

North Dakota Wheat Commission

2022-23 Annual Report



A Letter from the Chair

CHALLENGING BEGINNINGS OF 2022 CROP RESULTED IN REMARKABLE YIELDS, ACCEPTABLE QUALITY AND BETTER THAN EXPECTED END-USE TRAITS.

The 2022 planting season began in stark contrast to the prior year's hot, dry, yield-robbing memories. Unseasonably cold wet weather and matching soil conditions delayed field startups in much of North Dakota until mid-late May, with final seeding dates pushing into the middle of June.

CROP POTENTIAL INCREASING

In a dramatic turnabout, conditions improved markedly as the summer season progressed. The earlier moisture became a blessing as days warmed, soils dried and earlier emerging potential disease threats largely dissipated. Considerable 'crop potential' was gradually reported. As harvest approached greater optimism was expressed, with a strong caveat that the crop 'still has a long way to go', due to later planting dates, delayed maturity schedules, and typical seasonal realities.

YET, THE LEVEL OF OPTIMISM WAS GROWING.

Harvest went remarkably well in most instances. North Dakota producers achieved a respectable 300 million bushel all wheat crop, coming in just at the five-year average. North Dakota spring wheat established a new record 50.0 bushels per acre yield (49.0 in 2018, 2019, and 2020); durum yields averaged 40.0 bushels per acre under drier regional conditions; and the state's average yield for all wheat came in at 48.9 bushels per acre, also a new record (48.4 in 2019). Current average spring wheat yields are nearly double those of 20-30 years ago. The crop was high grading with customer-pleasing end-use properties as well.

Market conditions (price-wise) also remained comparatively favorable throughout most of 2022 and early 2023 with regional spring wheat prices ranging from \$8.25-\$11.00 per bushel, and durum prices ranging from \$9.00 to \$12.00 per bushel, according to USDA-NASS/AMS data. That said, market conditions and the terms of competition are always a huge variable.

Wheat can be produced in a much broader range of countries and potential market origins than almost any other agricultural commodity currently traded on the world market. The relatively recent production increase of mostly medium-quality wheat particularly from Black Sea origins has dramatically changed the landscape and competitive horizons of the global wheat industry. To acknowledge that global supply and demand patterns have shifted dramatically is certainly an understatement. Yet, U.S. spring wheat producers are fortunate to have well-developed, durable markets for higher-quality wheat that remain relatively faithful. Current geo-political disruptions may have created some additional market considerations worthy of re-evaluation as resources become available to do so.

DETERMINED ATTITUDES MOVING FORWARD

The 2022 crop, given the abnormal circumstances, was considered by many to be a 'Miracle Crop' of sorts, with Mother Nature certainly heavily involved. However, North Dakota wheat producers through their own dedication and deliberate actions have heavily influenced these positive outcomes by advocating and providing considerable funding for cutting-edge research, personnel and infrastructure required to move genetics, technology and management practices forward effectively; actively developing domestic and export market opportunities and growth in demand for high-quality premium wheat and durum; aiding in development of Farm Program safety net features including crop insurance and disaster assistance programs; and addressing regulatory overreach issues that otherwise threaten time-proven production practices and efficiencies that serve producers and consumers alike.

Food Security = National Security.

Sincerely,

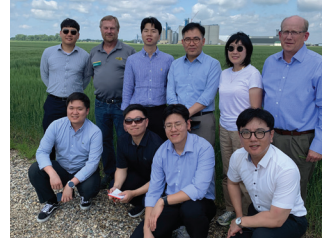
Philip Volk, Chair

Neal Fisher, Administrator



International Marketing

The NDWC, along with 16 other wheat state commissions, is a member of U.S. Wheat Associates, which is the export market development organization for the U.S. wheat industry, utilizing checkoff and matching USDA dollars to fund staff and offices in 15 different offices around the world. The Commission hosted 4 trade teams in the summer of 2022 and was able to present quality information to various groups in the fall.



