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Dakota GOLD

NORTH DAKOTA WHEAT COMMISSION

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Bahm & Volk Recognized for Years of Service

The NDWC recognized two outgoing board members at its June meeting. Jim Bahm and Philip Volk will officially finish their service to the board on June 30, 2024. Jim Bahm, New Salem, served the Commission for the maximum 12 years, starting on the board in 2012. Bahm filled various roles during his tenure on the Commission, including Vice Chair of SBARE and Chairman of the Northern Crops Council. He also represented the board on the ND Ag Coalition, ND Grain Growers, SBARE Wheat Granting Committee, and participated in many ag legislative discussions, trade team visits, and was a driver on the Wheat Quality Council wheat tour.

Neal Fisher, Administrator, Jim Bahm and NDWC Chairman, Jim Pellman.

Bahm said his favorite thing about being on the Commission was working with a great group of farmers with a unified goal of promoting North Dakota wheat. "It was a team effort in everything we did, from market promotion to research. I also feel we have a great staff to carry out the day to day program efforts," said Bahm.

Philip Volk, York, served eight years on the Commission board, starting in July 2016. Volk is a past Vice Chair and Chairman of the NDWC and served on the U.S. Wheat Associates (USW) Budget and Wheat Quality Committees. He also represented the Commission on the Wheat Marketing Center board, SBARE Wheat Granting Committee and participated in many trade team visits and drove on the Wheat Quality Council tour. Philip and his family were also

Philip visited Philippine mills as part of a USW Board Team to SE Asia in 2019.

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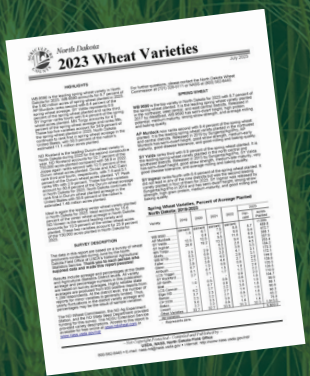
Producers Encouraged to Fill Out Wheat Variety Survey

The NDWC encourages producers to fill out the wheat variety survey conducted by USDA/NASS. The survey is mailed to select producers and often followed up with a call from NASS enumerators. The survey can be submitted online as well. While the survey is conducted by NASS, it is done at the direction of the NDWC with funding provided by the Commission, ND State Seed Department and NDSU Ag Experiment Station. The survey data provides a picture of variety trends across the state and within regions. It also helps to better define the top agronomic needs of producers.

Public and private wheat breeding programs, as well as allies in the seed production industry, use the data to monitor the success of their programs, analyze trends across regions of the state, and position themselves to develop better varieties to capture a greater share of acres. This data is also used with customers to show trends in quality, disease resistance and agronomic traits of popular varieties. Customers purchase North Dakota wheat for its specific quality characteristics and monitoring trends in varieties helps them plan purchases. Please assist in these efforts and complete the variety survey if you receive one. All information remains confidential.


North Dakota
2023 Wheat Varieties

The North Dakota Wheat Commission (NDWC) works to improve the economic well-being of North Dakota through export market development, domestic promotion, research, policy and public information initiatives. Wheat producers fund the effort with a checkoff of a penny and a half per bushel.

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Bahm/Volk con't from pg 1

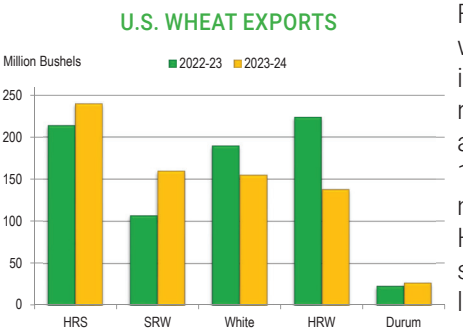
featured in a USW video featuring his farm that was used for customer education.

Producers that are elected to serve on the Commission put in a lot of time to represent the wheat producers in their area. Having dedicated board members ensures an appropriate budget for program areas that best serve producers. "Producer board members dedicate a lot of their time to serve on the board and it is very much appreciated," said Neal Fisher, NDWC Administrator. Most board members contribute beyond just regular Commission board meetings, often taking them away from their farms and families for days or weeks at a time. However, this work is key to promoting North Dakota wheat. "Both Jim and Philip represented the Commission on committees and participated in activities that put them in direct contact with domestic and international customers and also at the forefront of research and policy efforts benefiting producers," adds Fisher, "we thank them for their combined 20 years of service to the Commission and wheat producers of the state."

