



Third Quarter Report January 2019 - March 2019

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Letter from Chandler Goule CEO, NAWG

Dear NAWG Member States,

The NAWG team and I started the year off actively working on association priorities during the month of January as well as meeting new members of the freshman class in Congress.

In mid-February, NAWG held its annual Winter Conference in Washington, D.C. During this time, we had productive Committee meetings as well as a very successful Wheat 103 event and reception.

Following the Winter Conference, NAWG traveled to Orlando, FL for Commodity Classic, where our officer team transitioned for the 2019-2020 year. NAWG members were elected to serve in the following capacities: Ben Scholz, President; Dave Milligan, Vice President; Nicole Berg, Treasurer; Brent Cheyne, Secretary; and Jimmie Musick, Past President.

In addition, the National Wheat Foundation welcomed a new board member, Bernard Peterson, who filled Phil McClain's seat. Lastly, the National Wheat Foundation officially launched the 2019 National Wheat Yield Contest. In its fourth year, the contest continues to drive innovation in the industry by spotlighting the best practices among American wheat growers.

In March, I spoke at the Michigan Wheat Program Annual Meeting on national wheat issues. Later in the month, President Scholz and I attended the Grower Advisory Council meeting in Washington, D.C. where we provided an update on national issues for wheat growers. Toward the end of the month, the National Wheat Improvement Committee held its annual fly-in in Washington, D.C. to discuss research priorities for wheat.

We look forward to another productive year fighting for wheat!

Sincerely,



Chandler Goule
NAWG CEO



Regular Communications, Outreach, and Partnerships

The 2019 NAWG/USW Winter Conference was a major highlight of the 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. Participants used [#Wheat103](#) in their promotion of the event, and more details of Wheat 103 can be found [here](#).

Additionally in February, 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).

Shortly after the 2019 Winter Conference, NAWG and its members attended the the 2019 Commodity Classic. This year's Classic was scheduled for February 26th to March 2nd in Orlando, Florida at the Orange County Convention Center. During the meeting, NAWG/NWF held a joint press conference updating media on each organization's priorities and agenda for 2019, including the recent changes to the 2019 National Wheat Yield Contest (NWYC). Next, the 2019-2020 Jerry Minore Scholarship award ceremony was held on Thursday, February 28 at the BASF booth. Additionally, to promote the new quality component as part of the NWYC, the Foundation and U.S. Wheat Associates co-sponsored a learning session panel during Classic. A recording of the session can be found [here](#).

In February, Tariffs Hurt the Heartland, an initiative by Farmers for Free Trade and Americans for Free Trade, released State Impact Reports. These [reports](#) outline the impact that the U.S. tariffs on Chinese goods have had on each state. NAWG is a member of these organizations.

In late February/early March, we also saw the introduction of a new website housing information on gene-editing. Innovature is a joint project of the Biotechnology Innovation Organization (BIO) and the American Seed Trade Association (ASTA). The intention of this platform is to engage voices in a dialogue that is thoughtful, wide-ranging and inclusive of varying viewpoints around the benefits of innovation. On Innovature.com, visitors can find original content (articles, infographics, videos, data visualizations) and aggregated news articles across three pillars: Our Planet, Our Health and Our Food. You can find also Innovature Now on Facebook, Twitter, LinkedIn, and Instagram.

Further in the third quarter, NAWG attended the first meeting of the USMCA Coalition Social Media Working Group which is made up of a variety of U.S. companies and associations working to secure congressional approval of the United-States-Mexico-Canada Agreement (USMCA). The official website of the Coalition can be found here: <https://www.usmcacoalition.org/> and the Twitter handle can be found [here](#). Additionally, folks from the Business Round Table attended the meeting and mentioned that they have [a great interactive map](#) on the impact of USMCA (imports, exports, etc.) on each state.

NAWG continues to hold 2-3 media interviews each week with either broadcasters or Washington, D.C. media. Additionally, we are still in partnership with Ken Rahjes (Agview.net) and have added on regularly scheduled interviews with Brian Allmer (The Barn Media). Further, NAWG/NWF remain active on our blog site and have issued two blogs this quarter: [Celebrating the 2019 National Ag Day!](#) and [Blog: Feeding the Economy Study Re-Issued with Updated Data](#).

NAWG continues to send out its weekly updates on Thursdays, monthly communications reports to the states, and a monthly memo to the NAWG Communications Working Group.

