



FY20-21 First Quarter Report July 1, 2020 to October 1, 2020

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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 remain productive and have seen many legislative wins. During the FY2020-2021 first quarter, NAWG Officers and myself participated in the USW Summer meeting virtually. In addition, NAWG President Milligan, myself, and staff led a meeting with staff leadership of the North American Millers Association (NAMA), American Bakers Association (ABA), and USA Pulses to discuss glyphosate, including the recent Prop 65 decision, the Bayer settlement, and consumer demands. It was a productive meeting, and NAMA and ABA were pleased with the Prop 65 decision.

Throughout the summer, I participated in a variety of media interviews and weekly meetings with groups such as Farmers for Free Trade, CEO Trade Advocacy and CEO Council. In addition, I focused on closing out FY19-20 books, preparing for the annual audit and raising additional funding support for the organization by implementing the Industry Partnership Program (IPP). We are pleased to welcome Ardent Mills and Syngenta into the IPP program at the highest level!

The first week of September I was pleased to participate in the virtual NASDA Annual Meeting. In addition, the NAWG Board of Directors held a board meeting where it determined that the Fall Conference would be held virtually this year due to the COVID-19 pandemic. Toward the end of September, I participated virtually in the AMAC bi-annual meeting. During the month of October, the National Wheat Foundation held its board meeting, and Dave and I participated virtually in the Bayer Grower Advisory Council (GAC) meetings where we provided an update on issues of importance to NAWG.

Overall, NAWG is off to a successful start to the first quarter of our fiscal year, and we look forward to advancing issues of importance to our members, especially the upcoming Fall Conference in the beginning of November!

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!

Please don't hesitate to reach out if you have any questions or need anything,

Sincerely,



Regular Communications, Outreach, and Partnerships

The nation was still dealing with the COVID-19 crisis during the FY2020-2021 first quarter. With this in mind, NAWG continued to distribute a weekly policy update to its Members specific to COVID-19.

During the FY20-21 first quarter, NAWG remained active in the area of communications. On July 27, 2020, *High Plains Journal* published an opinion editorial by NAWG President and Michigan wheat farmer Dave Milligan. In his piece, Milligan discussed the importance of crop insurance for America's wheat farmers especially as many were experiencing extreme drought conditions during the summer. Read here: <https://bit.ly/3ggwnGs>.

Additionally, on August 13, 2020, Farmers for Free Trade held a virtual town hall in Michigan as part of its AgTalks series. The event aimed at providing a new forum for farmers and policy leaders to discuss solutions to challenges on trade, supply chains and global competitiveness. Jody E. Pollok-Newsom, the executive director for Michigan Wheat Program, facilitated the event. NAWG President and Cass City, MI farmer Dave Milligan participated as a panelist. Highlights from the event can be found by following @FarmersForTrade and [#MichiganAgTalks](#).

During the first quarter, Commodity Classic announced that it is on track to host the Silver Celebration of Commodity Classic, March 4-6, 2021, in San Antonio, Texas. If COVID restrictions remain in place and cases increase, Classic may move the Conference to a hybrid format. If you haven't already, sign up for email updates by clicking [here](#).

NBC News [did an analysis](#) of the first nearly 700,000 Coronavirus Food Assistance Program (CFAP) payments totaling \$5.6 billion. Ultimately, the report, released on August 9th, found that "many struggling farmers remain ineligible for assistance, and unable to get access to any of Congress' funds." NAWG contributed to the article by providing interviews from NAWG President Dave Milligan and CEO Chandler Goule.

From September 8-10, 2020, the Soil Health Partnership (SHP) hosted a "Wheat Week" where attendees heard perspectives from SHP's wheat industry partners on soil health. On September 8th, NAWG's Environmental Policy Advisor Keira Franz, along with Kansas Wheat's Justin Gilpin and Minnesota Wheat's Charlie Vogel, participated in the event. On September 9th, NAWG Board of Director Justin Knopf and Kansas Wheat's Michael Jordan provided recordings for attendees. Lastly, on September 10th, attendees had the opportunity to hear from several Minnesota wheat growers on soil health and a chance to take part in a live Q&A with all the farmers who contributed to "Wheat Week". For updates from the wheat week, follow [@soilpartners](#) and [#SHPWheatWeek](#).

