

Idaho Wheat Commission

Report to Legislature

January 28, 2016

About the Wheat Commission

FY'16 Budget Overview

2016 Supply Picture

Issues

Rules and Legislation Updates

About the Idaho Wheat Commission



- Self-governing state agency created in 1959
- Funded by a .035-cent assessment
- Board of five wheat producers

IWC Mission and Vision

Mission

Maximize profitability for Idaho's wheat producers by investing funds in market development, research and information & education

Vision

Working together to keep Idaho a premier wheat-growing state and to make Idaho wheat the preferred choice of domestic and export customers

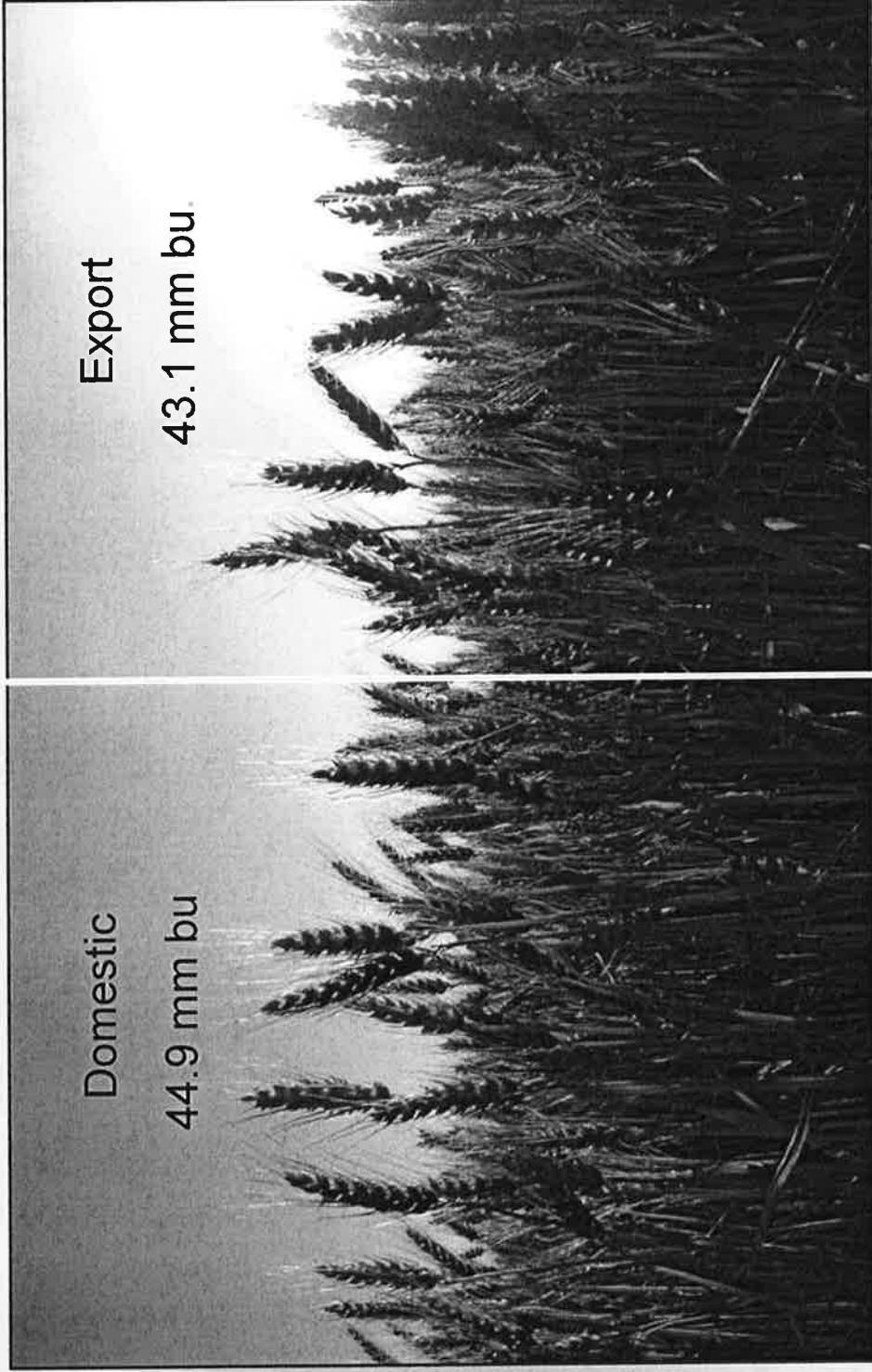
Idaho Wheat Highlights

Domestic

44.9 mm bu

Export

43.1 mm bu



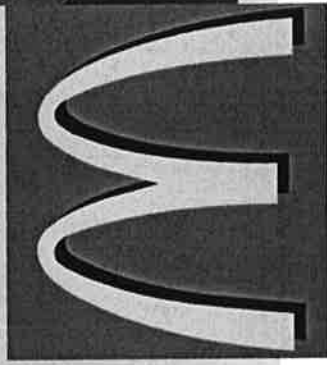
Idaho Wheat Highlights



- Cash receipts for Idaho wheat were \$506 million in 2015, down 17% from 2014 due to rain-damaged crop. Acreage for 2016 is up.
- Wheat ranks as Idaho's second largest crop. Grown in 42 of Idaho's 44 counties.
- Idaho has some of the highest yields per acre of any state.
- Wheat is a steady, consistent contributor to Idaho's economic wellbeing.

Domestic Products Using

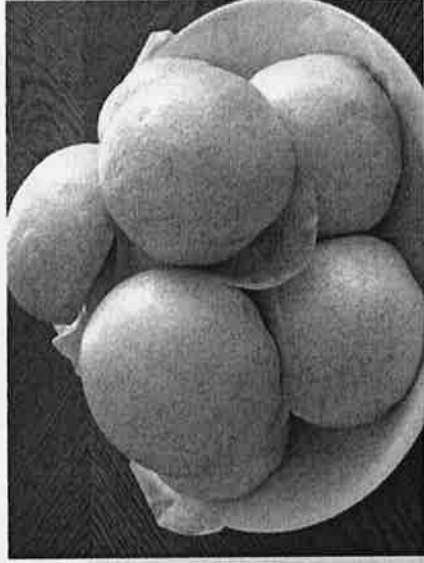
Idaho Wheat



KRUSTEAZ



Idaho Wheat in Overseas Products



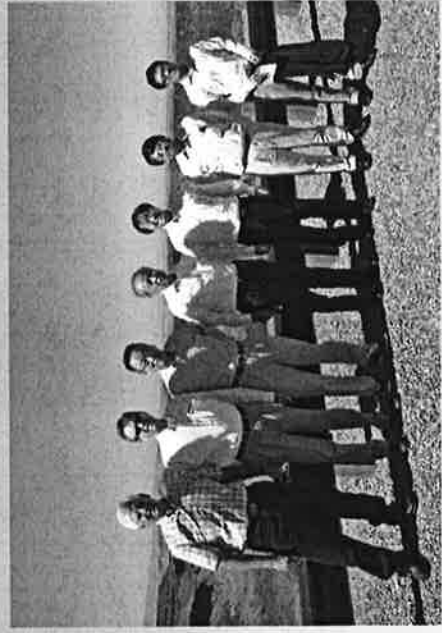
Wheat-Buying Teams Visit Idaho in 2015



Japan



Philippines



Japan

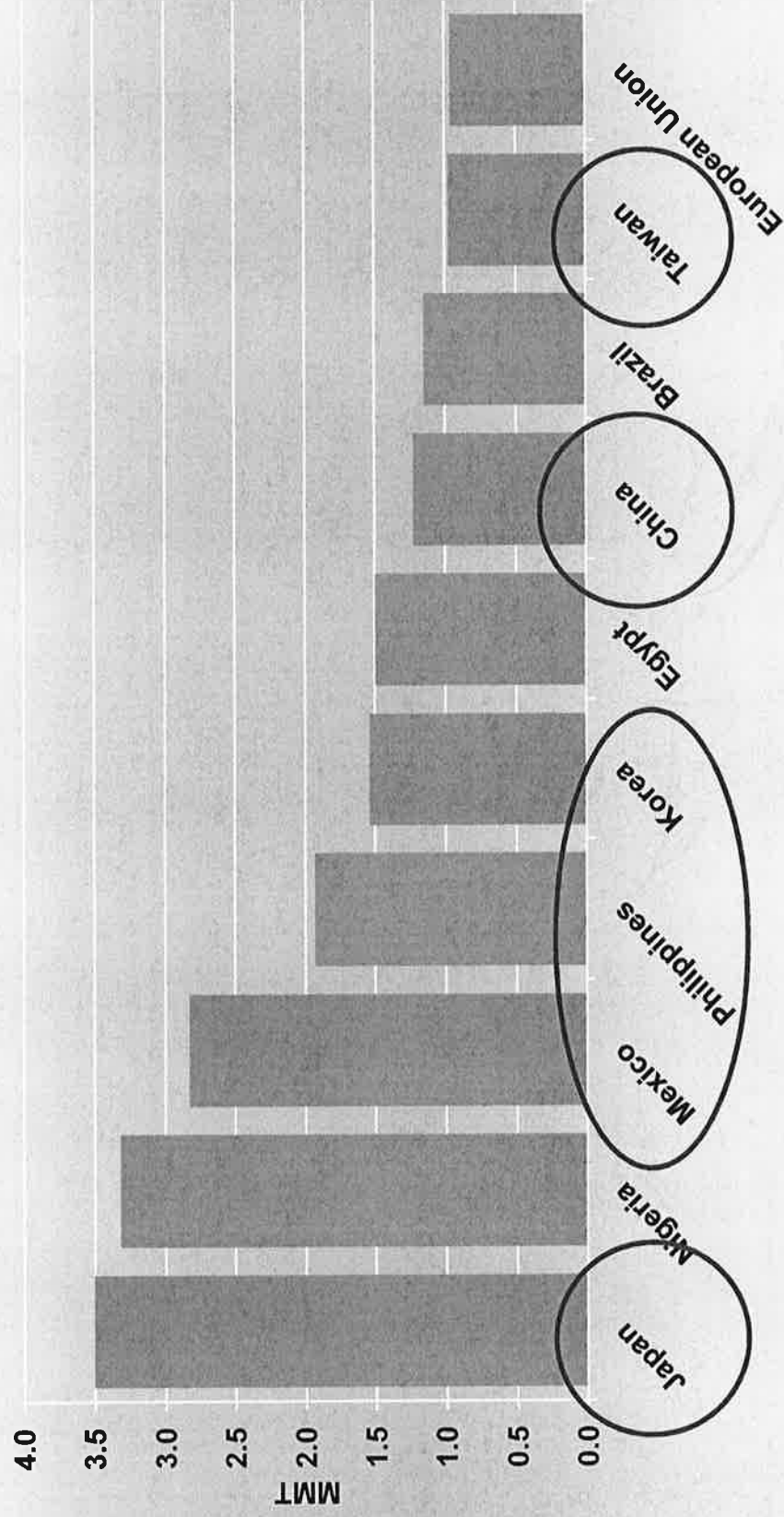


Taiwan

Top 10 Customers for U.S.

