality of this year's U.S. wheat, to prices, to what they liked about different wheat varieties. We came away with the knowledge that in the hard white wheat market, quality and quantity are in equal demand."

Anderson explained that consumer preference is fueling the demand for hard white wheat, which produces a much whiter flour than the hard red wheat, making the white ideal for both "white" bread and white noodles popular in Asia. In addition, white bran does not impart the bitter taste associated with "whole wheat" breads and flours. This certainly helps to account for consumer preference. Anderson returned from the Asia tour to his family farm with some new insights and awareness. He said, "I really came to appreciate what the penny tax on our Wyoming wheat actually does - it really does promote U.S. wheat all over the world!"

To stay in business, he believes the producer needs to "be experimenting and on the front end of what to plant and what will work." He said, "When I started growing hard white wheat, I read a prediction that 'in ten years, the entire Great Plains' would be growing hard white. That hasn't happened. We're still battling growing pains, although the demand is out there! In order to stay alive with three dollar and thirty cent wheat, we have to do something."

"I think that our greatest challenge as an industry is to educate ourselves, both the farmers and the elevators. We have to convince the elevators to designate storage for the hard white wheat. We need seed breeders to give us good quality milling wheat. We need to be more consumer-oriented and not just produce quantity because 'that's the way we've always done it!'"

"When the farmer asks, 'What's in it for me?' the answer is 'That's what the world wants!' We're part of a global market, whether we like it or not. Once you get more producers raising the product, and more elevators storing it, everyone starts making more money! We need to plant the

wheat, work with the elevators and, together, get it shipped and marketed."

Anderson concluded, "I'm on the Wyoming Wheat Commission, and one of our goals is to market hard white wheat. **It is our future!**"

Wyoming Wheat Grower's Corner

Casey Madsen, WWGA President

Your Wyoming Wheat Growers Association, (WWGA), has been active in state and national issues that affect the wheat producers in Wyoming and the rest of the country. One issue that we have been pursuing is an "Economic Loss Assistance", due to the higher fuel and fertilizer expenses that agriculture producers have endured. The producer cannot pass these costs on to the elevator or other end users of their commodity. We, (WWGA and National Association of Wheat Growers, or NAWG), are lobbying to try and push this assistance through. "Economic Loss Assistance" would be in the form of a direct payment to the producer. This measure has been supported by some members of Congress, so we are optimistic regarding passage.

We are starting work on the 2007 Farm Bill. NAWG has 3 options that are in the process of being evaluated by Food and Agriculture Policy Research Institute (FAPRI); with this information from FAPRI, the selected options will hold more merit. These options deal with the commodity payments, direct payments, counter cyclical, and Loan Deficiency Payments. With the preliminary results that are out, things look very positive for the wheat producer, and very attractive to Congress. Other issues that are being discussed are CRP and other conservation programs. The first debates on the Farm Bill will begin next fall.

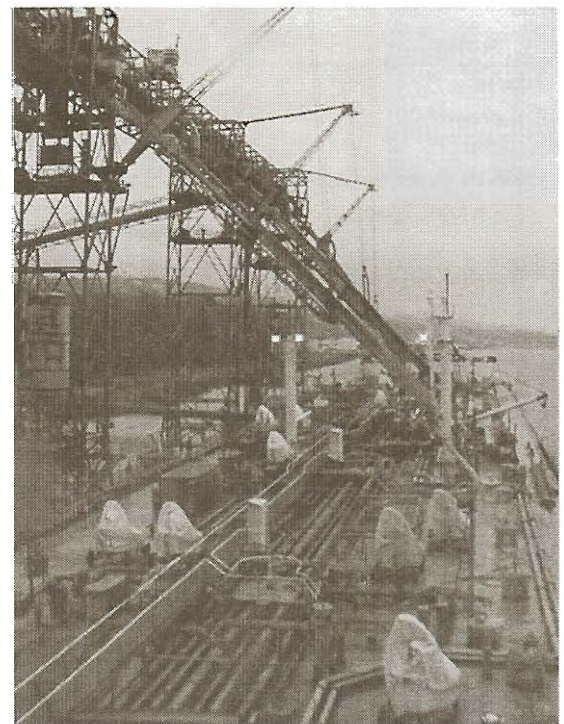
This battle can only be fought by you the producer, through WWGA. It is your membership dollars that makes this possible. If you are not a member of the WWGA and wish to be a part of this organization we can be reached via the web at www.wyomingwheat.com, or Marti Hubbs, at (307) 788-1530. If you have any thoughts or ideas concerning the wheat industry and the next Farm Bill, or any other state or national issue, please contact us.