Regular Communications, Outreach, and Partnerships

NAWG/NWF THIRD QUARTER PRESS RELEASES

January 17, 2019	PRESS RELEASE: NWF Officially Opens 2019 National Wheat Yield Contest
February 01, 2019	JOINT STATEMENT: Trade Mitigation Funds Will Benefit Export Market Development for U.S. Wheat Growers
February 05, 2018	PRESS RELEASE: NAWG CEO Responds to 2019 State of the Union Address
February 13, 2019	Media Advisory: NWF to Host Wheat Value Chain Educational Event on Capitol Hill
February 15, 2019	PRESS RELEASE: The 2019 NAWG/USW Winter Conference Concludes with Wheat Growers Leaving Their Mark on Capitol Hill
March 01, 2019	JOINT RELEASE: Leading Agriculture Organizations Endorse USMCA
March 02, 2019	PRESS RELEASE: NAWG and the National Wheat Foundation Named New Board Officers at the 2019 Commodity Classic
March 11, 2019	PRESS RELEASE: NAWG Voices Concern About President's 2020 Budget Proposal
March 19, 2019	PRESS RELEASE: Wheat Farmers Welcome New Export Opportunity from Trump Administration Agreement with Brazil
March 21, 2019	PRESS RELEASE: Flooding in Nebraska Demonstrates the Importance of Maintaining Crop Insurance
March 27, 2019	PRESS RELEASE: National Wheat Improvement Committee (NWIC) Holds Annual Washington Fly-In to Discuss Research Priorities for Wheat

NAWG/NWF THIRD QUARTER SOCIAL MEDIA HIGHLIGHTS

NAWG	FACEBOOK	TWITTER
Previous Quarter	2,796 Followers	7,000 Followers
Current Numbers	3,198 Followers	7,149 Followers
NWF	FACEBOOK	TWITTER
Previous Quarter	1,205 Followers	1,030 Followers
Current Numbers	1,281 Followers	1,092 Followers

Farm Bill, Ag Appropriations, Transportation, and Tax

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 members. 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. 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 including 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.

2018 FARM BILL IMPLEMENTATION

The last quarter ended on a legislative high-note for NAWG with the 2018 Farm Bill being signed into law on December 20th, 2018. 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.

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 principles 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 economist 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.

Farm Bill, Ag Appropriations, Transportation, and Tax

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 DTTC committee at Commodity Classic and the committee was able to directly provide feedback and ask questions.

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 for them to oppose any cuts to crop insurance during the upcoming budget process.

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 Committees, The House Majority and Minority Appropriations committees, The Senate Majority and Minority Budget Committees, and The Senate Majority and Minority Appropriations Committees to ensure that these cuts would not be included in any budget or appropriations legislation.

APPROPRIATIONS AND BUDGET ACTIVITY

We entered the 2019 calendar year and the 116th Congress during a government shutdown with a fight looming over border wall funding. 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 the 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.

Farm Bill, Ag Appropriations, Transportation, and Tax

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.

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) 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.

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 quarter, was the lack of optimism for a large, all-encompassing infrastructure package. However, there is still a hope that moving into the next quarter, more specific and narrow infrastructure bills could pass. It is expected that Speaker Pelosi and President Trump will meet early in the next quarter to discuss where there may be bipartisan support for infrastructure initiatives. NAWG joined on to a [letter](#) with Rebuild Rural that was sent to Congressional leadership early in the quarter urging for any infrastructure package or legislation to support rural infrastructure.

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. Here is a list of events that were attended during the first quarter:

Farm Bill, Ag Appropriations, Transportation, and Tax

Contributions

- Rep. Ron Estes (R-KS)
- Sen. Tina Smith (D-MN)
- Rep. Roger Marshall (R-KS)

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)

In addition, this quarter included the WheatPAC Auction at Commodity Classic which again proved to be a successful evening. In total, the event raised over \$30,000 for the WheatPAC which will allow the WheatPAC to continue to support candidates for Congress who support wheat and understand our issues.

Environment and Renewable Resources

The NAWG Environment Committee met twice this quarter 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.

NAWG continued to be engaged in pesticide regulatory and legislative issues working with the Pesticide Policy Coalition and individual registrants. 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 inquires 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 actively engaged in defending the continued use of glyphosate including engagement in the lawsuit against California's Proposition 65 related to glyphosate. The lawsuit has been on hold in the courts as other cases with similar First Amendment arguments are being heard in the Ninth Circuit. 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. Legislation to ban chlorpyrifos and neonicotinoids has also been introduced in Congress.

Farm Bill implementation is also an area a focus with the Farm Bill passage in December 2018. 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 supported the confirmation of Andrew Wheeler to be Administrator of the EPA, sending a letter to Congress. Mr. Wheeler was confirmed on February 28.

Environment and Renewable Resources

NAWG participated in the Field to Market Verification committee meeting, board meetings, and grower sector meetings and calls during this quarter.

Field to Market developed a new approach to agricultural sustainability projects and that revised framework was reviewed by the board and membership this quarter. The grower sector met during Commodity Classic and discussed the framework and the pest management issues.

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.