Don Hardy, Beach, ND, was elected this spring to fill Jim Bahm's former board seat for District 1 and Glendon Slaubaugh, Rugby, was elected to represent District 4, Volk's former seat.

HRS and Durum Exports Fare Well in Competitive Market Situation

U.S. wheat exports have faced an increasingly competitive situation in recent years due to a combination of factors including: drought impacted domestic production that has reduced supply levels, lower overall demand due to world economics and changing demographics, increased production in competitor countries, and high U.S. wheat prices relative to other sources.



Source: USDA June 2024

For the 2023-24 marketing year, total U.S. wheat exports were 720 million, the lowest in decades. However, spring wheat exports reached 240 million, the highest in three years and durum exports reached 27 million, about 17% higher than a year ago. While not immune from the competitive world factors, both HRS and durum demand remained relatively strong due to fewer competitors offering similar high quality wheat.

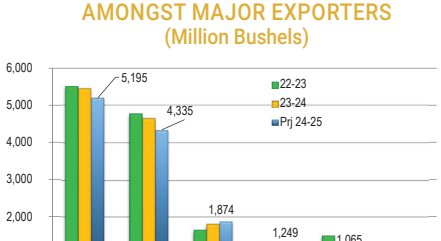
U.S. HRS was the largest class of wheat exported last year. Much of the demand for HRS comes from North and South Asia and Central America. The top five market list has changed very little in recent years, with the exception of the order. The Philippines remains the largest buyer with 58 million bushels in purchases, up from 43 million the previous year. Mexico has moved into the second spot with 35 million bushels in imports, the highest level in recent history. Taiwan, Japan and Korea are long-term, consistent markets and round out the top five.

The U.S. durum export market remains more concentrated due to lower overall world demand for the smallest class of wheat. Sales for the 2023-24 marketing year were up by about 3 million bushels, but large, unexpected durum exports from Turkey tempered potential further export increases. Algeria was the top market for U.S. durum for the second year in a row, reaching just over 11 million bushels. Sales to Italy, at 6.5 million bushels, were lower than the long-term average due to competition from Turkey and the Black Sea region. Morocco, Mexico and Venezuela round out the top five markets.

Smaller EU and Russian Wheat Crops in 2024

The 2024 world wheat crop is pegged to be record large, at 29.1 billion bushels, according to the latest USDA estimate, but down from earlier estimates this year, primarily due to declines in EU and Russian wheat crop conditions. The declines in crops in these two major export regions could become the more important variable in future price trends, not the overall size of the world wheat crop. Production by major export countries/regions is shown on the accompanying chart

WHEAT PRODUCTION AMONGST MAJOR EXPORTERS (Million Bushels)



Source: USDA June 2024

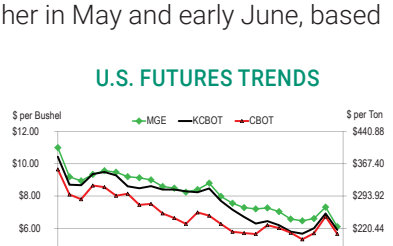
Combined production in Russia, the Ukraine and Kazakhstan is estimated at 4.3 billion bushels, down from 4.8 and 4.65 billion in 2022 and 2023, respectively. Russian production is currently pegged at 3.05 billion bushels, down 10% from the average of 3.37 billion the past two years. Some private analysts have the crop sub 3 billion bushels. Ukraine is estimated to have a crop near 700 million bushels, which would be more than 100 million bushels less than the average of the past two years. A frost in May did notable damage to key winter wheat production regions in both countries, and this was followed by hot, dry conditions. Less hostile weather returned in mid to late June, leading some analysts to question some of the lowest production estimates, but there is no question production will fall well short of early season expectations.

In the EU/UK, production is estimated at 5.2 billion bushels, down from 5.5 billion on average the past two seasons. Prolonged wet conditions in many parts of Europe, starting last fall impacted both planted area and yields. Impacts to the French crop seem the most pronounced, but even in the UK and parts of northern Europe production may fall by more than 20% from last year.

Production estimates in the other four major export countries, the U.S., Canada, Australia and Argentina are currently higher than a year ago, offsetting declines in Europe and the Black Sea region. Planted area has trended steady to lower in both the U.S. and Canada, but production gains are driven by improved yields in winter wheat, and improved yield potential in spring and durum wheat crops. In Australia and Argentina, harvest will not take place until late November into January, so a lot of uncertainty remains, but favorable early season yield outlooks, is boosting production prospects early.