HRW Exports Outpace Last Year

Export sales of the hard red winter wheat grown in Wyoming and throughout the central and southern Plains states are 13 percent higher than they were at the same time last year, according to the latest report from U.S. Wheat Associates. The sales success, the group explains, can be largely attributed to tremendous growth in two HRW markets: Iraq and Nigeria.

On the other hand, it appears that the Bush administration roadblocks against trade with Cuba may be having their intended affects, despite USW's best efforts: HRW sales to the embargoed country are down 25 percent from last year, coming in at 429 thousand metric tons so far, compared to 571 TMT at the same time in 2005.

So far in marketing year 2005/06, as of February 9, importers have purchased 9.57 million metric tons of HRW, compared to 8.45 MMT last year. In fact, HRW sales have already surpassed the total tonnage exported in 2004/05, and there are still three months to go in the current marketing year.



Photograph courtesy of US Agency for International Development

Record HRW sales to Iraq

Saddam Hussein banned U.S. wheat in his final years as dictator. After his fall, U.S. Wheat Associates immediately started working with USDA, with U.S. grain companies and with the Iraqis, pursuing all options to restart U.S. wheat exports to Iraq. USW brought the Iraqi buyers to the U.S. and have held several sessions with them in Middle East locations, advising them on the benefits of the U.S. wheat marketing system.

That work is paying off now for U.S. wheat producers.

As of February 9, Iraq has purchased 2.13 million tons of U.S. wheat in 2005/06. That is Iraq's highest level of U.S. wheat imports, ever. The most wheat that Iraq previously imported from the U.S. within one marketing year was 1.17 MMT in 1983/84. It's a different world in Iraq, now.

Iraq cuts off Australian monopoly supplier

The U.S. garnered up to a half of the Iraq market share in the 1970s and 80s, but Australia commanded the lion's share of Iraqi wheat business when the U.S. was absent from the market in the 1990s and especially during the last years of the scandal-ridden UN Oil for Food program. Subsequent investigations by the United Nations and by the Australian government have shown why Australian wheat was so "popular": AWB, the Australian wheat monopoly, provided the largest amount of kickbacks to Saddam's regime under the humanitarian Oil for Food Programme.

After seeing the evidence of bribes and kickbacks that AWB paid to Saddam's agents, the Iraqis took a bold step recently and announced that they will not accept wheat offers from the AWB. They will consider non-AWB Aussie wheat, but that has caused a shake up Down Under, as the AWB has veto power over any other exports of Australian wheat.

The Iraqis are not only emerging as an astute buyer, but their actions against the illicit activities of AWB may be setting a global example for the wheat trade. Other buyers, elsewhere, who have been captive to AWB's discriminatory pricing tactics, may be encouraged to speak out against the AWB stranglehold and -- even better -- may feel free to more fully consider U.S. wheat along with wheat from other origins.

USW fully expects to see Aussie wheat in Iraq again. But next time the competition will hopefully be fair and free of the taints of the Australian wheat monopoly.

Marketing Commission Update

Keith Kennedy, WWMC Executive Director

Seems hard to believe that I've been working for the Wyoming Wheat Marketing Commission for nearly a year. It has been a whirlwind, with meeting the various state executives, setting up new programs, as well as correspondence, newsletter... The Commission began quality testing in 2005 at country elevators in association with Plains Grains, Inc. We will be continuing this testing in 2006. Buyers can use this data to determine where they can locate wheat that meets their end-user needs; because six states participate in this program, any buyer seeking US Hard Winter Wheat (Red or White) can immediately know where they can obtain the wheat they need. There is an example of the data we obtained at the top of the next page.

