



# Northwest Grain Growers

Fall 2018  
NEWSLETTER



BLUE GRASS FARMS  
PHOTO BY AMY SWANNACK

# MERGER UPDATE

The 2018 harvest season is wrapping up and I hope all of you enjoyed a very bountiful harvest. Our merger with Whitgro, Inc. is progressing nicely. Your team has worked tirelessly to integrate all facets of our operations and I think that we have the most talented workforce of any grain business in the Pacific Northwest. The merger has not only broadened our trade area, it has strengthened our position as the lead supplier in both grain marketing and seed production in the Pacific Northwest.

NWGG has received over 40 million bushels from our membership, handling 22 separate commodities over the summer season. I commend our employees both, full-time and part-time, for making this possible. If you get a chance, please let them know they are appreciated. During the next couple of weeks, we will be rolling out of harvest and right into seed season. As you will read in this newsletter, your company has an impressive seed distribution network.

Major upgrades have taken place at every seed facility as NWGG strives to be a leader in the industry by providing you with the latest in seed genetics as well as offering the latest technology in treatment chemistry. Our seed outlets can provide you with the variety you are looking for in addition to the seed treatment you desire. Please remember to notify one of these locations with your seed order. The more information you provide the seed department, the better we can serve you.

Thank you for your ongoing patronage. NWGG success is built on the loyalty of its patrons. If you have any questions, do not hesitate to call one of your team members. Enjoy the end to your harvest season and please be safe this fall as you sow the seeds for another profitable year.

Best Regards,

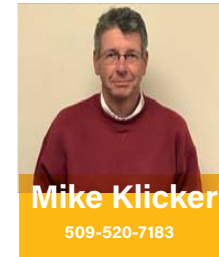
Chris Peha  
General Manager

# Seed Outlets



## WALLA WALLA

The Walla Walla plant has undergone several major renovations over the last decade. The most recent innovation was a full integration of our PLC system. This allows maximum choice for the producer with minimal mistakes.



**Mike Klicker**  
509-520-7183



**Nate Davin**  
509-629-2143



## GARFIELD

The Garfield plant is the newest addition with Whitgro purchasing the location just a little over a year ago.

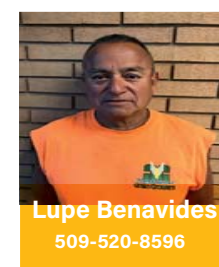


**Mark Johnson**  
509-290-3649



## DAYTON

The Dayton plant underwent a major upgrade within the last 7 years, adding new seed tanks as well as an on-demand treat system.



**Lupe Benavides**  
509-520-8596

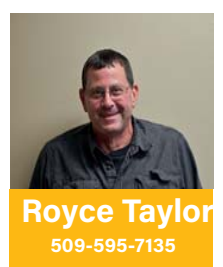


**Cody Scott**  
509-382-2262



## LANCASTER

The Lancaster plant just completed a major renovation, with full utilization scheduled for this fall. An on-demand treater was added as well as the ability to fully utilize existing storage.



