



Annual Report

July 1, 2018-June 30, 2019

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Letter from Chandler Goule CEO, NAWG

NAWG Officers, Board of Directors, State Executives, and Growers,

NAWG had a very productive FY2018- 2019 which is reflected in this annual report. I would say the year centered on the farm bill. In September 2018, NAWG hosted its annual fly-in where our advocacy efforts focused on passing the 2018 farm bill. We saw success during the second quarter as the legislation was made into law.

NAWG continues to hold its annual Fall and Winter Conferences with U.S. Wheat Associates. During our 2019 Winter Conference, the National Wheat Foundation hosted its now annual wheat education event on Capitol Hill. The yearly event is designed to educate Members of Congress and their staff about just how expansive and important wheat is to the economy and to our food supply.

In mid-year 2019, NAWG President Sholz was invited to the White House for a televised press conference (pictured right). President Trump was announcing a second round of trade aid payments for those growers being impacted by the trade war with China. Ben was among a few ag groups invited to attend the conference.

It is also worth noting that the National Wheat Foundation held its first wheat farm tour for congressional staff. The tour was hosted by NAWG Board of Director and Maryland farmer Eric Spates. (Pictured top right)

Unfortunately, we rounded off the FY18-19 with regrettable news. North Dakota Grain Growers decided to withdraw their membership from the NAWG which lead to major cuts to our FY19-20 budget as well as a few staff changes.

I saw FY18-19 as a year filled with productivity and success. Let's keep the ball rolling as we move into FY19-20!

Sincerely,

Chandler Goule



Regular Communications, Outreach, and Partnerships

Below are some communications, outreach, and partnership highlights from the June 2018-July 2019:

The first quarter kicked off with NAWG and U.S. Wheat Associates (USW) participating in the Maryland Commodity Classic held on July 26, 2019. NAWG's Director of Communications Caitlin Eannello and U.S. Wheat's VP of Communications Steve Mercer hosted a joint table at event.

In early August 2018, the National Wheat Foundation's Success Files segment aired twice during primetime on the Fox Business Network. To close out August, NWF [published a blog](#) highlighting the great debate around crop insurance. The blog served as a pointer piece to a *Capital Press* article which covered interviews from NAWG CEO Chandler Goule and Secretary Nicole Berg.

Communications was also very active the FY18-19 second quarter. From November 7-9, 2018, NAWG and U.S. Wheat attended the 75th annual National Association of Farm Broadcasters (NAFB) "Convention held in Kansas City, MO. During the convention, NAWG and U.S. Wheat hosted a booth as part of the Trade Talk. USW Vice Chairman Doug Goyings and NAWG President Jimmie Musick represented their Associations and discussed several topics with broadcasters including the farm bill, trade, midterm elections, and other association-specific priorities. NAWG President Jimmie Musick carried out more than sixteen interviews in four hours.

Additionally, for the first time, the National Wheat Foundation (NWF) and USW co-partnered a NAFB Foundation scholarship. The scholarship was given to Matthew Winterholler, a senior at Texas Tech University who was majoring in Agricultural Communications. Matthew was recognized at the NAFB Foundation Luncheon on Wednesday, November 7, 2019 where NAWG President Jimmie Musick and USW's Amanda Spoo presented him the award. For more information, visit <https://nafb.com/foundation>.

During the second quarter, NAWG held its annual Wheat Industry Leaders of Tomorrow (WILOT) program thanks to its partnership with Bayer.

The 2019 NAWG/USW Winter Conference initiated our third quarter. During the Winter conference, participants used #WheatinDC when promoting their meetings on the hill. Additionally, during the conference, NAWG and the National Wheat Foundation held its Wheat 103 educational event which was a continuation of its Wheat 102 event last year. Additionally, NAWG partnered with WAMU/NPR on a branding message to highlight the 2019 Winter Conference. Our message aired on Thursday, February 8th and, again, on Friday, February 9th during NPR's "Morning Edition" (5:00am-10:00am).

In special thanks to our strong partnership with Bayer, the National Wheat Foundation continues to hold the annual Jerry Minore Scholarship. Each year, four scholarships are given out to college freshmen to juniors who have shown great commitment to pursuing a career in agriculture. This year's winners were presented their awards at the 2019 Commodity Classic during a special Bayer event.

We concluded the FY19-20 with several milestones including the [first joint release](#) between three top commodities - NAWG, the American Soybean Association, and the National Corn Growers Association. Another exciting achievement was on June 24th the National Wheat Foundation hosted a wheat farm tour for congressional staff. The farm belonged to NAWG Board of Director and Maryland farmer Eric Spates. NWF also invited representatives from USDA's Management Agency, Natural Resources Conservation Service, and Farm Service Agency to speak to staff. RFD-TV attended the event and did a segment covering it which can be found [NWF's Facebook page](#).

Regular Communications, Outreach, and Partnerships

NAWG ANNUAL REPORT SOCIAL MEDIA HIGHLIGHTS

NATIONAL ASSOCIATION OF WHEAT GROWERS



End of FY17-18 Page Followers: **2,631**
End of FY18-19 Page Followers: **2,911**

FY18-19 Demographics

People Engaged: 45% women, the majority being between the ages of 35-44; and 54% men, the majority being between the ages of 35-44
City with Most Engagement: Washington, D.C.



Followers: **7,454 (59% Male and 41% Female)**. On average, NAWG earns around 4 followers per day.

Demographics: The majority of followers based in Kansas, Texas, and Minnesota and have noted dogs as their top interests.

NATIONAL WHEAT FOUNDATION



End of FY17-18 Page Followers: **1,092**
End of FY18-19 Page Followers: **1,374**

FY18-19 Demographics

Follower Demographics : 36% Women, the majority being between the ages of 25-34; and 63% men between the ages of 25-34



Followers: **1,180 (60% Male and 40% Female)**

Demographics: Majority of followers are based in Kansas, Washington, and Texas. Majority of followers identify their top interest is dogs.

Farm Bill, Ag Appropriations, Transportation, and Tax

The past year has been filled with many challenges and successes for NAWG. Notably, at the beginning of the last fiscal year, NAWG worked to help the Senate and House reconcile differences between their Farm Bill versions which culminated with the President signing the 2018 Farm Bill into law in late December. NAWG has been working diligently since then to ensure the Farm Bill was efficiently implemented and continues to do so heading into the next fiscal year. In addition to the Farm Bill, NAWG worked through an appropriations cycle that included a government shutdown for several weeks that impacted the USDA and the beginning of Farm Bill implementation efforts. NAWG also engaged on numerous other policy areas including transportation and infrastructure. This fiscal year, NAWG also worked to educate and engage a new Congress that included numerous new Members from suburban districts with little or no agriculture policy background. Heading into the next fiscal year, NAWG will continue to ensure the Farm Bill is efficiently implemented, work to secure funding priorities for the wheat industry, and to engage on important infrastructure, tax, and transportation issues.

The third quarter marked another busy season for NAWG with board meetings, a new Congress commencing, and the beginning of implementation of the 2018 Farm Bill. The quarter began with swearing in Members of the 116th Congress. NAWG staff attended many swearing-in receptions for members and made first contacts with new offices. The new Congress began in the middle of a government shutdown, which would last until January 25th, 2019. This shutdown would delay some of USDA's efforts to quickly begin implementing the 2018 Farm Bill but NAWG was quick to work on prioritizing implementation needs and communicating those efforts to the USDA and our allies on the Hill. This quarter also marked NAWG's Winter Meeting and Hill Visit Day where collectively NAWG was able to meet with over 80 offices. Additionally, NAWG's annual meeting was held during Commodity Classic in Orlando, Florida.

In addition to the Farm Bill, the FY 2019 appropriations process continued, eventually ending with a compromise to end the shutdown and provide a continuing resolution for the FY2019 Ag Appropriations bill as well as the remaining 6 appropriations bills that needed passed. The [President's Budget](#) was also released this quarter on March 11th. NAWG strongly advocated against many of the harmful cuts to crop insurance included in this budget including doing a [press release](#) on the matter along with numerous hill visits with the House and Senate Budget and Appropriations Committees. NAWG quickly turned our focus toward the FY2020 appropriations process this quarter as well assisting in the National Wheat Improvement Committee Fly-In where they highlighted top appropriations requests of the wheat industry.

