



FY20-21 Second Quarter Report
October 1, 2020 to January 1,
2021

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Letter from Chandler Goule CEO, NAWG

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

While the United States continues to deal with the Coronavirus pandemic, NAWG and its members remained productive during the FY2020-2021 second quarter. First, in November 2020, NAWG and USW held its Fall Conference. While NAWG participated in US Wheat's Fall Conference virtually, NAWG President Dave Milligan, Treasurer Cheyne and Secretary Felty attended the US Wheat Fall Conference in person in Sioux Falls, SD the following week. Due to the COVID-19 pandemic, the NAWG board agreed to hold the NAWG Fall Conference virtually, so we closely coordinated with US Wheat on being able to participate in all of the fall conference meetings hosted by both organizations.

In December, in coordination with the National Wheat Foundation Board of Directors, I hired Anne Osborne for the National Wheat Foundation Projection Manager position effective on January 1, 2021. Ms. Osborne is responsible for the operation of the National Wheat Yield Contest (NWYC) along with the management of the NWF Board of Directors' operations, and project development based off the National Wheat Action Plan.

Additionally in December, I participated in a variety of coalition meetings and calls throughout the month of December with groups such as the Farmers for Free Trade, USDA Ag Trade Advisory Committee and American Soybean Association and National Corn Growers Association CEOs.

In coordination with the American Soybean Association and National Corn Growers Association, the first week of January we hit the ground running by setting up virtual meetings with outgoing Trump Administration officials, which included Undersecretaries Northey, McKinney, Hutchins and Ibach. The purpose of these meetings was to thank the Undersecretaries for their service and seek insight as to the status of current and ongoing policy and regulatory issues and how we can be helpful to ensure these issues are addressed in the next Administration.

The second week of January I participated on an Ag CEO Council virtual meeting with incoming USTR Ambassador-designate Katharine Tai, where the Council congratulated Ambassador Tai on her nomination and provided commodity specific background and trade challenges facing each trade association.

Overall, NAWG is off to a successful start in 2021, and we look forward to advancing issues of importance to our members. Thank you to the NAWG Board of Directors and State Executives for all of their active participation this past year, and we look forward to continuing to advance the issues of importance to our members!

Sincerely,



Regular Communications, Outreach, and Partnerships

The nation continues to deal with the COVID-19 crisis during the FY2020-2021 second quarter. As a result, NAWG continued to distribute a weekly policy update specific to COVID-19, along with its weekly CEO report, to its Members.

During the FY20-21 second quarter, Commodity Classic announced that it will be moving the 2021 Conference to a completely virtual platform. Classic is scheduled to take place from 2-5, 2021. Registration will open Tuesday, January 26, 2021 at CommodityClassic.com. If you haven't already, sign up for email updates by clicking [here](#).

The National Wheat Foundation officially accepted applications for the Jerry Minore Scholarship during the second quarter. Sponsored by BASF, the Jerry Minore scholarship honors students pursuing a career in agriculture. Scholarship winners will be announced during the FY20-21 third quarter.

During the second quarter, NAWG also held its 2020 Fall Conference virtually. NAWG's annual conference kicked off with its Domestic and Trade Policy Committee (DTPC) meeting, where the Committee continued a discussion on rail rate policy, domestic farm programs with an eye towards Farm Bill reauthorization, Grain Standards Reauthorization Act, and reviewed its strategic plan and policy priorities. The Environment and Research Committee (ERC) received an appropriations and regulatory update, discussed research activities related to the USWBSI and National Predictive Modeling Tool Initiative, received an ESMC update, discussed USDA Ag Innovation Comment review, received a pesticide/glyphosate lawsuit update, and reviewed its strategic plan and policy priorities. Further, the Operations and Planning Committee discussed a strategic plan action item process for handling state requests as well as options for the 2021 Winter Meeting and Annual Meeting. The Budget Committee reviewed and approved the Q1 FY21 financials and draft 2019-20 audit results, reviewed the September 2020 Small Grain Report, and discussed the FY2021-2022 budget. Finally, at its full Board of Directors meeting, the Board received updates from the Policy Committees, along with reports from NAWG President Dave Milligan, NWF Chairman David Cleavinger, and NAWG CEO Chandler Goule.

