



The Agricultural Business Council of Kansas City

“Challenges facing the Wheat Industry—a
perspective from Kansas Wheat producers.

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www.kansaswheat.org

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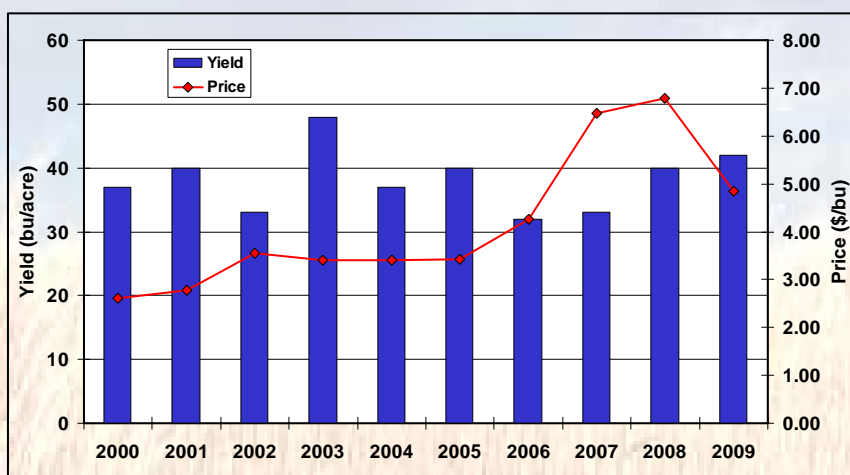
Overview

- Planted acres
- Kansas Farm Management data; available from Troy Dumler, KSU Ag Economics, Agmanager.com
- Continuous Improvement
- Efforts underway and what is coming
- My perspective.....