**Royce Taylor**  
509-595-7135

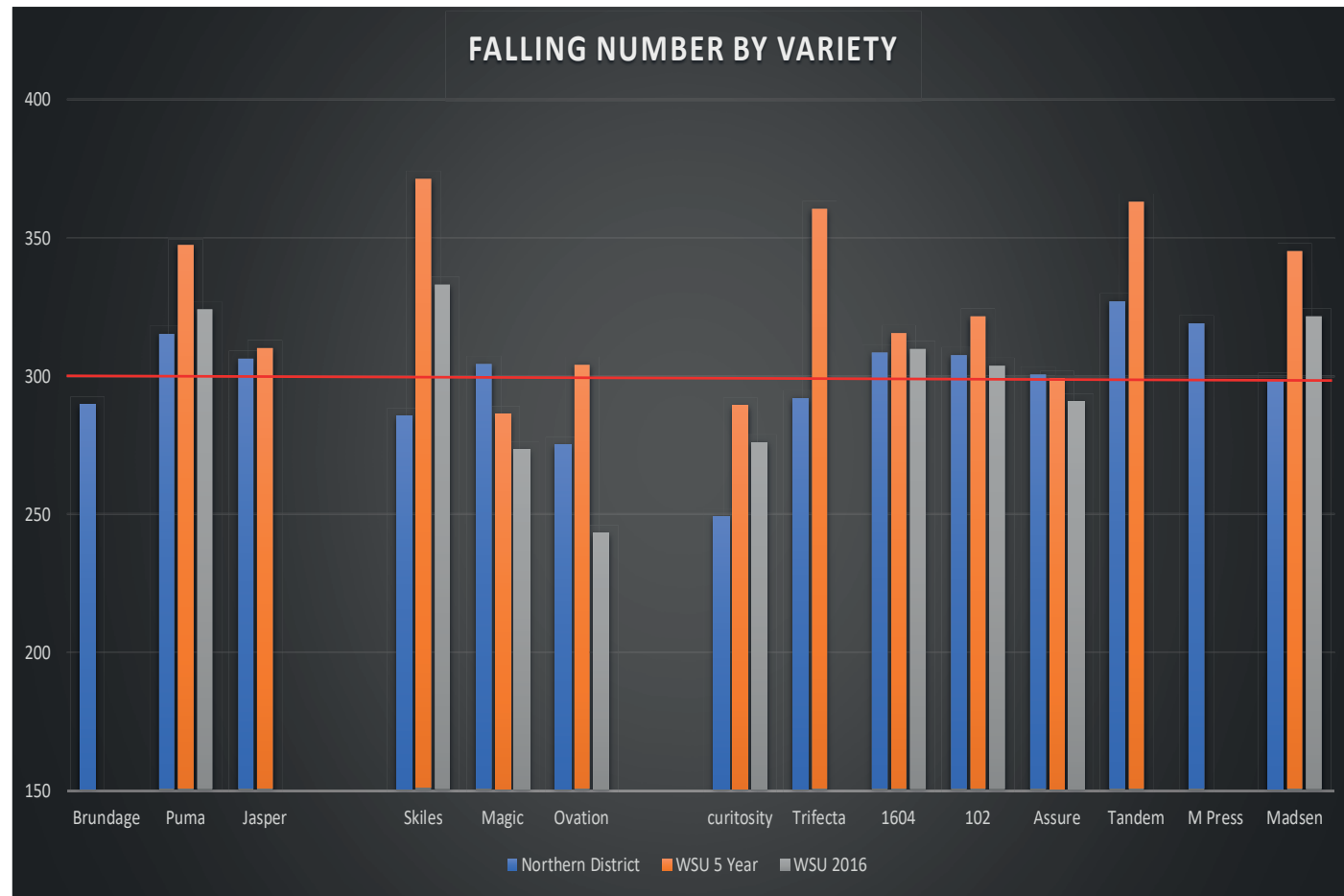
# SEED

# GENETICS



“There are no miracles in agricultural production.”  
Norman Borlaug

## FALLING NUMBERS



### Falling Number Variety Study

The harvest season always reminds us how fortunate we are to live in such a rich and fertile region, and the near record yields experienced this harvest season were no exception. During these times it is easy to praise the new genetics breeders have designed to make these exceptional yields possible. However, we must remember that milling quality is still an important factor in selecting what varieties we should be producing. Falling numbers is one of these quality factors that we unfortunately have had to deal with three of the last six crop years. While it was not an issue across most

of our growing region, we did experience some issues in our Northern Region.

We experienced enough of an issue that we decided to track falling number results on each lot, and also track each of these lots by variety. The results in the graph above (in blue) show the results of this effort. We have also compiled the entirety of the Washington State University plot work which has 5 years' worth of falling number data, as well as showing just the 2016 plot work. It is our hope that these comparisons will not only give you a sense of how each of these varieties perform under "normal" circumstances, but also how well they hold up under adverse conditions.

