

Consolidated Notes from Wheat Sector Workshop

August 30, 2016

What does growth look like to you? What should our industry goals be?

- Increase basis in rural Kansas.
- Increase food processing
 - Dough (frozen) from Kansas to large metro in Midwest.
- Increase exporting of Heritage Turkey Red
 - Western Kansas needs more farmers
- More Kansas wheat beer
- Acknowledgement of opportunity in organic production.
- Increased certified seed sales.
- Develop a worldwide reputation for hard white wheat similar to the existing hard red winter reputation.
- Create a hard red winter wheat variety that delivers high yield in the right growing conditions and consistent protein and quality characteristics regardless of growing conditions.
- Develop an IP Program that consistently rewards producers.
 - Have worked for years to develop an IP market for producers to pay them something for doing the work that's required in an IP market. Would like to see an IP program that works and pays the farmer.
- Grow the young independent farmer. Succession planning. Nothing else matters if the farm doesn't continue.
 - 40% of transitioning military would like to farm, but it's hard for them to get there. Our farm will train 100 people a year. We have trained 102 in the last 3.5 years. They want to farm. They are disciplined and good young folks, they come with retirement or disability income. They have full medical care. They are ready to farm. Succession is part of our goal. USDA wants us to develop a program that can be a model for others.
- Duram
- Container opportunities

Identify Kansas' advantages.

- Wheat is an excellent crop in Kansas agronomic system.
- Soil variety – wheat varieties that fit to those variants
- Good base of farmers with knowledge of “how to grow.”
- High resolution, K-State owned, weather station network to enhance management decisions (KS Mesonet).
- Good natural resources (soil, water, etc.)
- Breeding infrastructure – K-State, WGRC, Kansas Wheat Innovation Center
- #1 flour milling capacity in the U.S.
- Leadership – grower leaders, leaders in agronomy and research

- Seed retailers for ancient grains in Kansas?
- Milling capacity, rural communities

Identify barriers to growth.

- Profit?
 - If you don't have profit, you aren't going to grow and we are in serious trouble right now in terms of profit
- Logistics – moving large crops, rail service, segregation at harvest
 - Logistics impacts so many things. During a big crop harvest storage is a problem and selling at the worst time to sell. Shipping containers is something other states are doing - it opens markets and provides a better cash price. If you look at every state, during harvest open up weight limits on trucks (most states around us do this) to move more grain, quickly. It clears out elevators faster and lets the grain move easier and there's less cost to the elevator.
- University research infrastructure is aging and faculty and staff are very susceptible to poaching.
 - I voted for university research. When I saw acceptance of GMOs it makes sense but when you have piles of wheat right now is more production what you really need? It's a slippery slope to maintain markets to improve quality/characteristics of wheat and not over-produce; I think that would be a good way to go to continue working on demand traits to improve demand.
- Stalk strength
- Railroads – have a monopoly
- Lack of diversity on farms.
- Need less monocropping and more variation across state, with adjustment for regions.
- Federal regulations
- Need to be able to deliver Kansas wheat to foreign buyers (identity preserved)
- Gluten-free dietary trend
- No allowance by Federal Grain inspection for white wheat in red wheat or red wheat in white wheat.
- Herbicide resistant weeds
- Recruiting workforce to retain and grow industry (succession)
- Acceptance of GMOs (GE)
 - On the GM wheat thing - there is no commercially grown GMO wheat anywhere in the world right now. We need to look at regulations - GMOs are being redefined and a lot of the technological breakthroughs in wheat breeding may fall under the GMO threshold. The next 5-10 years will see many changes. The wheat genome is finally sequenced. It will fall back into the regulation world. Japan and Korea have zero tolerance for modified wheat. We need to work with them.
- Biotech to drive production traits and productivity

Identify untapped opportunities and ideas for growth.

- Distribution – storage – transportation
- Do more in Kansas and create jobs doing so.
- Targeted marketing of Kansas grain to international buyers looking for quality.
- Refrigerated storage at intermodal facility to facilitate cross-country shipment of frozen dough.
- Use big data gathering and management to reduce costs and increase yield through increased crop management capability.
- Less monoculture wheat (i.e. crop rotation)
- Use of shipping containers to open markets to small elevators.
- Identity preserved.
- Provide more finished products rather than unprocessed wheat.

What do we do next? What's our action plan?

- Increase truck weights during harvest.
 - Increase axles for weight limits to harmonize with other states.
- Remove financial barriers for young potential farmers.
 - Succession planning, barriers in the financial markets that limit people in taking over the farm. The young farmer has a hard time purchasing land or taking over the family farm, especially with the markets. Remove financial barriers for young folks to get into farming.
- Grow durum wheat.
 - A durham market in this state would be a huge advantage to Kansans. It's exciting that the pasta industry tells us they are essentially running out of product at the time of year when Kansas would be harvesting durum wheat. We can beat North Dakota to the market. Grow durum wheat.
- Specific market plan.
 - Profitability - how to cash flow is the biggest concern up front and in the future. Property values and cash rental rates will also have to be in the equation. If there's no profit... it's hard to pay rent.
 - Developing better partnerships from producers to research/universities. K-State's field to market program - Walmart and McDonald's are looking for labels to source from "sustainable producers" not organic, but things you already do. Make our wheat sound like an attractive food product - a specific Kansas marketing program - field to market program.
- Protein critical, grow specifically
 - Growing a product that someone specifically wants. Proteins are critical.
- Having specific traits
 - Look at varieties based on attributes. Having valuable traits have a value that farmers get paid for.