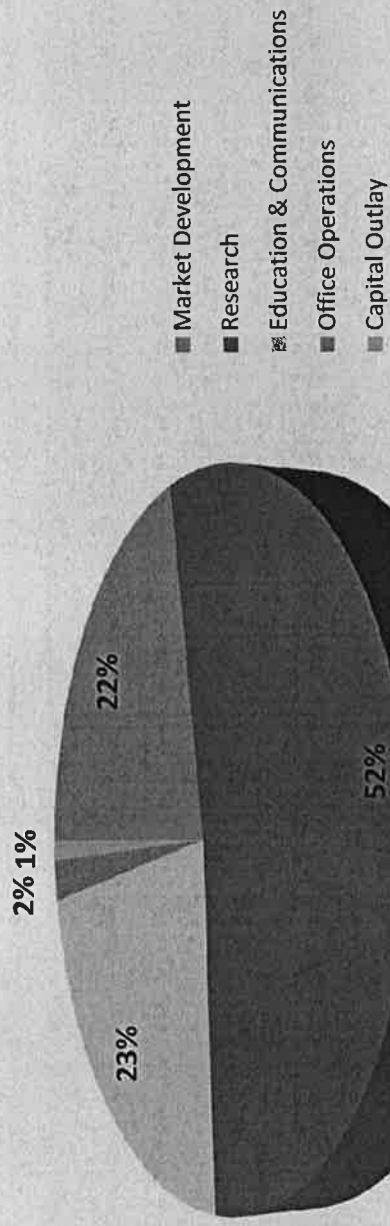
Wheat

5-year average



IWC FY 2016 Budget Allocation

IWC FY2016
Approved Budget \$3,379,443



IWC FY 2016 Budget

Ten Largest Budget Items

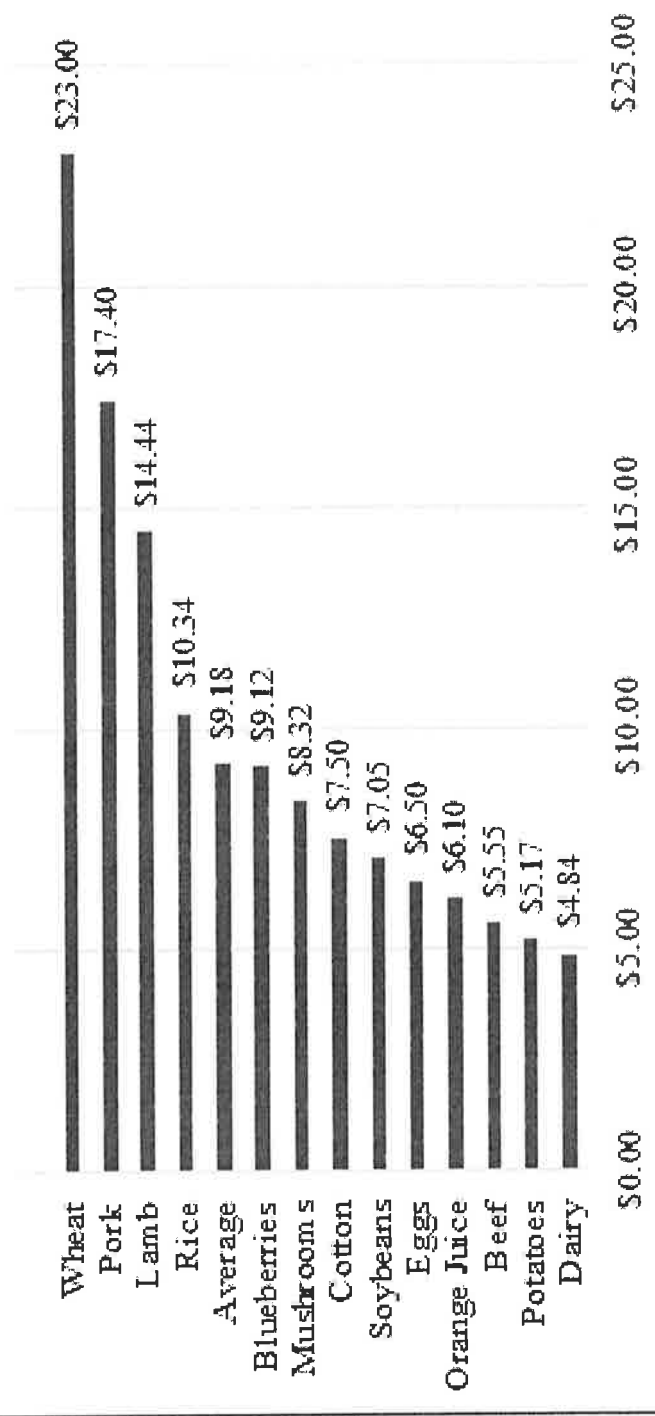
University of Idaho	\$1,336,645
• Wheat Variety Research	\$589,887
• Pest & Disease Research	\$115,194
• Production Practices Research	\$223,945
• Wheat Quality Lab	\$126,862
Idaho Grain Producers Association	\$405,500
U.S. Wheat Associates	\$320,000
IWC Salaries & Benefits	\$277,000
Equipment and Infrastructure	\$200,000
Wheat Marketing Center	\$173,206
National Association of Wheat Growers	\$ 88,000
Other Research	\$ 75,000

Return on Investment: Very Strong for Wheat



WORLD
PERSPECTIVES,
INC.

Commodity Checkoff Programs Return on Investment (1) Per Dollar Invested



Examples of 2016 Spending

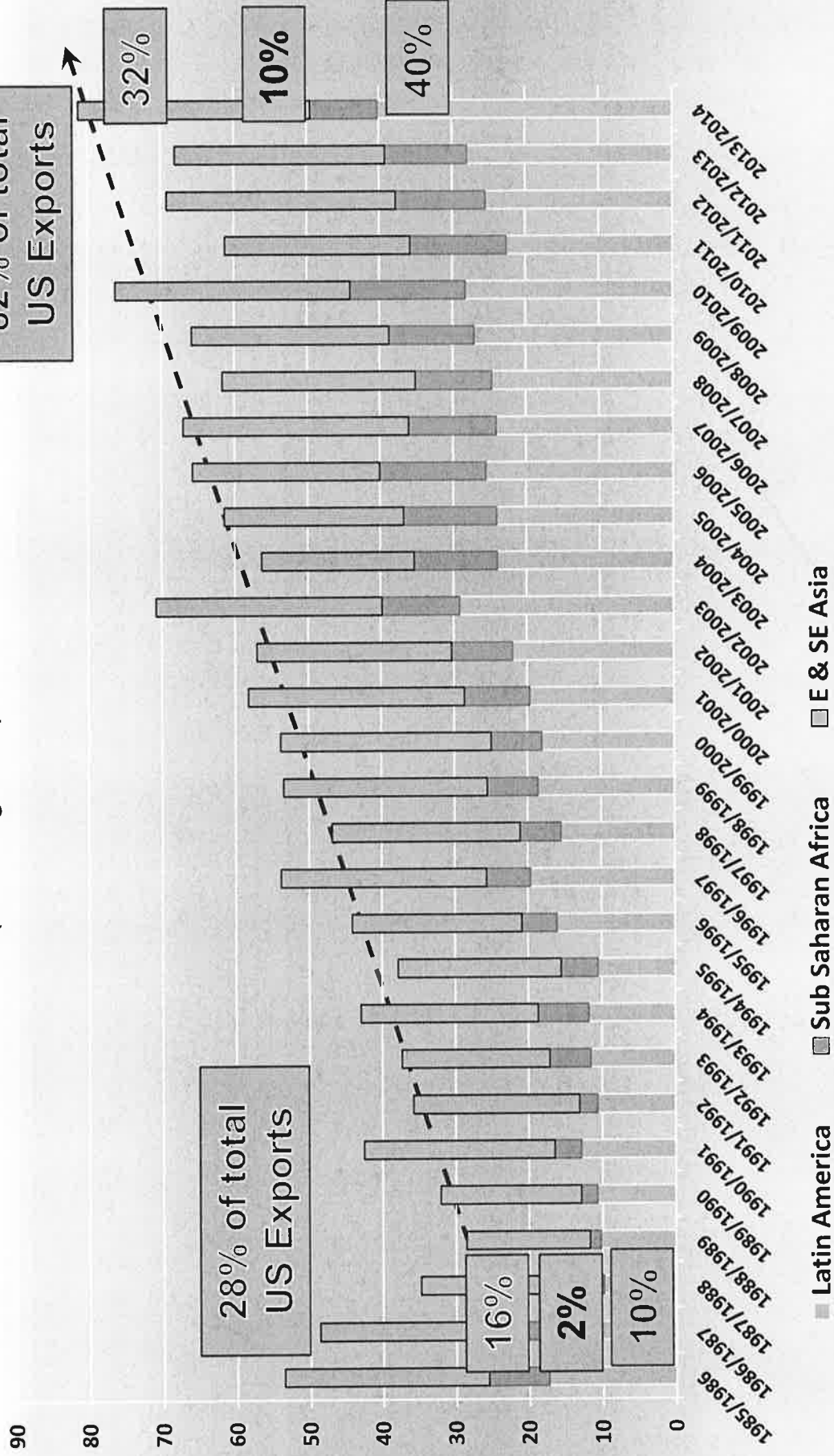
Market Development

- U.S. Wheat Associates (half of Idaho wheat is exported)
- Selling more Soft White to Latin America for blending
- Wheat Marketing Center (recent successes – TCK, low-protein HW)
- Rails, Rivers and Roads (low-cost transportation critical)
- Hard White (increasingly preferred by mills)