Young Millers Team



Korean Team



SE Asia Bakery Team



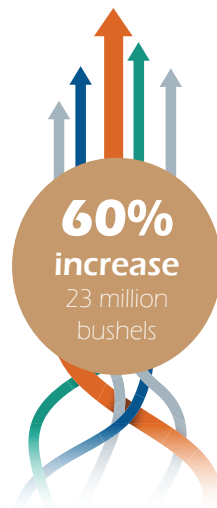
Philippine Team

U.S. HRS

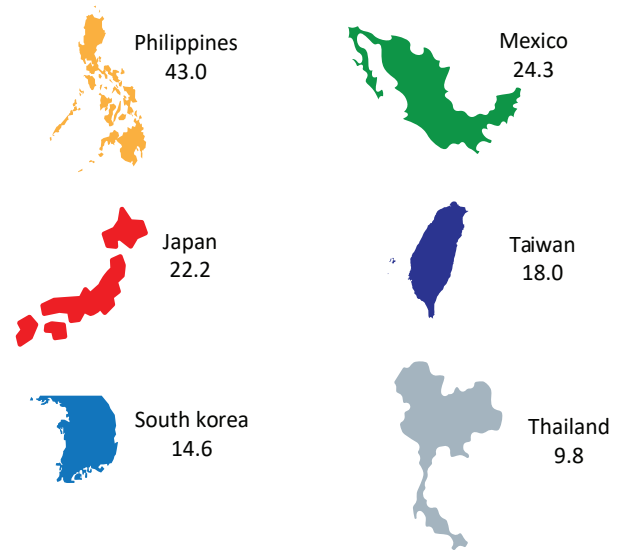
Exports of U.S. wheat in 2022-23 were down 5% due to a record Australian crop that pushed more supplies on the market and record exports from Russia that competed directly with some U.S. wheat classes. For HRS, sales were slightly higher than the previous year. Direct competition from Canada and Australia, combined with declining wheat consumption due to economic instability pressured sales in some of our top countries including the Philippines, Japan, Taiwan, and Korea. However, sales were considerably higher to Mexico, Thailand, Vietnam and, China. We also saw strong sales to non-traditional markets like Egypt and Iraq. Demand for high-protein wheat is still strong.

U.S. DURUM

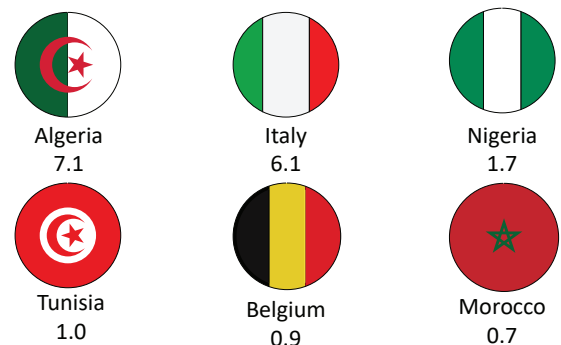
Durum exports sales were up over 60% from the previous year. Total sales reached 23 million bushels. Algeria was the largest durum market, surpassing Italy for the first time in many years. Demand for durum remains concentrated in North Africa and European countries with smaller amounts sold to Central American countries.



TOP 6 IMPORTERS OF U.S. HRS 2022-23 (IN MILL. BUSHEL)



TOP IMPORTERS OF U.S. DURUM 2022-23 (IN MILL. BUSHEL)



Domestic Promotion

DOMESTIC PROMOTION ACTIVITIES

Ensuring North Dakota wheat is positioned in a positive light with our customers at home remains a top priority for the Commission. Domestic promotion efforts are done on a mostly collaborative basis with national organizations including the National Pasta Association (NPA) and the Wheat Foods Council (WFC). The WFC engages chefs, personal trainers, registered dietitians, and other influencers via in-person events, online webinars and, educational materials.



Living Ag Classroom

DOMESTIC WHEAT FOOD USE (IN MILL. BUSHELS)



Domestic Policy

DOMESTIC POLICY PARTNERS

The NDWC contracts with the ND Grain Growers Association (NDGGA) and the U.S. Durum Growers Association (USDGA) to aid their work in addressing domestic policy issues such as:



Farm Bill Input



Crop Insurance



Disaster Relief



Conservation

The NDGGA works to educate officials on farm policy issues impacting North Dakota small grain producers. A primary example of this effort is their annual E-tour, allowing EPA officials to get a first-hand view of modern farm practices to help guide reasonable regulations. The USDGA works to ensure that the unique needs of durum growers and the durum industry are represented by local, state, and federal decision-makers. NDWC collaborates with both organizations to host producer events including the Best of the Best in Wheat Research Meetings and the Crop Outlook and International Durum Forum.