World wheat prices trended higher in May and early June, based on the declining production prospects in the EU and Russia, but have since retreated lower on improving production potential across the U.S. and Canada. Overall world demand has also stalled a bit, due to continued inflationary pressures in many large consumption countries, and declining feed use of wheat due to lower maize prices. The smaller crops in Russia, Ukraine and parts of the EU should take some price pressure off world markets, relative to a year ago, and open up greater export opportunities for other origins, especially on medium protein wheat classes.

U.S. FUTURES TRENDS



U.S. Export Projections Higher in 2024

In the 2024 marketing year, which began on June 1, USDA is projecting a 5% increase in overall demand for the U.S. wheat crop. Exports are projected to reach 800 million bushels, up 11% from last year. Domestic demand is projected to increase 1% to 1.12 billion bushels, compared to 1.11 billion a year ago. Food use will account for 962 million bushels, steady with a year ago, while feed use grows to 100 million bushels, up 10 million.

The current export sales pace through mid-June is up 34% from 2023 at 199 million bushels. Percentage gains appear dramatic, since 2023 was one of our historically low years, but there is no question the export environment is more favorable for U.S. origin wheat this year. Stronger sales are most evident in Mexico, Central and South America, and the Asian region.

By class, Soft white exports are up 90% at 48 million bushels, followed by HRW exports up 52% at 46 million bushels. HRS export sales are 47% higher at 69 million bushels, while soft red winter is down by 35% to 33 million bushels. Durum sales are up 18% at 4 million bushels.

U.S. WHEAT SUPPLY AND DEMAND
Million Bushels | June-May

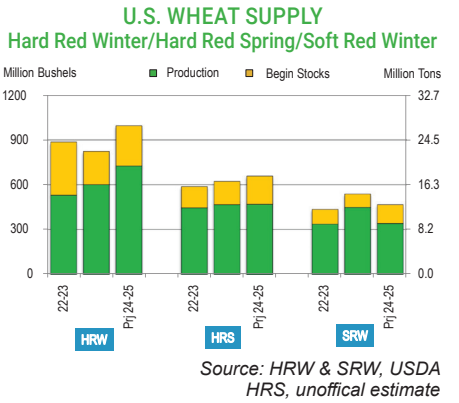
	22-23	23-24	Prj 24-25	% Chg.
Beg. Stocks	674	570	688	+21%
Production	1,650	1,812	1,875	+3%
Imports	122	140	120	-14%
Total Supply	2,446	2,522	2,682	+6%
Domestic Use	1,118	1,114	1,124	+1%
Exports	759	720	800	+11%
Total Use	1,876	1,834	1,924	+5%
End Stocks	570	688	758	+10%
S/U Ratio	30%	38%	39%	

Source: USDA June 2024

High quality harvests across classes will be an important variable in sustaining the stronger early export sales pace from the United States. Early harvest reports in HRW indicate good kernel quality, with lower than average protein levels in areas. In SRW, pockets of higher Fusarium disease pressures may impact overall quality in that class compared to a year ago. The wet start to the first half of the growing season for HRS will also heighten disease threats on the crop. If high quality crops are secured across classes, that would certainly provide continued optimism for U.S. exports throughout the marketing year, and temper the projected build-up in inventories due to expected increases in production.

U.S. Hard Red Winter Production Recovers in 2024

The share of overall U.S. wheat production amongst wheat classes is shifting in 2024, with the most dramatic shift in soft red winter and hard red winter wheat. The three year trend in supplies of HRW, SRW and HRS are shown in the accompanying chart. HRW will have its largest supply in three years, with HRS likely slightly larger, and SRW notably lower. The HRW and SRW estimates are official USDA data, whereas the HRS is an unofficial projection based on March acreage reports and current crop prospects. Shifts in production share amongst the classes will impact price spreads between the classes, and drive export dynamics and domestic mill demand for the various classes.



Source: HRW & SRW, USDA
HRS, unoffical estimate

Harvest of the U.S. winter wheat crop was estimated to be 40% complete as of June 24, well ahead of the recent 5-year average of 25 percent. Yield reports have generally been better than anticipated in many hard red winter wheat regions, but slightly disappointing in some soft red winter areas, paralleling current USDA estimates.

Official USDA estimates, as of June, have average winter wheat yields at 51.4 bushels per acre, up from 50.6 last year. Across some key production states, average yields are estimated to be in the mid to upper 30's in Texas and Oklahoma, 40 bushel/acre in Kansas, to the low 50's in Montana and South Dakota.

