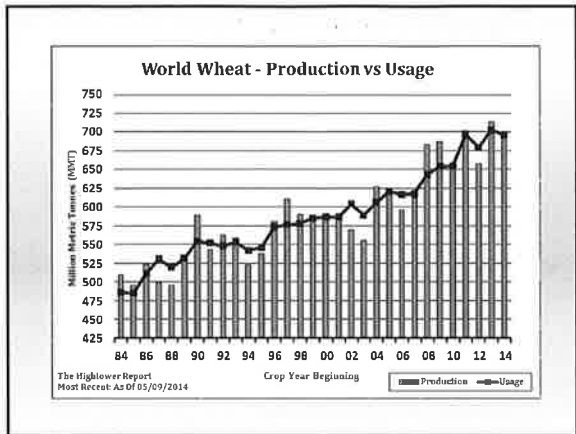


Idaho Wheat Commission
 2015 Presentation to Legislature

March 1, 2015



Two Weather Conditions Impacting Idaho Wheat in 2015

- Extraordinary amounts of rain during August
- Drought in California (largest wheat-milling state in country)



2015 Crop Disaster in Idaho

- Excessive moisture during harvest
- Estimated \$210 MM damage to wheat & barley crops
- Yields above average, but profound quality losses
- Policies did not cover losses, despite having paid significant premiums

2015 Crop Disaster in Idaho

- IWC, IBC, IGPA jointly creating solutions
- Working with Congressional delegation to fund emergency assistance
- Working with RMA to fill gaps in coverage that can be filled
- Jan. 22 meetings in S. Idaho with top RMA officials; follow-up meeting in D.C. Jan. 30

Planned Actions on Crop Insurance

- Apply Falling Number (FN) discount schedules to HRW and HWW
- Hope to replace the current 60-day price discovery period for insurance claims with 90-120 day period
- Change how RMA defines “zero value” on damaged grain

Gluten-Free Diet Fad Beginning to Wane

- 1% of U.S. population allergic to gluten
- Another 6-7% sensitive to gluten
- Gluten contains fiber and important vitamins and minerals
- Most gluten-free products less healthy than products with gluten
- Gluten in wheat today same as 50 years ago
- Role of virtual wheat gluten

Dredging and Dams Important

- Approximately 1/3 of Idaho wheat goes to market via barge
- Need to educate public on economic importance of dams



World Wheat Supply and Demand

	12/13	13/14	14/15
	M M T		
SUPPLY:			
Beginning Stocks	196	175	186
Production	658	715	720
Supply Total	854	890	906
TRADE:			
Exports/Imports	137	166	155
DEMAND			
Food & Seed	542	574	573
Feed & Residual	137	130	140
Use Total	679	704	713
ENDING STOCKS:	176	186	193

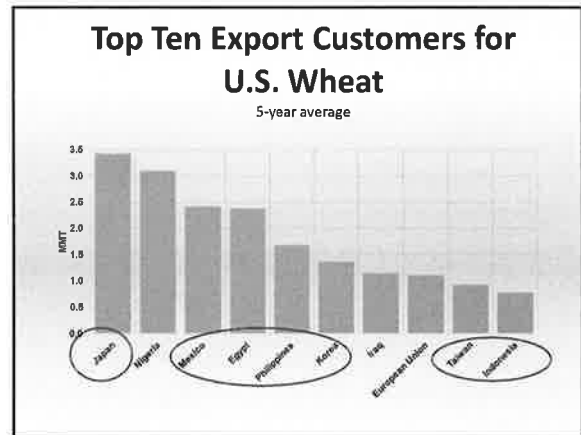
About Idaho Wheat



- Second largest crop grown in Idaho,
- \$732 million in cash receipts last year
- 50% domestic, 50% export

IWC FY 2015 Budget Allocation





IWC Research Programs

Objective: Identify the best new wheat technologies and implement for the benefit of Idaho wheat growers and industry.