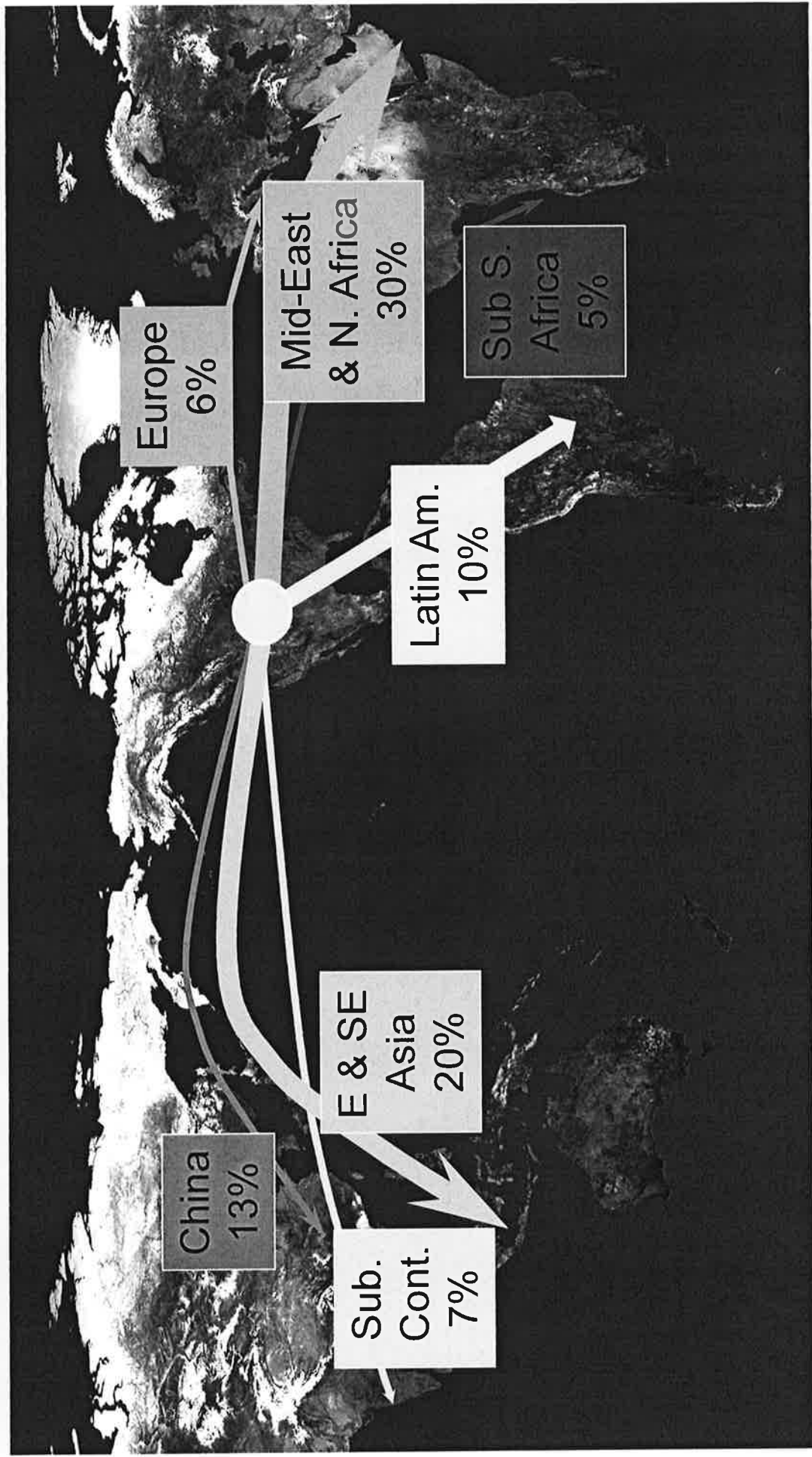
US Wheat Export Trade Increases – 1985 to 2014

Latin America, E & SE Asia, Sub-Saharan Africa

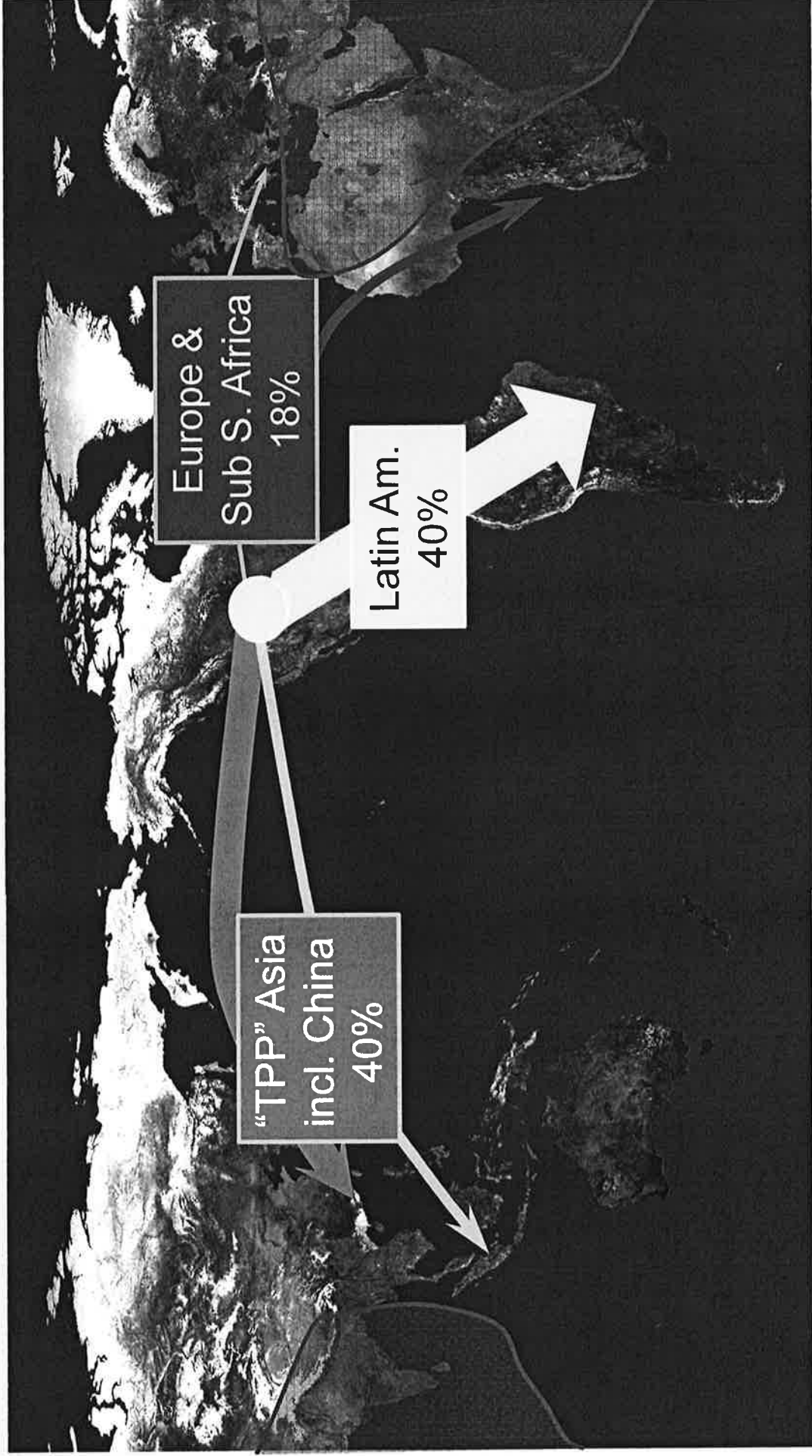
(excluding China)