Heading into the upcoming quarter, NAWG will continue to work hard on Farm Bill implementation, to closely follow the FY2020 appropriations process, as well as stay involved in any infrastructure package that may develop.

Farm Bill, Ag Appropriations, Transportation, and Tax

2018 FARM BILL

With the 2014 Farm Bill expiring on September 30th, 2018, a top priority at the beginning of the last fiscal year was ensuring passage of the 2018 Farm Bill before the end of the year subsequently the end of the 115th Congress. Our policy committees held conference calls, and the full board of directors ultimately developed a priorities letter that we sent to conferees, in which we identified provisions in both bills that we supported. Utilizing that direction from the board, NAWG worked closely with Members of the Conference Committee and the House and Senate Agriculture Committee staffs to pursue our priorities and our positions. Additionally, we also continued to communicate and meet regularly as part of an informal Farm Bill Coalition on the efforts to complete a Farm Bill as well.

The efforts proved successful with a conference agreement between the House and Senate Agriculture Committees being announced on November 29th. On December 11th, the Senate voted on the Farm Bill Conference agreement with it passing on an overwhelming bipartisan vote of 87 to 13. The following day, December 12th, the House took up the conference agreement and also passed it with large support in a vote of 386-47. On December 20th, NAWG President Jimmie Musick was invited to Washington D.C. to participate in President Trump's signing ceremony for the 2018 Farm Bill.

NAWG saw notable achievements with the passage of the 2018 Farm Bill. In Title 1 we saw improvements to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. Farmers will have an opportunity to choose between ARC and PLC in 2019, and then beginning in 2021, farmers will have the option to choose between programs every year moving forward. Further administrative improvements to ARC include a requirement that RMA yield data be the first source of data used if available and that the physical location of a farm be used to determine which county payment rate applies to that specific farm. The new bill also increases the plug yield used in ARC, enables producers the option to update their PLC yields in 2021, and enables the reference price for both programs to increase if market conditions improve. Additionally, USDA will be required to publish payment rate information within 30 days of the end of the marketing year, giving producers more certainty.

The Crop Insurance title also had some positive changes for wheat farmers. The Conference report mandates research and development by the U.S. Department of Agriculture to improve crop insurance for wheat quality losses. Additionally, it fixes the 508(h) reimbursement process for the creation of new crop insurance policies, enables enterprise units to cross county lines, and ensures summer fallowing producers that use cover crops can continue to be classified as summer fallow producers.

NAWG quickly turned our efforts towards implementation of the Farm Bill after the President signed the bill into law. The following day, however, began a 35-day government shutdown that included the USDA. One of NAWG's main concerns during the shutdown was how it would impact the implementation of the Farm Bill. We emphasized this to Capitol Hill in urging for them to come to a compromise to fund the government.

Farm Bill, Ag Appropriations, Transportation, and Tax

Following the government shut-down, NAWG staff quickly began working with the USDA, agricultural economists, House and Senate Ag Committees, and the NAWG Board of Directors to prioritize implementation efforts and ensure the measures were implemented to best serve farmers. NAWG staff met with the offices of all four principals in January or early February to discuss implementation efforts.

During NAWG's Winter Board meetings, initial discussions were held with NAWG's DTPC committee on where it would be most beneficial for NAWG to engage in Farm Bill implementation. NAWG also gathered feedback from prominent agricultural economists from around the country, holding calls with four different economists from land grant universities. NAWG used this feedback to inform us during meetings with senior USDA officials regarding Farm Bill implementation. Again, during Commodity Classic NAWG's committees formalized committee feedback for the Farm Production and Conservation (FPAC) mission area and submitted [formal comments](#) to the USDA. In addition to submitting comments, Farm Service Agency (FSA) Director Richard Fordyce and Risk Management Agency (RMA) Director, Martin Barbre joined NAWG's DTPC committee at Commodity Classic and the committee was able to directly provide feedback and ask questions.

In April, NAWG worked with RMA to receive a briefing on the draft concept of the Quality Loss Option for crop insurance. This was one of the initial steps after NAWG secured language in the Farm Bill mandating RMA to research this type of crop insurance product. RMA gave a presentation to the NAWG Board of Directors and shared a PowerPoint of how the quality loss option would work. Two weeks later, again the NAWG Board of Directors convened to provide feedback to RMA on the proposal. RMA since has worked with other groups in providing informational presentations and shared updated information with cost estimates that NAWG shared with each state. The Quality Loss Option concept is on schedule to be a policy for purchase for the 2021 crop year. This is one example of NAWG's success in the Farm Bill legislation and implementation.

In addition, NAWG has submitted testimony to the House Agriculture Committee for hearings on topics like the State of the Farm Economy, Trade, and others and made sure to emphasize the importance of quickly implementing the 2018 Farm Bill.

CROP INSURANCE COALITION ACTIVITIES

Crop insurance was successfully defended in the 2018 Farm Bill including some improvements for wheat like mandating research for adjustments for quality losses, the creation of multi-county enterprise units, and more. Recognizing these wins, NAWG and the Crop Insurance Coalition continue to understand the importance of educating new members about crop insurance and defending the program from cuts. Ahead of the President's 2020 Budget release, NAWG joined with the Crop Insurance Coalition to send letters to both the [House and Senate Budget Committees](#) along with a [letter to USDA Secretary Sonny Perdue](#) urging them to oppose any cuts to crop insurance during the upcoming budget process.

Farm Bill, Ag Appropriations, Transportaion, and Tax

When the [President's Budget](#) was released in early March and included several cuts to crop insurance such as limiting crop insurance eligibility for Adjusted Gross Income to \$500,000, reducing the average premium costs share from 62% to 48%, capping underwriting gains to 12%, and eliminating reimbursements through the 508(h) process, the crop insurance coalition quickly reacted. NAWG and the coalition participated in meetings with the House Majority and Minority Budget Committee staffs, the House Majority and Minority Appropriations committee staffs, the Senate Majority and Minority Budget Committee staffs, and the Senate Majority and Minority Appropriations Committee staffs to ensure that these cuts would not be included in any budget or appropriations legislation.

Appropriations and Budget Activity

The beginning of last year began with 5 of the 12 appropriations bills being signed. NAWG was hopeful for more movement on the other 7 bills, specifically the Agriculture Appropriations Bill. However, as the end of the calendar year approached, President Trump and many Republicans demanded border wall funding to be included as part of the Homeland Security appropriations bill. Democrats were opposed to this and it stalled the movement of the other appropriations bills. On December 21st, the government entered a partial shutdown which would continue into the next quarter.

Caught in this fight was the FY2019 Agricultural Appropriations bill which was left not funded causing the USDA to shutdown. With the USDA shutdown, implementation of the 2018 Farm Bill was unable to begin along with other critical functions of the USDA. Finally, on January 25th a compromise was reached and the government reopened after a 35 day government shutdown and a continuing resolution provided funding for the rest of the fiscal year for the agricultural portion of the bill.

NAWG then turned our attention towards the FY2020 Budget and Appropriations cycle. On March 11th, the President released his [administration's budget](#). The budget requested \$20.9 billion for USDA discretionary programs, a \$3.6 billion (15 percent) decrease from FY2019. The budget also made \$61.291 billion in cuts to mandatory programs like commodity, conservation, and crop insurance programs. With regard to crop insurance and commodity programs the main cuts were:

- a. Limiting crop insurance and commodity program eligibility to \$500,000 in AGI
- b. Limiting farms to one farm manager for purposes of being considered actively engaged for farm program eligibility.
- c. Reducing the average premium cost share from 62% to 48%
- d. Capping underwriting gains to 12%
- e. Eliminating reimbursements through the 508(h) crop insurance process.

Farm Bill, Ag Appropriations, Transportation, and Tax

NAWG was vocally opposed to these cuts and published a [press release](#) as well as advocated on Capitol Hill about how harmful these cuts would be to farmers.

