



First Quarter Report October 2017-December 2017

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Letter from Chandler Goule CEO, NAWG

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

We had another great quarter here at NAWG! In mid-October, U.S. Wheat and NAWG held our annual joint meeting in North Charleston, SC, which was a huge success. Important topics of discussion included the 2018 Farm Bill, NAFTA renegotiations, wheat research and quality, trade, and conservation. With trade being the forefront of this Administration, NAWG and USW placed a strong agenda involving NAFTA, KORUS, MAP, and FMD. Near the end of October, I attended Monsanto's Grower Advisory Council, where our top priority issues were discussed.

In early November, Josh Tonsager and I attended the Tri-State Grain Growers Convention in Spokane, WA, where we provided updates on NAWG priority issues. Specifically, we presented at the Washington Association of Wheat Growers All Committee Meeting, Idaho Grain Producers Committee Meeting and Oregon Wheat Growers League Board Meeting. In addition, I moderated the Pacific Northwest Ag Directors Forum, which included Director Derek Sandison (WA), Director Alexis Taylor (OR) and Deputy Director Brian Oakey (ID).

Since NAFTA is a primary focus of the Administration, NAWG President Gordon Stoner participated in a NAFTA panel titled, "The Future of NAFTA: The Stakes for American Agriculture and Business," where he stressed the importance of international markets for U.S. wheat growers. In addition, NAWG organized a national call-in day as a grassroots effort to get the Administration's attention on the fact that pulling out of NAFTA would be detrimental to wheat growers and the U.S. economy.

At the end of November, NAWG President Gordon Stoner and I attended the Montana Grain Growers 62nd Annual Convention and Trade Show from November 28-30, 2017 in Great Falls, Montana. President Stoner spoke to attendees on his current activities as NAWG President and updated the group on the Farm Bill, Proposition 65 and Glyphosate, and his participation in a recent U.S. Chamber of Commerce panel on NAFTA and agriculture. I provided attendees with a Washington, D.C insider look into the Farm Bill, Trade (NAFTA), policy issues impacting wheat, and tax reform.

Thank you for all your support!

Sincerely,

Chandler Goule



Regular Communications, Outreach, and Partnerships

To kick off the 2017-2018 second quarter, NAWG's Director of Communications and Treasurer Ben Scholz, along with U.S. Wheat's Steve Mercer, Amanda Spoo, and Chairman Chris Kolstad, attended and sponsored a booth at the 74th Annual National Association of Farm Broadcasters (NAFB) Convention, held November 8-10th, at the Westin Crown Center in Kansas City, MO. This year's theme was "Focus On Influence." Ben Scholz acted as the spokesperson for NAWG and Chris Kolstad, of Montana, acted as the spokesperson for U.S. Wheat.

NAWG chose four topics of discussion for this year's booth: 1) NAWG's Priorities for the 2018 Farm Bill; 2) Political Climate Around the 2018 Farm Bill; 3) the Current Economic State of the U.S. Wheat Industry and Need for Crop Insurance; and 4) Defending Farm Bill Safety Net Programs from Fiscal Conservative Groups.

U.S. Wheat chose three topics: 1) Why U.S. Agriculture Needs More Federal Funding for Export Market Development; 2) Why Wheat Quality is So Important in the Global Market; and 3) How International Wheat Trade Issues Affect Farmers.

Additionally, NAWG has continued to participate in the Agri-Pulse leadership program, which enables us to provide weekly updates to our board and state executives about NAWG's activities in Washington, D.C., as part of Agri-Pulse's weekly newsletter.

Other notable news for the second quarter was that on Friday, October 06, 2017 NAWG and USW issued a joint release strongly urging the Office of the U.S. Trade Representative (USTR) to shift from re-negotiating existing free trade agreements to negotiating new deals. This was a result of the Administration's announcement that the United States and South Korea will begin negotiations around KORUS. The joint release can be found [here](#).

Including trade publications, the release was picked up in more than 40 outlets including *Politico*, *AgriPulse*, and *Capital Press*. NAWG's CEO also had a few radio interviews and a podcast opportunity with *All Ag News*. NAWG received great feedback and support from various third parties.