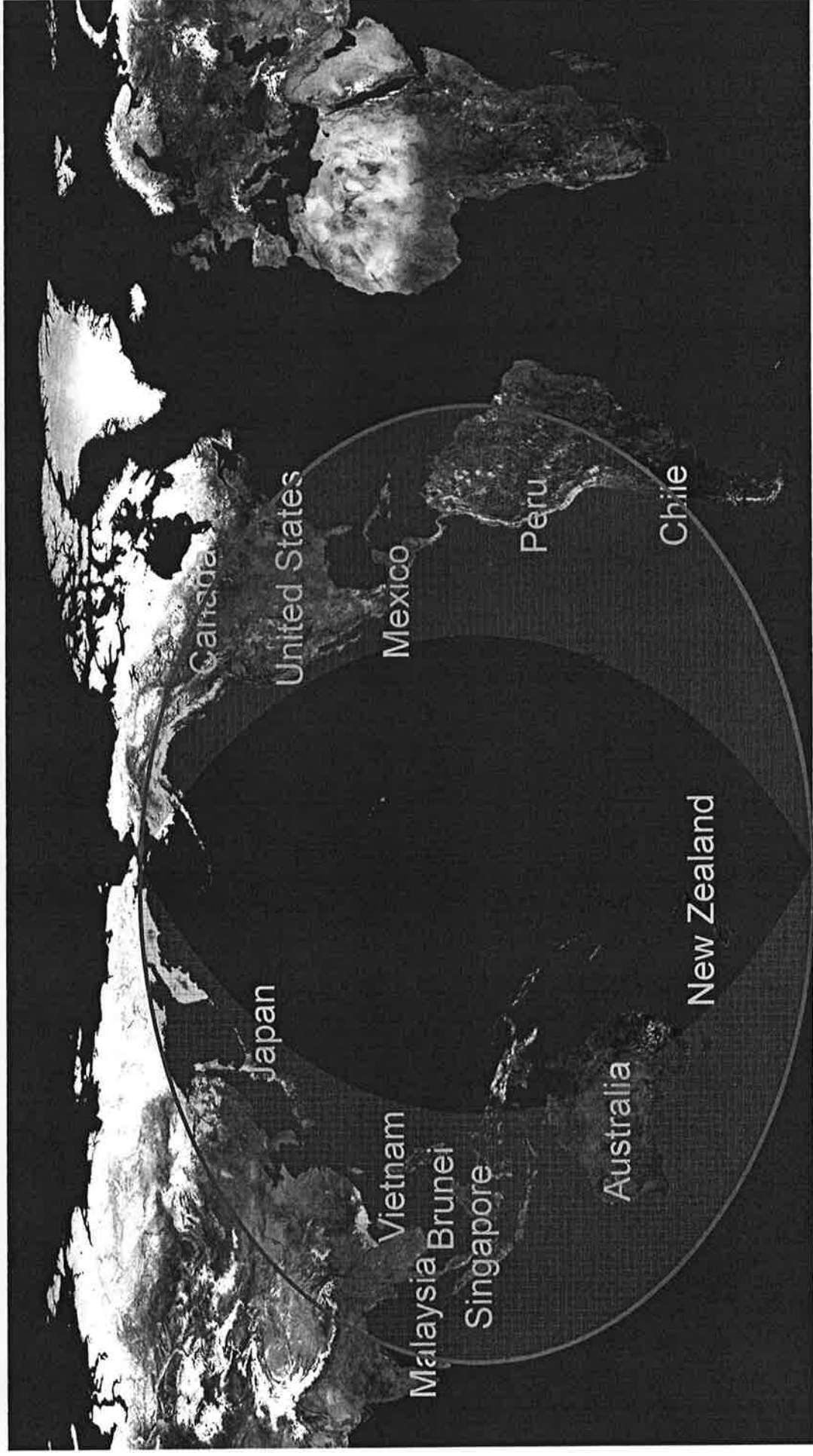
Distribution of (91%) US Wheat Exports in 1985-90



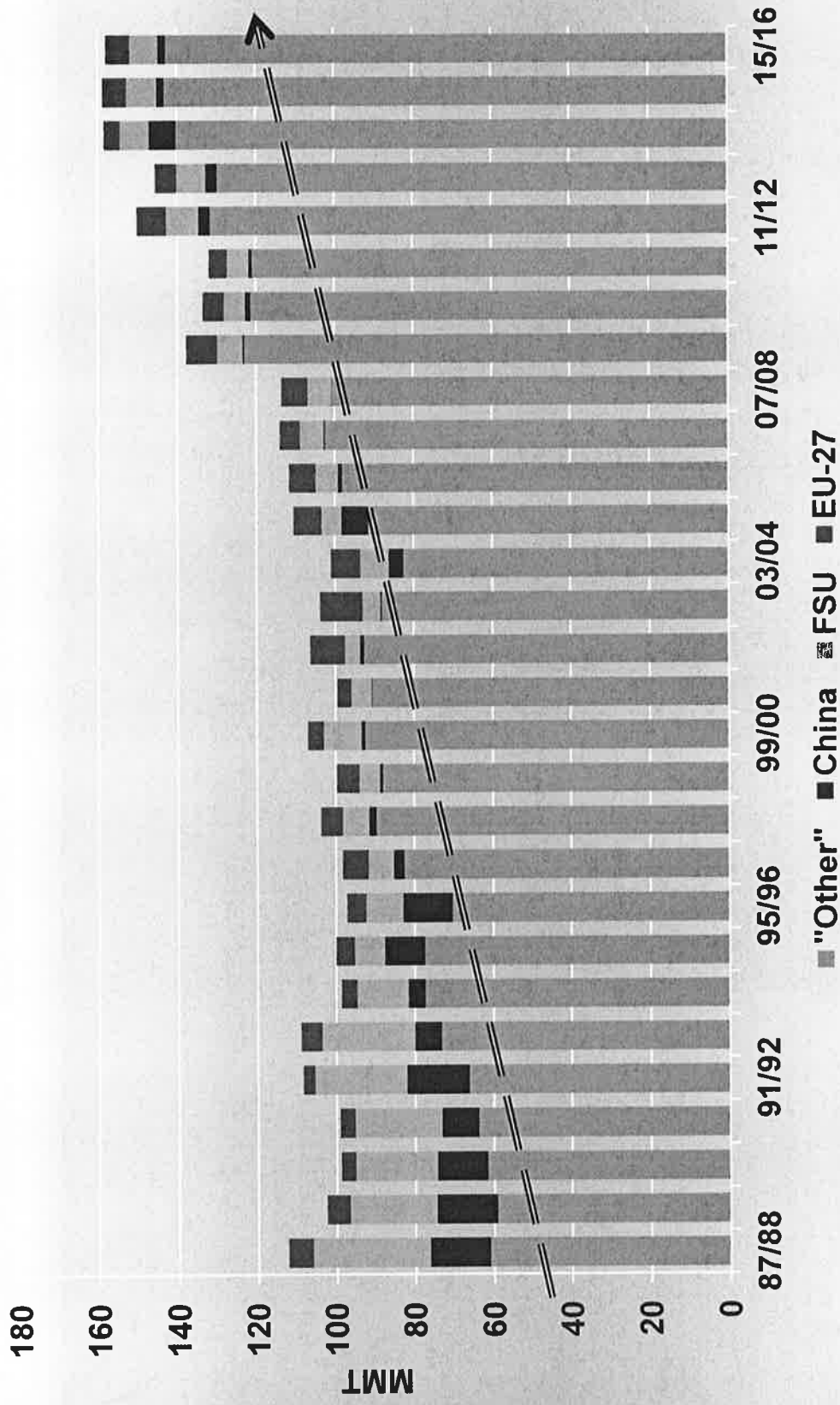
Distribution of (98%) US Wheat Exports in 2013/14



TPP: Trans-Pacific Partnership Countries

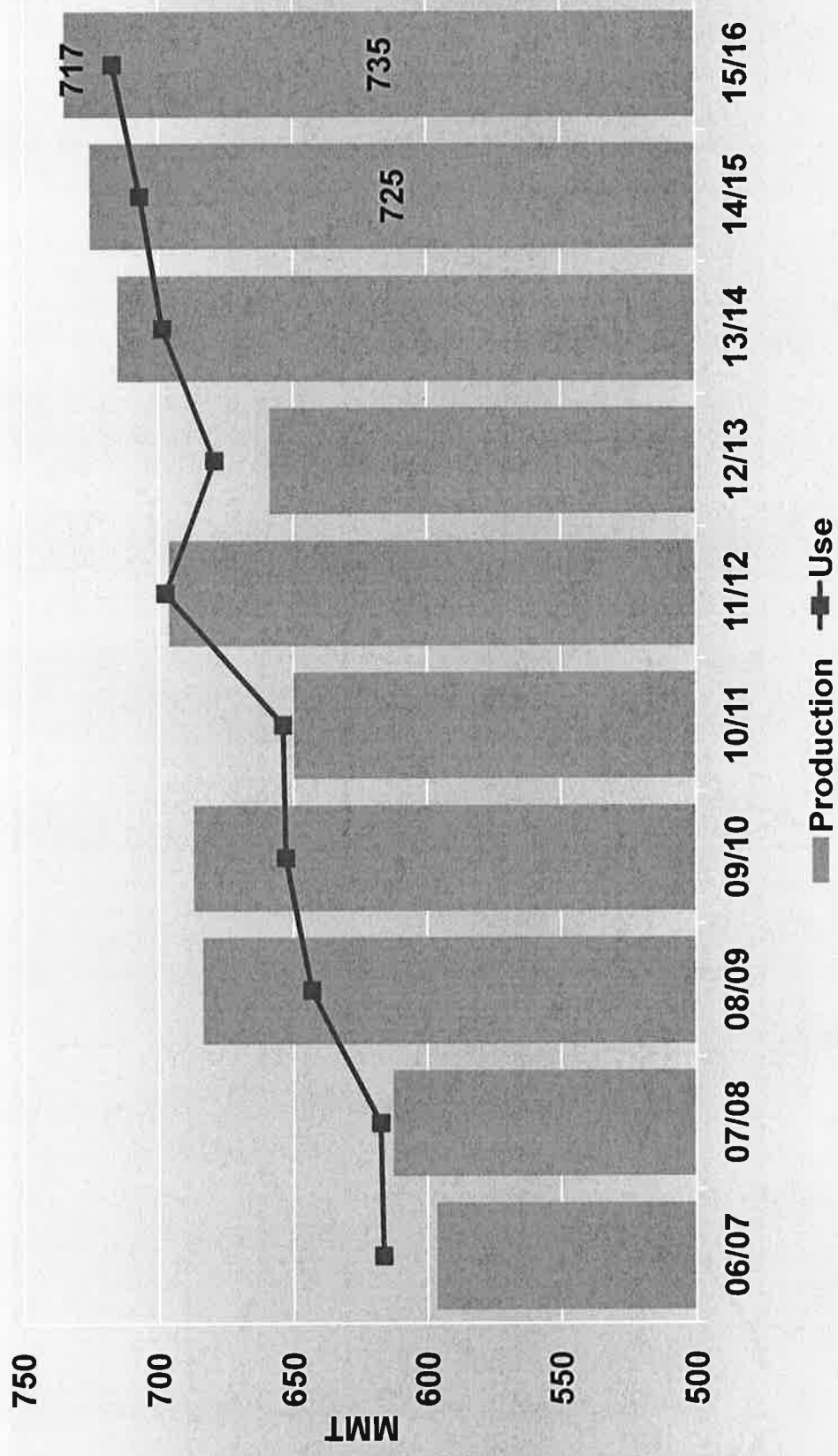


World Wheat Imports



Trend in "other" importers denoted (—>)