Later in March, NAWG helped to coordinate the National Wheat Improvement Committee (NWIC) fly-in and went to Capitol Hill with our appropriations requests. In total NWIC and NAWG were able to hit over 50 Congressional offices including the majority of the House and Senate Appropriations Committee member's offices to discuss the appropriations needs of the wheat industry.

On May 24th, the House Ag Appropriations subcommittee marked up their FY2020 bill and the full appropriations committee marked up the bill the following day. There are some very positive numbers for wheat including a \$2 million increase in appropriations for the U.S. Wheat and Barley Scab Initiative (USWBSI), a \$1 million increase to the Small Grains Genomics Initiative as well as continued funding for falling numbers research and our land grant universities. The USWBSI was a top priority for NWIC and had its authorization increased in the 2018 Farm Bill. This is a significant increase that would bring total FY2020 funding for the USWBSI to \$11.5 million.

The Senate had yet to act on any appropriations bills by the end of our fiscal year (June 30, 2019) and was waiting on a budget spending cap to be reached by Senate and House Leadership and President Trump. It was expected that they will begin work on a bill after the budget spending caps are decided. NAWG will continue to encourage the Senate to increase appropriations for the top priorities of wheat farmers.

TRANSPORTATION AND INFRASTRUCTURE

NAWG has continued to participate as part of the Rail Customer Coalition (RCC), Ag Transportation Working Group, Rebuild Rural coalition, the Waterways Council Inc., and other independent efforts on several issues.

In early January, the Rebuild Rural Coalition met and heard from House Transportation and Infrastructure Committee staff on what a potential infrastructure package could look like for the upcoming year. The message that was relayed, and continued to be heard throughout the year, was the lack of optimism for a large, all-encompassing infrastructure package. However, there is still a hope that a more specific and narrow infrastructure bill could pass. President Trump, Speaker Pelosi, and Senate

Minority Leader Schumer have met on infrastructure several times with no major progress on how to pay for an infrastructure package. NAWG joined on to a letter with Rebuild Rural that was sent to Congressional leadership urging for any infrastructure package or legislation to support rural infrastructure.

Farm Bill, Ag Appropriations, Transportation, and Tax

WHEATPAC

With the beginning of the 116th Congress, the WheatPAC will remain a critical tool for NAWG. This quarter, WheatPAC efforts largely focused on meet and greets with new members of Congress as well as providing contributions to a few candidates. NAWG contributed to each new member of a NAWG state who sits on the House Agriculture Committee. Here is a list of events that NAWG has attended or contributed to in 2019 through the end of our fiscal year:

CONTRIBUTIONS

- Rep. Ron Estes (R-KS)
- Sen. Tina Smith (D-MN)
- Rep. Roger Marshall (R-KS)
- Rep. Angie Craig (D-MN)
- Rep. David Rouzer (R-NC)
- Rep. Filemon Vela (D-TX)
- Rep. Cheri Bustos (D-IL)
- Rep. Dusty Johnson (R-SD)
- Rep. Jim Costa (D-CA)
- Rep. Josh Harder (D-CA)
- Rep. Rodney Davis (R-IL)
- Speaker of the House Nancy Pelosi (D-CA)
- Rep. Abigail Spanberger (D-VA)
- Rep. TJ Cox (D-CA)

MEET AND GREET/COFFEES ATTENDED

- Rep. Michael Conaway (R-TX)
- Rep. Van Taylor (R-TX)
- Rep. Ron Wright (R-TX)
- Rep. TJ Cox (D-CA)
- Rep. Filemon Vela (D-TX)
- Rep. Angie Craig (D-MN)
- Rep. Jim Hagedorn (D-MN)
- Rep. Greg Gianforte (R-MT)
- Rep. Dusty Johnson (R-SD)
- Rep. Abby Finkenauer (D-IA)
- Rep. Jeff Fortenberry (R-NE)

Environment and Renewable Resources

CROP PROTECTION TOOLS

This year NAWG focused on ensuring wheat growers' use of glyphosate and other crop protection tools. Efforts in states, on Capitol Hill and in the press targeted pesticide use in wheat production. NAWG's action to protect the use of glyphosate includes a lawsuit in California against the state's Proposition 65. Past president Gordon Stoner filed a declaration in NAWG's legal efforts. California Prop 65 would require cancer warning labels on bread and other wheat-based products due to the potential of glyphosate residue.

NAWG worked with our grain chain partners the North American Millers and the American Bakers Association and with Bayer to answer questions about the use of glyphosate, regulation of pesticides and the safety factors built into the legal uses of glyphosate. As a follow-up from that discussion, NAWG spoke with the American Bakers Association Technical Committee Meeting regarding glyphosate and shared the National Wheat Foundation's Brochure on the Uses of Glyphosate in Wheat production.

EPA is reviewing Glyphosate as part of a regular registration review process and released an interim registration decision in May. EPA also released for comment a petition from the Environmental Working Group and several organic groups requesting a reduction in the tolerance in or on oats and a modification to the product labels to explicitly prohibit preharvest use on oats. The NAWG Environment & Research Committee reviewed both the re-registration review and the oats petition and developed comments. NAWG submitted the oats comments in June and will submit the glyphosate registration decision in September 2019. The comments will focus on the 40 year safety record of glyphosate, the importance of the product for growers for pre plant use and to treat a broad spectrum of plants post emergent. Conservation tillage practices aided by the use of glyphosate are also highlighted, citing the recent USDA data that shows that conservation tillage by wheat growers has increased to 67% of operations. Following the EPA approved label is highlighted as the label is the law for pesticide use and growers rely on EPA to establish those safe, approved uses.

Additionally, legislation has been introduced to set a low residue tolerance for glyphosate on oats, and increase USDA testing of glyphosate residue. NAWG has been meeting with our wheat supply chain partners about this legislation and developing outreach on Capitol Hill.

NAWG also engaged in action on Chlorpyrifos (Lorsban). In August, the 9th Circuit Court of Appeals directed the EPA to revoke all tolerances and cancel all registrations for chlorpyrifos within 60 days. This action was precedent setting, with the court directing EPA to take action on a specific chemical. NAWG joined several other agriculture organizations in requesting that the EPA and USDA ask for a rehearing in this case. The EPA did ask for the rehearing in September 2018 and in August 2019 the EPA rejected requests to cancel the tolerances for Chlorpyrifos.

NAWG also filed comments on the biological opinions issued under the Endangered Species Act for Chlorpyrifos, Diazinon and Malathion. The EPA is required to consult under the ESA during registration review of all pesticides, however the process is broken, resulting in unrealistic alternatives and mitigation efforts. NAWG continues to work for a workable ESA review process for pesticides and met with Acting EPA Administrator Andrew Wheeler to ask for EPA support in working with the Department of Interior and the Department of Commerce to develop a better review process and stress the importance of this issue to wheat growers.

Environment and Renewable Resources

The final Farm Bill included Inter-Agency work group between EPA, USDA, and the Departments of Interior and Commerce, and the Council on Environmental Quality, requiring a report back to Congress on the progress in developing a strategy to improve the Endangered Species Consultation process.

NAWG also worked with our crop protection company partners seeking passage of the Pesticide Registration Improvement Act. In February, NAWG sent a letter to the Hill in support of the Pesticide Registration Improvement Act of 2019 (PRIA). PRIA sets a schedule of chemical review at EPA and was supported by the registrants, but the legislation was stalled in Congress. PRIA passed the House and Senate in February and was signed into law in early March, providing funding for EPA to continue to review pesticide applications.

NAWG also participated in a Pest Management Dialogue sponsored by Field to Market. Pesticide use is increasingly a conversation with food companies that are receiving shareholder inquiries and interest in reducing pesticide use in the food companies' supply chain. Field to Market is exploring options to address requests from food companies about ways to respond to questions about pesticide use in the supply chain, but no decision has been made at this time.

NAWG provided written comments to an EPA comment period regarding the treated article exemption related to neonicotinoids. NAWG previously was engaged a court case on the same topic that challenged EPA's treated article exemption. NAWG supports EPA's position not to regulate treated seeds as pesticides, because the pesticide itself is already regulated. Environmental groups challenged the EPA in court and lost but have now petitioned EPA to take action to regulate the treated seeds as pesticides.