On Thursday, November 9, 2020, the National Association of Farm Broadcasters (NAFB) held its annual Trade Talk. The 2020 Trade Talk was held virtually due to COVID-19. NAWG and U.S. Wheat Associates participated in the event and maintained a virtual trade booth. NAWG President Dave Milligan acted as the grower representative for the Association. Chairman Darren Padget acted as the grower representative for U.S. Wheat Associates. NAWG's topics of discussion for the media included 1) A Review of NAWG's 2020 Accomplishments, 2) NAWG's Remaining Priorities for 2020, and the 3) Impact of the 2020 Election on the Senate and House Ag Committees. USW's topics of discussion for the media included 1) Successfully Promoting Wheat Exports in a Pandemic, 2) Trade Policy Wins for U.S. Wheat Growers, and 3) Export Sales Set a Fast Pace in MY 2020/21.

Additionally, during the second quarter, the National Wheat Foundation officially announced the [national](#) and [state](#) winners for 2020 National Wheat Yield Contest. Read *DTN/The Progressive Farmer's* [article](#) profiling the top winners of this year's Contest. Note that *DTN/The Progressive Farmer* is the official publication of the National Wheat Yield Contest. The official hashtag for the National Wheat Yield Contest is #GreaterGrain.

Regular Communications, Outreach, and Partnerships

NAWG continued to handle media inquiries during the second quarter, the majority of which were focused on COVID-19 and USDA's Coronavirus Food Assistance Program (CFAP). Outlets included Agri-Pulse, Agview.net, Brownfield Ag, Capital Press, Red River Farm Network, and WNAX.

SECOND QUARTER NAWG AND NWF PRESS RELEASES

- October 08, 2020: [PRESS RELEASE: NAWG Announces Membership in Ecosystem Services Market Consortium \(ESMC\)](#)
- November 16, 2020: [PRESS RELEASE: NWF Announces National Winners for the 2020 National Wheat Yield Contest](#)
- November 22, 2020: [PRESS RELEASE: NWF Announces State Winners for the 2020 National Wheat Yield Contest](#)
- December 02, 2020: [PRESS RELEASE: Wheat Industry Welcomes Final Congressional Passage of the Grain Standards Reauthorization Act](#)
- December 09, 2020: [PRESS RELEASE: NAWG Congratulates Tom Vilsack's Nomination to Serve as Secretary of U.S. Department of Agriculture](#)
- December 15, 2020: [PRESS RELEASE: NAWG Shares Wheat Priorities with the Biden-Harris Transition Team](#)
- December 22, 2020: [PRESS RELEASE: NAWG Welcomes FY 2021 Omnibus and COVID-19 Relief Package](#)

COVID-19, Trade, Farm Bill/Disaster Aid, Ag Appropriations, Transportation, and PAC

NAWG has continued to be an effective advocate and engage with Capitol Hill, the Trump Administration, and the incoming Biden Administration transition teams. NAWG achieved several key wins in the second quarter, principally with the reauthorization of the Grains Standards Reauthorization Act, and also the FSA rolling out WHIP+ for quality loss and sign-up for CFAP 2.0 for all classes of wheat. Additionally, as the calendar year came to a close, NAWG began to strategize for engaging the incoming Congress and Administration. While there will certainly be change, NAWG has been proactive in laying the groundwork for educating new Members of Congress and a new USDA.

While federal and DC COVID-19 related guidance and directives have kept NAWG staff working remotely, our engagement with the stakeholder community, Capitol Hill, and key federal partners has remained robust. Virtual engagement has remained a key medium for conducting business, not only within NAWG, but it has provided the opportunity to continue seeing our contacts and partners on a regular basis.

117TH CONGRESS AND PRESIDENTIAL TRANSITION ENGAGEMENT

Following the outcome of the November 2020 General Election, in mid-November then President-Elect Biden's USDA Agency Review Teams began their outreach to stakeholders and NAWG joined those discussions to talk about our priorities for wheat. Prior to the election, the Ag CEO Council sent a white paper to both the Biden and Trump campaigns; following the outcome of the election, NAWG formulated a letter and detailed background memo for the Biden Transition Team. This memo outlined key policies NAWG would like to see retained from the Trump Administration, as well as an overview of several policy areas of importance for the coming years. Additionally, in December the Ag CEO Council, which is cochaired by NAWG's CEO, Chandler Goule, met with the Biden-Harris USDA Agency Review Team to discuss a number of issues and offer policy priorities for the incoming administration.

The NAWG staff has prepared our engagement of the new 117th Congress, which was scheduled to begin on January 3, 2021. Early in the new year we will communicate with Members of Congress and Senators with background information about NAWG and wheat generally, as well as on overarching policy topics.