As you review the graph above, please note the following observations: Ovation once again is showing signs of trouble, as many of you can probably remember from your own operations in 2016. The newer varieties of Tandem and M Press both appear to be strong falling number candidates, while Assure and Magic need further testing before making any strong conclusions. Variety selection is very important. We were extremely fortunate to avoid taking discounts this year, **this may not always be the case.** We hope everyone has a safe planting season.

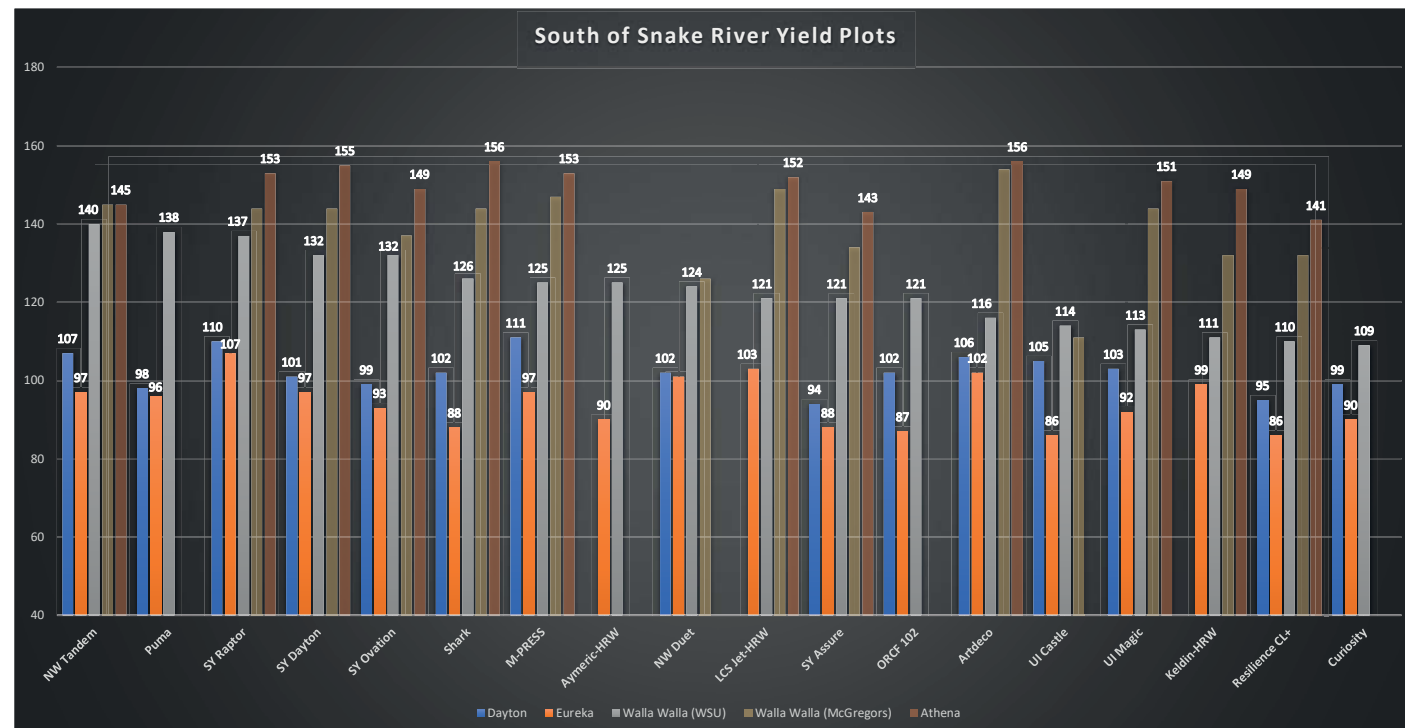
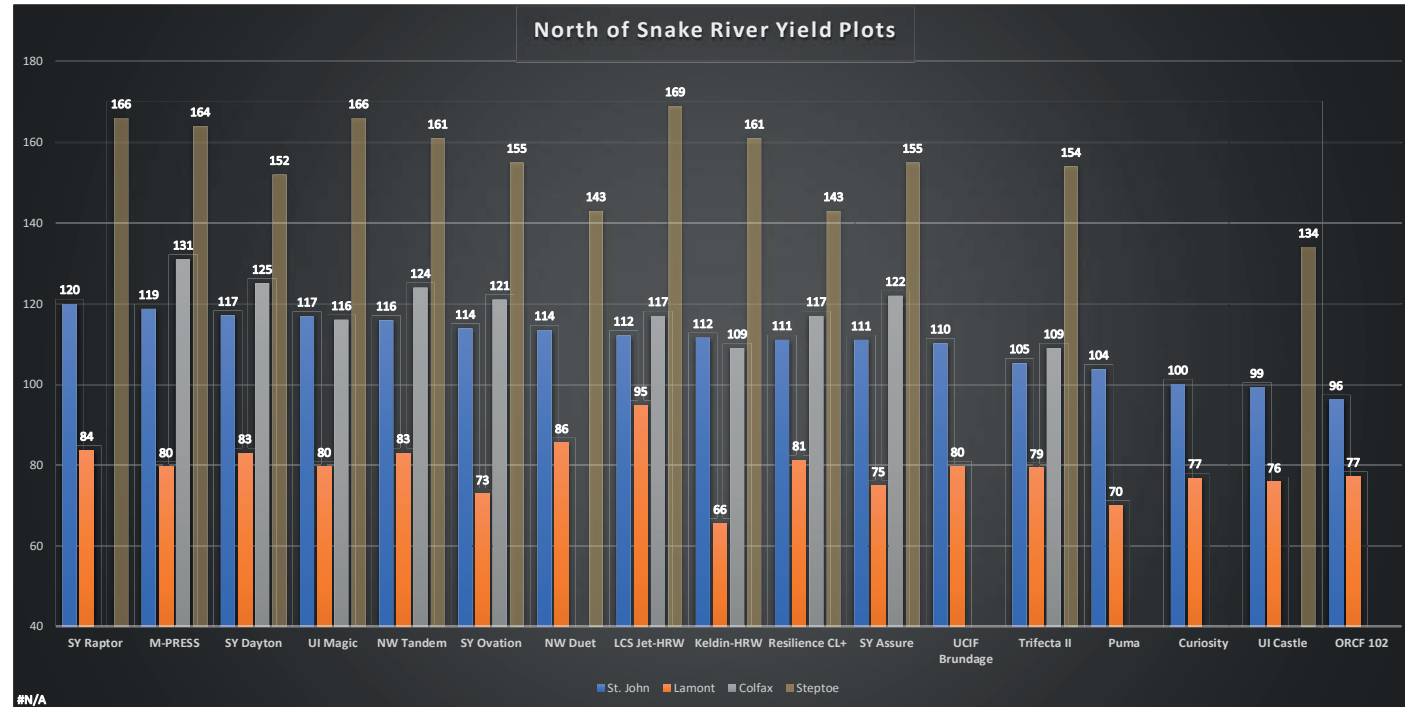
## NEW SEED GENETICS

