



# Annual Report

## July 1, 2019 to October 1, 2019

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# Letter from Chandler Goule CEO, NAWG

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

*NAWG had a busy start to the summer holding multiple Board and Committee calls during the month of July to resolve the situation with North Dakota. Although they decided to no longer be a member of the NAWG family, we continued to push forward a more productive and stronger organization, and hopefully down the road they will decide to come back into the fold.*

*In September, NAWG had a very productive meeting with Syngenta North America's leadership to discuss the wheat industry outlook, the Syngenta seed and crop protection business, and ways in which the organizations can work together.*

*Also in September, NAWG coordinated a USMCA fly-in for the NAWG Board of Directors and State Executives. The group had an opportunity to meet with high-level representatives from the Administration as well as carry out several Hill meetings. The group also had a chance to participate in a Farmers for Free Trade USMCA rally on Thursday, September 12 on the Mall.*

*During the month of October, as co-chair of the CEO Council, I attended their quarterly meeting, where we discussed trade and other NAWG's priorities for the remaining 2019. The mission of the CEO Council is to coordinate alignment on core issues of modern agricultural systems through telling our story, sharing information and leveraging our strengths, while serving as a resource for government decision makers and others interested in USA food, fiber and renewable fuels.*

*Overall, NAWG is off to a successful start to the first quarter of our fiscal year, and we look forward to kicking off the second quarter with our Strategic Planning Session.*

*Sincerely,*

*Chandler Goule*



# Regular Communications, Outreach, and Partnerships

As of the FY19-20 first quarter, NAWG has officially become a partner of the US Farmers & Ranchers Alliance (USFRA). USFRA brings together CPGs, NGOs, scientists, and agribusiness with the ultimate food change agents: U.S. farmers and ranchers. These influential farm innovators are working from the ground up, collaborating with food makers on what must happen, what can feasibly happen and how we can activate change.

USFRA has developed a short, five-minute film that underscores the important role agriculture plays in combatting climate change. The [film, titled “30 Harvests,”](#) features two farmers, Jay Hill and Meagan Kaiser, as they articulate the challenges farmers face while embracing the opportunity to positively impact the environment. USFRA launched the film through social and traditional media outreach on Thurs., August 15, 2019.

Additionally, to support the film’s primary message, USFRA introduced a scientific white paper, [“The Power of Resiliency in Agriculture’s Ecosystem Services.”](#) The white paper is an analysis of many different sets of data that illustrate the role agriculture plays in nourishing a growing population while supporting a sustainable and dynamic food supply chain.

On September 3, 2019, the American Seed Trade Association (ASTA) and CropLife International (CLI) officially launched [the third video](#) in their plant breeding innovation series. This video focused on wheat/gene editing and includes an interview of Marsha Boswell from Kansas Wheat.

We encourage you to continue to promote the video through your channels and networks using #JustGrowIt! Social media posts, the trailer, and related graphics can be accessed via [Dropbox](#).

Later in September, Farmers for Free Trade held a rally on Capitol Hill to raise support for the U.S.-Mexico-Canada Agreement (USMCA). Members of Congress, including House Committee on Agriculture Chairman Collin Peterson and Ranking Member Congressman Mike Conaway, as well as farm leaders attended the event to discuss how USMCA provides growers with improved market access while maintaining the zero-tariff platform.

With NAWG being a member of Farmers for Free Trade (FFT), President Ben Scholz was slated to provide brief remarks during the rally. Former Board of Director and Montana wheat farmer Michelle Erickson-Jones also participated in a FFT trade panel which took place the following day. Additionally, NAWG tacked on a trade fly-in to complement the Farmers For Free Trade Rally. Read our release here: <http://bit.ly/2ZRLRvH> and follow us on Twitter (@wheatworld) with the hashtags #WheatinDC, #Rally4USMCA, and #USMCANow to see pictures from the event.