Another major event which occurred during the second quarter was the lawsuit around Proposition 65. On November 15, 2017, NAWG joined a coalition of agriculture groups across the country as the lead plaintiff in a federal lawsuit against the State of California for its inaccurate classification of glyphosate under Proposition 65. The case was filed in the U.S. District Court for the Eastern District of California.

FTI Consulting and Seen Read Heard are the two public relation firms coordinating communications and media around the lawsuit. NAWG has been overseeing both firms' work around the lawsuit and has provided regular updates to the states on their activities.

On December 06, 2017, NAWG and several other commodity groups carried out a successful NAFTA Grassroots and Campaign Day to the White House and Administration. All of the groups disseminated materials to their growers to call, tweet, and Facebook at the President. Our message was that NAFTA has greatly benefited farmers, ranchers, and the agriculture industry and that the United States should remain in the trade agreement. The designated campaign hashtag was #farmers4NAFTA.

Regular Communications, Outreach, and Partnerships

During the quarter, NAWG participated in several interviews discussing the importance of having a strong crop insurance program in place. Additional interview topics included NAFTA, KORUS, Prop 65, tax reform, and new trade agreements. Some examples of publications NAWG worked with over the quarter include *Bloomberg*, *Capital Ag Press*, *Lexus Nexus*, *Politico*, and *Reuters*.

NAWG CEO Chandler Goule and President Gordon Stoner also had several television and radio interviews with KVRN, KWAT, Red River, RFD-TV, and WNAX.

Further, to improve NAWG's relationship with the North American Millers' Association (NAMA) and the American Bakers Association (ABA), NAWG is working with both organizations to develop more materials on glyphosate, its safety, and its use by farmers. NAWG's Director of Communications met with ABA's and NAMA's Directors of Communications to talk about what an education campaign would look like. The first step was for NAWG to develop materials and then circulate internally and then send to both Associations for review. In the second quarter, NAWG will develop a separate tab on both its and the National Wheat Foundation's site which will house these materials.

Lastly, the National Wheat Foundation was invited to take part in a documentary program titled "The Success Files". Hosted by Rob Lowe, the documentary will showcase the role and purpose of the National Wheat Foundation and how it educates different audiences on the value of wheat and farmers. Much like the FoodQuest series, we believe this will be another great opportunity to showcase wheat. Filming will take place in late February and Phil McLain, National Wheat Foundation Chairman, will act as spokesperson.

NAWG FIRST QUARTER PRESS RELEASES

October 03, 2017	USDA's Release of Farm Safety Net and Conservation Payments Reflects Need for Reauthorizing the Farm Bill
October 03, 2017	NAWG Congratulates USDA Nominees on Appointment Confirmation
October 04, 2017	NAWG: State of the Ag Economy and Weather Conditions Show Need for Safety Net
October 05, 2017	JOINT STATEMENT: Wheat Growers Call for New Trade Agreements
October 19, 2017	JOINT RELEASE: Wheat Growers Organizations Dispute Corker's Food Aid Position
October 20, 2017	NAWG RELEASE: Farm Bill and Trade Hot Topics at 2017 Fall Wheat Industry Conference
October 26, 2017	PRESS RELEASE: Senate FY18 Budget Resolution Passes House; Next Steps Tax Reform
November 06, 2017	NAWG Pleased with USDA's Withdrawal of Proposed Part 340 Biotech Rules
November 14, 2017	JOINT PRESS RELEASE: Kansas Wheat Farmer Testifies to Senate Commerce Committee on Data-Driven Farming
November 15, 2017	PRESS RELEASE: Agriculture Coalition Takes Action Against California's Flawed Classification of Environmentally-Safe Herbicide
December 07, 2017	PRESS RELEASE: Agriculture Coalition Outlines Irreparable Harm to Farmers, Consumers, Ag Economy; Asks Federal Court to Halt California's Flawed Prop 65 Requirement

Farm Bill, Ag Appropriations, Transportaion, and Tax

During the October through December timeframe, NAWG continued pursuing Farm Bill priorities by engaging Members of Congress, the media, and new Administration officials. In October, NAWG held its Fall Board meetings in which much of the discussion focused on Farm Bill priorities. In the Domestic and Trade Policy Committee, extensive discussion was held on potential options in improving title one programs.