Additionally, on September 16, 2020, Agri-Pulse published NAWG's opinion editorial on its lawsuit against California's Proposition 65 mislabeling of glyphosate as carcinogenic. Read the piece [here](#).

Lastly, during the first quarter, NAWG considered the safety and security of its members, and ultimately the Board of Directors made the decision to move the 2020 Fall Conference to a virtual platform.

NAWG continued to handle media inquiries during the first quarter, the majority of which were focused on COVID-19 and USDA's Coronavirus Food Assistance Program (CFAP). Outlets included Agri-Pulse, Agview.net, The Barn Media, KVRN, RFD-TV, Wall Street Journal, and WNAX, just to name a few.

Regular Communications, Outreach, and Partnerships

As it relates to CFAP, here are a few interviews of note:

- *Michigan Ag Today's* [interview](#) of NAWG President Dave Milligan.
- *WNAX's* [interview](#) of NAWG VP of Policy and Communications Josh Tonsager.
- *Capital Press'* [interview](#) of NAWG VP of Policy and Communications Josh Tonsager.
- *American Ag Network's* [interview](#) of NAWG CEO Chandler Goule.

FIRST QUARTER NAWG AND NWF PRESS RELEASES

- July 01, 2020: [JOINT PRESS RELEASE: U.S. Wheat Organizations Welcome USMCA Entry into Force](#)
- July 13, 2020: [PRESS RELEASE: NAWG Calls for 2020 Crop COVID Relief, Inclusion of All Wheat Classes in CFAP](#)
- September 2, 2020: [PRESS RELEASE: NAWG Applauds Senate COVID-19 Wheat Letter to USDA](#)
- September 4, 2020: [PRESS RELEASE: NAWG Applauds House COVID-19 Wheat Letter to USDA](#)
- September 18, 2020: [PRESS RELEASE: NAWG Applauds USDA's Decision to Include All Classes of Wheat Into CFAP](#)
- September 28, 2020: [PRESS RELEASE: NAWG Vice President Appointed to FCIC Board of Directors](#)

NWF BLOGS

- August 12, 2020: [NAWG Intern and Texas A&M Student Molly Luhrs Shares Her Experience](#)
- September 21 2020: [Blog: The 2020 Election: How the Next Presidential Administration Could Shape Agricultural Policy](#)
- September 28 2020: [September NAWG Shapes Policy with Quality Loss Option](#)

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

The first quarter was another busy quarter for NAWG in Washington, DC, culminated in several key wins for our growers. On July 1, 2020, USMCA went into effect, a key trade win for farmers. The Risk Management Agency's (RMA) new Quality Loss Option (QLO) was finalized in July and made available beginning with the 2021 crop year. Additionally, the U.S. Department of Agriculture expanded the Coronavirus Food Assistance Program (CFAP) to include all classes of wheat on September 18. Also, in September, NAWG's Vice President, Nicole Berg, was appointed to the Federal Crop Insurance Corporation (FCIC) Board of Directors, which plays a key role in administering the federal crop insurance program.

While federal guidance and mayoral directives for businesses in Washington, D.C., have kept NAWG staff working remotely, our operations and engagement with the stakeholder community, Hill offices, and federal partners has continued unabated. Zoom has continued to prove an invaluable medium whereby NAWG is able to maintain regular contact among staff and across NAWG and with industry partners, and has enabled us to continue our advocacy work with Members of Congress and Administration officials.