NAWG is educating congressional staff and Members of Congress on the importance of all pesticides. Several pieces of legislation have been introduced in the U.S. House of Representatives to alter the availability of certain crop protection tools. Glyphosate, Chlorpyrifos (Lorsban) and neonicotinoids all have legislation that would require action outside the EPA science-based review process. NAWG stresses the need for EPA to make science-based decisions, based on existing FIFRA and FFDCA health and safety requirements that protect farmers, workers, and consumers.

FARM BILL – CONSERVATION

With the Farm Bill reauthorization process well underway, NAWG worked with Congressional Staff on NAWG positions and worked with NAWG Board members to establish conference committee priorities for the association. NAWG staff circulated comparisons of the House and Senate passed Farm Bill Priorities and the NAWG Environment and Renewable Resources Committee held two calls to review the conservation titles of both bills and identify areas of focus for NAWG outreach as the Conference Committee worked to resolve the differences between the two bills. The NAWG Board passed the recommendations of the Environment and Renewable Resources Committee and NAWG officially conveyed the positions to the House and Senate Agriculture Committee member via letter in August 2018. NAWG also hosted informal Farm Bill conservation title discussions with other commodity group representatives in Washington, DC. NAWG remains in regular contact with Congressional staff conveying the policy priorities and gathering feedback on negotiations.

The Farm Bill conference report was released on December 10, 2018 and was quickly approved by the House and Senate and signed by the President 11 days later. NAWG developed a detailed [summary](#) document that can be found on the farm bill section of website.

Environment and Renewable Resources

The conservation provisions took steps to consolidate the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP), but in the end retained both programs. EQIP will include new stewardship payments and there will be increased funding for the program. CSP enrollment will be altered to allow for competitive application for new and renewing contracts, removing the cap on contract renewals. The Conservation Reserve Program was also continued with expanded acreage up to 27 million acres. USDA is directed to allocate 60% of available acres each year for enrolling in the conservation reserve based on historical state enrollment rates (FY07-16 enrollment). Rental rates are capped at 85% of country rental rates for general sign up and 90% for continuous sign up. State FSA committees can also recommend alternative rates with supporting information. The bill also expands the CRP haying and grazing provisions and adds two new pilot programs – CLEAR 30 for 30-year contracts for buffer type practices and a Soil Health Income Protection program that is specific to the Prairie Pothole region and limited to 50,000 acres and has a limited sign-up timeframe.

NAWG shifted to working on Farm Bill implementation after the bill was signed into law. NAWG filed comments, responding to USDA's request for comments and questions about specific farm bill provisions. NAWG also filed comments on a December 2018 interim final regulation from NRCS related to wetland and highly erodible land conservation compliance.

NAWG is in regular communications with USDA regarding Farm Bill implementation and the development of new programs. Most USDA conservation programs run by NRCS were allowed to continue as new regulations are being developed, but the general sign-up for CRP is not expected until December 2019. USDA is expected to release new regulations in the fall, but that timeline may slip due to internal USDA reviews.

WETLAND/HEL COMPLIANCE

USDA's Natural Resources Conservation Service released an interim final regulation to make changes to the wetland and highly erodible land conservation compliance regulations. The changes include updating definitions, including a new "best drained condition" definition, specifying precipitation data range, clarifying that determinations can be made on field or sub-field levels, not just tract level determinations, and several other provisions. The rule does not provide needed specification and practice identification for minimal effects wetland exemptions. The regulation is open for public comment for 60 days and the NAWG Environment Committee reviewed the proposal, held a conference call with NRCS and submitted comments on the regulation jointly with the American Soybean Association.

REGULATIONS

NAWG filed comments on the efforts to revise the 2015 Waters of the US Regulation (WOTUS) in August 2018. Due to a court decision, the Environmental Protection Agency's efforts along a two step process to repeal and replace the 2015 regulation were derailed. The Supreme Court decided that the nationwide stay (or restriction on implementing the regulation) would be lifted, putting the regulation into effect in 37 states. In January, the EPA took action to delay the effective date of the 2015 regulation until 2020, and the courts stopped that action. As a result, the stays (or restrictions on implementing the regulation) that were in place in some of the states that filed suit against the 2015 regulation remain in place, but others must comply with the regulation. Now, each state is treated differently when it comes to the implementation of the 2015 regulation. NAWG filed comments in August to stress the importance of revising the 2015 WOTUS regulation, supporting the EPA's efforts to repeal and replace the regulation.

Environment and Renewable Resources

The Environmental Protection Agency and the U.S. Army Corps of Engineers released a revised Waters of the U.S. regulation in December. NAWG Environment Committee Vice-Chair Eric Spates attended the announcement in Washington, DC. NAWG worked with a broad coalition of agriculture groups on comments to the EPA on the definition of Waters of the U.S. The detailed comments addressed several definitions that the EPA will put into regulations to create a new WOTUS regulation.

NAWG, working through the National Endangered Species Reform Coalition filed comments on three proposed regulations on Endangered Species reform. The revisions were related to Section 4(d) related to the scope of the take prohibitions to be applied, Section 7 consultation process and Section 4 related to criteria for the listing of species and the designation of critical habitat.

NAWG ENVIRONMENT AND RENEWABLE RESOURCES COMMITTEE

NAWG Environment and Renewable Resources Committee met in Tampa, Florida in October 2018. The committee review action on the Farm Bill, discussed minimal effects determination provisions, and positioning on Farm Bill conservation programs. The committee heard from Lee Hall, Bayer, regarding the European Union's change to the maximum residue level for Chlorpyrifos Methyl which effectively ends the use of Chlorpyrifos Methyl (Storicide II) on any grain being shipped to the EU. The committee also had a brief discussion of Endangered Species legislative efforts, with several proposal introduced in the House and a discussion draft circulating in the Senate.

The NAWG Environment Committee met Washington, DC and in Orlando to address policy, regulations and resolutions. The committee members provided input on the implementation of the 2018 Farm Bill and regulatory proposals from NRCS regarding wetland and highly erodible land conservation compliance provisions and the waters of the U.S. proposal. The committee also heard from the House and Senate Agriculture Committees regarding the schedule and priority issues. USDA NRCS and FSA shared with the committee the progress on farm bill implementation. Bayer attended the meeting to share information about the regulation of glyphosate and answer member question. The EPA's new Water of the US Regulation (WOTUS) was also discussed with the committee passing a resolution to support the new WOTUS regulation.

SUSTAINABILITY

NAWG is working to educate congressional offices on sustainability issues – conservation practice adoption, use of USDA conservation practices, ag technology and the efficiencies in agriculture and wheat production over the last 35 years. The U.S. House of Representatives created a Select Committee on the Crisis that is tasked with writing a report that will be released in 2020. NAWG and other commodity groups want to educate the staff and members of Congress about current agricultural practices and programs that are working well. Data from USDA and the Field to Market National Indicators report support positive environmental changes related to wheat production over 35 years, some of the points we are making are:

- Soil Conservation on wheat production in the United States improved over 30 percent on the Field to Market soil conservation indicator between 1980 and 2015.
- Adoption of conservation tillage practices for wheat have increased since the mid-1990s, with roughly 20 percent in reduced or no-till in 1985 increasing to close to 60 percent of wheat acreage in reduced or no-till in 2015.

Environment and Renewable Resources

- Wheat production in the United States improved almost 20 percent on the energy use indicator between 1980 and 2015.
- The irrigation water use, energy use, and greenhouse gas emissions indicators for wheat production have all improved on a per-bushel basis, with either steady or increasing per-acre trends.

As Congress continues to review policies focusing on climate change, NAWG will remain engaged to share NAWG positions supporting wheat growers. NAWG also remains engaged with Field to Market to represent wheat growers in sustainability discussions with the supply chain. NAWG attended the June Field to Market Plenary & General Assembly and met with wheat supply chain partners. Field to Market released a new strategic plan and project framework to allow for additional supply chain sustainability projects. The grower sector met during Commodity Classic and discussed the framework and the pest management issues.