Additional follow up followed the board meetings in conference calls and the discussions are still moving forward. Staff was also very active this quarter on tax reform and appropriations/budget issues. Congress moved quickly on tax reform and NAWG provided feedback to Capitol Hill often based on discussion held within DTPC conference calls through the months of October, November and December. NAWG was also engaged in securing a waiver from statutory Pay-As-You-Go (PAYGO) requirements to ensure tax reform would not require sequestration to critical farm bill programs.

NAWG's Domestic and Trade Policy Committee (DTPC) has continued to hold regular conference calls to discuss Farm Bill issues and to enable NAWG's staff to get direction given the regularly evolving Farm Bill process. The Committee also approved a slate of nominees for NAWG's Congressional awards, which was reported to the full board for consideration in early 2018.

2018 FARM BILL DEVELOPMENT

NAWG has continued to participate in an informal Farm Bill Coalition, which is comprised of most of the major agricultural organizations in Washington, DC. Each of the groups have already begun to work internally to identify each of our own priorities during the upcoming Farm Bill reauthorization process, but we also continue to work collaboratively to ensure that we maintain a broad coalition effort. This group continues to meet and refine ideas about how to improve commodity programs, crop insurance, conservation programs, and more. The intent of these meetings has been to enable organizations to discuss concerns about current programs, efforts the groups have individually been undertaking to develop priorities, and laying the ground work for more collaboration moving forward.

NAWG has also continued to meet with offices on Capitol Hill working to improve programs critical to our farmers. House Ag Committee Chairman Mike Conaway has made statements that he hopes to move a Farm Bill to the floor before the Easter congressional recess in late March. As of the end of December, Congress was also still working on a disaster bill that could have implications for the farm bill. Most notably, the bill would make "seed cotton" eligible for Title 1 farm program payments, offset by removing those producers' eligibility from participating in STAX.

Farm Bill, Ag Appropriations, Transportation, and Tax

The bill has passed the House but has been stalled in the Senate. Should these provisions pass through the Senate it would help with the budget constraints facing the Farm Bill.

CROP INSURANCE COALITION ACTIVITIES

NAWG staff continued to participate in activities of a broad crop insurance coalition comprised of most of the national agricultural organizations as well as groups representing crop insurers. The coalition has continued to meet with Congressional offices to discuss the importance of the crop insurance program and the impact that cuts to the premium subsidy or delivery system could have on farmers. The coalition has also worked proactively to counter attacks being made on crop insurance from the left and the right by groups like Heritage Action and the Environmental Working Group. Part of this effort has entailed a collaborative effort of coalition partners to draft fact sheets to counter particular arguments made by the opponents. We have also utilized real-world examples of why crop insurance is so critical, including the impact of a late season blizzard in western Kansas.

The CBO released a report in late December proposing reforms to crop insurance. Among the proposals were means testing, eliminating the Harvest Price Option, reductions in reimbursements to private insurance companies for A&O costs, and lowering the expected rate of return of crop insurers. NAWG continues to communicate that the report fails to take into account that the risk in the business of agriculture is different from risk in any other business and opposes any efforts that would undermine the current structure of the federal crop insurance program. Particularly with this report from a non-partisan government entity, we are anticipating a concerted effort to attack crop insurance from our opponents during the Farm Bill process, and we will need a strong grassroots effort to communicate to Congress why these sort of proposals will be harmful to not only farmers but to consumers as well.

FY 2017/2018 AGRICULTURE APPROPRIATIONS/BUDGET

On December 21st, the House passed a short term continuing resolution to fund the government through the middle of January. Included in this continuing resolution was a PAYGO waiver that prevents mandatory sequestration that would have taken place as a result of the increased deficit from the tax reform package. The CR extends government funding at FY 2017 levels through January 19, 2018. NAWG expects that Congress may opt to pass another short-term CR at that time in order to allow for additional time to complete work on a budget agreement. Both the House and Senate versions of the FY 2018 Agriculture Appropriations bill include several important provisions for wheat, particularly in the realm of research funding. Specifically, the bills would maintain funding levels for wheat-specific research programs like the Wheat and Barley Scab Initiative.