- UI MAGIC CL+ (SWW)** A short and Early Clearfield wheat that we see replacing UICF Brundage and ORCF 102. Yields this year have been exceptional and appears to be a very easy thrashing wheat. How it will fair in a dry year is still yet to be seen.
- NW TANDEM (SWW)** A new and exciting variety last fall with a lot of potential. Tandem is a collaborative release between Oregon State University and Limagrain. It offers great stripe rust and C-stripe resistance. It's an early maturing wheat that stands slightly shorter than Sy Ovation.
- SY ASSURE (SWW)** This release from Syngenta is a short and early-medium maturing wheat with good stripe rust resistance. This is ideal in late planted rotations although some lodging may occur.
- SHARK (SWW)** Shark is a new release out of the Lima grain program. Shark is out of the Artdeco background, with soil borne mosaic virus resistance. Shark seems to be resistant to current strains of stripe rust and has a much improved winter hardiness rating as compared to Artdeco. Heading date is early but not as early as Artdeco. Plant height is similar with excellent straw strength.
- DAYTON (SWW)** Dayton is a new release out of the Syngenta program. Its background is from a sister line of Ovation and has soil borne mosaic virus resistance. It has an improved stripe rust resistance over Ovation. Slightly shorter and earlier heading date.
- SY RAPTOR (SWW)** Early maturing and short with excellent straw strength. Raptor offers a great stripe rust package but will have to be monitored for C-stripe. This variety also produces heavy test weights.
- RESILIENCE CL+ (SWW)** Resilience is a clearfield wheat that looks to replace ORCF 102. Resilience boast a much improved disease package with excellent stripe rust resistance as well as C-Stripe. It has also had the highest yield for all clearfield wheats in the last two years' trial.
- AYMERIC (HRW)** Aymeric is a beardless release out of the Limagrain program with soil borne mosaic virus resistance. It has a strong disease package for stripe rust, crown rot, C-stripe and footrot. It is slightly shorter than Jet and heading date is similar. The two year average yield is also similar to Jet.
- LCS JET (HRW)** Jet continues to top the list this year in almost all of our variety trials from a yield standpoint. The plant is medium height with excellent straw strength. Jet also offers a very robust disease package.