COVID-19 RESPONSE

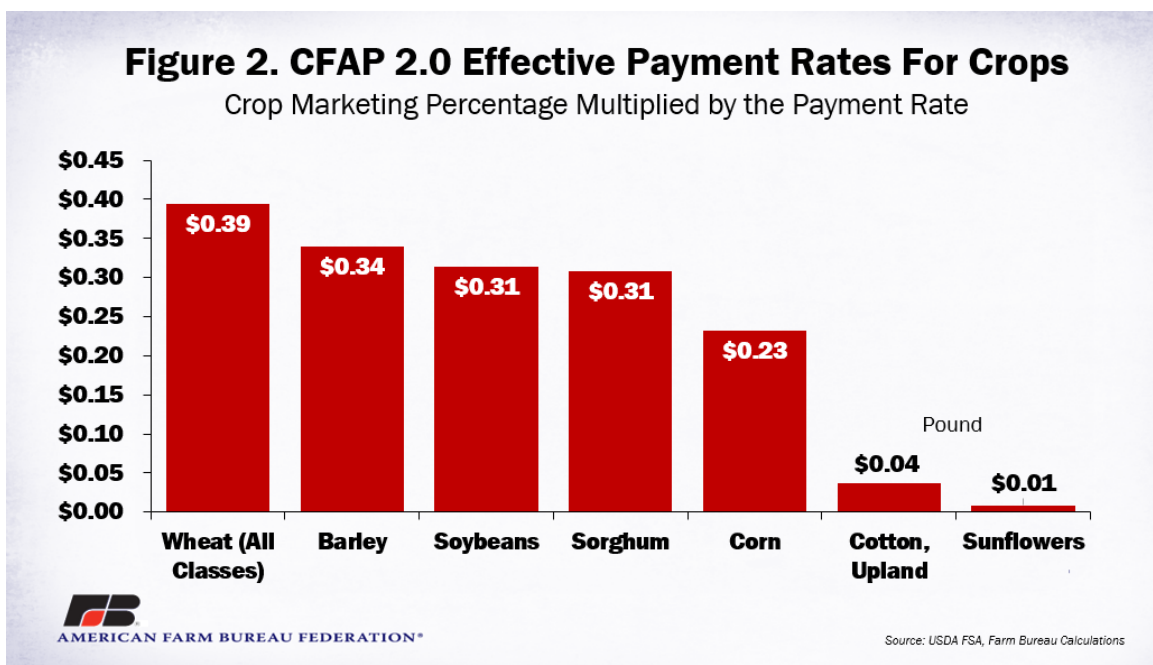
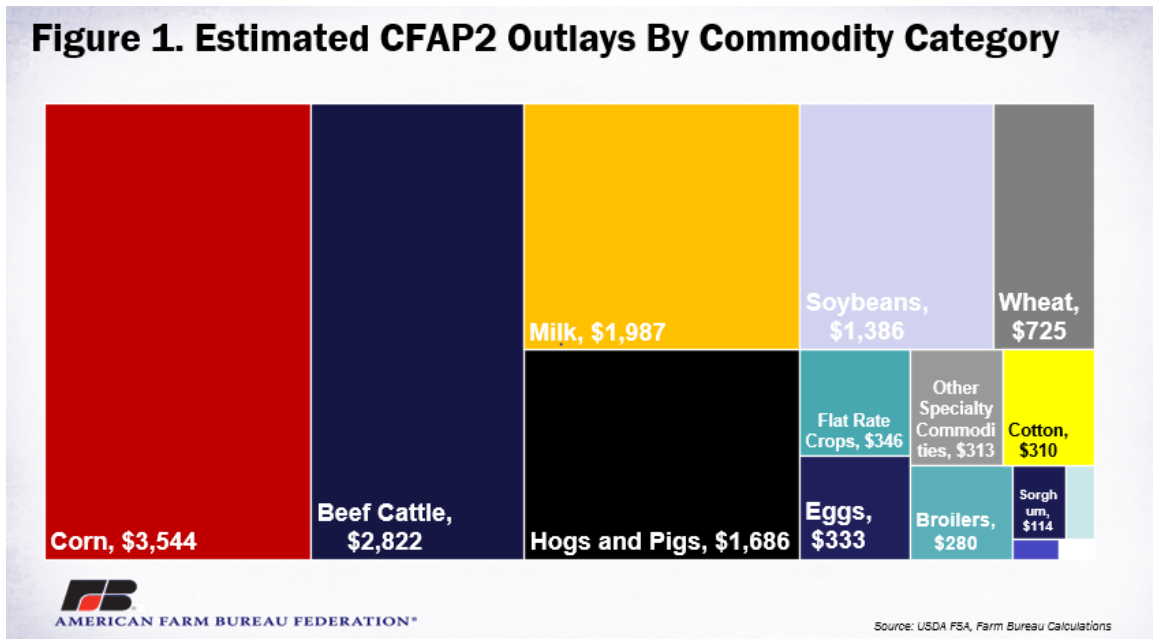
Unfortunately, COVID-19 continues to be a disruptor in the livelihoods of many Americans. In Washington, D.C., NAWG has continued to advocate on behalf of wheat growers as Congress continues to negotiate its next round of COVID relief and as the USDA developed the Coronavirus Food Assistance Program (CFAP) 2.0. NAWG staff continues to participate in regular conference calls with various federal agencies overseeing all components of the pandemic response and economic recovery programs. Additionally, NAWG has continued to coordinate and partner with other agricultural organizations in pursuing COVID relief and funding for producer aid.