NAWG carried out more than 24 media interviews this past quarter. We continue to have our bi-weekly regularly scheduled calls with Ken Rahjes, and nearly monthly calls with Barn Media. Other outlets that NAWG is in regular communications with are Agri-Pulse, Bloomberg, Politico, RFD-TV, Red River Farm Network, and WNAX just to name a few. A reminder that if states have regularly scheduled calls with media and can’t fill them, please reach out to NAWG and we will be glad to provide an officer or staff to take the interview.

As we head into the second quarter, NAWG would like to remind the states that the 2020 Commodity Classic is right around the corner. In preparation for Classic, a variety of [marketing assets](#) for the show have been posted to the site and are continually updated.

# Regular Communications, Outreach, and Partnerships

## NAWG ANNUAL REPORT FIRST QUARTER PRESS RELEASES

- July 25, 2019: [RELEASE: NAWG Responds to USDA's Announcement on Another Round of MFP Payments for Farmers](#)
- July 31, 2019: [PRESS RELEASE: NAWG Member Testifies on Importance of Grain Inspection System for U.S. Export Markets](#)
- August 06, 2019: [RELEASE: NAWG Submits Comments to USDA's Proposed Rule Changes to Proposed Rule on GE Plants](#)
- August 26, 2019: [Joint Statement from USW and NAWG Wheat Industry Welcomes U.S.-Japan Trade Deal](#)
- September 03, 2019: [PRESS RELEASE: NAWG Submits Comments to EPA's Interim Registration of Glyphosate](#)
- [PRESS RELEASE: NAWG Participates in Widely Attended Rally Supporting USMCA on Capitol Hill](#)
- [JOINT PRESS RELEASE: U.S.-Japan Tariff Agreement is a Good Deal for Wheat Farmers and Their Customers](#)

# Farm Bill, Ag Appropriations, Transportation, and Tax

The first quarter began and ended busy for NAWG in Washington, DC, as we continued to work on Farm Bill implementation, engage the White House and Congress on trade mitigation and the USMCA, and advocate wheat priorities for reauthorizing the Grain Standards Act and for FY2020 Agriculture Appropriations bill funding priorities. During August, Congress was in recess, and the NAWG developed a Congressional Recess Toolkit containing trade and USMCA talking points and example social media posts for NAWG members so they could engage with freshman Democrats while they were back in their districts. USMCA has been front and center as negotiations have continued between the White House and a working group in the House on a path forward for Congressional consideration, and NAWG members were in town in early September educating members about why the USMCA is important for wheat.

Heading into the upcoming quarter, NAWG will continue to work hard on Farm Bill implementation, educate freshman members on the importance of USMCA, monitor trade mitigation programs, and ensure our priorities are reflected in a long-term FY2020 appropriations bill.

## 2018 FARM BILL IMPLEMENTATION

In early July, NAWG staff and members of the Washington Association of Wheat Growers visited FSA and the National Agricultural Statistics Service (NASS) to discuss a number of issues, including ARC and PLC sign-ups, as well as the survey data used in those programs. FSA stated during these visits that farm bill implementation was on track with sign up for ARC and PLC expected to begin in September for the 2019 crop year. And USDA is also starting sign-up for ARC and PLC for the 2019 crop year on September 3, with important changes included in the 2018 Farm Bill. USDA also announced the enrollment period for the 2020 crop year would run from October 7, 2019, and end June 30, 2020. NASS provided an overview of their survey process.

## CROP INSURANCE AND DISASTER AID

In our northern states, we continue hearing about issues with falling numbers. We've been helping folks understand options related to crop insurance and basic background about what falling numbers is and how it's tested. Collaboratively with several state associations and other commodity organizations, we began engaging FSA and RMA about possible options to provide aid to growers impacted by excessive moisture causing severe quality problems. Those efforts continued into the second quarter.

This summer we also held conference calls with RMA regarding implementation of a provision we successfully included in the Farm Bill directing the agency to develop new options for growers who experience quality loss. In July, RMA presented an idea to other stakeholders to gather feedback and provided an estimated calculation of the price of the quality loss provision. The cost is similar to that of yield exclusion policies. RMA stated that next steps will include finishing presentations similar to what they did for the NAWG Board to remaining stakeholders of the policy, work internally on preparations and ultimately seek approval for the policy which would be offered earliest in June of 2020 for the 2021 crop year. However, the policy would allow farmers who have filed notice of losses to retroactively apply the policy to their 10-year APH. The agency concluded in September their process for gathering input from stakeholders, and we will continue to engage with RMA as they move forward with making this option available to growers.

