

Texas Wheat PRODUCERS NEWS

MAY 2019

REPORT SHOWS ECONOMIC IMPACT OF USMCA ON WHEAT INDUSTRY

In October 2018, President Trump announced the negotiation of a new free trade agreement between the U.S., Mexico and Canada that would replace the North American Free Trade Agreement (NAFTA). The new agreement, known as the United States Mexico Canada Agreement (USMCA), was signed by the three countries on November 30, 2018.

Before the agreement could go to Congress, the International Trade Commission (ITC) was required to complete a report assessing the likely impact the agreement would have on the U.S. economy as a whole and on specific industry sectors. The results were published in April 2019.

The ITC report estimates that the USMCA would raise the U.S. Gross Domestic Product (GDP) by \$68.2 billion, or 0.35%, and U.S. employment by 176,000 jobs, or 0.12%. The report also states that U.S. exports to Canada would increase by \$19.1 billion, or 5.9%, and to Mexico by \$14.2 billion, or 6.7%.

The largest economic benefit for wheat under USMCA is the long-term preservation of wheat market access in Mexico, which the ITC valued at \$860 million. In 2016, the value of Texas exports to Mexico overall was \$97.7 billion and wheat specifically was \$2.9 million, making it the largest buyer of Texas goods, including wheat.

The report also states that there will likely be a small increase in sales to the Canadian market due to changes in Canada's grain grading system, specifically the requirement of any Canadian registered varieties grown in the U.S. to be treated like Canadian wheat when sold to a Canadian elevator. Currently, any wheat varieties grown in the U.S. are automatically given the lowest grade for that grain in Canada. The value of Texas wheat exports to Canada was \$863,000 in 2016.

USMCA would also eliminate the related

country of origin requirements in the inspection certificate.

According to the report, the combined effect of all USMCA provisions would increase total annual U.S. agricultural and food exports by \$2.2 billion, or 1.1%, when fully implemented.

Texas farmer and National Association of Wheat Growers (NAWG) President Ben Scholz said the following of the ITC report:

"Once NAFTA was implemented, U.S. wheat exports to Mexico shot up to an annual average of almost 3 million metric tons (more than 100 million bushels). This made Mexico the largest U.S. wheat importer in the world in the 2016/17 marketing year.

Additionally, USMCA captures the original intentions of NAFTA while improving some of the provisions for wheat growers. It retains tariff-free access to imported U.S. wheat for our long-time flour milling customers in Mexico. Furthermore, the USMCA makes important progress towards more open commerce for U.S. wheat farmers near the border with Canada by working to fix the broken grain grading system and making trade more reciprocal along the U.S.-Canadian border.

The ITC report is not reflective of vast benefits USMCA will bring to agriculture. A vote for USMCA means more jobs for Americans, stronger export markets for farmers to sell their crop, and billions of dollars added to the economy."

The full report is available on the ITC website: www.usitc.gov.

DATES TO REMEMBER

May 22
High Plains Wheat
Plot Tour

June 3-5
U.S. Wheat
Associates Mexican
Buyers Conference

June 10-12
U.S. Wheat
Associates Summer
Board Meeting

June 11-13
Wheat Foods
Council Summer
Board Meeting

June 25-27
Brazilian Trade
Team Visit

CROP UPDATE



The April 2019 World Agricultural Supply and Demand Estimates (WASDE) report showed a decrease of 20 million bushels in wheat exports to 945 million bushels. These demand changes, as well as a small reduction in seed use, led to a 31.5-million-bushel increase in ending stocks, which are now projected at 1,087 million bushels. The season-average farm price was raised \$0.05 per bushel to \$5.20 based on updated NASS price and marketing data.

The National Agricultural Statistics Service (NASS) released the annual Winter Wheat and Canola Seeding Report on February 8, indicating a 4% decrease in wheat plantings from 2018 at 31.3 million acres, with Hard Red Winter seedings at 22.2 million acres, a 3% decrease, and Soft Red Winter seedings at 5.6 million acres, a 7% decrease. This is the second-lowest U.S. wheat acreage on record.

According to the Prospective Plantings report released on March 29, Texas wheat seedings are at 4.5 million acres, unchanged from 2018.

Thanks to adequate rains between dry periods, wheat was progressing well throughout the state. However, conditions in the South Plains were somewhat poor due to lack of moisture combined with high winds and freeze damage was still a concern in the High Plains. Disease pressure was present in some areas, particularly rust in the Central Texas region. Wheat in South Texas was starting to turn color at the end of April.