NAWG also worked with growers to review the new Fieldprint Calculator, a revised software program that was released on September 28, 2018 and is available on the Field to Market website. NAWG also participated in a sustainability meeting hosted by the Corn Refiners Association to discuss sustainability in the agriculture sector.

NAWG Secretary David Milligan attended the Sustainability Summit in Denver, CO in November 2018. This event brings together representatives from several crop and livestock groups to focus on food chain sustainability efforts. During the meeting, ADM/Agribio/General Mills' Southern Plains wheat supply chain project in Kansas was awarded Field to Market's [Collaboration of the Year](#).

SOIL HEALTH

The National Wheat Foundation continued working on wheat grower participation in the Soil Health Partnership (SHP). SHP underwent staffing changes in 2018 that resulted in delays in some work, but NWF, SHP and General Mills held a meeting to plan out future actions and fulfillment of the General Mills Foundation grant to the NWF.

The National Wheat Foundation participated in the Soil Health Partnership (SHP) meeting in St. Louis in January. NWF Chairman Wayne Hurst highlighted the foundation's interest in soil health during the general session of the meeting. NWF also worked with SHP to develop a work plan for the wheat sites and information sheets regarding the foundation's participation in SHP. Additional meetings and follow up with General Mills were held regarding the foundation's work related to soil health.

NAWG submitted comments for the House Agriculture Committee's hearing on Soil Health focusing on our support of voluntary conservation programs and long-term productivity, profitability and sustainability – economically and environmentally. The testimony also addressed the National Wheat Foundation's investment in the Soil Health Partnership and research to more clearly show the links between soil health, wheat crop quality and yield.

Research and Technology

PROPOSED RULE PART 340 – APHIS STATUS ON REVISING BIOTECHNOLOGY REGULATORY PROCESS

During the first quarter, NAWG attended a meeting consisting of industry stakeholders that are members of a Coalition tracking and inputting the rule making process, on September 5, 2018. NAWG is a member of The Coalition, which is comprised of the major commodity associations and BIO, ASTA, Farm Bureau and others.

It should be noted that APHIS has been responsive to the industry to hold listening sessions to gather ideas. A good faith effort has been made, and has been obvious to the Coalition. APHIS stated their objective with the new rule is to ensure the introduction of new/novel GE plants are safe for plant health so they can protect the value of American agriculture.

During the fourth quarter (August 5, 2019), USDA's proposed rule for 7 CFR Part 340 "Introductions of Organisms and Products Altered or Produced Through Genetic Engineering Which are Plant Pests or Which There is Reason to Believe are Plant Pests" was made available for public review. NAWG [submitted comments](#) to the proposed rule (Docket No. APHIS-2018-0034) after careful review and input from members, Wheat Association State Executives and industry stakeholders.

NATIONAL WHEAT IMPROVEMENT COMMITTEE MEETING – 12/5/2018 - SECOND QUARTER

NAWG participated in the National Wheat Improvement Committee meeting on December 5th. Steve Joehl, NAWG's Research Director, serves as the Secretariat for the committee, a group of wheat technical experts (breeders and cereal grain pathologists) available to consult on emerging issues pertaining to wheat. It is also a Committee of wheat experts responsible to represent wheat issues on a national level to Congress, USDA and other stakeholders.) Chairman is Dr. Robert Zemetra, Oregon State University and Vice Chair is Dr. Eric Olson, Michigan State University.

In the daylong meeting held after the SCAB Forum in St Louis, MO., the NWIC discussed emerging wheat issues that have resulted from the previous year's crop. This committee serves to list wheat research needs to highlight during the March NWIC fly-in. This is the only annual meeting held by the group, and provides guidance to NAWG for research on a national level. Issues identified at the meeting to be considered for highlighting during the Research Fly In, which has been set for March 24-26, 2019, include:

1. Increased funding for the SCAB Initiative
2. Completion of Small Grains Genomic Initiative funding
3. Encourage the backfilling of vacant positions within USDA-ARS
4. To thank Congress on recognizing the need to fund Falling Number Research in 2018 at \$1M.

Research and Technology

THE AGRICULTURE IMPROVEMENT ACT OF 2018, THE FARM BILL, SIGNED INTO LAW

On December 20, 2018, President Trump signed the Bill into law. Wheat received a favorable increase for the US Wheat and Barley Scab Initiative, with an increase in the authorization to \$15M (from \$10 M) and a program-specific cap on Indirect Costs of 10% of funds provided by a grant for carrying out research under the Title.

These were two areas NAWG and the National Wheat Improvement Committee focused during Congressional discussions that needed attention. Congress came through on the requests by increasing the authorization and putting limits on Indirect Costs that would be charged against research grants. These two improvements into the Title will ensure Fusarium Head Blight (Head Scab) research funding is preserved for the life of the new Farm Bill.

NAWG COLLABORATING WITH THE NATIONAL AGRICULTURE GENOTYPING CENTER (NAGC) - THIRD QUARTER

NAWG's Board agreed to collaborate with the NAGC to seek federal funding for the development of a Predictive Modeling Tool for wheat, corn and soybeans. It will be national, multi-crop disease forecasting tool that aids on farm management decisions for specific crop diseases at various disease threshold levels. The PMT will consider annual post-harvest soil tests, and in-season monitoring of pathogens, to help with management decisions such as crop selection, hybrid/variety selection, cover crop selection, tillage options, use of seed treatments, use of foliar fungicides, and other agronomic tools to manage crop disease. The information will be highly individualized since it will be based on soil test data and pathogen monitoring techniques on a field by field basis. The information will be used by farmers, crop consultants and agronomic advisors to achieve the aforementioned project goals. The effort was approved at the Commodity Classic Board meeting on February 28th.

This project seeks \$7-million in FY 2020 funding from the U.S. Senate Appropriations Committee in Year 1, of a proposed multi-year program to develop a Predictive Modeling Tool (PMT Development) for diseases and mycotoxins affecting the U.S. crops, wheat, corn and soybeans, to better inform management decisions. Ultimately, other crops will be included in the project in subsequent years of research.

NATIONAL WHEAT IMPROVEMENT COMMITTEE LEGISLATIVE FLY-IN – THIRD QUARTER

NAWG coordinated and organized the National Wheat Improvement Committee's annual legislative Fly-In recently. Steve Joehl, NAWG's Research Director, serves as the Secretariat for the committee, a group of wheat technical experts (breeders and cereal grain pathologists) available to consult on emerging issues pertaining to wheat. It is also a Committee of wheat experts responsible to represent wheat issues on a national level to Congress, USDA and other stakeholders. The outgoing Chairman is Dr. Robert Zemetra, Oregon State University and Vice Chair is Dr. Eric Olson, Michigan State University.

The Committee took to Capitol Hill to discuss the importance of wheat research and appropriations priorities for FY 2020.

Research and Technology

The National Wheat Improvement Committee (NWIC) is composed of 24 voting members whose mission is to communicate, educate and advocate on behalf of the scientific well-being of the U.S. wheat industry.

In addition to meeting with the majority and minority staffs for the House and Senate Agriculture Appropriations Subcommittees and Agriculture Committees, the NWIC members met with wheat industry stakeholders and federal congressional members during its annual Washington, DC Fly-In. The goal of the NWIC is to maintain an adequate wheat supply for the country and ensure the United States is a reliable source of premier quality wheat on the world market. The NWIC members are tasked with keeping its stakeholders and congressional offices updated on wheat research efforts and to raise awareness on current and future issues that affect the production and sale of wheat in foreign and domestic markets. The NWIC is comprised of 24 members representing regional public and private sector researchers, growers and the food processing industry.