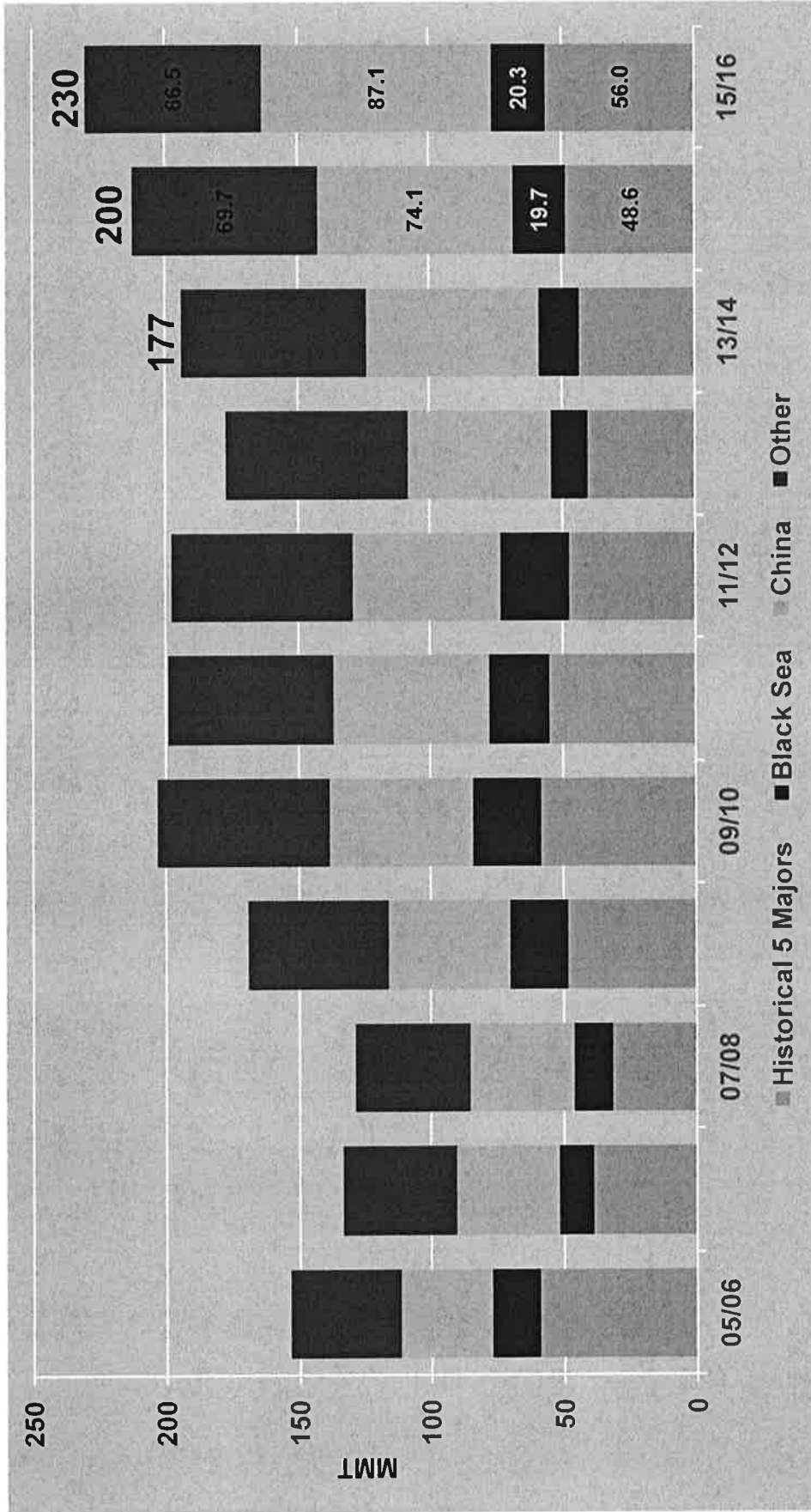
World Production and Use



Market Headwinds

- 
- 1) *Plentiful Global Supplies*
 - 2) *Cheap Ocean Freight*
 - 3) *Strong U.S. Dollar*

World Ending Stocks

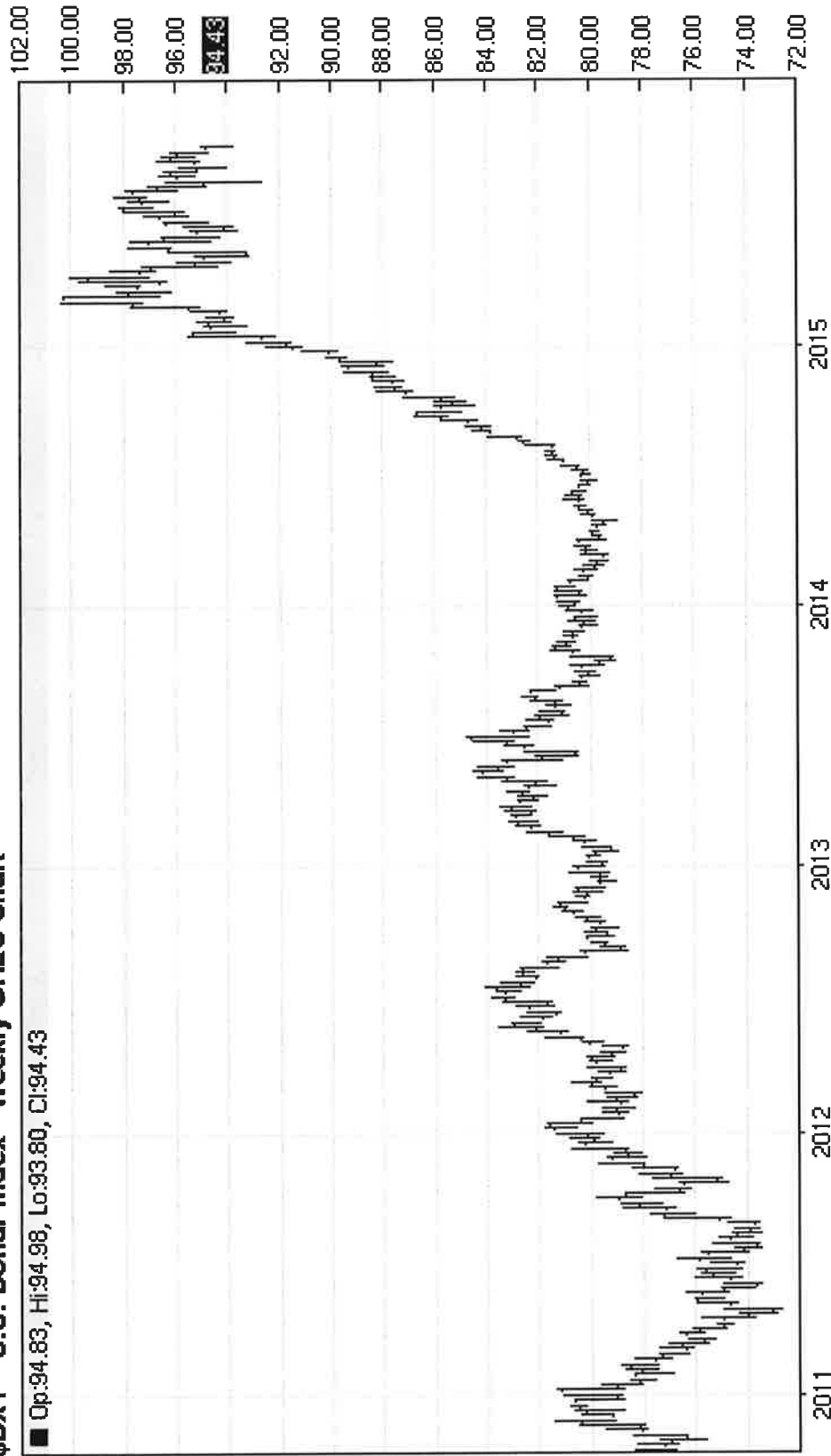


Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
 Black Sea includes Russia, Ukraine and Kazakhstan.

Strength of U.S. Dollar

\$DXY - U.S. Dollar Index - Weekly OHLC Chart

■ Op:94.83, Hi:94.98, Lo:93.80, Cl:94.43

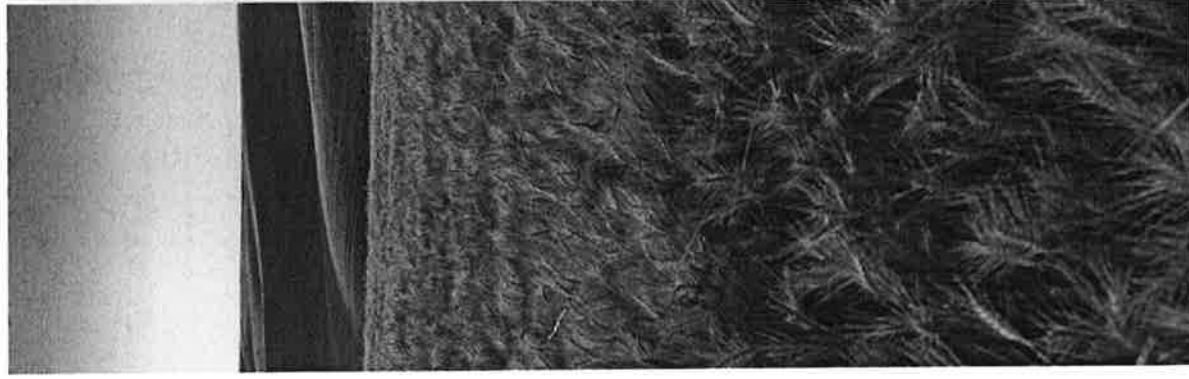


Examples of 2016 Spending

Research

- Maintain programs in Moscow and Aberdeen
- Adding wheat geneticist in Moscow
- UI Quality Lab, other UI funding
- Pest & Disease Research (Hessian Fly resistance, weed control systems, etc.)
- Capital items to support researchers

Examples of 2016 Spending



Grower Education & Communications

- Primary funding for IGPA
- NAWG – looks out for interests of Idaho wheat growers at federal level
- PNW Export Tour
- Leadership role in addressing insurance program gaps in 2014 crop
- Other Education (Cereal Schools, Direct Seed Workshop, Wheat Quality Workshops, idahowheat.org website)