On July 10, NAWG's DTTC held a Zoom meeting to discuss strategy and policy options for moving forward with additional COVID relief through Congress and through CFAP. While USDA made an announcement in June that additional commodities would be made eligible for CFAP, this announcement did not include NAWG's June 1 request to expand CFAP 1.0 to include all classes of wheat. Following the DTTC meeting, NAWG sent a follow-up letter to USDA calling on the Department to make assistance available for all classes of wheat and to begin providing assistance for 2020 crop losses as wheat harvest is well underway. In late July, NAWG arranged a meeting between USDA Farm Production and Conservation Under Secretary Bill Northey and NAWG leadership (officer and committee chairs/vice chairs) to discuss COVID relief and CFAP specifically.

In August, NAWG staff worked with Congressman Frank Lucas (R-OK-5) and Senators Pat Roberts (R-KS) and Amy Klobuchar (D-MN) on organizing House and Senate letters to Secretary Perdue outlining the ongoing issue of wheat varieties being excluded from CFAP. The letters were transmitted from leaders in Congress the first week of September, which garnered the support of 21 Senators and 26 Representatives.

Fortunately, on September 18, the USDA announced the second round of CFAP would include producers of all classes of wheat. Sign-up will run from September 21 through December 11.

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



TRADE

USMCA

On July 1, the USMCA crossed its final hurdle as the three countries certified the agreement's "entry-into force." This final step means that all required legislative and regulatory changes needed to implement the agreement have been put into place or are scheduled to take effect. NAWG continues to

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monitor potential trade restrictions from Mexico related to adoption of the precautionary principle and denial of pesticide imports.

CHINA

NAWG staff continues to track China's purchase commitments under the U.S.-China Phase One Agreement. While China's year-to-date U.S. agriculture product purchases are 37 percent off the estimated pace needed to meet the overall purchase level in the Phase One deal, agricultural purchases in this quarter are up significantly over the prior quarter.

NAWG is continuing to monitor further developments from the domestic support case, a decision for which the WTO ruled in favor of the United States in 2019. These developments relate to official disagreement at the WTO about China's compliance with subsidy limits, and the U.S. and China were facing an arbitrated or negotiated settlement. In September, the WTO announced it would establish a panel to review whether or not China successfully responded to a previous ruling to reform the way it calculates prices for wheat farmers.

IRAQ

In September, NAWG staff worked with Congressman Roger Marshall's office (R-KS-1), requesting that he engage the U.S. Ambassador to Iraq to request he raise with his Iraqi counterparts a recent U.S. Export-Import Bank announcement to facilitate Iraqi purchase of US agricultural products. The intent was for the U.S. Ambassador to Iraq to raise this issue with his counterparts and highlight a December 2018 MOU the United States and Iraq signed concerning the procurement and supply of wheat. While there are no specific purchase requirements, it has led to shipments of nearly 700 TMT in the last two marketing years (17/18 and 18/19). Before the MOU, there was a bad streak of little to no sales.

