

Idaho Wheat Commission

FY 2017 and FY 2018 Approved Budgets

FY 2019 Projected Budget

	FY 2017	FY 2018	FY 2019 Projected
Market Development	\$ 813,597	\$ 805,501	\$ 810,000
Research	1,659,958	1,425,805	1,410,000
Information & Education	798,384	833,104	805,000
Office Operations	82,905	95,519	95,000
Capital Outlay	27,000	22,000	25,000
TOTAL BUDGET	\$3,376,443	\$3,181,929	\$ 3,145,000

FY 2018 projected receipts based on 90 million bushels @ \$0.035/bushel
@ 94% collected = \$2,950,000

Seven Largest Expense Items - Idaho Wheat Commission

	<u>\$000</u>
Research through University of Idaho (wheat breeding and variety development, quality assurance lab, disease resistance, weed control systems, variety trials, fertility, etc.)	\$ 1089
Other Research Projects (ARS Genotyping Lab, snow mold research with WSU, plot combine for BYU-I, wireworm genome research at IBest, wheat quality council, etc.)	167
Idaho Grain Producer's Association (represent grower interests at state & federal level, Idaho Grain magazine, annual grains conference, membership dues in ag organizations, etc.)	406
U.S. Wheat Associates (export market development on behalf of U.S. wheat producers, half of Idaho's wheat is exported)	320
Wheat Marketing Center (develops new products using wheat for overseas customers, trains customers on how to mill and bake wheat products, etc.)	199
National Association of Wheat Growers (monitors Farm Bill developments and conducts lobbying work at federal level)	78
PNW Export Tour (educates Idaho wheat producers on how their crop goes to market and how it is used by various domestic and overseas customers)	25
Total	\$2284

Above items represents nearly 75% of IWC annual budget

MEMORANDUM

Date: February 1, 2018

To: Senate Agricultural Affairs Committee
House Agricultural Affairs Committee
Legislative Services Office
State Controller
Division of Financial Management
State Department of Agriculture

From: Blaine Jacobson 

Re: Idaho Wheat Commission's FY2017 Audit Report

We are pleased to provide a copy of the FY 2017 Audit Report and a copy of the FY2018 budget. This is pursuant to Section 22-3319(4), Idaho Code.

2018 Idaho Wheat Commission Report to Legislature

Approved 2017 Budget

Activities carried out by the Idaho Wheat Commission on behalf of Idaho wheat growers are funded by a \$.035 per bushel wheat tax. This tax is remitted quarterly. Revenue from the wheat tax during FY'18 is budgeted at \$2,950,000. Spending in FY'18 is budgeted at \$3,181,929, causing a slight draw on reserves. As of Jan 31, 2018, the IWC reserves are \$3,905,300.

Dollars remitted by Idaho wheat growers are invested on their behalf in foreign and domestic market development, variety development and other research, and information and education. The amount of the budget committed to administrative payroll and office operations is running at 2.5%, and Idaho continues to be among the most efficient of the wheat commission office operations among states. The wheat assessment in neighboring states range from \$.03/bushel to \$.06/bushel.

Projected FY '18 Revenue and Spending

Production in 2017 came in several hundred thousand dollars higher than budget due to abundance summer moisture and higher yields. Acreage in the current production year is expected to remain similar to 2017 but yields will drop. Spring plantings decisions are being made now, based on wheat prices compared to other competing spring crops. For planning purposes it is assumed that revenue from wheat tax will be around 2,950,000.

The Idaho Wheat Commission is providing substantial support to the University of Idaho wheat and other agricultural programs in order to keep the wheat industry in Idaho robust. Agriculture is a basic industry benefiting all Idaho residents and reinvestment in agriculture by industry and by the Idaho taxpayer will help rebuild Idaho's economy and employment faster than almost any other sector of the economy.

The Idaho Wheat Commission established two \$1 million endowments in 2012 to provide support to two Aberdeen positions. The two endowments benefit and help stabilize the Aberdeen wheat breeder and Aberdeen cereal agronomist. These two endowments are fully funded.

In FY'18 the Idaho Wheat Commission will consider adding an endowed chair focused on risk management and grain marketing.

Update on Wheat Production in Idaho

In the 2017 crop year approximately 1.1 million acres of wheat were harvested. The yield was approximately 82 bushels per acre and total harvest was over 90 million bushels. Sales were over \$4155 million, and wheat continues to rank as Idaho's second largest crop, behind potatoes and ahead of hay.

Approximately sixty percent of Idaho's production is grown on irrigated farmland and forty percent is grown on dry land. Approximately two-thirds of the crop is winter wheat and the remaining one-third is spring wheat.

Soft White wheat makes up the largest amount of Idaho wheat grown. It is roughly 55% of the annual crop. Hard Red is the second most popular class, at 39%. Idaho's production of hard white wheat has slipped, but its six million bushels of hard white in 2016 still makes it the largest hard white growing state. Idaho has released new varieties of hard white wheat which will help recover lost hard white wheat acreage.