- Aberdeen – spring wheats, hard white wheat, wheat quality lab
- Moscow – partnership with Limagrain
- Test plots in more than 60 locations throughout state
- Multiple cropping systems projects

Private Breeding Has Changed Wheat Industry


MONSANTO
imagine


BASF


Limagrain
Cereal Seeds


syngenta


Dow AgroSciences


Bayer CropScience

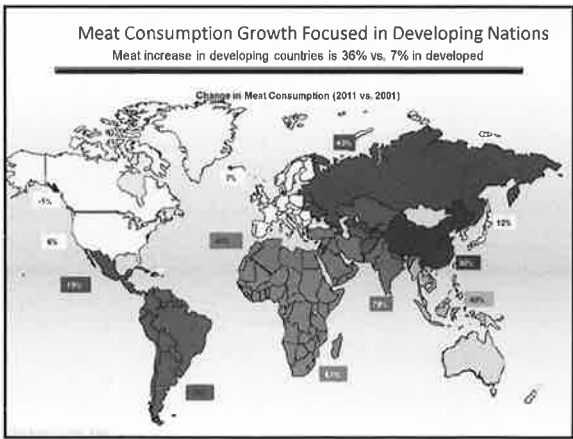
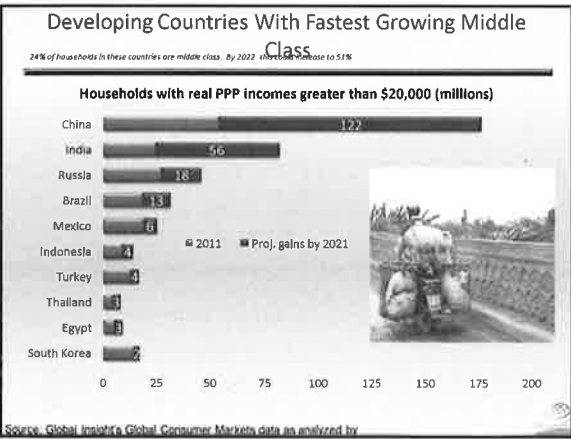
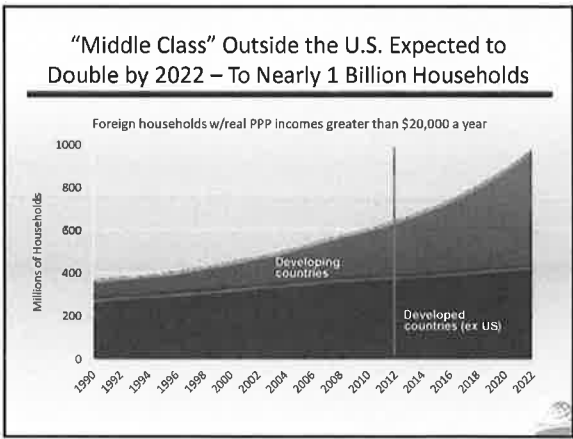
Grower Education & Information