Farm Bill, Ag Appropriations, Transportation, and Tax

Additionally, the bills also include language directing additional research into wheat quality issues like Falling Numbers. NAWG has continued to advocate to Congress that these provisions should be maintained in a final FY 2018 omnibus appropriations bill.

TRANSPORTATION

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. NAWG has also continued to participate as part of BNSF's Ag Rail Business Council, which gathers twice a year and includes staff and farmer representatives from several agriculture organizations and farmer leaders from various regions of the country. BNSF has sought out input from the countryside about rate and service issues and conversely also communicates to the participants business updates.

In addition, NAWG along with US Wheat Associates, put together a panel for the 2017 Fall Wheat Conference that discussed wheat industry rail rates and other transportation costs and how that compares to other commodities and wheat competitors.

Through NAWG's involvement with the Rebuild Rural coalition, NAWG staff attended a briefing at the White House in November providing updates on infrastructure to the group. USDA Secretary Sonny Perdue and White House Staff member Rick Dearborn discussed that they were looking to provide \$200 billion in federal dollars that would be matched with state and local funds to put together a 1 trillion dollar infrastructure package. Rural projects were highlighted as a focus of the project.

TAX REFORM

Throughout November and December, Congress moved quickly on Tax Reform and passed a final bill on in the Senate on December 19th with a 51-48 vote and the House on December 20th with a 224-201 vote. President Trump then signed the bill into law on December 22nd. The new tax law will begin in 2018 with the IRS in the process of developing guidance on how provisions will be implemented.

NAWG was active during fast moving process. The Domestic Trade and Policy Conference held 4 conference calls over tax reform as the process moved along. These conference calls were to provide feedback about proposals and versions of the bill as they were released. Through them, NAWG was able to send multiple letters to Capitol Hill and engage in advocacy efforts on Capitol Hill.

Farm Bill, Ag Appropriations, Transportation, and Tax

For a full comparison of the new law compared to the old law, NAWG has prepared this [comparison table](#). Multiple aspects of the bill are being reported as beneficial to agriculture including: the maintenance of cash accounting, 100 percent bonus depreciation, doubling of the section 179 allowance for new and used equipment, doubling of the estate tax with maintenance of stepped-up basis, full interest deductibility for farms reporting less than \$25 million in gross sales, as well as keeping 1031 like kind exchanges for real property. NAWG communicated concern with the how small C-corporations will likely see a tax increase with the elimination of a graduated corporate tax rate which had a 15% bracket and the creation of a flat 21% bracket. After reviewing the final package, the Domestic Trade and Policy Committee determined to remain neutral on the final bill. Moving forward, NAWG will continue to monitor the implementation of the new tax law.

WHEATPAC

The WheatPAC has remained active during the second quarter. At the beginning of the second quarter, NAWG attended a breakfast for Senate Finance Chairman Orrin Hatch to discuss agricultural priorities in a tax bill. NAWG then hosted an event for House Agriculture Committee Chairman Mike Conaway (R-TX) on October 3rd and then hosted a breakfast on October 4th for Senate Agriculture Ranking Member Debbie Stabenow (D-MI). On October 12th, NAWG hosted an event for House Agriculture Ranking Member Collin Peterson (D-MN). These events were focused on the Farm Bill and NAWG's priorities. At the end of October, NAWG attended a coffee with Congressman Marshall (R-KS) which focused on farm bill priorities and trade. Congressman James Comer (R-KY) had an event with Chairman Conaway on November 9th with agriculture groups to discuss trade and the farm bill. Wrapping up the quarter, NAWG attended a fundraiser for Senator Steve Daines (R-MT) to discuss the farm bill and trade.

