



QUALITY MATTERS FOR VARIETY SELECTION

The choices that producers make in hard red spring wheat variety selection play a key role in setting the base of quality that customers receive from the annual production. While it is not the only variable, and the degree of importance will vary from year to year due to environmental impacts, maintaining the genetic base to deliver premium functional quality performance to our customers should always be a goal. Wheat producers in the hard red spring wheat region have always known that there is a high quality standard for their class of wheat, as multiple factors are analyzed upon delivery and some years there can be wide price spreads for kernel quality parameters such as protein, test weight, damage, falling number, etc. The premiums are often lower than the potential discounts at the point of pricing, but that is in part due to the base premium that HRS generally receives as a class of wheat, due to its traditional milling and baking qualities.



To assist producers in helping select varieties with higher end-use quality performance for key customer traits, the North Dakota Wheat Commission developed a brochure that compares HRS varieties across similar years and growing environments, and categorizes them based on how they performed in laboratory quality evaluations. The varieties are grouped into three categories ranging from good to excellent quality, average to good quality and those that typically fall below the established quality standards for the HRS class.

Customers pay a premium because of the higher protein content and other typically high kernel quality parameters, which are easily measured in the market channel. But the larger reason is due to the reputation the class has for the functional quality it brings to the mill and bakery - things such as strong dough parameters, high water absorption

con't on page 2



USW & NAWG Support USDA Administration of Food for Peace - reprinted from USW & NAWG press release 2/11/25

U.S. Wheat Associates (USW) and the National Association of Wheat Growers (NAWG) welcome new legislation introduced today that would move the Food for Peace international food assistance program under USDA's administration. The legislation is sponsored by Representatives Tracey Mann of Kansas, Rick Crawford of Arkansas, Dan Newhouse of Washington, David Rouzer of North Carolina and House Agriculture Committee Chairman GT Thompson of Pennsylvania, along with Sens. Jerry Moran of Kansas and John Hoeven of North Dakota.

"U.S. wheat has long been proud of the role our farmers play in feeding hungry populations around the world," said USW President Vince Peterson. "Realigning administration of Food for Peace, our flagship global hunger program, to USDA makes perfect sense and ensures that the agency most closely connected with food is equipped to deliver wholesome food from American farmers to those who most need it."

USW and NAWG have long advocated for "keeping the food in food aid" and have expressed frustration at growing trends in food assistance programs of cash donations and commodity purchases from U.S. competitors.

"NAWG welcomes this legislation that supports American farmers while working to address hunger around the world," said NAWG CEO Chandler Goule. "Each year, the Food for Peace program buys more than one million metric tons of food, including wheat, to feed millions of starving people in the poorest countries around the world. Under USDA, Food for Peace, this 71-year-old program will feed more people more efficiently and effectively without losing track of starting American foreign policy at home with American farmers."

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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HRS varieties con't from page 1

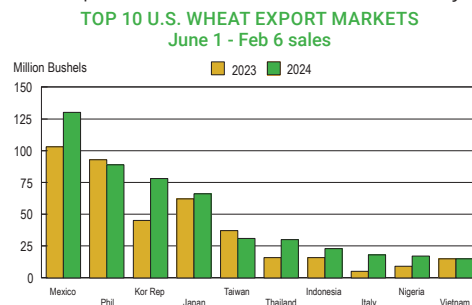
and excellent bake volumes and quality. These factors are not easily measured at points of sale, and not always tied to protein content or kernel attributes. They are an inherent part of the DNA in a variety, and these functional quality attributes do vary by variety.

The brochure is available on our website, with greater discussion and description of the quality evaluation. Hard copies were also distributed to county extension offices, elevators and seed handlers in the state. Producers are encouraged to reference the brochure as they make variety selections. While a number of decisions may have already been made for this planting season, we encourage producers to incorporate the end-use quality attributes of varieties where possible. A variety needs to perform well agronomically to be profitable for growers, but where two varieties are similar for agronomic attributes, producers should choose the one with higher end-use quality ratings. Our reputation for quality, which brings premium prices in the world and U.S. market and repeat business, is directly linked to producing those varieties which have the inherent genetic potential to meet or exceed customer demands. Please contact the North Dakota Wheat Commission with any questions or for additional information about the brochure.

U.S. Wheat Export Pace Strong, but Behind Projection

The U.S. wheat marketing year is three-fourths complete and current export sales total 724 million bushels, 10 percent ahead of the pace for the same period a year ago. USDA is currently projecting exports will reach 850 million bushels by the end of May, a 20 percent increase over last year. This implies that while the U.S. has enjoyed stronger export demand this year, an even greater acceleration in sales will be needed in the final four months to reach USDA's goal. Sales have been tempered in recent months by a strong dollar, and robust competition from Canada, Australia and Argentina. A positive that should support an improved sales pace in nearby months is some curtailing in Russian wheat exports.