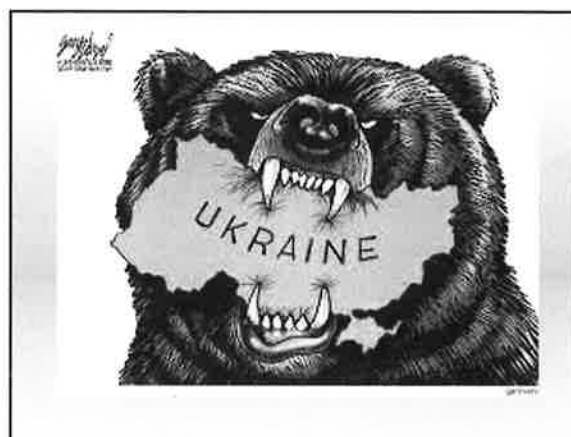
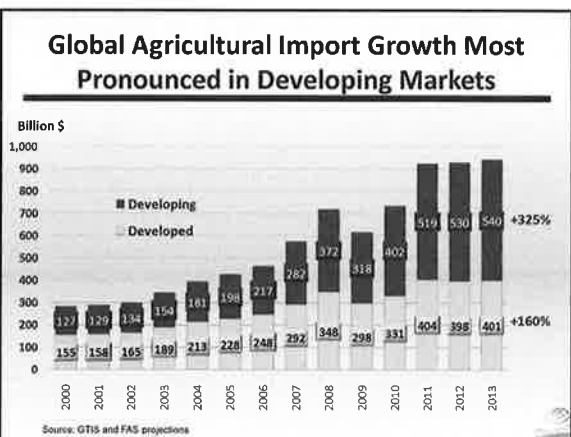
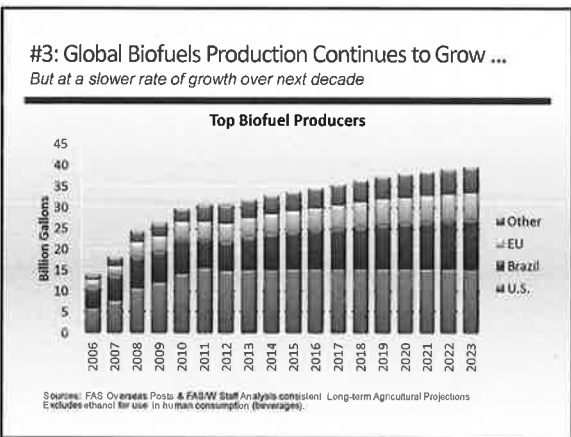
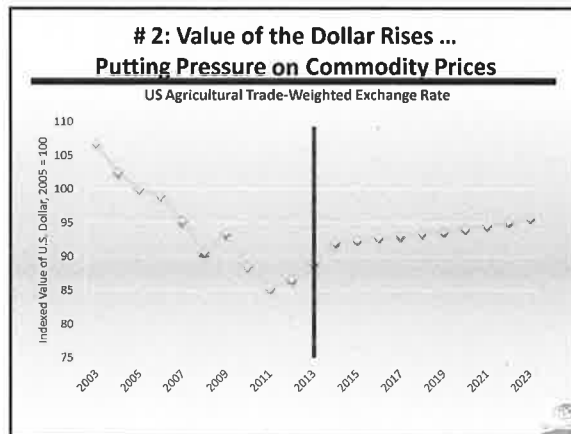
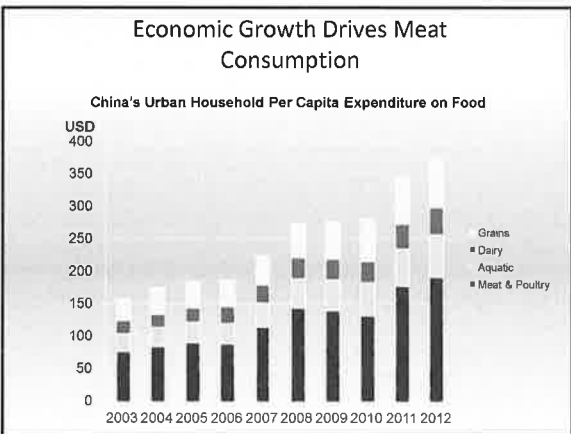
Objective: Protect grower interests at state and federal levels. Support profitable wheat production by providing most up-to-date information to growers possible.