Environment and Renewable Resources

ENVIRONMENT COMMITTEE

The NAWG Environment Committee met in Charleston, SC during the Fall Board Meeting. The Committee is discussing Farm Bill conservation issues, including a proposal from the House Agriculture Committee that would eliminate the Conservation Stewardship Program and add incentive payments into the Environmental Quality Incentives Program. The committee also heard from wheat industry partners, the American Bakers Association and the North American Millers Association regarding glyphosate issues. The Committee has also discussed other pesticide issues including a pending lawsuit against the EPA related to the registration of Clothianidin and Thiamethoxam and EPA's Endangered Species Consultation with the Department of Interior and the National Marine Fisheries Service. NAWG will be filing an Amicus Brief with several other agriculture groups to express concern about the plaintiff's request to cancel the registration of fifty-nine products containing these active ingredients.

FARM BILL

NAWG continues to discuss policies and programs of the conservation title of the next Farm Bill. The House Agriculture Committee is expected to take action on the Farm Bill in the winter months and we are having ongoing discussions with congressional offices and through coalitions. The committee's may also include agriculture related regulatory issues in the Farm Bill, such as pesticide related issues. NAWG is also meeting with other groups that are interested in seeking changes to the conservation title of the farm bill.

GLYPHOSATE LAWSUIT

NAWG joined a coalition of agriculture groups to file a lawsuit against the State of California's Proposition 65. The lawsuit addresses the potential adverse impact of the state's requirement for labeling foods with a certain residue level and the inconsistency with EPA regulations and set safe tolerance levels. NAWG is first named party in the lawsuit and others in the coalition include: National Corn Growers Association, United States Durum Growers Association, Western Plant Health Association, Missouri Farm Bureau, Iowa Soybean Association, South Dakota Agri-Business Association, North Dakota Grain Growers Association, Missouri Chamber of Commerce and Industry, Monsanto, Associated Industries of Missouri, and Agribusiness Association of Iowa.

SUSTAINABILITY

NAWG participated in the Field to Market Board meeting and plenary, and the Sustainable Agriculture Summit in Kansas City in November. The Summit brought together representatives of Field to Market, The Innovation Center for US Dairy, the Pork Checkoff, the Stewardship Index for Specialty Crop, US Poultry and the Roundtable for Sustainable Beef.

Environment and Renewable Resources

The speakers included representatives of food companies such as Campbell's talking about consumer preferences to know more about the ingredients in their food. Retailers including WalMart discussed sustainability commitments and reduction of greenhouse gases and the relationship to agriculture commodities and the brands in the store. Kellogg's wheat sustainability project was named as Field to Market's collaboration of the year during the meetings.

NATIONAL WHEAT FOUNDATION GRANT AWARD

The National Wheat Foundation was successful in their grant submission to the General Mills Foundation. The Foundation received a \$735,000 investment to focus on studying soil health practices on wheat farms. The Foundation joined the Soil Health Partnership (SHP) and is working to enroll wheat farms in the northern and central plains into the SHP network of on-farm research sites. The grant will be implemented over the next three years and will assess soil health, yield, quality and profitability.

Research and Technology

WHEAT INDUSTRY LEADERS OF TOMORROW, NAWG'S ANNUAL LEADERSHIP TRAINING PROGRAM FOR MEMBERS – 11/12 – 11/17, ST. LOUIS, MISSOURI

This year's executive training session was well attended and was presented a robust agenda by NAWG's host, Monsanto. Agenda items were covered in depth by experts in the subject matter. I encourage all State Associations to highlight this Executive Training Class with aspiring wheat leaders within your respective State organizations.

Topics

1. Personal Skill Identification and Development/Implications in Group Dynamics (Myers-Briggs) - Dan Coombes, Breakthrough Coaching & Consultation, Inc.
2. Media/Effective Communications Principles & Media Training - Dan Fields, Fleishman-Hillard
3. Wheat Industry Engagement in Support of Research and New Technology – Dr. John Pitkin, Jeff Koscelny, Dan Urnikis, Monsanto; Steve Joehl, NAWG
4. Tour of Monsanto's Chesterfield Village Biotechnology Research Facility
5. Status of New Technology in Wheat and Monsanto's Wheat Business (Monsanto)
6. AG and Food Policy - Dr. Barry Flinchbaugh, Kansas State University
7. Consumer Trends, Food and Ag Issues and Shared Values - Donna Moenning, Center for Food Integrity
8. Issues Management/Coalition Building/Social Media – Kate Humphrey & Janice Person, Monsanto
9. Key Issues Facing Wheat – Josh Tonsager & Jimmie Musick, NAWG
10. Lobbying Training – Josh Tonsager, NAWG

Thank you to the list of participants at this year's class. All of them were eager listeners and very willing to participate in discussions on each topic.