Best of the Best Meeting



U.S. Durum Growers Association



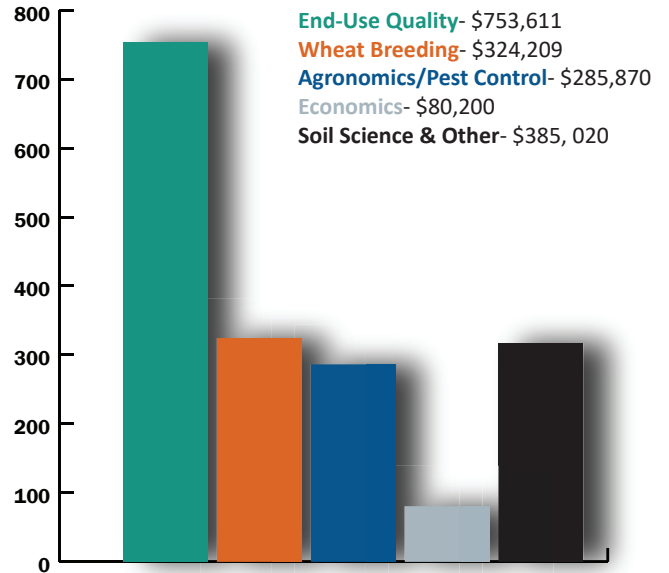
Research

Research remains a top priority for the North Dakota Wheat Commission. The Commission funds both long-term research projects such as wheat breeding, genomics, and end-use quality, as well as timely research items that address current agronomic research needs such as sawfly resistance, soil acidity, high input management and fertilizer recommendations and options.

End-use quality comprises the largest portion of the budget. Work in this area ensures both producers and end-users receive the quality wheat to meet demands and funds relevant research on many special projects. This portion also covers the NDWC’s commitment to the Peltier Complex which will include new space for the wheat quality labs. Breeding is the next largest category, supporting germplasm for all three classes of wheat. Agronomic research that directly impacts producers is the third largest category and consists of research projects that address current production challenges. Economics-related projects make up a smaller portion of the budget. Soil science and other categories including customer service-related training activities that take place at Northern Crops Institute, Wheat Marketing Center, and other entities account for the remainder of the budget.

The Commission meets each March to review research proposals and decide on funding allotments.

RESEARCH DOLLARS (IN THOUSANDS)



KEY FUNDED PROGRAM AREAS



End-Use Quality



Breeding



Disease & Pest Management



Agronomics



Soil Science



Economics



Customer Service Activities



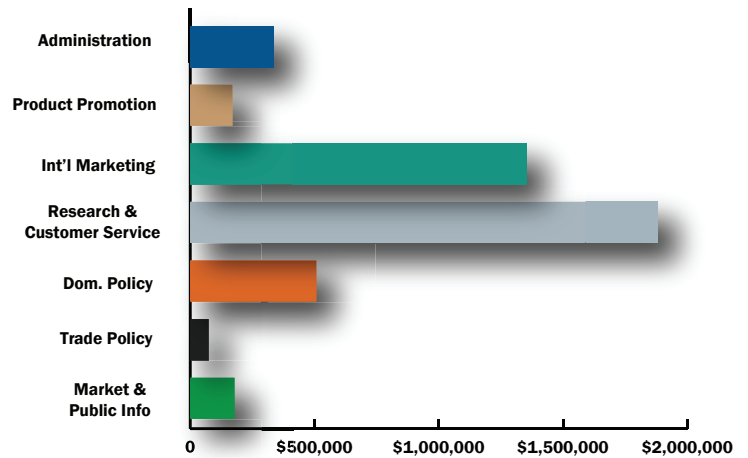
Your Check-off Dollars

FINANCIALS FOR JULY 1 TO JUNE 30

	Actual FY 2022-23	Budget FY 2023-24
Beginning Balance	\$6,218,730	\$5,644,583
Checkoff Collected	\$4,043,826	\$4,290,000
Interest Income	\$29,693	\$22,000
Sales/Miscellaneous	\$109,121	\$15,000
Total Receipts	\$10,461,370	\$9,971,583
Refunds to Producers	\$255,018	\$278,850
Expenditures	\$4,501,769	\$5,190,050
Ending Balance	\$5,644,583	\$4,502,683

Annual revenue collections from the wheat check-off were slightly more than \$4 million in the 2022 fiscal year, representing 270 million bushels of producer sales. While annual wheat production is a barometer of potential revenue collections, actual producer sale patterns are the final determinant, and producer carryover stocks help cushion years of production shortfalls. Similarly, the NDWC Board strives to operate with sufficient carryover funds, allowing for steady funding of critical program areas.