Non-Scientific Claims About Eating Wheat

Wheat causes
all types of
health problems

Grains are not
needed for
good nutrition

Humans have
not evolved to
eat grains

Wheat is GMO

Modern wheat
is toxic

Recent Assaults on Wheat in Your Diet

Paleolithic
Diet

“Grain Brain”

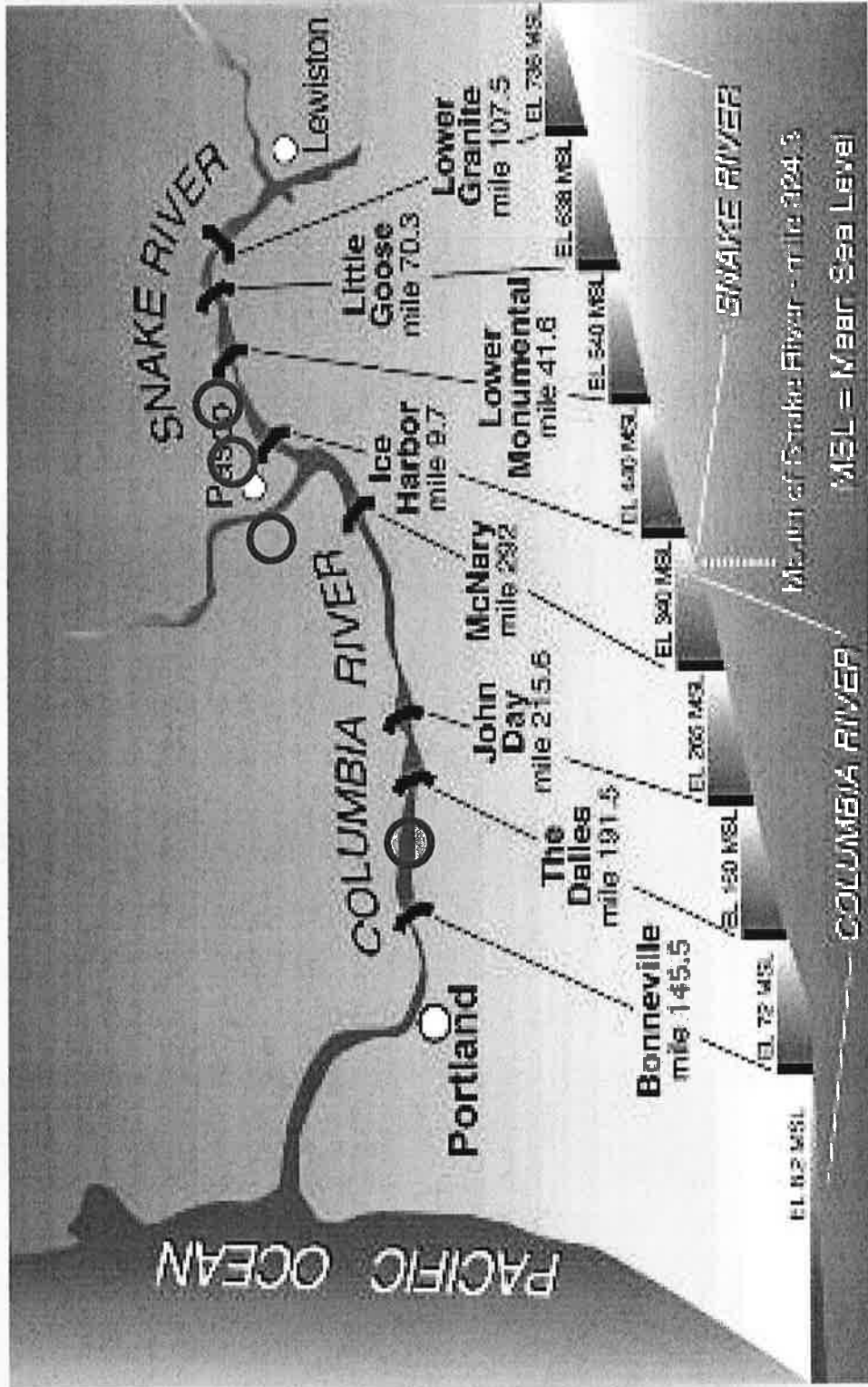
Scarsdale
Diet

Wheat Belly
Book

The Zone

Columbia/Snake River Closure

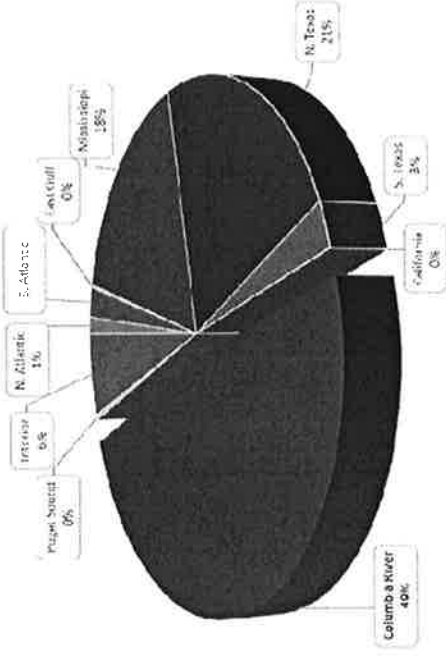
Mid-December 2016 to Mid-March 2017





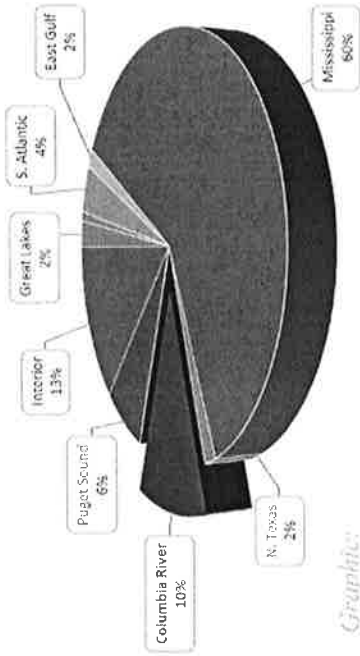
WHEAT

#1 in U.S. exports



SOYBEANS

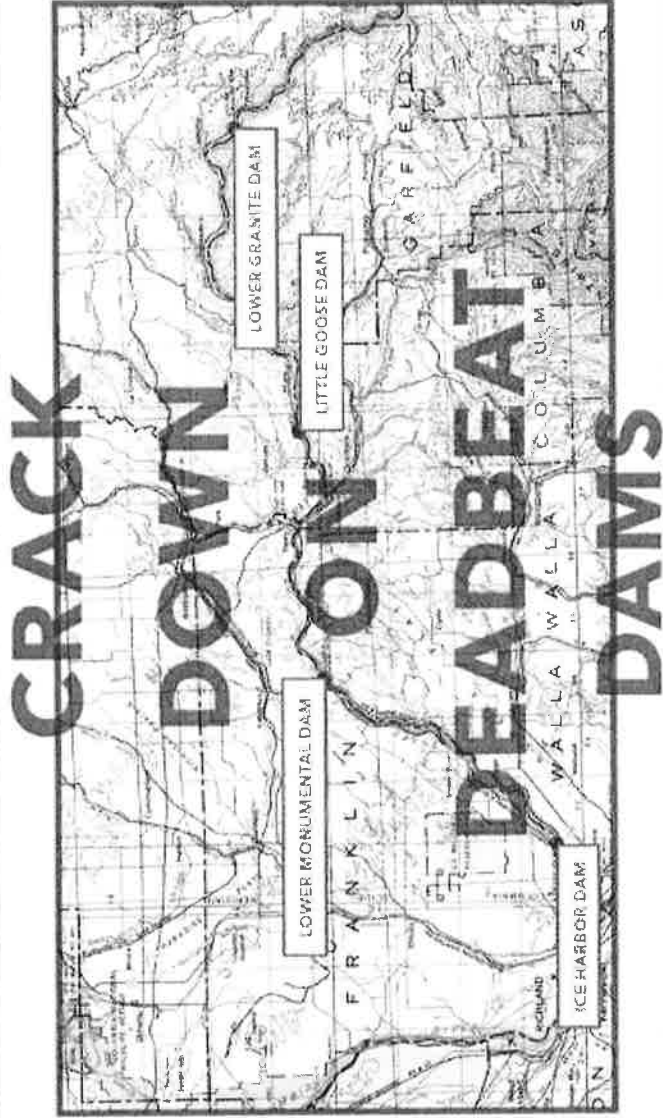
#2 in U.S. exports



Giraphic
Port of Portland

Snake River dams ... The Claims

- Patagonia and others targeting Snake River dams
- Ads and “documentary” lump Snake River projects with dams which had no fish passage, no navigation, and almost no hydropower production
- Continue to cite flawed study to support their case



Elwha Dam

Glines Canyon Dam

Condit Dam

Lower Monumental Dam

Lower Granite Dam

Ice Harbor Dam

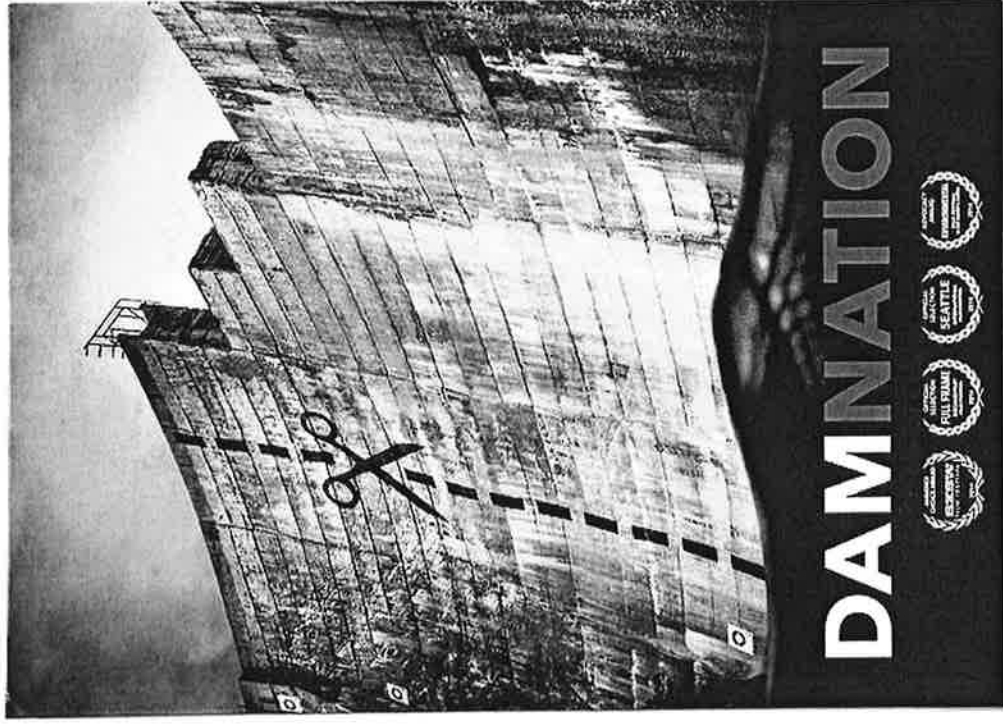
Little Goose Dam

Don't Hold Back: Ask Senators Cantwell and Murray to help remove four deadbeat dams on the lower Snake River.