The Commission began strategic planning during its last meeting, March 16th, and our plan is for this upcoming year's plan to be publicized May 1. The vision statement is something that I believe every Wyoming wheat grower can support: **Expand and maintain wheat markets for Wyoming's producers.** We all know that wheat acreage has declined drastically over the last twenty years; if the U.S. is to remain the only supplier to the world market of all six classes of wheat, both you as growers, and the Commission need to 'think outside the box'. We hear that phrase, but it is difficult for us to change doing things the way they've 'always been done'. The Commission has begun working more closely with the Growers Association, as one way of thinking outside the box.

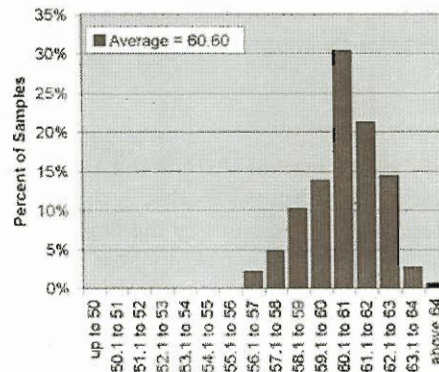
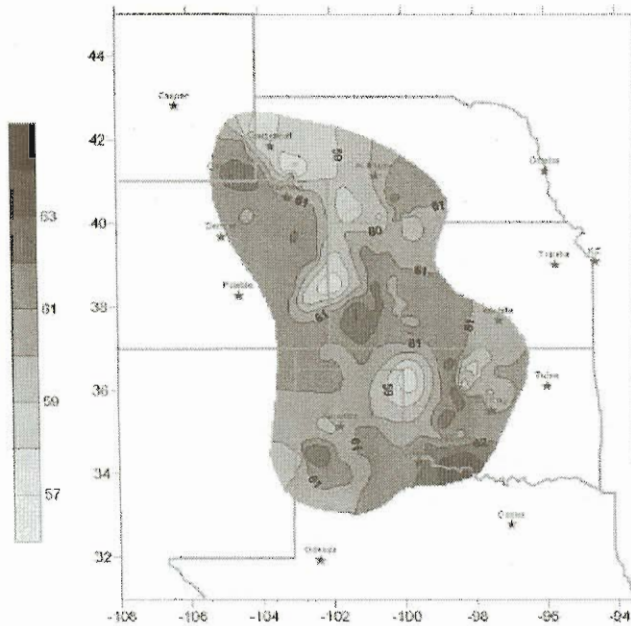
All of U.S. agriculture is undergoing change; with rapid advances in technology and the increasing financial pressure due to high energy costs, there are, and will continue to be new opportunities for Wyoming wheat growers. To adapt to this change, we are seeking to change the geographic requirements for Commission membership; more on that in this fall's newsletter. Our vision is to assist you the grower. Please contact me with any concerns or questions at (307) 547-3712, or agrimind@wyoming.com. Best wishes for a safe and prosperous harvest this summer - KEITH



PLAINS GRAINS INC.

2005 Wheat Quality Survey

Test Weight (lb/bu)



This is one example of the visual data that the Wyoming Wheat Marketing Commission obtained from participating the Wheat Quality Survey.

If you would like data from other composite tests conducted, please contact Keith Kennedy at: agrimind@wyoming.com

The Commission will again be participating in these tests in 2006.

U.S. Fear Doughnuts in Cuba - Editorial by Dawn Forsythe, USW public affairs director

U.S. Wheat Associates, and just about every agricultural group, is disappointed with U.S. trade policy towards Cuba. To put it simply, American farmers want to sell our products to Cuba, but the administration continues to find new ways to put up roadblocks against that trade. We hate to keep harping on a failed 45 year old policy, but the latest installation of the government's struggle against Fidel Castro has taken an absurd turn. According to the Office of Nonproliferation and Treaty Compliance, at the United States Department of Commerce, USW has been turned down in our 2-year effort to donate a donut-making machine to a baking school in Havana.

The risk, according to the rejection letter, is that the machine "could provide a source of revenue for the Castro government, and that is not in the U.S. foreign policy interest." Yes, the risks that the U.S. would face if those children ever got their hands on a donut are unfathomable. As is the thinking that goes into the U.S. Cuban policy.