COVID-19 RESPONSE

With the announcement of the Coronavirus Food Assistance Program (CFAP) 2.0 on September 18, which included all classes of wheat, NAWG continued to track issues that arose during sign-up, which ran from September 21, through December 11, 2020. In particular, NAWG had heard of isolated issues regarding yield data transfer between RMA and FSA and identifying Substantial Beneficial Interest. Additionally, there were some questions about implementation of the program for young/beginning farmers who did not have a 10-year production history. On October 8, NAWG staff met with FSA Administrator Richard Fordyce as well as senior staff for FSA and RMA regarding some issues that have arisen regarding CFAP. FSA noted they were aware of these issues and were actively working to resolve the issues. Agency officials indicated that a correction to the program would be issued early in 2021.

On October 16, NAWG staff joined a Farm Credit Council briefing on agricultural credit conditions, COVID-19's ongoing impact on farmers, ranchers, and rural communities, and how Farm Credit is supporting their customers throughout the pandemic.

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On December 23, NAWG signed onto a Paycheck Protection Program (PPP) Deductibility Coalition Letter to House and Senate leadership requesting legislation before the end of the year that includes technical corrections to address tax treatment of loan forgiveness under PPP.

WHIP+/CROP INSURANCE

During NAWG's October meeting with senior staff at FSA and RMA, NAWG also pressed about the timing for implementation of WHIP+ quality loss and they reiterated that they were on-track with implementation earlier this year, but the timing was affected by the onset of COVID-19 and the implementation of CFAP. In late October, the USDA made an announcement for applications for WHIP+ for 2018 and 2019 losses, excluding quality losses, which had yet to be implemented. This program compensates producers for losses due to hurricanes, floods, snowstorms, tornadoes, typhoons, volcanic activity, drought, excessive moisture, and wildfires. Quality loss coverage was expected to be implemented in late 2020 or early 2021.

In November, the RMA made the announcement for a new Enhanced Coverage Option (ECO) that would be available for 31 spring-planted crops in 2021 and others starting with the 2022 crop year. This new option allows policyholders to purchase additional area-based coverage for a portion of the deductible for their underlying yield- or revenue-based crop insurance policy.

GRAIN STANDARDS

A significant accomplishment for NAWG during this quarter was the successful shepherding of the Grain Standards Reauthorization Act (S. 4054) through Congress and across the President's desk. Grain Standards Reauthorization had been a policy priority for NAWG and a year and a half ago, NAWG was invited to testify before the Senate Agriculture Committee on the importance of the Grain Standards Act; Kansas wheat farmer, and current JITPC Chairman, Brian Linin, represented NAWG to give testimony.

After the Senate Agriculture Committee reported S. 4054 favorably out of committee in June 2020, this legislation was advanced by the full Senate on November 16. On December 2, House of Representatives passed the S. 4054, by voice vote, and it was signed into law by President Trump on December 11.

TRADE

In October, NAWG staff joined with other members of the Coalition to Promote U.S. Ag Exports in meeting with the offices of Rep. GT Thompson (R-PA), Rep. Rick Crawford (R-AR), and Rep. Marcy Kaptur (D-OH). The purposes of these meetings were to educate staff on the Market Access Program and Foreign Market Development program with an eye towards the next Congress. Additionally, NAWG participated in a full coalition meeting in November to discuss the activities and the outlook for 2021.

China

Since the signing of the China Phase 1 agreement U.S. wheat sales totaled more than 2.8 million tons, representing a near doubling of our long-term average annual sales to China. NAWG is continuing to monitor further developments from the domestic support case, which the WTO ruled in favor of the United States in 2019. However, China has yet to fully comply.

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USMCA

On December 9, NAWG signed onto a coalition letter to USTR Ambassador Lighthizer sharing our concerns with the US ITC's investigation into seasonal produce from Mexico, which could trigger Section 201 safeguard action. The letter highlighted Section 201 safeguard actions, taken without a legitimate cause, against Mexico and Canada would not only undermine the recently enacted USMCA but also invite retaliatory tariffs against U.S. agriculture and food exports to these critical markets.

EU

On November 4, the EU imposed tariffs on, among other things, US agricultural goods, totaling \$4 billion under the WTO ruling on US subsidies for Boeing civil aircraft. The EU is a top-10 market for U.S. wheat and the tariffs have severely impacted several U.S. customers with orders placed, but not yet shipped. NAWG has highlighted this concern both in writing and in meetings with senior Biden Administration officials.

Farmers for Free Trade

NAWG has continued its engagement with Farmers for Free Trade by participating in regular virtual Zoom meetings. Additionally, NAWG staff participated in FFT's virtual annual steering committee meeting in mid-December.

FOOD AID AND DIETARY GUIDELINES

In November, NAWG provided a legislative and regulatory update at the Food Aid Working Group meeting, which also had presentations from USDA and USAID staff on program updates, and the World Food Programme about their mission and the work they are doing to combat hunger globally.