NWIC'S SPECIFIC APPROPRIATIONS REQUESTS FOR FY 2020:

1. A funding increase of \$5.5 million for the US Wheat and Barley Scab Initiative (USWBSI) to bring the appropriated funding level to the \$15 million authorized for the USWBSI in the 2018 Farm Bill. This increase in funding would benefit USDA-ARS and land grant research efforts in thirty-one states. Additionally, we urge Congress to direct USDA to immediately implement the provision in the 2018 Farm Bill capping indirect costs for the USWBSI at 10 percent.
2. A funding increase of a total of \$940,000 for the ARS Small Grains Genomic Initiative (SGGI) to bring appropriated levels to the total \$3.44 million requested by both NWIC and the National Barley Improvement Committee.
3. The NWIC supports increasing the funding levels for NIFA Hatch Act to \$250 Million and maintaining Smith-Lever Formula Grants at \$300 Million in the FY2020 Agricultural Appropriations bill. The NWIC supports increasing the Agriculture and Food Research Initiative to \$445 Million in the FY2020 Agriculture Appropriations bill. Any increased funding for AFRI should not be at the expense of ARS funding or NIFA Hatch Act and Smith-Lever Formula grants. The NWIC supports the inclusion of funding for modernization of research facilities at land grant universities in the FY2020 Agricultural Appropriations bill.

International Trade

This past year has been unprecedented for international trade policy. President Trump has made international trade policy one of his central issue areas. NAWG's board, officers, states and staff have worked hard to communicate the importance of trade to U.S. wheat producers across the nation.

U.S.-MEXICO-CANADA TRADE AGREEMENT

As the President considered the possibility of pulling out of the North American Free Trade Agreement (NAFTA), NAWG communicated the importance of maintaining market access to Canada and Mexico with the Administration, Congress and media. During the U.S.-Mexico-Canada trade negotiations, NAWG met with the U.S. Trade Representatives (USTR) alongside the U.S. Wheat Associates to advocate for wheat growers. One of the top priorities for wheat was to fix Canada's grain grading standards to fairly treat U.S. wheat. The agreement text, signed on November 30, 2018, does update the grain grading language, however there will be additional work to be done after implementation on the Varietal Registration System (VRS). As of this report, the U.S. Congress and Canadian Parliament still need to ratify the agreement, Mexico's Congress ratified the agreement earlier in the year.

Currently, the House Democrats still have concerns with the agreement related to enforcement of labor and environmental provisions and pharmaceutical pricing. NAWG has been active on the hill to discuss the agreement and importance to agriculture and wheat producers urging for ratification before the end of the year.

As part of hill outreach Molly O'Connor participated on a briefing panel "USMCA and Agriculture Trade in North America" for House Agriculture Legislative Assistants where she spoke on the value of the Mexican market to U.S. wheat growers and the important change to Canadian grain grading process. The panel was hosted by Representatives Panetta (D-CA), Costa (D-CA), Bacon (R-NE) and Marshall (R-KS).

Trade was a constant top issue for discussion at the various wheat meetings. At the Winter Wheat Conference, the Joint International Trade Committee held a panel with the agriculture attaches from Canada and Mexico who expressed concerns on how the section 232 tariffs on steel and aluminum would hurt potential passage in their home countries. Fortunately, those tariffs were lifted. At Commodity Classic the leading agriculture organizations (NAWG, National Corn Growers Association, American Soybean Association and the National Sorghum Producers) announced their collective support of USMCA.

However, shortly after the tariff removal the Administration threatened a 5 percent tariff on Mexican goods in response to immigration concerns at the boarder which would have negatively affected USMCA movement forward, however the Administration decided not to move forward with these tariffs at the last minute.

NAWG has also signed onto many letters in the last year urging support of USMCA.

JAPAN AND OTHER POTENTIAL FTAS

Earlier in the fiscal year, USTR announced their intent to make trade agreements with Japan, the European Union, and the United Kingdom. The U.S. announced their intent to negotiate an agreement with Japan and have had serious conversations on what an agreement could look like.

International Trade

As the CPTPP countries have implemented the agreement, the need for an agreement with Japan is critical to remain competitive with Canada and Australian wheat. For any agreement with the EU and UK will depend upon the final Brexit outcome which is still pending.

CHINA

Over the past year the trade war between the U.S. and China has escalated. So far the U.S. has imposed tariffs with more than \$360 billion worth of Chinese goods, and China has retaliated with more than \$110 billion on U.S. goods. NAWG has responded to USTR directly and with multiple joint press releases with U.S. Wheat Associates on how this is hurting U.S. wheat growers. In addition, NAWG, American Soybean Association and the National Corn Growers Association released a joint statement opposing the most recent increase in tariffs. NAWG has also signed onto countless letters to the Administration. Both countries continue to threaten an increase in tariff levels later in the year. While tariffs and retaliatory tariffs remain in place, a raise in current tariffs continues to compound the situation.

WTO CASES

DOMESTIC SUPPORT PROGRAMS

On February 28, 2019, the WTO dispute panel ruled that the Chinese government payments to farmers for wheat exceeded China's aggregate measure of support (AMS) commitments and significantly distorts global wheat trade. This is a great win for US wheat growers around the country. China has decided to not appeal this case ruling and have requested time to come into compliance which the U.S. has agreed on. NAWG and USW will continue to monitor China's programs as they work to come into compliance.

ANNUAL TARIFF RATE QUOTAS

On April 18, 2019, the WTO dispute panel ruled that the Chinese government does not fairly administer its annual tariff rate quotas (TRQ) for imports of wheat, rice and corn. Currently China is not fulfilling 9.64 million metric tons of wheat in their TRQ commitment. This is another great win for U.S. wheat growers. China has decided to not appeal this case ruling and have requested time to come into compliance which the U.S. has agreed on. NAWG and USW will continue to monitor China's programs as they work to come into compliance.

BRAZIL

On March 19, 2019, the National Association of Wheat Growers (NAWG) and the U.S. Wheat Associates welcomed the announcement by President Trump and Brazilian President Jair Bolsonaro in which Brazil has agreed to implement a duty-free tariff rate quota (TRQ) for wheat, a longstanding obligation under Brazil's World Trade Organization (WTO) commitments. This agreement opens an annual opportunity for U.S. wheat farmers to compete on a level playing field for 750,000 metric tons (about 28 million bushels) of wheat under the TRQ.

Leading up to President Bolsonaro's visit NAWG worked with House and Senate offices on letters highlighting this issue and encouraging a solution during the visit. In the House, Congressman Marshall led a letter that gained 10 signatures from other hard red winter wheat states delegations. In the Senate, Senator Moran led a letter for the Kansas Senators and then another letter to include other hard red winter wheat states that gained 11 signatures. NAWG and the U.S. Wheat Associates are monitoring for implementation of the TRQs.

International Trade

FOOD AID

The passage of the 2018 Farm Bill included continuation of two food aid programs important to wheat. These include the Food for Peace program which continues to provide in-kind food aid as the base of the program and continues the 20 percent flexibility from the 2014 Farm Bill and authorizes the program at \$2.5 billion each year. The Food for Progress program continues to support countries that are looking to expand trade and bolster their agricultural economies. The final bill keeps commodity donations as the main part of Food for Progress but creates a pilot project to study the effectiveness of providing direct financial assistance for development projects.

During the appropriations process, NAWG joined a letter with over 75 other food, maritime and non-profit groups to support funding of international food aid programs. The letters were sent to leadership of the House Appropriations Committee and Senate Appropriations Committee's Subcommittee on Food and Agriculture. Among the programs, was support of Food for Peace and Food for Progress, both which purchase U.S. wheat to be sent to those in needs. Often times the largest commodity that is purchased in these programs are wheat.

FY2018-2019 Industry Partners Council

The NAWG Industry Partners Council (IPC) is comprised of representatives from our value chain partners who participate in the five levels of IPC engagement. Companies and organizations can achieve these levels through a single-funded NAWG program, project or a combination of multiple-funded NAWG programs or projects.

For more information on how to join, visit: www.wheatworld.org/about-us/industry-partners/



Science For A Better Life



Agriculture Division of DowDuPont



U.S. CUSTOM HARVESTERS, INC.