# Farm Bill, Ag Appropriations, Transportation, and Tax

## APPROPRIATIONS AND BUDGET ACTIVITY

During the last week of September, Congress approved a continuing resolution to fund the federal government through November 21, 2019. [At this time, Congress is operating under another CR, which expires December 20, 2019.] Additionally, on September 19, the Senate Appropriations Committee unanimously advanced their FY 2020 Agriculture Appropriations Bill – the House acted on their own version in June – which fully funds the Wheat and Barley Scab Initiative at \$15 million (the fully authorized funding level), an increase of \$5.5 million from FY2019. This is a big deal and is NAWG’s funding priority, as Congress has not to date fully funded the program. Additionally, the bill includes a \$1 million increase for the Small Grains Genomic Initiative, which was also one of our funding priorities for this year. Beyond those two programs, there were several other important initiatives funded and/or referenced in the bill report, including the importance of the wheat grading issue with Canada, \$7 million provided for a predictive modeling tool to help farmers combat crop diseases, continued funding regarding the Falling Numbers test, funding for resilient dryland farming research, funding for the farm and ranch stress assistance network, direction to USDA to provide grants to study trade barriers related to herbicide tolerances, and language highlighting the shipping delays caused by emergency lock repairs on the Columbia River.

In addition to continuing funding levels temporary until a full year appropriations bill could be agreed to, the CR included a provision that would refill funding for the Commodity Credit Corporation, which is the source of funds used to pay for MFP and Farm Bill programs. It was a temporary solution and Congress will need to address the issue on a longer-term basis.

## 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.

As part of NAWG’s involvement in the Ag Transportation Working Group, NAWG signed onto a letter which included U.S. Wheat Associates and a broad array of other ag organizations discussing the Surface Transportation Board’s efforts to modernize and reform the rail rate dispute process.

## WHEATPAC

While the past quarter consisted principally of outreach or contributions to new members from NAWG states and to those who sit on the House Agriculture Committee, this quarter is typically slower as members return to their district for August recess and in September schedules are tighter as Congress worked to pass a continuing resolution to keep the government open beyond September 30. Staff focused on drafting a strategic plan for WheatPAC for the upcoming cycle and we anticipate early 2020 to be a busy season.

# Environment and Renewable Resources

## CLIMATE CHANGE

The agriculture discussions related to climate change have been increasing both on and off Capitol Hill. The House Energy and Commerce Committee and the House Select Committee on the Climate Crisis are both seeking input from stakeholders about the impacts of climate change, with Energy and Commerce specifically putting together draft legislation and the Select Committee writing 2 reports due out in 2020. NAWG is working to identify areas of common ground to potentially weigh in on these processes.

NAWG met with the House and Senate Agriculture Committees majority and minority staff recently regarding climate change. The meetings were general and informative and focused on the efforts in the House Energy and Commerce Committee and the House Select Committee on Climate. NAWG also met several times with the House Energy and Commerce Committee staff and the House Select Committee on the Climate Crisis Staff.

Additionally, off the hill, there are several efforts that are looking at potential private carbon markets for carbon sequestration related to agricultural production practices (no-till, cover crops, etc). NAWG attended briefings from the Ecosystem Service Market Consortium and Indigo Ag. During a Farm Foundation Forum, ESMC released a study that assessed the potential for ecosystem credit market (carbon/GHG, water quality and water quantity) at \$13.9 billion and the Indigo Ag's Terraton Initiative seeks to sequester 1 trillion tons of carbon dioxide in soils across 12 billion acres. NAWG also participated in a discussion with Corteva as they were gathering input for their climate change/sustainability efforts. The NAWG Environment and Research Committee is reviewing information and will be providing input to guide NAWG's involvement in the policy discussion. The committee held a conference call in September to review this information and will continue discussions in future meetings.