Please note that seed picked up at the Walla Walla Outlet will have color coding based upon variety and seed traits.  
**SWW-Pink**  
**HRW-Blue**  
**Clearfield-Green**  
**Coaxium-Orange**  
 Your load may be striped with multiple colors if you are picking up a wheat with a trait.

**REMEMBER TO GET YOUR SEED ORDERS IN TO ONE OF OUR LOCATIONS. MANY OF THE MOST POPULAR VARIETIES WILL GO VERY QUICKLY. THE MORE INFORMATION YOU CAN GIVE US THE BETTER WE CAN SERVE YOU.**

# VARIETY TRIALS



Northwest Grain Growers		2018 Fall Seed Pricing			
<i>*All Prices are for Seed picked up at Walla Walla (see below for D, L &amp; G)</i>					
	Varieties	Breeder	Location	Full Price/bu.	Price w/Discount
Soft White Wheat	ArtDeco	Limagrain	WW & D	\$ 12.00	\$ 11.82
	Assure	Syngenta	WW, D, L & G	\$ 12.20	\$ 12.02
	Bobtail	OSU	WW & D	\$ 10.40	\$ 10.24
	Brundage 96	Idaho	L & G	\$ 10.50	\$ 10.34
	Dayton	Syngenta	WW & D	\$ 12.20	\$ 12.02
	Drive	Limagrain	WW & D	\$ 12.05	\$ 11.87
	Mpress	Syngenta	L & G	\$ 12.75	\$ 12.56
	Norwest Duet	OSU/Limagrain	WW, D, L & G	\$ 12.00	\$ 11.82
	Ovation	Syngenta	WW, D, L & G	\$ 12.20	\$ 12.02
	Puma	WSU	WW, D, L & G	\$ 11.65	\$ 11.48
	Raptor	Syngenta	WW, D, L & G	\$ 12.20	\$ 12.02
	Shark	Limagrain	WW & D	\$ 12.25	\$ 12.07
	Tandem	OSU/Limagrain	WW, D, L & G	\$ 12.00	\$ 11.82
	Trifecta 2	Monsanto	L & G	\$ 12.75	\$ 12.56
	WB 528	Monsanto	WW, D, L & G	\$ 12.20	\$ 12.02
	WB 1529	Monsanto	WW, D, L & G	\$ 12.20	\$ 12.02
WB 1604	Monsanto	L & G	\$ 12.60	\$ 12.41	
SFW Clearfield	Castle	Uofl/Limagrain	WW, D, L & G	\$ 13.30	\$ 13.10
	Curiosity	WSU	WW, D, L & G	\$ 12.80	\$ 12.61
	Magic	Uofl/Limagrain	WW, D, L & G	\$ 13.60	\$ 13.40
	ORCF 102	OSU	WW, D, L & G	\$ 12.80	\$ 12.61
	Resilience	WSU	L & G	\$ 12.80	\$ 12.61
UICF Brundage	Idaho	L & G	\$ 12.80	\$ 12.61	
Club	Cresent	WSU	L & G	\$ 10.50	\$ 10.34
Hard Red Winter	Aymeric	Limagrain	WW & D	\$ 12.50	\$ 12.31
	Colonia	Limagrain	WW & D	\$ 12.40	\$ 12.21
	Jet	Limagrain	WW, D, L & G	\$ 12.50	\$ 12.31
	Keldin	Monsanto	WW, D, L & G	\$ 12.80	\$ 12.61
HRW Clearfield	Brawl	CSU	WW	\$ 15.00	\$ 14.78
	Clearstone CL	Syngenta	WW, L & G	\$ 13.50	\$ 13.30
HRW Coaxium Fusion	CSU/Limagrain	WW	\$ 15.00	\$ 14.78	
<b>Seed Treatments</b>		<b>Rate per CWT</b>	<b>Full Price/bu.</b>	<b>Price w/discount</b>	
Base Fungicides	Albaugh NWGG .25 (Walla Walla)	2.25	\$ 2.25	\$ 2.22	
	Albaugh NWGG .25 (Dayton)	3.50	\$ 2.35	\$ 2.31	
	Evergol Energy	1.00	\$ 2.55	\$ 2.51	
	Cruiser Max .33 HR (Dayton only)	3.54	\$ 3.35	\$ 3.30	
	Cruiser Max .66 HR (Lancaster & Garfield)	3.87	\$ 3.50	\$ 3.45	
	Albaugh NWGG .75 (Lancaster only)	3.90	\$ 2.90	\$ 2.86	
	ST3 (Lancaster & Garfield)	3.87	\$ 2.30	\$ 2.27	
Add-ons	Apron (Fungicide)	0.06	\$ 0.25	\$ 0.25	
	Stamina (Fungicide)	0.40	\$ 0.80	\$ 0.79	
	Difenoconazole (Fungicide)	0.25	\$ 0.60	\$ 0.59	
	TBZ (Fungicide)	0.17	\$ 0.30	\$ 0.30	
	Resonate (Insecticide)	1.0	\$ 0.90	\$ 0.89	
	Cruiser (Lancaster only)	0.66	\$ 1.60	\$ 1.58	
	BioST/Nipsit	1.3	\$ 2.05	\$ 2.02	
	Wuxal (Fertilizer)	2.30	\$ 1.40	\$ 1.38	
	StepUp	1.00	\$ 0.70	\$ 0.69	
	TMC Zinc	4.00	\$ 1.50	\$ 1.48	
	Treatsafe	1.00	\$ 0.25	\$ 0.25	
Bagging		\$	\$ 1.27	\$ 1.25	
Totes		\$	\$ 15.22	\$ 15.00	
Freight Charges	* "D" Add \$.15/bu. for Seed picked up at Dayton				
	* "L" Add \$.50/bu. for Seed picked up at Lancaster				
	* "G" Add \$.60/bu. for Seed picked up at Garfield				

# INSIGHT

“Success consists of going from failure to failure without loss of enthusiasm.”  
Winston Churchill

## Seed Treatment

4 YEAR TRIAL DATA	
EVERGOL ENERGY	146.4
NWGG .25 + EVERGOL ENERGY .50	145.0
CMVC .33	144.9
NWGG + VIBRANCE	144.6
NWGG BASE .25	144.3
NWGG + TBZ .34	143.9
CMVC .33 + VIBRANCE .08	143.7
NWGG + TBZ .17	143.6
NWGG + METALAXYL .60	143.6
NWGG + METALAXYL .30	142.0
UTC- COLOR ONLY	141.8
NWGG + RANCONA .051	141.7
NWGG + DFZ	141.1
NWGG + FDL .08	140.8
NWGG + STAMINA	140.0