The top ten list looks similar to recent years with some variance in trends by market.



Mexico is the dominant market with nearly 20 percent of total U.S. exports to-date. Stronger exports of hard red winter and soft red winter to Mexico, along with steady hard red spring wheat demand are supporting the sharp gain in sales. Future sales into that market may be curtailed if proposed tariffs lead to retaliation on ag products by Mexico.

In the Asian region, the U.S. continues to have a lot of success, in spite of strong competition from both Canada and Australia. Seven of our top markets are in Asia with Korea, Thailand and Indonesia all showing a notably stronger buying pace. Soft white wheat is pacing a majority of the increased sales volumes in these markets, as it is the most competitively priced class of U.S. wheat with a broad base of good quality attributes in the 2024 crop. Some of the increased demand for soft white wheat in these markets has also been for feed.

The Philippines, Japan and Taiwan are holding generally steady with a year ago, but probably below early season expectations for demand. Canadian and Australian gains, as well as weaker economic conditions are all contributing factors. A better export pace will likely be needed in these three larger volume markets to help achieve USDA's export projection for the year.

The stronger sales into both Italy and Nigeria are driven largely by hard red spring wheat sales, but also hard red winter in Nigeria. Demand is supported by a need for quality for producing higher end bread products, as well as blending with lower quality EU and Russian wheat.



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The 2024 U.S. hard red spring wheat crop is seeing stronger year-on-year demand from both domestic and export customers. This is helping to keep potential end of year inventories tighter than originally anticipated, considering the larger than expected production and USDA's projection of higher imports as well. Combined demand is projected to reach 566 million bushels, up 15 percent from last year.

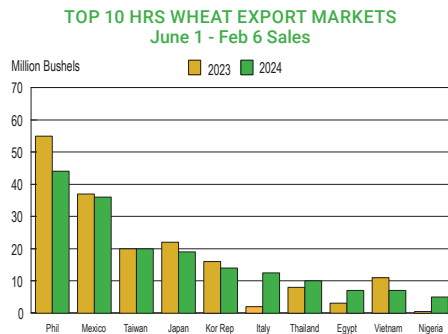
	23-24	24-25	% Chg.
Beg Stocks	155	190	+23
Production	465	503	+8
Imports	63	70	+11
Tot Supply	683	763	+12
Dom Food	253	260	+2
Dom Other	5	36	+7X
Exports	235	270	+15
Total Use	493	566	+15
End Stocks	190	197	+4
S/U Ratio	39%	35%	

Source: USDA Feb 2025

U.S. domestic demand for food is projected 2 percent higher at 260 million bushels. Competitive prices for mid protein hard red spring wheat, relative to hard red winter, as well as demand for higher protein segments of the HRS crop for blending are driving the slightly higher demand. The current projection for non-food use is 36 million bushels, more than 7 times greater than a year ago. This is solely due to a larger than normal portion of the crop which moved into feed channels, due to very low falling numbers,

higher damage or atypical low protein levels in portions of the crop.

Export demand is projected at 270 million bushels, 15 percent higher than a year ago. Current sales stand at 229 million bushels, about 7 percent higher than a year ago, but somewhat lower than expectations. Sluggish sales to the Philippines, Japan, Korea and Vietnam are tempering the overall HRS export pace through the first eight months of the marketing year.



The remaining top ten markets are all showing similar to stronger export sales compared to a year ago, with Italy, Egypt, Thailand and Nigeria showing the strongest percentage gains. In these markets, a need for higher protein and quality is pushing demand to U.S. hard red spring wheat. Mexico remains a prime market for U.S. hard red spring wheat production for a second straight year, although the sales pace has waned from earlier this fall. Mills there are shifting back to greater quantities of hard red and soft red winter in the current marketing year due to logistics and more available supplies of hard red winter compared to recent drought years.

Current projections for end of year inventories show a slight increase to 197 million bushels, compared to 190 million a year ago. When the stronger demand projections are considered the stocks to use ratio is slightly tighter than a year ago. Hopefully this will provide a stronger trend in prices as we head into spring planting.

U.S. Durum Prices hold Premium

Durum bids to producers in North Dakota and Montana remain near or above \$7 per bushel, defying the more volatile and recent weakness in other wheat classes. The stronger price trend contrasts with USDA's current projection of a nearly 70 percent increase in end of year inventories compared to a year ago.