FY 2022-23 OPERATING EXPENDITURES = \$4,501,769



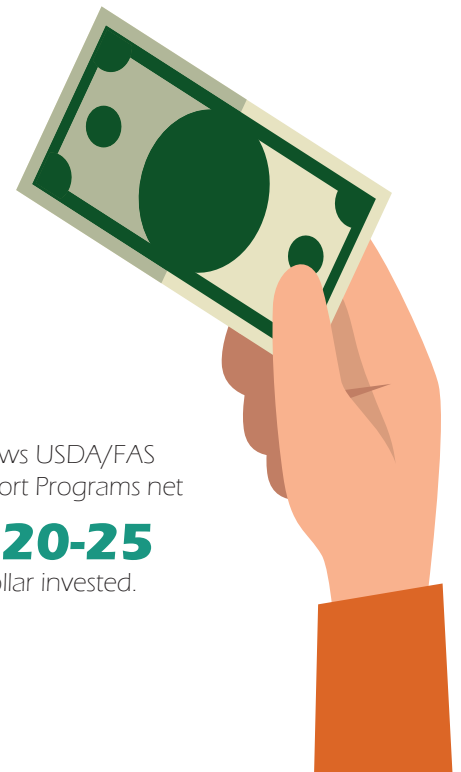
Trade Policy

North Dakota wheat producers have actively developed durable domestic and export market relationships worldwide. Development of positive trade policy and enforcement of existing trade agreements are critical elements of the process, reinforcing the producer-driven and directed goals and mission of Wheat Commission market development programs.

Trade policy initiatives are coordinated with industry-recognized partners including U.S. Wheat Associates, National Association of Wheat Growers, North Dakota Grain Growers Association, U.S. Durum Growers, and other like-minded, market-oriented partner organizations and stakeholders.

TRADE POLICY GOALS:

- Improve market access
- Lower tariffs in importing countries
- Support negotiation of new and improved trade agreements
- Eliminate unfair trade practices and other non-tariff barriers
- Expand markets and pricing opportunities for North Dakota producers
- Pursue additional funding for USDA-FAS Market Development programs under Title 3 of Farm Bill



Research shows USDA/FAS
Cooperator Export Programs net

returns of **\$20-25**
for every dollar invested.



BOARD OF COMMISSIONERS AND COUNTY REPRESENTATIVES

Jim Bahm, New Salem, ND
District 1 2020-2024

Adams..... Dustin Laufer
Billings..... Loren Bock
Bowman..... Colby Schumacher
Dunn..... Lenci Sickler
Golden Valley..... Don Hardy
Grant..... Wes Frederick
Hettinger..... Keith Witte
Mercer..... Gary Knell
Morton..... Jim Bahm
Oliver..... Mikael Schmidt
Sioux..... Jamie Heid
Slope..... Miles Hansen
Stark..... Dean Baar

Dustin Johnsrud, Epping, ND
District 2 2021-2025

Burke..... Eugene Christiansen
Divide..... Aaron Jacobson
McKenzie..... vacant
Mountrail..... Aaron Skarsgard
Renville..... Del Gates
Ward..... Duane Poynter
Williams..... Dustin Johnsrud

Jim Pellman - Vice chairman
McClusky, ND
District 3 2022-2026

Burleigh..... Dean Goetz
Eddy..... Brady Richter
Emmons..... Tom Bernhardt
Foster..... Lee Greger
Kidder..... Tim DeKrey
Logan..... Bill Becker
McIntosh..... Ross Litsey
McLean..... Brian Fransen
Sheridan..... James Pellman
Stutsman..... Vacant
Wells..... Vacant

Philip Volk - Chairman
York, ND
District 4 2020-2024

Benson..... Philip Volk
Bottineau..... Lenny Artz
McHenry..... David Thom
Pierce..... Mike Schmaltz
Ramsey..... Matthew Olson
Rolette..... Mark Martinson
Towner..... Alec Miller

Scott Huso, Aneta, ND
District 5 2021-2025

Barnes..... Erik Flatt
Cass..... Todd Ellison
Dickey..... vacant
Griggs..... Scott Tranby
LaMoure..... Jordan Nitschke
Ransom..... Travis Dagman
Richland..... Michael Beeson
Sargent..... Roger Zetocha
Steele..... Scott Huso
Traill..... Steve Doeden

Aaron Kjelland, Park River, ND
District 6 2022-2026

Cavalier..... Griffin Zimmer
Grand Forks..... Brian Jodock
Nelson..... John Steffan
Pembina..... Kelly O'Toole
Walsh..... Aaron Kjelland

Mark Birdsall - Commissioner-at-Large
Berthold, ND 2019-2023



Neal Fisher
Administrator

Jim Peterson
Policy & Marketing Director

Erica Olson
Market Development and Research Manager

Keri Ell
Accounting Specialist

Jolene Beehler
Administrative Assistant