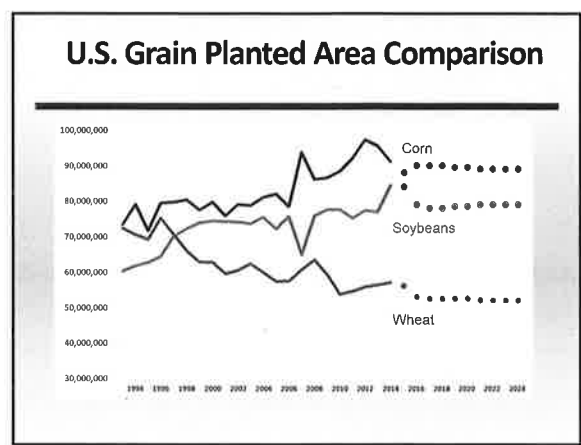
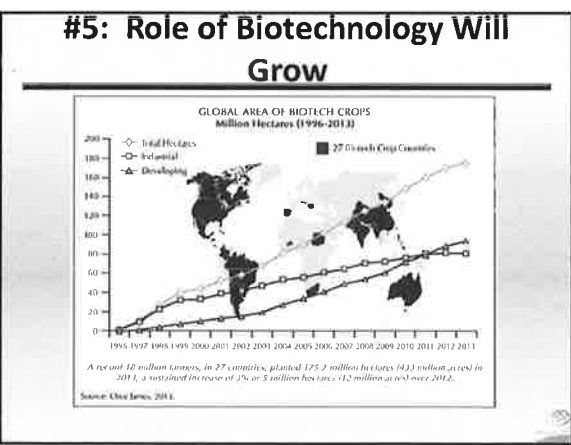
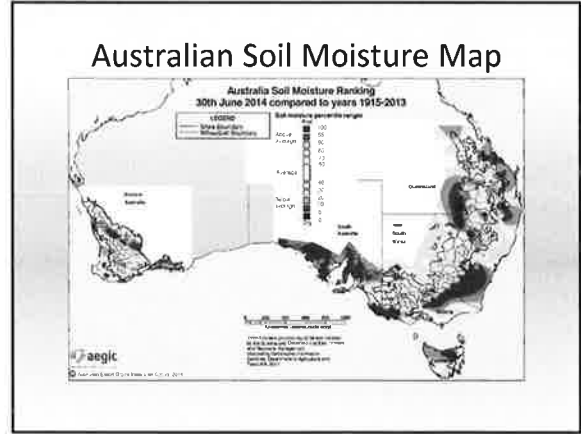
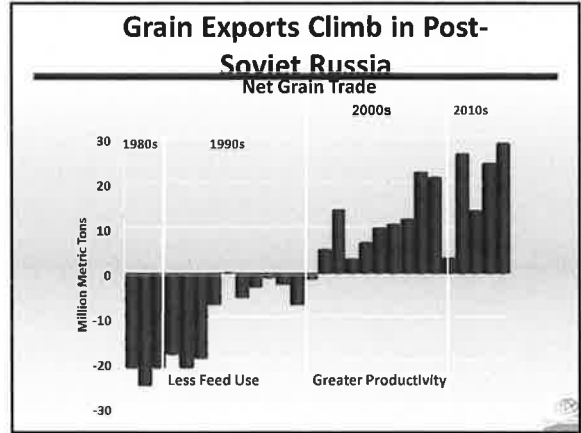
- Funding for IGPA and NAWG
- PNW Export Tour, Domestic Marketing Tour
- Direct Seed and Wheat Quality Workshops
- Cereal Schools, idahowheat.org website

Five Factors Impacting Wheat Markets in the Next Ten Years

- Global economic growth and rise of "middle class" in developing countries
- Value of the U.S. dollar
- Worldwide biofuels production
- Role of trade agreements
- Biotech developments







IWC Critical Success Factors

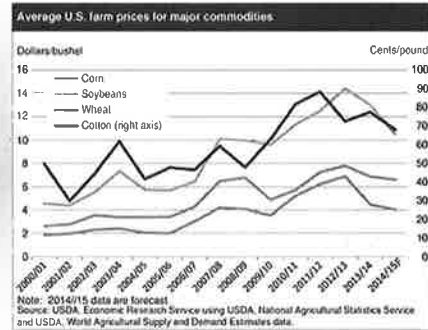
- Invest Idaho's grower assessment dollars for maximum return.
- Uphold the consistent, dependable quality of Idaho wheat and preserve and protect the robust, healthy status of Idaho's wheat industry.
- Maintain and expand sales of Idaho wheat to domestic and export customers.
- Identify the best new wheat technologies and implement for the benefit of Idaho wheat growers and industry.
- Maintain balance between profitability, sustainable production practices and stewardship of Idaho's natural resources.



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Corn Prices Drives Wheat Prices



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



- 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.
- Cash receipts for Idaho wheat were \$732 million in 2013, record \$796 million in 2012.
- Wheat is a steady, consistent contributor to Idaho's economic wellbeing.

Why Are Wheat Customers Attracted to Idaho?

- Dry climate & irrigation ideal for consistent, high-quality wheat production.
- Idaho produces 5 classes of wheat.
- Hard White is the fastest-growing class (white whole wheat).



Consistent Idaho Wheat Harvest

- Rich, loose volcanic soils
- Abundant supply of water
- Desert environment reduces pests and diseases
- Well-developed ag infrastructure