2009 HRW Crop

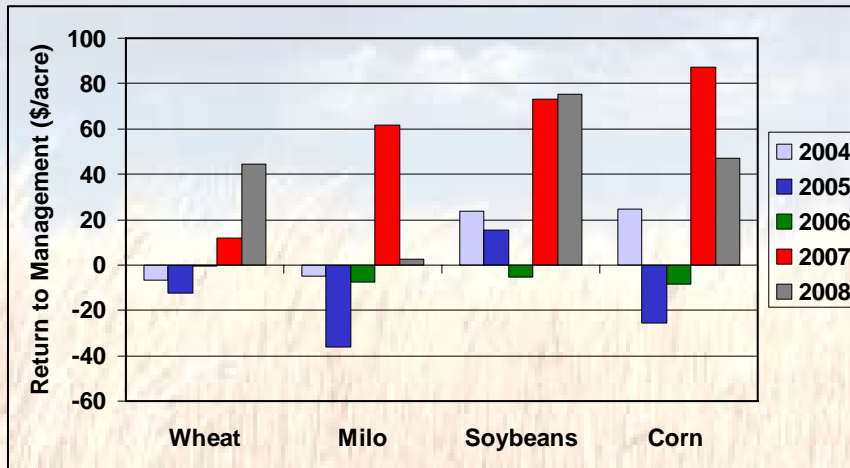


Kansas Wheat Yields and Prices



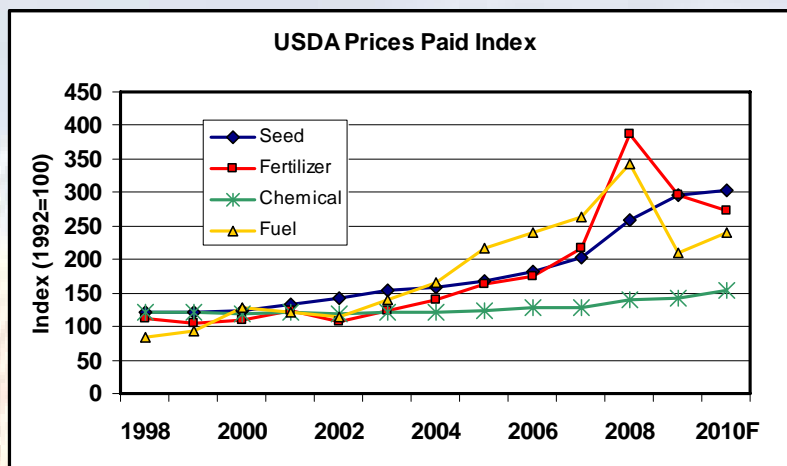
Source: USDA, NASS

Returns for Selected Crop Enterprises



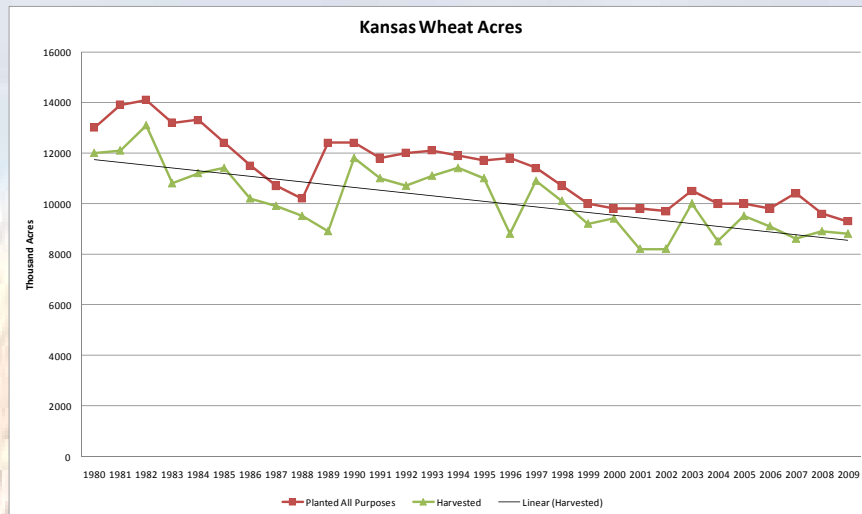
Source: KFMA Enterprise Profit Center Summary

Crop Production Expenses



Source: USDA

Kansas Wheat acres trending down...



Efforts underway

- Continuous improvements needed;
- Big shift in interest in wheat breeding from private sector; Monsanto buying WestBred.
- Heartland Plant Innovations;
- NAWG lead Wheat summit efforts have been outstanding in making progress

Kansas Innovation Center for Advanced Plant Design

-Collaborative effort with industry,
Kansas Wheat, KU and KSU.

- Mission: Accelerate research,
development and commercialization
of profitable innovations by achieving
dramatic improvements in the market
performance of native and cultivated
plants such as wheat, sorghum and
energy dedicated crops



My perspective on wheat trade....

- I've been on both sides, wheat buyer and wheat producer
- We can't have the discussion of biotechnology in wheat without acknowledging the potential trade impact; both domestic and export

Premium vs. Discount

- Unfortunately, the US Grain trade operates using a discount structure
- Dr. Bill Wilson's work demonstrates potential "premiums" in the market place for non-biotech wheat channels
- Producers should be aware of this being a potential discounting situation vs. premium

12 protein spring wheat example

- This year, there has been an abundance low protein spring wheat produced in the northern states.
- If you asked buyers prior to harvest, none would have expressed that they wanted or would use this low of protein spring wheat.
- But as harvest progressed and producers were heavily discounted; this wheat ended up being used both domestically and export as an "opportunity"....
- To me, this is an example of a US grown wheat, not desired by the market place, not deliverable against the futures contract, still finding its way into the processing channels, because it made cents...for users, not producers...again, an example we can learn from.

Industry collaboration essential

- Highlights the importance of bringing the right traits at the right time to the market place, for biotech wheat introduction.
- Identify novel traits with consumer/environmental benefits.
- Also, the importance of education and collaboration needed by the wheat industry...
- Timing is everything, because when biotech wheat is ready, the US Wheat Industry needs to be ready as well.
- Now more than ever, the US wheat industry needs to come together to face challenges and embrace opportunities.

Just two years ago....

- The wheat market and world were on edge as projections showed just a 30 day supply...



Thank you for your time!