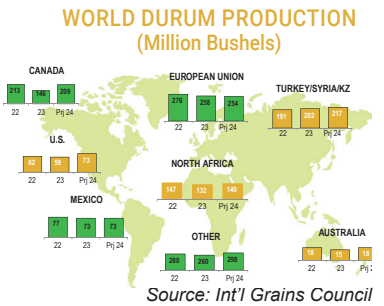
Hard red winter production is currently estimated to be 726 million bushels, up by 20% from last year's 601 million bushels, and nearly 40% from a two years ago. It is not just higher yields that are supporting the higher production estimates, a sharp reduction in abandoned or unharvested acres is also an underlying factor. Planted area for winter wheat in the U.S. fell by nearly 2.6 million acres in 2024, but the current estimate for harvested acres in 2024, is slightly more than one half million acres higher than a year ago. Much of that decrease in abandonment is across HRW areas. In contrast, production of soft red winter wheat is estimated to be down 25% from last year, and more on par with the 2022 crop. Key production states had notable reductions in planted area, and lower yields.

Projections for 2024 HRS supplies could likely grow over the next two months, if favorable moisture patterns continue. Planted area is expected to hold near 2023 levels, but a higher national yield seems likely given the current crop condition ratings. The national crop is rated 71% good to excellent and only 4% poor to very poor, much higher than last years 50% good to excellent and 12% poor to very poor at this time.

Supply dynamics are a key factor in setting price trends early in the marketing year, and an important variable in export and domestic demand competitiveness. The better than expected HRW yields, faster than expected harvest pace, and favorable early conditions for HRS have brought a dramatic shift in price trends in the near term, but the larger supplies are also making the U.S. more competitive for exports, building a better demand base to support prices as harvest pressure eases.

Larger World Durum Crop Still on Track

World durum production is currently estimated at 1.28 billion bushels, up 12% over a year ago, and the largest crop since 2018, according to the International Grains Council (IGC). The higher production is paced by North America, Turkey, Russia, Tunisia and India. Gains in these regions, more than offset lower production in the EU and Morocco.



Source: Int'l Grains Council

In North America, the IGC projects the Canadian durum crop could reach 209 million bushels, up 43% from a year ago. A notable increase in planted area, and strong prospects for sharp yield gains in key durum production regions support the higher crop estimates. More beneficial precipitation has the crop off to a better start than a year ago. In the U.S., production could be 25% higher than a year ago, reaching approximately 75 million bushels, primarily due to sharply higher planted acres, but also a more promising yield outlook in Montana, relative to a year ago. Mexico is projected to hold near 75 million bushels, similar to recent years.

Production across Turkey, Syria and Kazakhstan on a combined basis is estimated at 217 million bushels, up notably from 202 million bushels last year. Russian production is also anticipated higher. Last fall, the quantities and pace of durum export sales from Turkey and Russia quickly deflated escalating durum prices post-harvest in the U.S. and Canada. Both Turkey and Russia look poised to compete aggressively for EU demand again in 2024, but government intervention on durum exports could limit the price impact, relative to a year ago.

In North Africa, another year of significant drought in Morocco has slashed production by nearly 50% to just 26 million bushels, elevating import needs in the 2024 marketing year. Algeria and Tunisia fared better, with Algerian production estimated steady to slightly higher than a year ago, and production in Tunisia doubling a year ago, benefitting from late season precipitation.

EU durum production has been hampered for a second straight year, and is currently estimated at just over 250 million bushels, potentially the smallest harvest in more than 20 years. Adverse conditions last fall limited planted area across France, and a combination of overly wet, and overly dry conditions this spring have impacted yields in both Italy and France, the two largest producers. The lower production will drive increased import demand in the 2024 marketing year.

Peltier Complex will Benefit Wheat Producers and Customers

The ribbon cutting dedication of the Peltier Complex on the NDSU campus was recently celebrated by a broad array of North Dakota stakeholders. Commodity groups, SBARE, industry, agriculture, policymakers, NDSU representatives, and many donors joined NDSU President, Dave & Kate Cook at this momentous event on June 12, 2024.

The Peltier Complex is a state-of-the-art, product development and promotion facility which will enhance research and education in crop quality, food science, meat science, and related fields. This facility is made possible by a $70 million legislative appropriation and generous support from the Peltier family and many other donors. The legislature authorized an additional $15 million in fundraising opportunity to complement state appropriations. NDWC contributed $1.75 million to the funding effort, directed toward replacement of the wheat quality analysis unit housed in an aging Harris Hall. NDWC Administrator, Neal Fisher, said "There is no question the investment in this longtime priority for ND wheat producers is a great step forward for ND agriculture." Highly respected research performed by the wheat quality labs is widely sought by customers world wide as part of a formula for repeat business; a positive scenario for our producers and their customers.