Attendees: Ed Kessel, ND; Vince Mattson, MT; Jennifer Sydney, VA; Daniel Heady, KS; Jamie Kress, ID; Tim Osowski, MN; Doug Goyings, OH; Danielle Bauer, MD; Jordon Parsons, CA; Clint Carlson, OR; Craig Berning, NAWG; Jimmie Musick, NAWG (OK); Steve Joehl, NAWG; Caitlin Eannello, NAWG

Research and Technology

NATIONAL WHEAT IMPROVEMENT COMMITTEE MEETING - 12/6/2017

NAWG participated in the National Wheat Improvement Committee meeting on December 6th. Steve Joehl, NAWG's Research Director, serves as the Secretary 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.)

In the day long meeting held after the SCAB Forum in Milwaukee, WI., 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 18 – 20, 2018) include:

1. Fusarium Head Blight Initiative – Reauthorization in the 2018 Farm Bill
2. Small Grains Genomic Initiative – continuation of recent requests and funding
3. Wheat & Barley Quality Phenotyping research, Genotyping & Next generation Regional Nurseries. Next Generation Regional Nursery Initiative will aim to highlight erosion of current nurseries during a time of increased need to address diseases/stresses brought about by changes in climate across the wheat growing regions. It is needed to evaluate & develop advance genetic materials produced from genotyping/phenotyping initiative.
4. Falling Number Initiative – insure funding to ARS and NIFA
5. Cereal Rust/Fusarium Survey – an early warning system to monitor the emergence and spread of shifty, always changing (mutating) rusts. Need a permanent hire to handle survey tasks for all cereals for fusarium and rust surveys.

In addition, another non-technical issue identified is the hiring freeze within USDA ARS and its impact on the wheat breeding industry. The NWIC will send a letter to the USDA, with a sign on by the American Malting Barley Association.

Also, NWIC members had concerns about the Tax Bill (House Version) provision that would make tuition waivers, often offered to graduate and research assistants at university, eligible as taxable income. The committee Chairman, Robert Zemetra (Oregon Wheat Breeder) wrote a letter to tax committee conferees expressing the concern. While details have not been finalized as of yet, reports are showing that the tuition waivers will not be taxable income in the final Tax Bill version, a potential win for graduate students and agricultural research.

Research and Technology

GLYPHOSATE & CALIFORNIA'S PROPOSITION 65

NAWG led a coalition of U.S. farm groups in a lawsuit filed November 15, 2017 in the State of California to stop the state from requiring cancer warnings on products containing the widely used weed killer glyphosate, which the company sells to farmers to apply to its genetically engineered crops. California added glyphosate, the main ingredient in Monsanto's herbicide Roundup, to its list of cancer-causing chemicals in July and will require that products containing glyphosate carry warnings by July 2018.

California acted after the World Health Organization's International Agency for Research on Cancer (IARC) concluded in 2015 that glyphosate was "probably carcinogenic". In the lawsuit, filed in federal court in California, corn, soy and wheat farmers reject that glyphosate causes cancer. California's requirement for warnings would force sellers of products containing the chemical to spread false information. A large, long-term study on glyphosate use by U.S. agricultural workers, published last week as part of a project known as the Agricultural Health Study (AHS), found no firm link between exposure to the chemical and cancer.

The case is National Association of Wheat Growers et al v. Lauren Zeise, director of the OEHHA, et al, U.S. District Court, Eastern District of California, No. 17-at-01224.

International Trade

NAWG continues to support Greg Doud's nomination as the chief agricultural negotiator at the United States Trade Representative (USTR). Doud's nomination is on hold by Senator Flake who is looking for answers from USTR regarding seasonal/regional proposals by the US in NAFTA negotiations. His nomination is not considered controversial and will continue into the new year.