COLFAX 2017 PLOT TRIAL DATA	
EVERGOL 1.0 + .66 CRUISER	73
CMVCB HI RES .66 CRUISER	72
ST3 .66 CRUISER	69
ALBAUGH PNW BLEND	69

ZINC PLOT TRIAL DATA	
SEED START 40% ZINC ADDED TO CMVCB HI RES .66	
+5.9 bu	+5.0 bu
↑	↑
ST. JOHN	STEPTOE
	+3.25 bu
	↑
	POMEROY

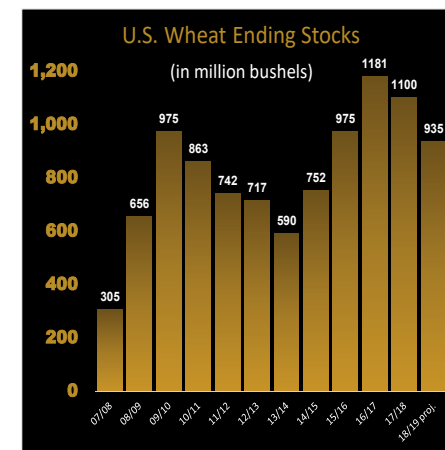


**SEPTEMBER 6  
12:00 PM**

**LANCASTER SEED PLANT  
UPGRADE TOUR**

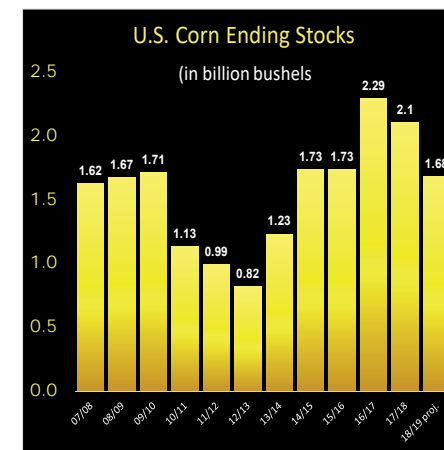
**LUNCH AND REFRESHMENTS WILL  
BE PROVIDED**

## Market Insight



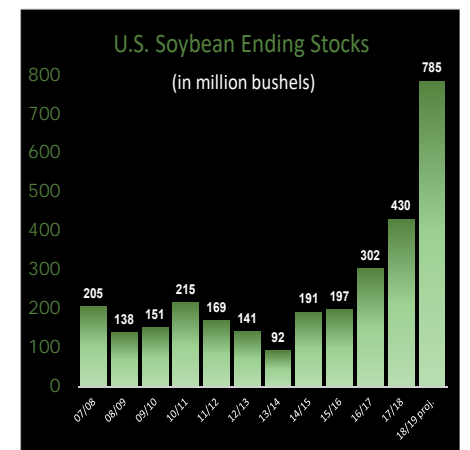
Wheat futures have certainly seen some wild price swings over the last couple months. Initially these were driven by Northern Hemisphere weather issues, and more recently by erratic headline news and U.S. policy changes. A prime example of news headlines driving markets was a report that Russia and the Ukraine could limit milling wheat exports due to their smaller crop size, as well as the fact they have experienced high domestic inflation levels caused by weak currencies. That headline was then countered, a few hours later, by a headline stating exports would not be limited. As you can imagine, this created very erratic markets.

The price spikes in the futures markets illustrate that the market is nervous this year for the first time in the last four years, as global wheat balances are shrinking instead of setting new records. On paper there is still plenty of wheat to go around, but production in major exporting countries is lower than expected. The U.S. holds a large amount of wheat in storage as we carried 50% of this year's projected needs over from last year. If Russia does enact some type of export tariff, then the U.S. would be in a good position to increase wheat exports. However, the USDA



is already assuming exports will improve as they increased projected U.S. wheat exports by 50 million bushels on August's supply and demand report even though our export pace to-date is running at less than half of what is needed to achieve that total. Traditionally, the pace of exports runs ahead of what is needed during this period following harvest and tails off later in the year. To meet this year's export projections, we will have to start exporting at a record pace later in the year, and even if that happens, the U.S. will still have plenty of wheat left at the end of the year.