Half of Idaho's crop goes to domestic mills and customers. This includes the GrainCraft (Pendleton) mill in Blackfoot, mills in Ogden, and customers in California. California is the largest wheat-milling state in the country and they dramatically increased purchases of wheat from Idaho. Roughly half of the crop is exported. Top foreign destinations include Japan, Mexico, Korea, the Philippines, China, and Taiwan.

Organic wheat has been strong and will continue to strong and is not expected to be a fad.

Further detail on Idaho wheat production is found in the Winter 2017 issue of Idaho Grain magazine.

Key Success Factors from Idaho Wheat Commission Strategic Plan

- 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 what has already been built.
- 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.
- Boost public research through the University of Idaho, and forge strong ties between public programs and new exciting breeding efforts.
- Maintain balance between profitability, sustainable production practices and stewardship of Idaho's natural resources.

IWC Website

Updated information on the Idaho Wheat Commission can be found on an ongoing basis at www.idahowheat.org.

Idaho Wheat Commission

Senate Agricultural Affairs Committee

February 15, 2018

Today's Briefing

- Commission financials
- Several key activities
- Excellent harvest in 2017
- Barging wheat on the Columbia/Snake
- Four-minute video

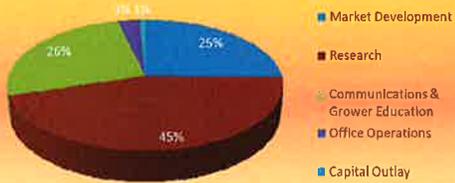
About the Idaho Wheat Commission



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

IWC FY 2018 Budget Allocation

Idaho Wheat Commission 2017/2018 Budget
\$3,183,429

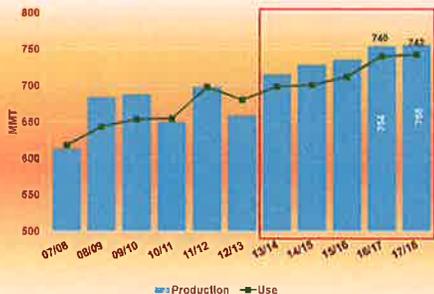


Category	Percentage
Research	45%
Market Development	25%
Communications & Grower Education	20%
Office Operations	8%
Capital Outlay	1%

IWC FY 2018 Budget Ten Largest Budget Items

University of Idaho	\$1,088,911
• Wheat Variety Research	\$344,178
• Pest & Disease Research	\$163,707
• Production Practices Research	\$301,548
• Wheat Quality Lab	\$122,706
Idaho Grain Producers Association	\$406,000
U.S. Wheat Associates	\$319,800
IWC Salaries & Benefits	\$277,000
Wheat Marketing Center	\$199,035
Other Research	\$106,940
National Association of Wheat Growers	\$ 78,000
Equipment and Infrastructure	\$ 50,000

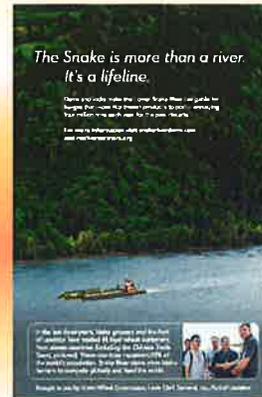
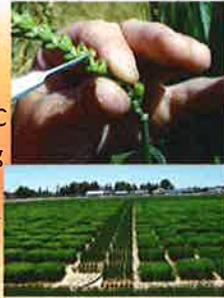
World Production and Use



Year	Production (MMT)	Use (MMT)
07/08	610	620
08/09	680	650
09/10	680	650
10/11	650	650
11/12	700	700
12/13	660	680
13/14	710	700
14/15	730	700
15/16	740	710
16/17	740	740
17/18	740	740

What is New in Idaho Wheat?

- New soft white winter joint release from UI/LCS
- New gene-edition and transformation lab in IRIC
- NIFA grants by leveraging grower check-off funds
- Considering new UI chair
- High-fiber wheat soon



Current Challenges to Idaho Wheat

- Market oversupplied – low prices
- Renewal of trade agreements, e.g. NAFTA, TPP
- Finding a good hard white winter variety
- Allocating 10-15% of acres to higher-value niche wheats
- Educating Millennials on value of river system
- Holding wheat acres vs. crops with GMO advantage



The Snake is more than a river. It's a lifeline.

Dams and locks make the Lower Snake River navigable for barges that move Northwest products to port – averaging four million tons each year for the past decade.

For more information visit snakeriverdams.com
and nriverpartners.org.



In the last three years, Idaho growers and the Port of Lewiston have hosted 48 loyal wheat customers from eleven countries (including the Chinese Trade Team, pictured). These countries represent 35% of the world's population. Snake River dams allow Idaho farmers to compete globally and feed the world.



Brought to you by: Idaho Wheat Commission, Lewis Clark Terminal, Inc., Port of Lewiston