Former NDWC Chairman, Greg Svenningsen, who delivered key producer testimony in a statewide push for the new Peltier facility in the 2021 legislative session expressed appreciation for the statewide support for the new facility. "North Dakota producers are also extremely grateful to the Peltier family, the commodity groups and many industry and individual donors for their generous contributions to finance this important project. We are also very appreciative the NDWC provided producer start up or "seed" money to get this much needed project off the ground." Svenningsen, other former Commission chairs, current and past board members and staff in attendance expressed very positive impressions of the new facilities and the important role they will play in enhancing the production and value of the region's commodities.

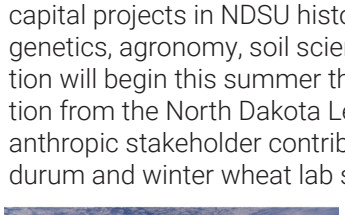
The new facility will bring together NDSU's food science, meat science and cereal science laboratories along with NCI in one very accessible location. Dr. Frank Manthey, NDSU Professor and Durum Wheat Quality Specialist is excited that everyone will now be under one roof. "For years we've had technicians in our own department spread across multiple locations. The new building brings everyone together, encouraging improved communication, collaboration and sharing of new ideas," said Dr. Manthey. The Peltier Complex offers more lab space, greatly improved working conditions, and allows for multiple, research efforts to take place at one time. "The new building is a huge upgrade and keeps us in the game with an environment that supports modern technology and allows us to be competitive in attracting students, and supporting our stakeholders" he added.

The modern facility, featuring greater lab space and appropriate technologies will result in more research, done faster for the benefit of both producers and their hard earned domestic and export customers. According to Svenningsen, this will be a tremendous upgrade to show customers from around the world how serious our state is about wheat breeding, quality, research and education efforts. "Think of all of the trade teams that the commodity groups bring to our area and the short courses conducted by US Wheat Associates and the NCI. This state-of-the-art facility will provide additional awareness of our commitment to producing the safest and highest quality 'food ingredients' in the world," said Svenningsen.

Current Commissioners Jim Pellman, District 3 and Jim Bahm, District 1; and former NDWC Commissioners Greg Svenningsen and David Clough attended the dedication ceremony for the Pelter Complex.

Bolley Lab Ground Breaking adds More Modern Research Capabilities

While the Peltier Complex will be occupied over the next few weeks, dirt work has just begun on the Bolley Agriculture Laboratory. Named after an early NDSU agricultural research pioneer, Henry L. Bolley, the building will be one of the largest capital projects in NDSU history, supporting research in plant genetics, agronomy, soil science and plant pathology. Construction will begin this summer thanks to an $87 million appropriation from the North Dakota Legislature and $3.6 million in philanthropic stakeholder contributions. Dedicated spring wheat, durum and winter wheat lab spaces will be a key feature in this building for North Dakota wheat producers.



The groundbreaking for this building was held on June 12, directly ahead of the dedication of the Peltier Complex. Both buildings provide substantial benefits to wheat producers and customers. NDWC Administrator, Neal Fisher said, "The long-awaited upgrades fit perfectly into the Commission's goals and mission, which is really about making things better for North Dakota's dedicated producers, their families, and their customers; providing positive impacts in every zip code in our great state." "The ROI and 'repeat business' impacts generated from these continuing initiatives have been impressive for a very long time."

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2024 NDSU Research Extension Center Annual Field Days

The North Dakota State University Research Extension Centers' annual field days are set. The events take place at the Research Extension Center sites across the state and feature speakers, presentations and tours covering a diverse array of topics.

The field days are open to the public, and they provide a great opportunity for farmers, ranchers and others to learn about the latest research and practices in animal science, agronomy and horticulture. Listed below are some of the dates for crop related discussions.

July 9 – Dickinson Research Extension Center (morning agronomy tour)

July 9 - Hettinger Research Extension Center (late afternoon)

July 10 – Williston Research Extension Center (late afternoon agronomy and horticulture tour)

July 11 – Williston Research Extension Center (morning irrigation tour)

July 15 – Agronomy Seed Farm, Casselton (late afternoon tour)

July 16 – Carrington Research Extension Center (morning and afternoon tours)

July 17 – North Central Research Extension Center, Minot (morning tour)

July 18 – Langdon Research Extension Center (morning tour)

All field dates listed: *https://www.ndsu.edu/agriculture/ag-research/rec-annual-field-days*