## PESTICIDES

NAWG continued to undertake outreach meetings on Capitol Hill educating congressional staff on the importance of pesticides to wheat growers and the extensive regulatory review that all pesticides undergo before approval by the Environmental Protection Agency. NAWG stressed growers' understanding of EPA label restrictions and requirements on pesticide application and that growers follow the label requirements because the label is the law.

NAWG also worked with our industry partners to ensure that a variety of crop protection tools remain available, especially given threat by lawsuits – specifically attacking glyphosate and chlorpyrifos (Lorsban).

## SUSTAINABILITY

NAWG participated in several Field to Market events during this quarter. Field to Market: the Alliance for Sustainable Agriculture (FTM) hosted a Senior Executive Forum focusing on Climate Change with key leaders in the agriculture community participating. NAWG CEO Chandler Goule participated on behalf of NAWG during this session.

# Environment and Renewable Resources

FTM also hosted a cross sector dialogue bringing together diverse stakeholders from across the agricultural value chain. The discussion focused on: the emerging role of U.S. agriculture in climate change mitigation and adaptation strategies; how major agricultural companies and farmers are evaluating future financial impacts of climate change; the next generation of market-based approaches for greenhouse gas (GHG) mitigation in agriculture; and how farmers and consumer-facing brands are working together to meet GHG reduction goals.

## **SOIL HEALTH PARTNERSHIP**

The Soil Health Partnership (SHP) held two wheat farmer field days in Kansas and Minnesota. The National Wheat Foundation continues to participate on the SHP steering committee and science advisory panel to increase wheat's representation in the program.

## **APHIS**

NAWG submitted written comments on the Part 340 regulation related to the introduction of organisms and products altered or produced through genetic engineering which are plant pests or which there is reason to believe are plant pests. NAWG supported much of the administration's proposed regulation, but suggested continued oversight is needed for the regulation of plants producing industrials and pharmaceuticals and oversight of small-scale testing of Plant Incorporate Pesticides. NAWG also expressed concern about the impact to wheat export markets and the need for an international engagement strategy that defines USDA's rationale on pre-market regulatory approaches. Throughout the fall, NAWG will work with other stakeholders as APHIS moves forward with the regulatory process.

NAWG also participated in conference calls with APHIS and other interested parties regarding the identification of biotech wheat found in Washington State. NAWG continues to monitor the APHIS investigation surrounding the plants found in Washington.

# International Trade

On July 9, NAWG staff met with the White House Office of Management and Budget (OMB) to provide input on the Market Facilitation Program (MFP). U.S. Wheat helped in providing the latest estimate on tariff damages. We discussed these damages along with urging them to consider items that we addressed in a letter to Secretary Perdue in early June. Additionally, in late July the USDA announced more details of the [MFP](#). You can see an MFP round 2 map that was prepared by AFBF. Farmers were to go into their local FSA office to sign up for the program. The payments will be made in up to three tranches with the first being in mid-August and limited to 50% of the payment rate. You can read NAWG's press release [here](#).

In the run up to August recess, NAWG staff provided talking points and encouraged members to reach out to freshman Democrats while they were back in their states. In early September, NAWG members came to DC for Hill visits to talk about why USMCA is a win for wheat and to discuss the importance of the new trade agreement with Japan. On Thursday, September 12, Farmers for Free Trade held a rally in Washington, DC, welcoming the #MotorcadeForTrade tour bus home after 20,000 miles traveling across the United States. NAWG President Ben Scholz provided remarks during the rally. Additionally, Vice President Dave Milligan, former Board of Director Michelle Erickson-Jones, farmers and staff from our Texas association, and NAWG staff were in attendance and participated in the event.

In August, the Administration announced an agreement in principle with Japan on a new bilateral agreement, which would put U.S. farmers back on a level playing field with CPTPP countries, which is what NAWG has pursued with USW and is a big victory in one of our biggest export markets. Find our joint press [release here](#).

# FY2019-2020 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/](http://www.wheatworld.org/about-us/industry-partners/)



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