The U.S. government provides millions of dollars to U.S. Wheat Associates and dozens of other groups for the express purpose of developing overseas markets for our products. Ever since the 1950's, when the wheat producers helped Japan start a school lunch program that provided a "new" food -- sandwiches -- we have worked to raise wheat consumption in country after country. It has been a very successful activity which continues to this day as, for instance, we work with USDA to introduce a "new" product to Sub Sahara Africa: Asian-style noodles. This is a win-win activity, as millions of people will have an inexpensive and nutritional food, wheat consumption goes up, and U.S. wheat farmers get to compete in a new export market.

Our plan was to expose Cubans to a "new" product -- donuts. We wanted to send a donut-making machine to a baking school, and to give samples to Cuban children who have never had the pleasure of tasting a donut. It was a simple idea, to introduce a simple donut using a simple machine. To provide a very simple joy.

Giving machines to schools overseas isn't revolutionary or complicated. We do it all the time, with the support of USDA. In the 1980's, we donated milling equipment to China, to demonstrate correct milling techniques for U.S. wheat. (Within a few months, the Chinese copied those machines and set up hundreds of them across China!) As recently as this spring, USW donated equipment to a baking school in Guadalajara.

But there's something about Cuba that sticks in this administration's craw. Introducing new products is a proven strategy for increasing exports. Donating equipment is a successful strategy as well. Working with Communist governments isn't new, as U.S. trade policy with China amply illustrates. The only thing wrong with the donut plan was that it was planned for Cuba.

Somebody in the U.S. government evidently believes that America is not strong enough to withstand donut production just 90 miles from our shores. Put a donut in the hand of an innocent child and there's no telling what would happen...

Photo entries invited for 2007 USW calendar

U.S. Wheat Associates invites U.S. wheat growers, buyers, and users to submit pictures for possible use in the USW 2007 calendar. We encourage photographers -- both amateur and professional, from the U.S. and the 90 countries that use U.S. wheat -- to submit their best photos of U.S. wheat fields, foods made from U.S. wheat, or other scenes depicting the shipping, milling or use of U.S. wheat.



The deadline for entries is **June 1, 2006**.

Twelve photos will be selected, at awards of US\$100 each.

USW will own all rights to the selected photographs. If people are featured in the photo, the photographer must obtain consent from the people before submitting their photos. By submitting such photos, the photographer confirms and represents he or she has received that consent. Materials will not be returned.

Mail entries to: Dawn Forsythe, U.S. Wheat Associates, 1620 I (Eye) Street, NW, Suite 801, Washington, D.C. 20006.

Requirements for prints: If you submit an original print, please include the negative.

Requirements for digital photos: You should use a four mega-pixel (or higher) digital camera, set to the highest-quality resolution setting. Electronic files must be saved as eps, tiff or jpeg. Digital photo entries must be burned to a CD accessible by a PC. E-mail entries will not be accepted. **Take care of your entries:** All entries must include your name, phone number and mailing address. Do not use paper clips to fasten anything to the photos or negatives (they could be permanently damaged). Protect your photos from bending in the mail, and use a padded envelope for mailing CDs.

Grower Tips On Selecting the Right Crop Insurance

Risk is an inherent factor in production agriculture. Managing risk can mean the difference between successfully overcoming pitfalls and facing financial ruin. Crop insurance can play a major part in mitigating risk in a producer's operation, but before a producer can determine what crop insurance is best for an individual operation, several steps need to be taken.

1. **Determine the operation's goals and plan accordingly.**
2. **Keep accurate records and start the process early.**
Crop revenue and yield-based insurance policies require application prior to a specified sales closing date. The two main sales closing dates are September 30 for fall-planted crops such as winter wheat and March 15 for spring-planted crops.
3. **Determine risk preference.**
4. **Determine level and type of income protection required.**
5. **Select from available options.**

For more information on crop insurance and on general agricultural risk management, check the Western Risk Management Library at <http://agecon.uwyo.edu/riskmgt/>. Thanks to University of Wyoming Cooperative Extension's John Hewlett for this article.