WTO

In July, efforts for a historic Senate vote on World Trade Organization (WTO) withdrawal was halted by a ruling from the Senate parliamentarian, which ruled that the resolution could only go to the Senate floor for a vote if the Finance Committee voted it out. After returning from recess, Senator Grassley (R-IA), Chairman of the Senate Finance Committee, has previously expressed opposition to a WTO withdrawal vote, effectively halting these efforts in the Senate. NAWG and other ag organizations closely tracked these developments on the Hill and had prepared a letter to Congress that sought maintaining WTO efforts, while acknowledging the need for WTO reform. Given the Senate parliamentarians ruling, the letter was retailored into a letter to USTR Ambassador Lighthizer. On September 23, NAWG joined 61 agriculture industry groups and companies in sending a letter to Ambassador Lighthizer expressing continued support for U.S. participation in the WTO, the need to reform the organization, and recommended characteristics for a new WTO Director General. The WTO General Council is expected to make a decision by November 7 on a new Director General.

FARMERS FOR FREE TRADE

NAWG has continued its engagement with Farmers for Free Trade by joining in several virtual events over the past quarter. On August 13, FFT hosted one of its virtual AgTalks series with Michigan being the focus of the event. NAWG President Dave Milligan served as one of the panelists, which was also moderated by Michigan Wheat Program's Executive Director, Jody Pollok-Newsom. AgTalks is a series of virtual town hall events, aimed at providing a new forum for farmers and policy leaders to

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discuss solutions to challenges on trade, supply chains and global competitiveness.

FOOD AID AND DIETARY GUIDELINES

On July 30, NAWG and USW held its virtual summer Food Aid Working Group meeting where the group discussed a general update on the current food aid situation, the status of Congressional appropriations for food aid programs and potential inclusion of additional resources on a COVID relief package, and heard updates from USDA and USAID.

In July and August, NAWG staff worked with other members of the grain chain, including NAMA and ABA, in providing public comments on for the Scientific Report of the 2020 Dietary Guidelines Advisory Committee. On August 11, NAWG along with the other members of the grain chain filed the comments outlining key priorities the USDA and HHS should consider as it develops the 2020 Dietary Guidelines for Americans.

2018 FARM BILL IMPLEMENTATION AND DISASTER AID

QUALITY LOSS IMPLEMENTATION

There were several items from the 2018 Farm Bill with ongoing implementation this year. Over the previous year and a half, NAWG has been engaged with the Risk Management Agency (RMA) on implementation of a provision that was a NAWG priority directed the agency to undertake research and development of new methods for adjusting for quality loss. Throughout the process, what was developed was a new option for growers to replace in their Actual Production History (APH) a poor-quality production year with their pre-quality adjusted yield. The intention of this new provision is to enable growers that had high yields but poor quality to maintain their actual yield in their APH. To maintain actuarial soundness, the provision does require that the premium level reflect the higher level of coverage.

WHIP+

NAWG continued engaging FSA on implementation of quality loss coverage in the Wildfires and Hurricanes Indemnity Program Plus (WHIP+), funding for which was included in an FY 2020 omnibus appropriations bill passed by Congress in December 2019. Earlier in the year NAWG had held several meetings with FSA about implementation options and provided quality loss examples to the agency. The onset of the COVID-19 pandemic delayed implementation, but work has been ongoing.

RESEARCH AND REGULATORY STRUCTURE FOR NEW BREEDING TECHNOLOGIES

In July, NAWG submitted public comments on the USDA's Agriculture Innovation Agenda (AIA), which seeks to increase agricultural production by 40 percent while cutting the environmental footprint of U.S. agriculture in half by 2050. In August, NAWG staff participated in a USDA stakeholder forum reviewing comments received from industry and how existing programs can be integrated into the agendas goals.

In July, NAWG also provided a letter of support for the Agricultural Genome To Phenome Initiative (AG2PI). The 2018 Farm Bill directed NIFA to establish a new competitive grant program to support research concerning genomes and phenomes of crops and animals of importance to the agriculture sector of the United States. AG2PI focuses on collaborative science engagement and invites innovative research proposals that intend to develop a community of researchers across both crops and animals that will lay the foundation for expanding knowledge concerning genomes and phenomes for crops

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and animals of importance to the agriculture sector of the United States.

NAWG has continued participating in stakeholder discussions and APHIS briefings as it continues to formulate guidance and implement various aspects of its SECURE Rule/Part 340 update, which was published in its final version in May 2020.

In September, NAWG provided feedback to USDA's ARS on a questionnaire related to research on plant diseases. ARS is in the process of updating its five-year National Program 303 Action Plan, which is a guide to research on plant disease. NAWG worked with NWIC and the ERC in formulating responses to the questions posed by ARS.