According to the NASS Crop Progress and Condition Report from April 21, Texas wheat was 27% emerged, 51% good to excellent, 35% fair and 14% poor to very poor. At the same time last year, the crop was 56% emerged and 43% good to excellent.

TEXAS WHEAT PRODUCERS BOARD MEMBER TO RETIRE AFTER 34 YEARS

Producer and board member Jack Norman of Howe will not seek reelection to the Texas Wheat Producers Board after many years of service.

“My time at Texas Wheat has been a very worthwhile investment,” Norman said. “I feel that the work the board does, such as funding research projects and legislative advocacy in Washington, D.C., will continue to positively impact wheat producers.”

Norman was born and raised in South Grayson County. He graduated from East Texas State University with a degree in business administration and went on to join his family’s wheat, corn and grain sorghum operation in Grayson and Fannin counties. He farmed with his parents, brother Alton, son David, nephew Jay and grandson Tyler.

Norman was first elected to the Texas Wheat Producers Board in 1985 as a representative for District IV. He was named chairman in 1989 and served until 1991. Norman has also represented Texas on both the U.S. Wheat Associates (USW) and National Association of Wheat Growers board of directors. During his term with USW, he traveled to Africa to promote high quality U.S. wheat to millers and bakers.

Over the years, Norman has received various accolades for his accomplishments in farming, conservation and marketing, including Grayson County Farmer of the Year in 1987 and the Fort Worth Star Telegram Texas Best in Wheat award in 1993.

Aside from his participation on the board, Norman has also been active in his community. He was a member of the Grayson County College Board of Trustees for over 30 years, as well as the Howe Independent Bank board of directors, the Howe Baptist Church and other organizations.

Norman’s position will be filled by a producer based on the results of the Texas Wheat Producers Board biennial election. The new board member will be announced after the quarterly board meeting in May.

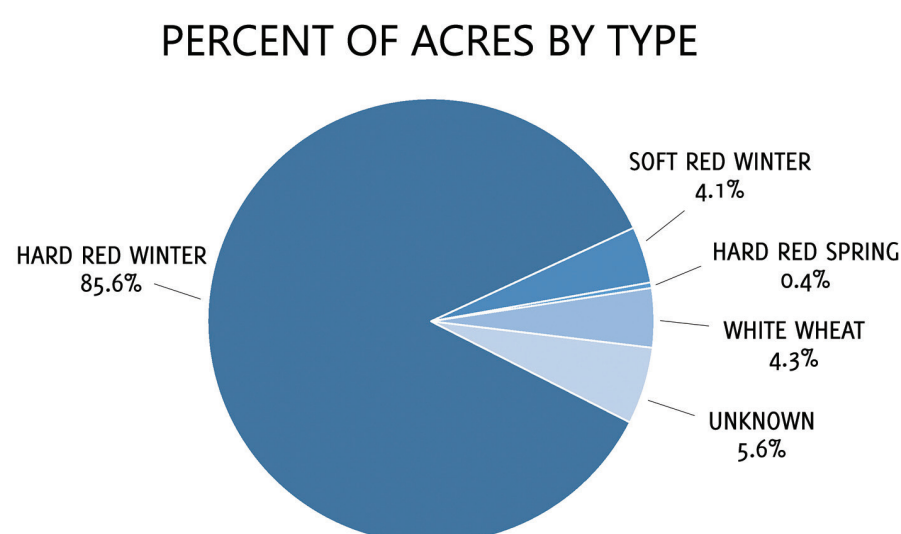


2019 TEXAS A&M AGRILIFE VARIETY SURVEY

This report contains the results from the 2019 Wheat Variety Survey which was conducted from December 2018 through January 2019. Producers were asked to report wheat acres planted and to be planted by variety for the 2019 crop year. The survey was overseen by Texas A&M AgriLife Extension and funded by the Texas Wheat Producers Board, Texas Seed Trade Association, and the Texas Foundation Seed Service. Survey results are provided in the following tables, with percent of acres planted for the 2019 crop year by variety, and broken out by Agricultural Statistics District. Data provided by Texas wheat producers is the foundation of this report. The Southern Plains Regional Field Office would like to thank all producers who responded to this survey.