In December, NAWG continued to work with the Grain Chain on reviewing messaging materials for the 2020 Dietary Guidelines for Americans, which were published in late December. The Dietary Guidelines for Americans provide nutritional recommendations for Americans and influence federal nutrition programs.

Additionally, in December NAWG sent a letter to Secretary Pompeo seeking to educate the Administration on the important role U.S. wheat plays in food aid delivered to Yemen. The letter came on the heels of reports that the State Department had been considering potentially issuing a "terrorist designation" on the Houthi rebels operating in Yemen. Since that time, NAWG has been in contact with U.S. Wheat Associates and the World Food Program about the potential impacts of food aid in the region.

BIOTECH AND RESEARCH

In October, NAWG participated in a USDA-ARS National Program Plant Diseases Stakeholder Workshop as they work to develop an updated 5-year action plan to guide ARS research on plant diseases for crops of major importance to the United States. This follows onto NAWG providing feedback to USDA-ARS in consultation with NWIC and the Environment and Research Committee (ERC) in September. Also, in October, USDA held a Plant Breeding Stakeholder comment period, which NAWG provided comment on as the department crafts its 2021-2026 USDA Plant Breeding Blueprint. This blueprint helps the USDA identify short and long-term goals and help direct funding for USDA's plant breeding activities. USDA held a follow on stakeholder meeting on November 10 for

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the 2021-2026 USDA Plant Breeding Blueprint.

In late October, NAWG participated in the National Predictive Modeling Tool Initiative's virtual Annual Meeting.

In December, NAWG staff joined the 2021 virtual US Wheat and Barley Scab Forum and participated in the Steering Committee meeting for the USWBSI. During the USWBSI Steering Committee meeting, staff provided legislative updates to the committee members. Following the Scab Forum, the National Wheat Improvement Committee (NWIC) held a two-day Annual Meeting, which was also virtual. NAWG President Milligan and NAWG staff provided an update to NWIC on our organizational activity, lobbying efforts, and outlook for NAWG/NWIC priorities in FY2021.

Also, in December, NAWG joined 25 other grower groups and agricultural organizations in submitting a public comment letter to the EPA on its draft PIP rule. Additionally, NAWG sent a letter to USDA's APHIS outlining some challenges for wheat related to the exemption process under the USDA's SECURE Rule as it relates to gene editing.

Throughout this quarter NAWG continued to participate in the monthly Agricultural Biotech Alliance meetings.

APPROPRIATIONS AND BUDGET ACTIVITY

For much of the quarter, the federal government was operating under a short-term Continuing Resolution, which was enacted on October 1, 2020. This short-term Continuing Resolution maintained FY2020 funding levels through December 11, 2020. Subsequently, three additional short-term Continuing Resolutions were signed into law as the Trump Administration and leaders in Congress negotiated a larger package, which included, among other things, COVID Relief and an Omnibus Appropriations package. Ultimately, the FY2021 Omnibus and COVID Relief and Response Act (H.R. 133) was signed into law on December 27, 2020.

On November 11, the Senate Appropriations Committee released all twelve of its FY2021 appropriations bills. The Senate had not released any drafts during the traditional appropriations timeframe as there had been continued partisan disagreements that prevented the committee from taking action, which was compounded with the ongoing focus on COVID-19 supplementals. In particular, the Senate Agriculture Appropriations draft bill maintained full funding for the U.S. Wheat and Barley Scab Initiative (USWBSI), kept funding for the National Predictive Modeling Tool (NPMTI) at \$5 million, and maintained funding for the Small Grains Genomic Initiative (SGGI) at \$3.44 million. Additionally, the Senate draft bill provided \$1 million for the National Science Foundation Industry-University Cooperative Research Centers Program research consortium—which will aid the Wheat Genetics Resource Center (WGRC) in Kansas.

Following release of the Senate draft appropriations bills, NAWG sent a letter to the four principal appropriators in Congress on November 23, which highlighted key wheat provisions in the House-passed bill and the bill released in the Senate. Specifically, this letter underscored the importance of maintaining funding for the USWBSI, NPMTI, and SGGI. This letter also highlighted the language included in the Senate-draft related to the WGRC, as well as the overarching funding levels related to the NIFA Hatch Act, Smith-Lever formula grants, and the AFRI competitive grants. The NAWG letter also highlighted the need for increased food aid programmatic funding and maintaining full funding for MAP/FMD. Also, on November 23, NAWG and the Kansas Association of Wheat Growers (KAWG) sent a joint letter to the four principals in support of the Senate-draft language related

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to the Industry-University Cooperative Research Centers Program, which would benefit the WGRC.