APPROPRIATIONS AND BUDGET ACTIVITY, GRAIN STANDARDS ACT SHORT-TERM EXTENSION

On July 6, the House Appropriations Subcommittee on Agriculture passed its version of a FY2021 Agriculture Appropriations bill (H.R. 7610) by voice vote. This legislation was advanced by the full House Appropriations Committee on July 9, and was subsequently passed by the full House as part of a minibus (H.R. 7608) that included three other appropriations bills on July 24 by a vote of 224-189. As of the end of NAWG's first quarter, the Senate had not yet released its draft appropriations bills. Through conversations with Senate Appropriations Committee staff and public reporting, there have been continued partisan disagreements that prevented the committee from taking action. Additionally, appropriators have continued to focus on COVID-19 supplementals, which have their own unique differences between the House and Senate.

While negotiations continue on a full FY2021 appropriations bill, a short-term Continuing Resolution was passed by the House of Representatives on September 22, and the Senate on September 30, which was subsequently signed into law to prevent a government shutdown. This bipartisan agreement will keep the government open through December 11, 2020 and included a reimbursement for the Commodity Credit Corporation (CCC), which is the line of credit used for Farm Bill programs as well as other programs like MFP and CFAP. On September 15, NAWG joined other ag groups in a letter requesting Congressional leadership to include such replenishment, with the priority being that Farm Bill program payments that are to be made in October are not delayed. Staff have continued meeting with key Congressional offices about the importance of ensuring that Farm Bill program payments are not delayed.

The CR also included provisions to extend the authorizations for weighing and inspection activities to be continued through December 11, 2020. Despite voice vote passage of reauthorization legislation by the Senate Agriculture Committee earlier in the summer, action had not yet happened on the bill by the full Senate or in the House of Representatives. Final action on Grain Standards will be a NAWG priority continuing into the fall.

In summary, the July 24 House-passed appropriations bill includes funding for several NAWG/NWIC priorities. However, it does not include or is silent on several issues of importance to NAWG/NWIC funding priorities. In particular, this bill would fully fund the U.S. Wheat and Barley Scab Initiative at \$15 million and includes \$3.44 million of the Small Grains Genomic Initiative. Additionally, this bill matches or exceeds NAWG/NWICs funding request of \$259 million for NIFA Hatch Act, \$315 million for Smith-Lever Formula Grants, and \$435 million for Agriculture and Food Research Initiative.

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Other areas of interest for NAWG and wheat include language recognizing the need for Soft Wheat Falling Numbers Test Research, research for Crop Degradation in the PNW, additional resources for Genome to Phenome research, and resources and coordination for the Farm and Ranch Stress Assistance Network. Food for Peace is funded at \$1.775 billion, a \$50 million increase over FY20. McGovern Dole is funded at \$235 million, a \$15 million increase over FY2020. The House passed bill does not include funding for the Wheat Resiliency Initiative which is a new initiative being sought by NWIC and nor does it include funding for the National Predictive Modeling Tool Initiative, which historically has been a priority on the Senate side.

TRANSPORTATION AND INFRASTRUCTURE

NAWG staff have continued its engagement in the Agriculture Transportation Working Group as Congress worked towards an agreement on reauthorizing a five-year surface transportation bill. In August, members of the working group sent a letter to the Chair and Ranking Member of the Senate Commerce, Science and Transportation Committee, outlining our shared priorities as Congress works to towards an agreement on a five-year bill. The House of Representatives passed a surface transportation bill on July 1 as part of a larger \$1.5 trillion infrastructure package. The full Senate has yet to vote on its version. However, there has been some committee action on a five-year reauthorization

In September, NAWG staff joined onto USW's Transportation Working Group meeting which included mostly discussion about impending rail rate proceedings before the STB as well as more broadly about the role of the Working Group in addressing transportation issues. In general, they are focused on transportation policies as they pertain to wheat export competitiveness. NAWG's Domestic and Trade Policy Committee also held a Zoom meeting which included discussion of the STB's Final Offer Rate Review (FORR) proceeding and intends to hold a follow-up panel discussion on the topic in the fall.