Research and Technology

NAWG COLLABORATING WITH THE NATIONAL AGRICULTURE GENOTYPING CENTER (NAGC)

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 tools that aid 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.

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 insure Fusarium Head Blight (Head Scab) research funding is preserved for the life of the new Farm Bill.

NATIONAL WHEAT IMPROVEMENT COMMITTEE LEGISLATIVE FLY-IN – 3/25-26/2019

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. 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.

Research and Technology

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 insure 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

US-MEXICO-CANADA AGREEMENT

This year the leading agriculture organizations of Commodity Classic (NAWG, National Corn Growers Association, American Soybean Association and the National Sorghum Producers) announced their support of USMCA. The four groups are working together to encourage Congress to ratify the important trade agreement this year. NAWG has been lobbying members of Congress, particularly Democrats, new members and leadership, for USMCA passage and noting the benefits the agreement brings to US wheat growers across the country.

In addition, members of the Joint International Trade Policy Committee heard from staff from the Embassies of Mexico and Canada during the Winter Wheat Conference. This allowed members to learn more about the ratification process within each country, ratification timeline expectations and hurdles that might prevent ratification. Each country expressed frustration that the Section 232 steel and aluminum tariffs were still in place and noted that it is unlikely that their governments will be able to ratify the agreement if nothing changes.

CHINA

On March 29, 2019, fifty-nine U.S. farm groups sent a letter to President Trump urging him to lift the U.S. tariffs on Chinese goods. NAWG was one of the groups who signed on to letter which stated that China's "retaliatory tariffs have had a severe negative impact on market access in many agricultural sectors, and failing to lift these tariffs could negate any positive gains resulting from a new trade arrangement with China. American products are rapidly losing their earned market share to our competitors."

China and the U.S. are also continuing their trade negotiations as high-ranking officials from both countries continue to meet in the U.S. and China. Originally, they agreed to strike a deal by March 1, otherwise the U.S. would increase the tariff rates from 10% to 25% that they have on \$200 billion worth of Chinese goods. However, the U.S. agreed to postpone any tariff rate increases and continue to discuss with the new deadline for the end of May.

BRAZIL

On March 19, 2019, the National Association of Wheat Growers (NAWG) and the U.S. Wheat Associates (USW) 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.

WTO CASES

International Trade

Domestic Support Program

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. The U.S. Wheat Associates have worked for years to help gather the data for USTR to have a winning case. As the case moves forward, NAWG is working with congress to keep them apprised.

The next expected step is that China will appeal the decision. This will bring a challenge as the WTO Appellate Body remains in peril of functioning, a fact that NAWG is also bringing to congress' attention to help encourage the Administration to find a solution.

Trade Promotion Authority

On Thursday, January 31, 2019, U.S. Secretary of Agriculture Sonny Perdue announced that the U.S. Department of Agriculture (USDA) awarded \$200 million to 57 organizations through the Agricultural Trade Promotion Program (ATP) to help U.S. farmers and ranchers identify and access new export markets. The ATP is one of three USDA programs created to mitigate the effects of trade retaliation against U.S. farmers and exporters. USDA's Foreign Agricultural Service (FAS) accepted ATP applications between September 4 and November 2 – totaling nearly \$600 million – from U.S. trade associations, cooperatives, and other industry-affiliated organizations. U.S. Wheat Associates is one of the funding recipients who will be receiving more than \$8.25 million.

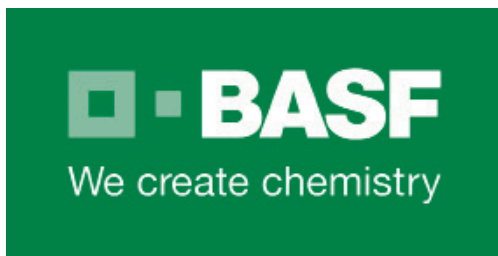
Prior to this announcement, U.S. Wheat Associates and NAWG have joined together in meetings with USDA and the Office of Management and Budget (OMB) to make the case for TPA funding for ATP and the Market Facilitation Program (MFP) to wheat growers' behalf.

Auto Tariffs

The Commerce Department submitted their report of auto and auto parts requested by the President under Section 232 national security. The President has 90 days from March 20 to review and decide how he wants to proceed forward, i.e. will the U.S. impose tariffs. No details have come out of what the report says, but there is concern that if tariffs are put in place the wheat export number one market, Japan, would be targeted and retaliatory tariffs could be initiated against wheat and wheat products. This is especially concerning as the U.S. and Japan are set to engage in trade negotiations. NAWG staff is keeping a close eye on these developments and continues to express concern for this trade policy approach and the negative impacts it could have on wheat exports.

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. Below are the FY2018-2019 IPC partners:



Science For A Better Life



Agriculture Division of DowDuPont



U.S. CUSTOM HARVESTERS, INC.