National Association of Wheat Growers

Balance Sheet

As of June 30, 2019

	<u>Jun 30, 19</u>	<u>Jun 30, 18</u>
ASSETS		
Current Assets		
Checking/Savings		
1072 · Bill.com Money Out Clearing	3,400.00	0.00
11500 · Capital One - Reserve	50,794.30	50,483.68
12000 · Capital One Checking	320,031.25	180,667.52
12500 · Foundation -- Due/to From	0.00	173,956.20
Total Checking/Savings	<u>374,225.55</u>	<u>405,107.40</u>
Accounts Receivable	151,850.00	287,259.58
Other Current Assets		
12100 · NWF Due To/From	120,354.53	0.00
13000* · Prepaid Expenses	28,640.45	27,062.30
Total Other Current Assets	<u>148,994.98</u>	<u>27,062.30</u>
Total Current Assets	675,070.53	719,429.28
Fixed Assets		
15000 · Furniture and Equipment	176,755.51	170,112.36
17100 · Accum Depr - Furn and Equip	-164,551.43	-156,578.20
Total Fixed Assets	<u>12,204.08</u>	<u>13,534.16</u>
TOTAL ASSETS	<u><u>687,274.61</u></u>	<u><u>732,963.44</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	21,526.52	12,914.23
Credit Cards	9,866.79	14,540.38
Other Current Liabilities		
21100 · Deferred Revenue - Dues	7,500.00	10,249.70
23000 · Other Payroll Liabilities	4,900.86	2,329.16
24100 · Accrued Liability		
24100* · Accrued Vacation	24,673.08	22,135.19
24101 · Accrued Expenses	9,557.02	16,694.45
24200 · Accrued NEC Contribution	23,563.10	22,673.51
Total 24100 · Accrued Liability	<u>57,793.20</u>	<u>61,503.15</u>
25000 · Due to WheatPAC	1,000.00	0.00

National Association of Wheat Growers

Balance Sheet

As of June 30, 2019

Total Other Current Liabilities	<u>71,194.06</u>	<u>74,082.01</u>
Total Current Liabilities	<u>102,587.37</u>	<u>101,536.62</u>
Total Liabilities	102,587.37	101,536.62
Equity		
32000 · Unrestricted Net Assets	631,426.82	777,804.22
Net Income	<u>-46,739.58</u>	<u>-146,377.40</u>
Total Equity	<u>584,687.24</u>	<u>631,426.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>687,274.61</u></u>	<u><u>732,963.44</u></u>

National Association of Wheat Growers
Profit & Loss vs Annual Budget Overview
 July 2018 through June 2019

	Jul 18 - June 19	Total Budget FY 18-19	\$ Over Budget	% of Budget
Income				
4000 · Dues - States Associations				
4001 · Dues - Alabama	11,000.00	11,000.00	0.00	100.00%
4002 · Dues - California	8,000.00	8,000.00	0.00	100.00%
4003 · Dues - CO Assoc	16,500.00	16,500.00	0.00	100.00%
4004 · Dues - Kansas	229,000.00	229,000.00	0.00	100.00%
4005 · Dues - Kentucky	27,000.00	27,000.00	0.00	100.00%
4006 · Dues - Maryland Grain	13,000.00	13,000.00	0.00	100.00%
4007 · Dues - Michigan	32,000.00	32,000.00	0.00	100.00%
4008 · Dues - Minnesota	60,000.00	60,000.00	0.00	100.00%
4009 · Dues - Nebraska Wheat	44,000.00	44,000.00	0.00	100.00%
4011 · Dues - North Carolina	26,000.00	26,000.00	0.00	100.00%
4012 · Dues - North Dakota Grain	107,500.00	107,500.00	0.00	100.00%
4013 · Dues - Ohio	31,000.00	31,000.00	0.00	100.00%
4014 · Dues - Oregon Wheat Growers	36,000.00	36,000.00	0.00	100.00%
4015 · Dues - Oklahoma	78,000.00	78,000.00	0.00	100.00%
4016 · Dues - Texas Wheat	64,000.00	64,000.00	0.00	100.00%
4018 · Dues - Washington Grain	52,000.00	52,000.00	0.00	100.00%
4019 · Dues - Wyoming Wheat	3,000.00	3,000.00	0.00	100.00%
4103 · Dues - Montana Grain Growers	148,000.00	148,000.00	0.00	100.00%
4110 · Dues - Illinois	500.00	500.00	0.00	100.00%
4000 · Dues - States Associations - Other	0.00			
Total 4000 · Dues - States Associations	986,500.00	986,500.00	0.00	100.00%
4100 · Dues -State Commissions				
4101 · Dues - CO Wheat Admin	49,500.00	49,500.00	0.00	100.00%
4102 · Dues - Idaho Wheat Commission	77,000.00	77,000.00	0.00	100.00%
4104 · Dues - SD Wheat Comm	74,000.00	74,000.00	0.00	100.00%
4105 · Washington Grain Commission	52,000.00	52,000.00	0.00	100.00%
Total 4100 · Dues -State Commissions	252,500.00	252,500.00	0.00	100.00%
4200 · General Support				
4200.2 · Agri-Pulse Sponsorship	14,000.00	23,000.00	-9,000.00	60.87%
4200.3 · Meeting Sponsorship	88,971.50	53,000.00	35,971.50	167.87%
4200.4 · Monsanto Leadership Training	25,000.00	25,000.00	0.00	100.00%
4200 · General Support - Other	67,500.00	65,000.00	2,500.00	103.85%
Total 4200 · General Support	195,471.50	166,000.00	29,471.50	117.75%
4300 · Conference and Meeting				
4303 · Commodity Classic Rebate	24,549.61	21,000.00	3,549.61	116.90%
4304 · Commodity Presidents Reception	0.00	35,000.00	-35,000.00	0.00%
Total 4300 · Conference and Meeting	24,549.61	56,000.00	-31,450.39	43.84%
4400 · Programs and Special Projects				
4401 · Crop Life Environmental Grant	15,000.00	15,000.00	0.00	100.00%
4403 · CME - AMAC Stipend	11,183.88	0.00	11,183.88	No Budget

National Association of Wheat Growers
Profit & Loss vs Annual Budget Overview
 July 2018 through June 2019

	Jul 18 - June 19	Total Budget FY 18-19	\$ Over Budget	% of Budget
Total 4400 · Programs and Special Projects	26,183.88	15,000.00	11,183.88	174.56%
4500 · Management Fees				
4500 · Management Fees - Other	190,324.08	190,324.40	-0.32	100.00%
Total 4500 · Management Fees	190,324.08	190,324.40	-0.32	100.00%
45500 · Income - Other	0.00	0.00	0.00	No Budget
4404				
4404 - Interest Income	310.62	600.00	-289.38	51.77%
Total 4700 · Other Types of Income	0.00	600.00	-600.00	0.00%
4900 · PAC Administrative Fund	4,000.00	0.00	4,000.00	No Budget
Total Income	1,679,839.69	1,666,924.40	12,915.29	100.77%
Gross Profit	1,679,839.69	1,666,924.40	12,915.29	100.77%
Expense				
5000 · Wheat Pac Administration	5,226.84	0.00	5,226.84	No Budget
5100 · Payroll Expenses	818,640.98	846,338.52	-27,697.54	96.73%
6000 · Professional Services				
6001 · Accounting Fees	74,782.92	45,000.00	29,782.92	166.18%
6002 · Legal Fees	24,000.00	24,000.00	0.00	100.00%
6003 · Meeting Planning	7,158.15	21,000.00	-13,841.85	34.09%
6004 · Auditing Fees	8,400.00	8,500.00	-100.00	98.82%
6006 · Sr Policy Services	72,000.00	72,000.00	0.00	100.00%
6009 · Research & Tech Consultant	60,000.00	60,000.00	0.00	100.00%
6011 · IT Services	12,190.22	20,000.00	-7,809.78	60.95%
9006 · Part-time Lobbyist	80,000.00	80,000.00	0.00	100.00%
Total 6000 · Professional Services	338,531.29	330,500.00	8,031.29	102.43%
6500 · Office Expense				
6501 · Office Supplies	7,703.38	8,000.00	-296.62	96.29%
6502 · Kitchen Supplies	396.14	1,000.00	-603.86	39.61%
6503 · Equip Rental and Maintenance	5,274.59	9,000.00	-3,725.41	58.61%
6505 · Graphic Design	1,414.30	0.00	1,414.30	No Budget
6506 · Printing and Duplicating	3,636.62	3,000.00	636.62	121.22%
6507 · Cable	1,411.47	2,500.00	-1,088.53	56.46%
6508 · Furniture & Equipment Expense	809.76	6,500.00	-5,690.24	12.46%
6509 · Postage, Mailing Service	4,232.69	3,500.00	732.69	120.93%
6510 · Teleconference, texting svcs	24,428.08	21,000.00	3,428.08	116.32%
6511 · Office Insurance	14,237.85	12,000.00	2,237.85	118.65%
6512 · Rent Expense	77,073.72	77,330.64	-256.92	99.67%
6500 · Office Expense - Other	2,183.33	0.00	2,183.33	No Budget
Total 6500 · Office Expense	142,801.93	143,830.64	-1,028.71	99.28%
65200 · Depreciation Expense	7,973.23	0.00	7,973.23	No Budget
68300 · Travel				
68310 · Travel - Officers				
68310-1 · Officers - Air	14,124.95	9,300.00	4,824.95	151.88%