NAWG has continued participating with the Agriculture Transportation Working Group and Federal Motor Carrier Safety Administration in regular calls related to emergency relief orders issued to provide flexibility to agriculture transportation during the pandemic. Many of the emergency declarations issued in March have since been extended through December 31.

WHEATPAC

While the final quarter of NAWG's 2019-2020 year was slower due the pandemic, WheatPAC was running full steam ahead in July and September. August was slower as Congress was in recess for much of the month and Members were participating in activities in their state or district. However, fundraisers have perfected the art of the virtual fundraiser, which has a benefit of being more scripted and typically all participants have the opportunity to ask one or more questions of the candidate. Most of the fundraisers are small and intimate groups of four to twelve participants plus the candidate. NAWG's PAC budget was developed last year and primarily revolves around NAWG-state Members of the House and Senate Agriculture Committees and other key Members.

In July, WheatPAC participated in fundraisers for House Ways and Means Committee Chairman

Richard Neal (D-MA-1), Congressman Jodey Arrington (R-TX-19), Congressman Frank Lucas (R-OK-3), Congressman Jim Hagedorn (R-MN-1), Congresswoman Virginia Foxx (R-NC-5),

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Congressman Don Bacon (R-NE-2), Congressman Mike Simpson (R-ID-2), Congressman James Comer (R-KY-1), Senator Deb Fischer (R-NE), Congressman Salud Carbajal (D-CA-24), and Congresswoman Kim Schrier (D-WA-8).

In August, WheatPAC participated in fundraisers for Senator Jim Inhofe (R-OK) and Congresswoman Marcia Fudge (D-OH-11). Additionally, WheatPAC cohosted a virtual agriculture-focused fundraising event for Congressman Roger Marshall (R-KS-1), who is running for the open Senate seat in Kansas.

In September, WheatPAC participated in fundraisers for Congresswoman Alma Adams (D-NC-12), Congressman Troy Balderson (R-OH-12), Senator Cory Gardner (R-CO), Congressman Rick Crawford (R-AR-1), Senator John Barrasso (R-WY), Congressman Jeff Fortenberry (R-NE-1), Senator Jeff Merkley (D-OR), Senator Jim Risch (R-ID), Congressman Mike Bost (R-IL-12), Senator Debbie Stabenow (D-MI), and Congressman Henry Cuellar (D-TX-28). Additionally, WheatPAC hosted a virtual agricultural focused fundraiser for Congressman Collin Peterson (D-MN-7).

Environment and Renewable Resources

Environment and Research Committee met during the quarter during via Zoom to discuss pesticide issues. Several bills were introduced in Congress that alter pesticide regulation and would ban certain pesticides. The committee discussed the need to educate Members of Congress on the current regulation of pesticides and the extensive review prior to approval of pesticides and opposition to bills that would restrict access not based on sound science. NAWG continued to participate in the Pesticide Policy Coalition and joined coalition efforts to educate Congressional staff on the importance of pesticides and the current level of regulation on the approval and use of pesticides. NAWG submitted comments to the Environmental Protection Agency on the importance of neonicotinoids in response to a petition from the Natural Resources Defense Council to revoke all tolerances for residues of the neonicotinoid pesticides acetamiprid, clothianidin, dionotefuran, imidacloprid and thiamethoxam. NAWG also participated in legal challenges to a California court decision to stop the use of certain dicamba products over the top of cotton and soybeans.

NAWG continued to talk with grain chain partners, the North American Millers Association and the American Bakers Association on a variety of issues including COVID-19. The three groups decided to write an editorial regarding the strength and safety of the wheat food supply chain and the ability to service all customers during COVID-19.

NAWG undertook a member survey on conservation and farm program delivery to gather information on issues that growers are experiencing while working with USDA staff. The results of the survey were shared with the Environment and Research Committee and will inform the work of the committee. Overall results were very much driven by local staff and experiences that individual farmers were facing at the local level.

The National Wheat Foundation continued to participate in the Soil Health Partnership. In September, several online wheat focused events were held, focusing on wheat test plots in Kansas and Minnesota. The event can be seen online at the SHP website [here](#)

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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