NAFTA

A total of five rounds have been held in the US, Canada and Mexico. The rounds have included issues without contention and rounds focused on the "poison pills" proposal. These poison pills are related to investor-state dispute settlement mechanisms, sunset provisions and seasonal/regional provisions (which is particularly a non starter for the Mexican produce industry). The agriculture industry continues to push the US to stay in a NAFTA trade agreement, as the threat of withdrawal continues. The message of "do no harm" has shifted to "stop the harm" after Mexico purchased wheat from Argentina due to the uncertainty of a successful NAFTA 2.0. NAWG is still engage through letters, hill meetings and engagement with the Administration.

NAWG and USW continue to participate in meetings with USTR that are both public and for confidential advisors on NAFTA issues for wheat growers. NAWG and USW continue to work on a fix for grain grading and varietal registration system in Canada. NAWG continues to participate in the North American Food and Ag Trade Dialogue and the Chamber of Commerce to make clear the benefits NAFTA has brought to the agriculture sector.

NAWG organized a grassroots campaign day for NAWG members and other commodity and livestock trade association. 397 posts were made with #Farmers4NAFTA. 217 users posted with the hashtag. Further, using #Farmers4NAFTA, Minnesota had the highest percentage (11.46%) of users from that state. Followed by Missouri, Kansas, and then Iowa.

NAWG President Gordon Stoner also participated on a panel hosted by the Chamber of Commerce to discuss NAFTA. Stoner focused comments on the benefit NAFTA has to wheat growers and the concern of withdrawal from the trade agreement

The sixth round of negotiations is set for January 23-28, 2018 in Montreal, Canada.

KORUS

The US called for the KORUS agreement to be reviewed and renegotiated last year. In December the South Korean government completed their domestic procedures enabling them to start renegotiations per the US's request. Agriculture is not expected to be a topic of conversation for major changes, except with respect to US rice. KORUS is the newest trade deal to America, only approved five years ago.

International Trade

CUBA

Due to recent events in Cuba where American embassy staff were harmed and the focus on NAFTA negotiations, there has not been much progress on Cuba. Rep. Crawford (R-AR) is expected to pick up a push for the Cuba Agricultural Exports Act in 2018.

CONGRESS

Outreach to the hill to double to the funding of Market Access Program (MAP) and Foreign Market Development Program (FMD) continued.

BIOTECHNOLOGY AND PLANT BREEDING INNOVATION

APHIS PART 340

The Administration pulled the proposed rule for APHIS part 340. This move was strongly supported by industry that saw flaws in the proposal including NAWG. USDA is now looking for how to move forward on Part 340. BIO and ASTA are taking the lead on talking to USDA leadership of the issue, and hope that industry would provide support once USDA has a clearer picture of the problem and fixes deemed necessary.

BIOTECH DISCLOSURE

The proposed rule was expected to be finalized by USDA by the end of the year. Once USDA is through with their version, it will be sent to OMB which will review the rule until they release it for public comments in the federal register. The earliest that is expected is February with a 60 day comment period attached to it. NAWG will plan to participate in comments once made available through the federal register.

PLANT BREEDING INNOVATION

The Plant Breeding Innovation Coalition continues to meet to discuss the communications and government relations aspect of the technology.

FOOD AID

In early December, the US Agency for International Development (USAID) and USDA held the bi-annual Food Aid Consultative Group (FACG) meeting. This meetings allows each agency to provide updates on food aid programs (Food for Peace, Food for Progress, McGovern-Dole International School Feeding Program) to stakeholders. This meeting covered the 2017 highlights of food assistance. Within their updates they shared that in FY 2017

- 42,000 MT of hard red winter wheat was used in USDA's Food for Progress program
- 5,360 MT of hard red winter wheat was used in USDA's McGovern-Dole program
- Food for Peace funding was 30% Commodity value, the 2nd largest pot of money

Wheat and wheat products made up 49% of the US Food Aid commodity mix in USAID's Food for Peace program.