National Association of Wheat Growers
Profit & Loss vs Annual Budget Overview
 July 2018 through June 2019

	Jul 18 - June 19	Total Budget FY 18-19	\$ Over Budget	% of Budget
68310-2 · Officers - Hotels	10,099.21	6,200.00	3,899.21	162.89%
68310-3 · Officers - Meals	1,493.30	1,575.00	-81.70	94.81%
68310-4 · Officers Travel - Cabs/Ubbers	2,167.07	0.00	2,167.07	No Budget
68310-5 · Officers - Parking	412.05	0.00	412.05	No Budget
68310 · Travel - Officers - Other	2,542.75	0.00	2,542.75	No Budget
Total 68310 · Travel - Officers	30,839.33	17,075.00	13,764.33	180.61%
68320 · Travel - Staff				
68320-1 · Staff Travel - Air	9,759.10	14,850.00	-5,090.90	65.72%
68320-2 · Staff Travel - Hotel	7,376.79	8,900.00	-1,523.21	82.89%
68320-3 · Staff Travel - Meals	8,862.77	3,250.00	5,612.77	272.70%
68320-4 · Staff Travel -Cabs/Uber	7,930.45	0.00	7,930.45	No Budget
68320-5 · Staff - Parking	346.00			
68320 · Travel - Staff - Other	287.35	0.00	287.35	No Budget
Total 68320 · Travel - Staff	34,562.46	27,000.00	7,562.46	128.01%
68331 · Travel - Staff - Local	616.03	2,250.00	-1,633.97	27.38%
Total 68300 · Travel	66,017.82	46,325.00	19,692.82	142.51%
69000 · Conferences and Meetings				
69010 · Summer Board Meeting	0.00	5,000.00	-5,000.00	0.00%
69020 · Fall Board Meeting				
69020-0 · Fall Mtg - Meeting Costs	44,515.25	30,000.00	14,515.25	148.38%
69020-1 · Fall Mtg - Officers Air	3,739.63	4,500.00	-760.37	83.10%
69020-2 · Fall Mtg - Officers Hotel	3,690.72	6,000.00	-2,309.28	61.51%
69020-3 · Fall Mtg - Officers Meals	370.54	1,200.00	-829.46	30.88%
69020-4 · Fall Mtg - Staff Air	1,696.50	4,000.00	-2,303.50	42.41%
69020-5 · Fall Mtg - Staff Hotel	4,690.14	5,000.00	-309.86	93.80%
69020-6 · Fall Mtg - Staff Meals	1,481.00	1,000.00	481.00	148.10%
69020-7 · Fall Board Meeting - Attrition	10,063.00	0.00	10,063.00	No Budget
Total 69020 · Fall Board Meeting	70,246.78	51,700.00	18,546.78	135.87%
69030 · Winter Board Meeting				
69030-0 · WWC - Meeting Costs	78,872.42	62,000.00	16,872.42	127.21%
69030-1 · WWC - Officer Air	779.40	3,000.00	-2,220.60	25.98%
69030-2 · WWC - Officers Hotel	11,682.23	8,000.00	3,682.23	146.03%
69030-3 · WWC - Officer Meals	66.48	2,000.00	-1,933.52	3.32%
69030-4 · WWC - Staff Travel	614.52	1,400.00	-785.48	43.89%
69030-5 · WWC - Officer Cabs/Ubbers	1,083.56	0.00	1,083.56	No Budget
69030-6 · WWC - Staff Cabs/Ubbers	507.81	0.00	507.81	No Budget
69030-7 · WWC - Staff Hotel	339.10	0.00	339.10	No Budget
69030-8 · WWC - Staff Air	720.92	0.00	720.92	No Budget
69030-9 · WWC - Staff Meals	197.03	0.00	197.03	No Budget
69030 · Winter Board Meeting - Other	386.28	0.00	386.28	No Budget
Total 69030 · Winter Board Meeting	95,249.75	76,400.00	18,849.75	124.67%
69040 · Industry Meetings	366.55	15,000.00	-14,633.45	2.44%

National Association of Wheat Growers
Profit & Loss vs Annual Budget Overview
 July 2018 through June 2019

	Jul 18 - June 19	Total Budget FY 18-19	\$ Over Budget	% of Budget
69050 · Commodity Classic				
69050-0 · CC - Meeting Costs	45,710.09	70,000.00	-24,289.91	65.30%
69050-1 · CC - Officers Air	2,366.01	5,000.00	-2,633.99	47.32%
69050-2 · CC -Officers Hotels	5,770.16	6,625.00	-854.84	87.10%
69050-3 · CC - Officers Meals	481.97	1,200.00	-718.03	40.16%
69050-4 · CC -Staff Air	2,455.47	5,000.00	-2,544.53	49.11%
69050-5 · CC - Staff Hotel	7,324.51	4,375.00	2,949.51	167.42%
69050-6 · CC - Staff Meals	4,995.22	1,300.00	3,695.22	384.25%
69050-7 · CC - Officers Cabs/Uber	330.39	0.00	330.39	No Budget
69050-8 · CC - Staff Cabs/Uber	363.73	0.00	363.73	No Budget
69050 · Commodity Classic - Other	4,374.27	0.00	4,374.27	No Budget
Total 69050 · Commodity Classic	74,171.82	93,500.00	-19,328.18	79.33%
69051 · Officers Retreat	4,461.49	9,500.00	-5,038.51	46.96%
69000 · Conferences and Meetings - Other	4,272.77	0.00	No Budget	100.00%
Total 69000 · Conferences and Meetings	248,769.16	251,100.00	-2,330.84	99.07%
8100 · Other Operating Expenses				
8101 · Staff Development	887.90	4,000.00	-3,112.10	22.20%
8102 · Bank and Credit Card fees	1,275.59	2,500.00	-1,224.41	51.02%
8100 · Other Operating Expenses - Other	502.50	0.00	502.50	No Budget
Total 8100 · Other Operating Expenses	2,665.99	6,500.00	-3,834.01	41.02%
8500 · Communication Projects				
8501 · Coalitions	13,570.00	11,000.00	2,570.00	123.36%
8502 · Commodity Classic Booth	5,552.99	0.00	5,552.99	No Budget
8503 · Commodity Classic Registration	190.00	0.00	190.00	No Budget
8504 · Media Outreach	331.61	0.00	331.61	No Budget
8507 · Website	207.34	1,980.00	-1,772.66	10.47%
8508 · Subscriptions	48,941.57	53,552.00	-4,610.43	91.39%
8509 · Dues	13,772.00	5,850.00	7,922.00	235.42%
8510 · Sponsorships	4,876.78	6,820.00	-1,943.22	71.51%
8500 · Communication Projects - Other	6,263.07	10,000.00	-3,736.93	62.63%
Total 8500 · Communication Projects	93,705.36	89,202.00	4,503.36	105.05%
9000 · Government Affairs				
9004 · Congressional Awards	1,300.69	2,000.00	-699.31	65.03%
Total 9000 · Government Affairs	1,300.69	2,000.00	-699.31	65.03%
900000 · Misc Expenses	945.98	500.00	445.98	189.20%
Total Expense	1,726,579.27	1,716,296.16	10,283.11	100.60%
Net Income	-46,739.58	-49,371.76	2,632.18	94.67%