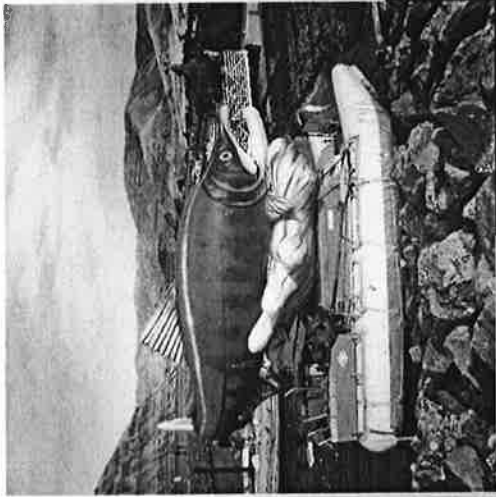
Lower Monumental Dam, Lower Granite Dam, Little Goose Dam, and Ice Harbor Dam are the four dams targeted for removal. These dams are considered "deadbeat" because they have no fish passage, no navigation, and almost no hydropower production. The removal of these dams would restore the Snake River to its natural state, allowing for improved fish populations and navigation. The removal of these dams would also create a significant amount of new habitat for fish and wildlife. The removal of these dams would also create a significant amount of new habitat for fish and wildlife. The removal of these dams would also create a significant amount of new habitat for fish and wildlife.



Snake River dams ... The Movie




Snake River dams ... The Flotilla



FREE THE SNAKE

FLOTILLA

OCTOBER 3RD 2015



FREE THE SNAKE

Snake River dams ... The Facts

The dams do not block access for fish, as was the case with the Condit, Elwha, and Glines Canyon dams

The Snake River dams have state of the art fish passage which allows over 97% of juveniles to safely migrate past each project

The sockeye, fall chinook, and coho 2014 returns were record or near-record runs, including Snake River stocks



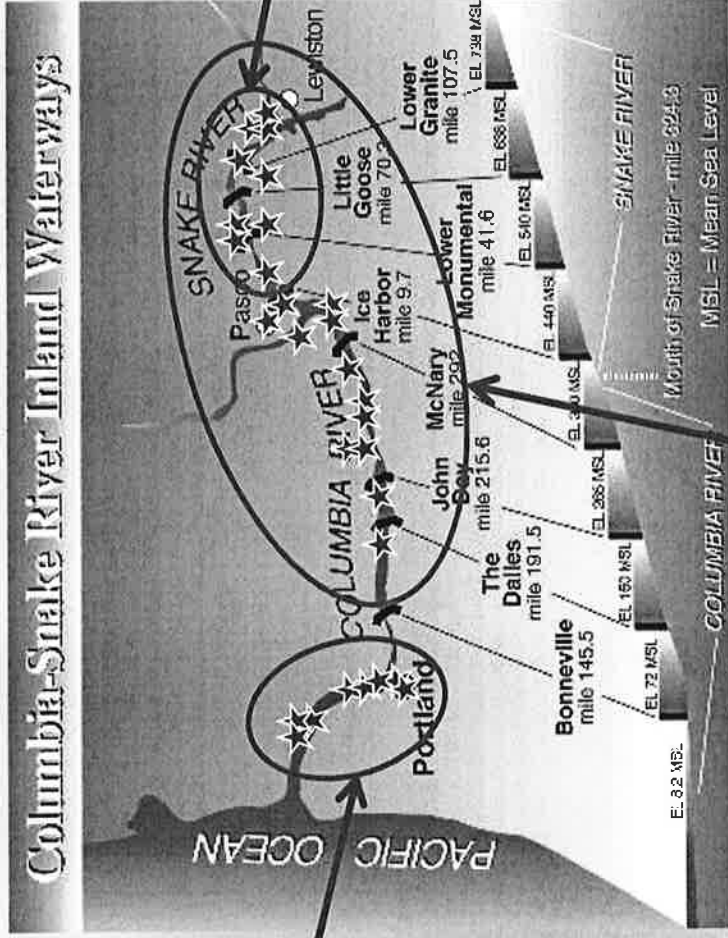
The total potential energy output of the Snake River dams provides enough clean, renewable, carbon free energy to power 1.87 million homes



www.snakeriverdams.com

Snake River dams ... and Wheat

Seven major grain export facilities



Nearly 10% of all U.S. wheat travels through the Snake River dams

Over 17% of all U.S. wheat travels by barge on the inland Columbia/Snake

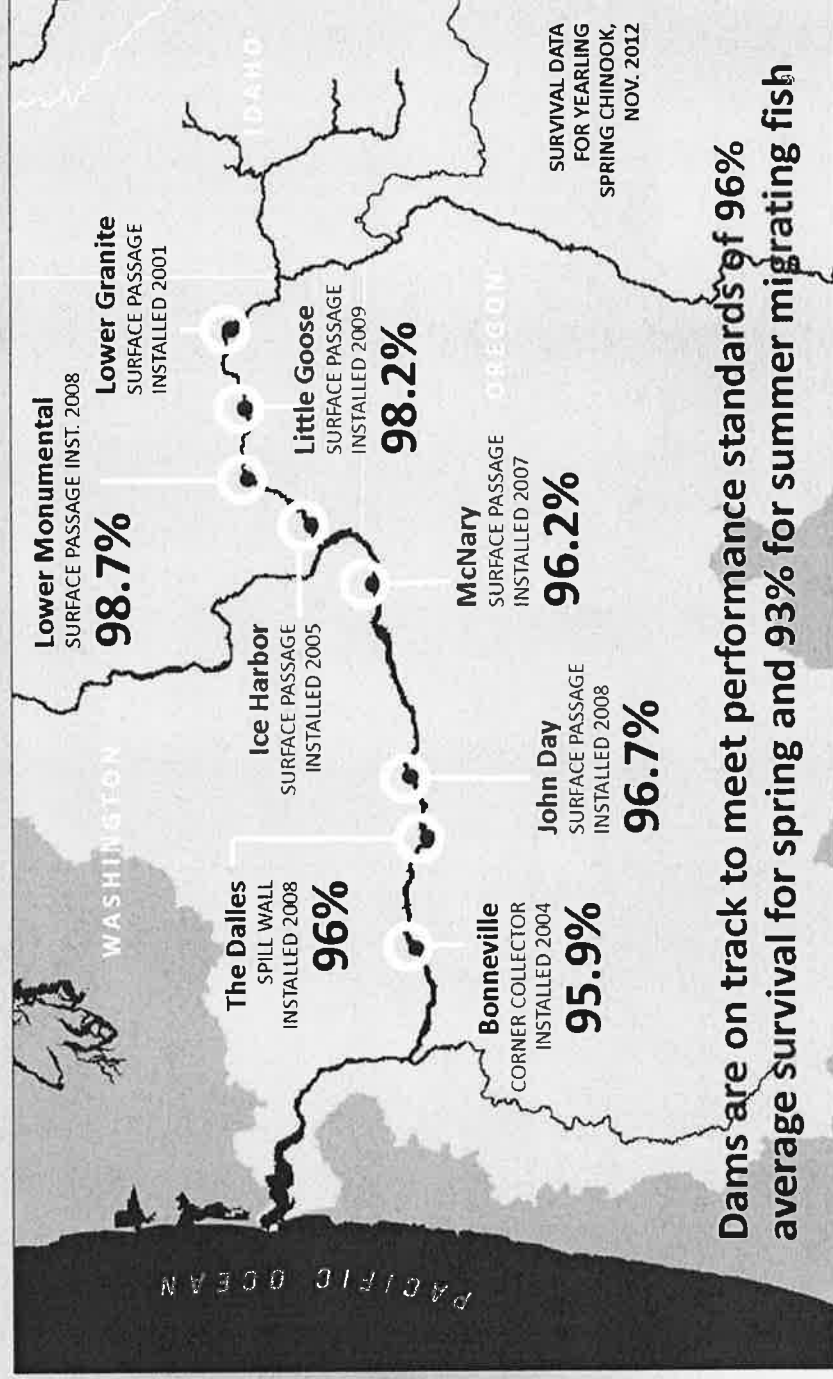
What about our fish?