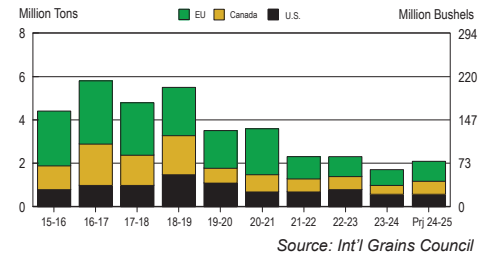
	23-24	24-25	% Chg.
Beg. Stocks	28	21	-25
Production	59	80	+36
Imports	45	45	0
Total Supply	132	146	+11
Dom Food	83	84	+1
Dom Other	1	3	+3X
Exports	27	25	-7
Total Use	111	112	0
End Stocks	21	35	+67
S/U Ratio	19%	31%	

Source: USDA Feb 2025

Domestic demand remains strong at 84 million bushels, as economic pressures on U.S. households continues to drive in-home pasta demand. Export sales are currently projected to reach 25 million bushels, about 7 percent lower than a year ago. Sales as of mid-February are just 12 million bushels however, a nearly 30 percent lower pace than a year ago. Very strong Canadian durum exports, and somewhat tempered world import demand for durum, are headwinds to U.S. durum exports.

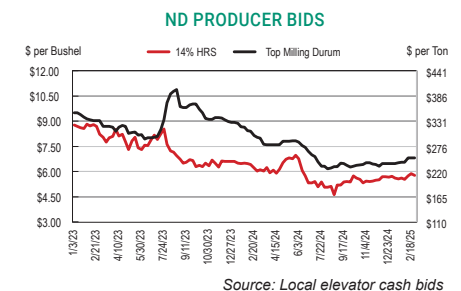
World durum inventories are still tight from a historical perspective. As the accompanying chart shows, projected inventories by June 2025 in the U.S., the EU and Canada may be marginally higher than a year ago, but still well below levels seen just 5 years ago.

END OF YEAR DURUM STOCKS U.S., CANADA & EUROPEAN UNION as of June 30, 2024



This is a supportive factor for durum, if there are production issues in the world 2025 durum crop. Some areas to watch include North Africa, Turkey and Russia as the combination of drought and cold temperatures have impacted durum crops to varying degrees.

Canada will likely see steady to higher acres of durum. Production may still be lower however, as yields are key variable. In the U.S., bids for durum to producers remain at \$1.50 to nearly \$2 per bushel premium to hard red spring wheat, depending on protein levels of hard red spring wheat.



This is for nearby positions, and new crop months are not as wide. Still the steady premium throughout the year, will be a driving factor in producer decisions to plant more durum, at the expense of hard red spring wheat, in areas where durum is competitive agronomically. Given the sharp increase in durum acres last year, the level of increase in 2025 will be smaller, but an increase looks likely.

Dakota GOLD

County Representatives Elected in Northwest & Southeast Districts

The ND Wheat Commission consists of seven producer board members, six of which are producer elected and one appointed by the Governor. Elections are held every four years within each of the six districts, with the At-Large position selected in the off year. The process to elect a producer to the board starts at the county level, where a producer is elected to represent the county. The county representatives then meet at the district level to elect a member to the board. County representatives serve a vital role in ensuring local issues are included in statewide discussions, and being a resource in helping to establish priorities for investment of the wheat check-off. Producer involvement in the Commission is extremely important to ensure check-off funded programs and priorities align with producer's wishes.

This year, elections were held in District 2 (northwest North Dakota) and District 5 (southeast North Dakota) and the following representatives were elected in each county. District elections are scheduled for March. The NDWC thanks the NDSU county extension agents for carrying out elections in each county. Also, thank you to the dedicated producers willing to fill these roles!

District 2

Burke – Eugene Christiansen, Flaxton
Divide – Jordan Kimball, Noonan
McKenzie – Erick Leiseth, Arnegard
Mountrail – Nathan Brandt, Stanley
Renville – Parker Gates, Mohall
Ward – Duane Poynter, Sawyer
Williams – Brandon Hoffman, Williston

District 5

Barnes – Erik Flatt, Valley City
Cass – Todd Ellison, Mapleton
Dickey – vacant
Griggs – Luke Erickson, Aneta
LaMoure – Jordan Nitschke, Jud
Ransom – Jacob Birkliid, Fort Ransom
Richland – Jim Stallman, Mooreton
Sargent – Luke Anderson, Forman
Steele – Scott Huso, Aneta
Traill – vacant