TRANSPORTATION AND INFRASTRUCTURE

On October 14, NAWG's Domestic and Trade Policy Committee held a virtual briefing to expand on the rail rate regulation discussion from earlier in the year. During the meeting the Committee heard from Dalton Henry at U.S. Wheat Associates who discussed U.S. Wheat Associates Transportation Working Group's comments on the STB's Final Offer Rate Review (FORR) proceeding and other related issues, as well as from Lochy Edwards from Montana who talked about Montana's rail arbitration system and his perspective on rail rate regulation.

On December 9, NAWG signed onto a coalition letter with 20 other agriculture organizations that followed up with Congressional leadership urging approval of the Water Resources Development Act (WRDA) of 2020. The original letter was sent in June 2020, but both letters support the cost share for inland waterways navigation projects is amended to 65:35 general revenue and Harbor Maintenance funding would be more accessible/unlocked for its intended purpose. The cost share adjustment and harbor maintenance provisions in WRDA play a vital role in providing resources to rehabilitate inland waterway navigation and harbor maintenance projects over the coming decade. The WRDA 2020 bill was included as part of H.R. 133, which was signed into law on December 27, 2020

Throughout this quarter NAWG continued to participate in the Waterways Council, Inc. legislative roundtable discussions.

WheatPAC

NAWG's second quarter entailed fewer overall events given nearly all of our PAC events were conducted in advance of the November 2, 2020 General Election. Fundraising continued in a virtual setting given the pandemic, which also afford roughly equal time for each participant during the fundraising event.

In October, WheatPAC participated in fundraisers for Congressman Devin Nunes (R-CA), Congressman Kevin Brady (R-TX), and Congresswoman Kay Granger (R-TX),

In December, WheatPAC participated in fundraisers for Senator Moran (R-KS) and Senator Thune (R-SD).

Environment and Renewable Resources

ENVIRONMENT AND RESEARCH COMMITTEE

The Committee met twice during the quarter, holding one meeting during the Fall Board meeting and once in December. During the November meeting, the committee discussed research, pesticide, conservation compliance, and climate issues. The committee's December call focused on climate coalitions and NAWG's involvement for the U.S. Farmers and Ranchers in Action.

PESTICIDES

NAWG continued to focus on pesticides, weighing in on the registration and re-registration processes of several products. The Environmental Protection Agency is undertaking reviews of paraquat, glyphosate, s-metolachlor and was reviewing a new product Teraxxa. NAWG submitted or has comments in development on these products. In November, NAWG submitted comments on a new product to treat wireworms, Teraxxa. Teraxxa was subsequently granted approval from EPA in early 2021. Glyphosate's reregistration review continues with the release of a lengthy Endangered Species Act review document, a biological evaluation. NAWG led several commodity organizations in submitting a request for an extension of the comment period (and an extension was subsequently granted by EPA). NAWG also submitted comments on s-metolachlor and developed comments on paraquat that were submitted to EPA in early January.

CONSERVATION

NAWG participated in several meetings with NRCS related to the administration of conservation programs. NAWG relayed information gathered for states and members from a survey and ongoing discussions. NAWG focused on access to office staff during COVID, customer service and availability of a variety of practices for wheat growers.

NAWG also submitted comments on USDA's Ag Innovation Agenda related to conservation practices and technology. USDA's Ag Innovation Agenda focuses on increasing production and reducing greenhouse gas emissions and improving water quality through new approaches to conservation practices, production technology and research. Earlier in the year NAWG submitted comments on the research portion of the Innovation Agenda.

CLIMATE & SUSTAINABILITY

NAWG participated in climate and sustainability discussions during this quarter. NAWG attended the Ag Sustainability Alliance, held virtually in November. NAWG also participated in Field to Market's board meeting and membership meeting. Field to Market focuses on supply chain sustainability projects and developing reports and information on the sustainability of US crops.

NAWG joined the Ecosystem Service Market Consortium (ESMC), following the Environment & Research Committee's recommendation and officer approval. NAWG will be working with ESMC on an "in-kind" basis over the next two years. ESMC is developing private carbon sequestration, water quality and water quantity markets where farmers could get paid for conservation and management practices.

NAWG has also been involved in climate policy discussions, meeting with different coalitions that are engaging in policy recommendations for legislative and administrative action. Climate policy discussions will continue in the Environment and Research Committee and with the NAWG Board of Directors.

FY2020-2021 Partners

NAWG's Industry Partners comprise of representatives from our value chain partners who participate in the five levels of 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/



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