- Growing emphasis on collaboration to help salmon, rather than litigation
- Current plan for salmon:
 - Supported by three states – Washington, Idaho, Montana
 - Supported by seven tribal partners
 - Supported by navigation, utility, and irrigation stakeholders



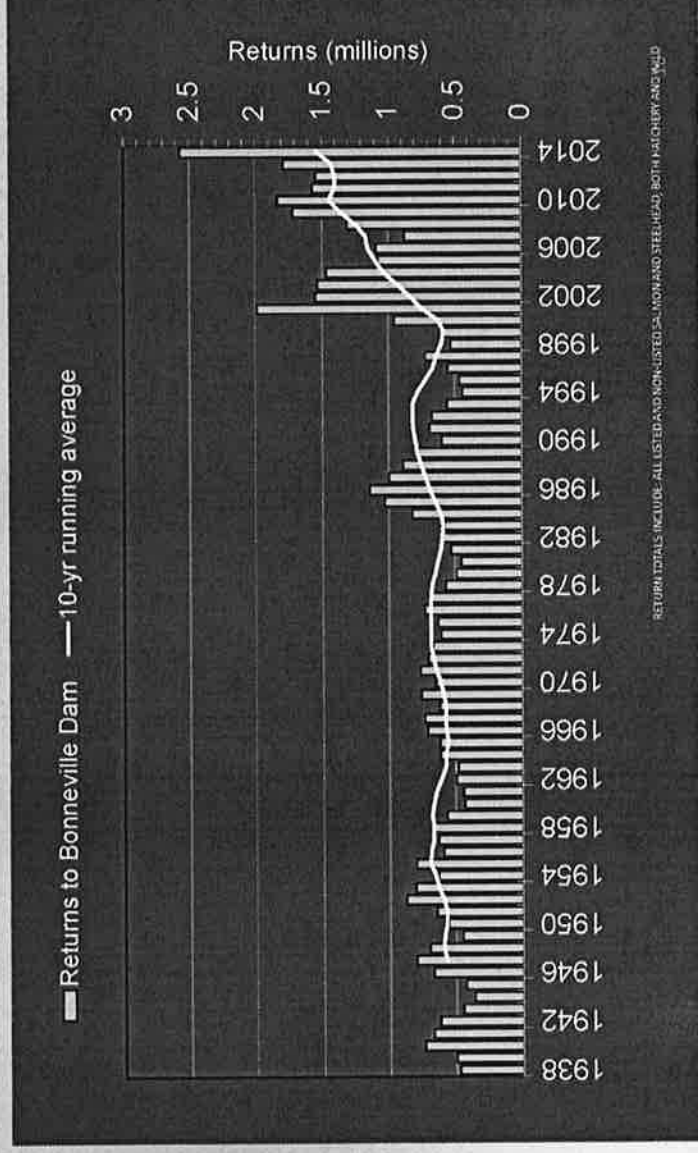
What about our fish?

- Juvenile survival at the dams now averages 97%
- NOAA Fisheries - responsible for protection of listed salmon - says that survival rates through the hydro system are now approaching levels seen in rivers without dams



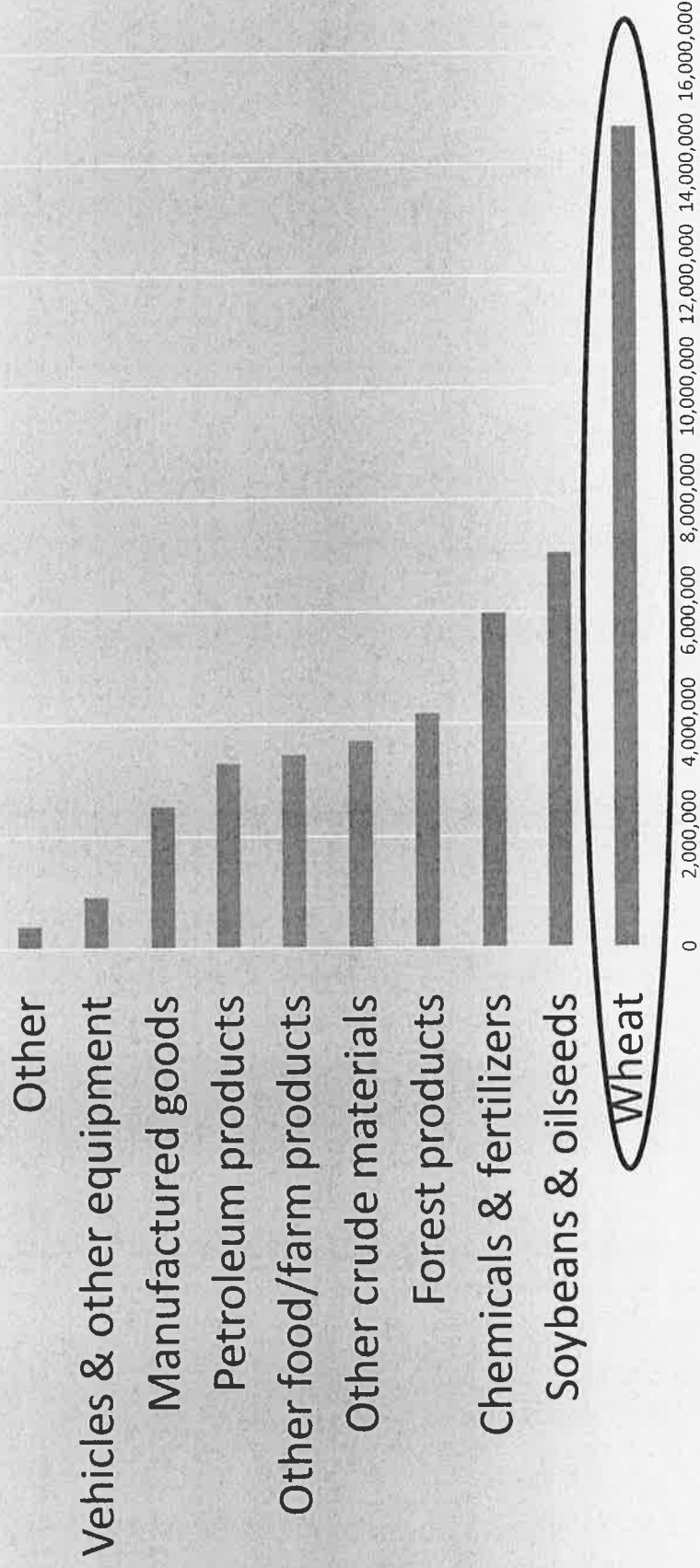
What about our fish?

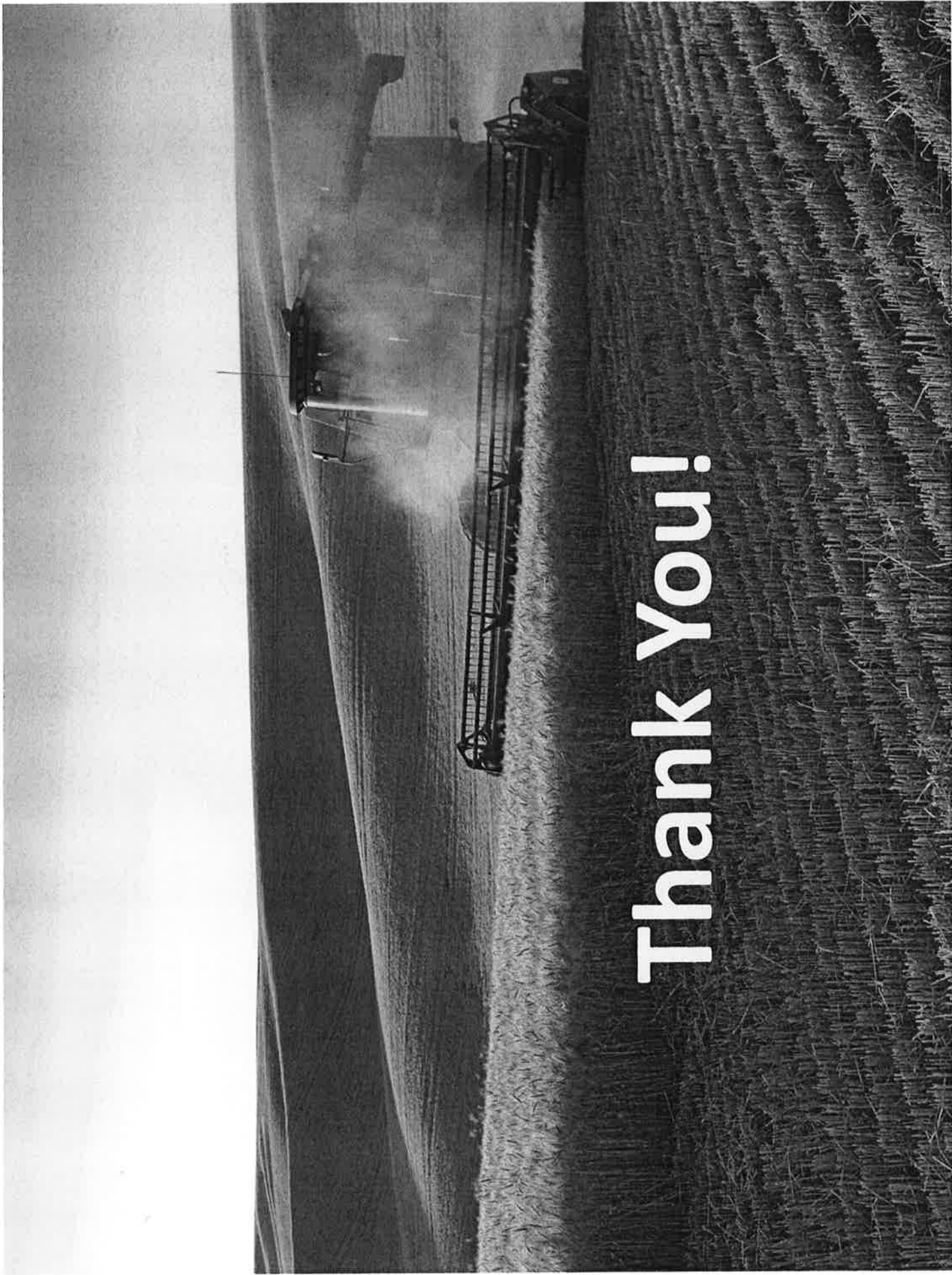
- Today, there are more fish in the Columbia River than at any time since the first dam was built at Bonneville in 1938
- In 2014, over 2.5 million adult salmon and steelhead passed Bonneville Dam, setting new overall record levels since counts began in 1938. Of the fish returning in 2014, the sockeye, fall chinook, and coho were record or near-record runs, including the Snake River stocks.



River System Important to Wheat Growers

Columbia River tonnage - 2012





Thank You!