TAM 111, remains the top variety producers planted or will plant for the 2019 crop, which accounts for 8.0% of the 2019 wheat planted acres, down 0.9% from 2018. Gallagher, maintained its position from previous year, ranking second, and accounts for 5.1% of acres planted for 2019. TAM 112, ranked third, at 4.7% planted, compared to 3.4% in 2018. TAM 114, at 4.1% planted, moved down to fourth from third last year, at 3.9% planted. TAM 204, with 2.9% of the acreage, moved up from ninth to fifth for 2019. TAM 105 accounts for 2.6% of the 2019 acreage, down one position to sixth. SY Razor moved up to seventh from tenth last year, with 2.2% of the acreage. Greer, at 1.8% of the acreage, moved into eighth place from fifteenth last year. WB Cedar ranked ninth, with 1.8% of the acreage, down one place from last year. TAM 113, at 1.6% of the acreage, dropped 4 positions to round out the top ten varieties.

TOP 10 VARIETIES PLANTED FOR 2018 AND 2019				
VARIETY	PERCENT OF ACRES		RANK	
	2018	2019	2018	2019
TAM 111	8.9	8.0	1	1
Gallagher	5.8	5.1	2	2
TAM 112	3.4	4.7	4	3
TAM 114	3.9	4.1	3	4
TAM 204	1.6	2.9	9	5
TAM 105	2.7	2.6	5	6
SY Razor	1.3	2.2	10	7
Greer	1.1	1.8	15	8
WB Cedar	1.7	1.8	8	9
TAM 113	2.4	1.6	6	10



THE 2019 UNIFORM VARIETY TRIALS WILL BE PUBLISHED IN THE 2020 TEXAS WHEAT SEED BOOK, WHICH WILL BE RELEASED IN SUMMER 2020.

HIGH PLAINS "PICKS LIST"		
FULL IRRIGATION	LIMITED IRRIGATION	DRYLAND
TAM 112	TAM 112	TAM 304
TAM 113	TAM 113	TAM 113
TAM 114	TAM 114	TAM 114
T158	T158	
WB 4721	Winterhawk	Winterhawk
LCS Mint	Iba	Iba

ROLLING PLAINS "PICKS LIST"	
DRYLAND	
Gallagher	
Greer	
TAM 114	
TAM 304	
WB Cedar	
SY Grit	
WB 4721	

BLACKLANDS "PICKS LIST"	
HRWW	SRWW
Gallagher	AGS 2055
TAM 304	USG 3895
Wb Cedar	

SOUTH TEXAS "PICKS LIST"		
HRWW	HRSW	SRWW
TAM 401	LCS Trigger	USG 3120
	Espresso	
	TAMSpr 801	
	WB 9518	

NEW STUDY EXONERATES REFINED GRAINS

Shines new light on conflicting dietary recommendations

FROM THE WHEAT FOODS COUNCIL

An important article has just been published in a highly impactful nutrition journal, *Advances in Nutrition*. The study, *Perspective: Refined Grains and Health: Genuine Risk, or Guilt by Association?* shows that current U.S. dietary guidelines on refined grains are misguided. The article was developed by Dr. Glenn Gaesser, Director of the Healthy Lifestyles Research Center, at Arizona State University.

Dr. Gaesser conducted a comprehensive literature review looking very specifically at the relationship between refined (or enriched) grain intake and risk of major chronic diseases. He identified relevant meta-analyses of prospective cohort studies and random controlled trials (RCTs) that analyzed the association between refined grains and risk of cardiovascular disease, coronary heart disease, stroke, type 2 diabetes, cancer, obesity, and all-cause mortality.

Key findings and recommendations include:

- Results from 11 meta-analyses, that include a total of 32 separate publications with data from 24 distinct populations, demonstrate that refined grains are not associated with increased risk of several major chronic diseases, including cardiovascular disease and type 2 diabetes.
- Total grain consumption, both refined and whole grains, is associated with lower risk of death and not associated with higher risk of cardiovascular disease, coronary heart disease,

stroke or cancer.

- The bad rap against refined grains is a result of “guilt by association” (i.e., being included in the western dietary pattern).
- Elimination of refined grains from the diet may result in inadequate intake of some key “shortfall” nutrients that are added in refined grains as a result of enrichment and fortification.
- Grains provides more than one-half of daily fiber intake of Americans, and refined grains supply roughly 70% of fiber intake from grains. So reducing refined (enriched) grain intake could have unintended consequences.
- Future research and recommendations should make clear distinctions between “staple” and “indulgent” grain foods. Staple grain foods are bread, cereals, pasta while indulgent grains include cakes, cookies and items with a lower fiber content and overall nutrient density.

With the 2020-2025 Dietary Guidelines for Americans development process under way, the Wheat Foods Council believes that it is important that relevant scientific research regarding both whole grain and enriched grains be considered. We will continue to share relevant science-based information as it becomes available.

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