White wheat exports are quite a bit better, relatively speaking, than the other classes which has helped keep prices firm despite moves in the futures markets. Additionally, falling number problems in areas of the state may be keeping some wheat off the market for the time being. Elevators need to know the quality of the wheat before it is shipped to avoid taking large falling number discounts which makes shipping wheat out as quickly as it comes in difficult. It is not yet known whether the problems are severe enough to restrict supplies or whether they're manageable with blending. It seems that with the large size of this year's crop, there

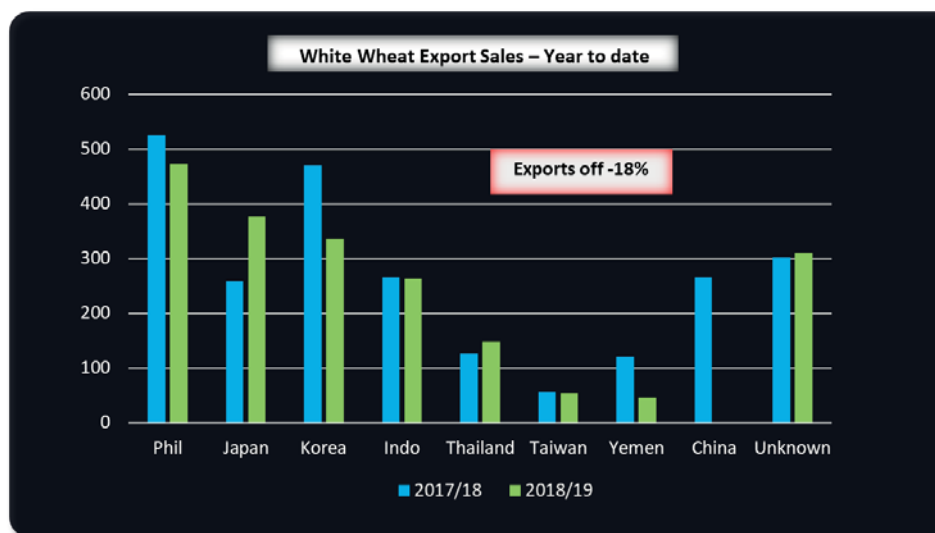
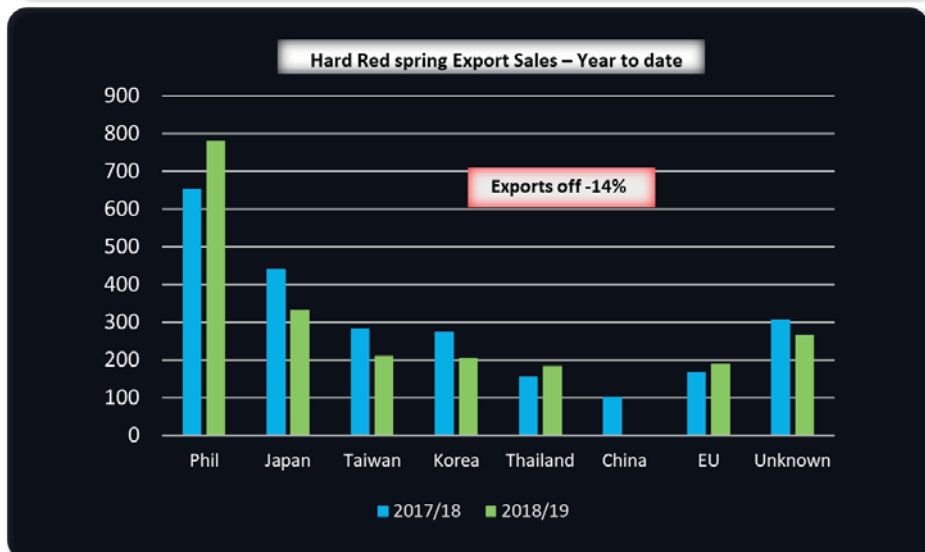
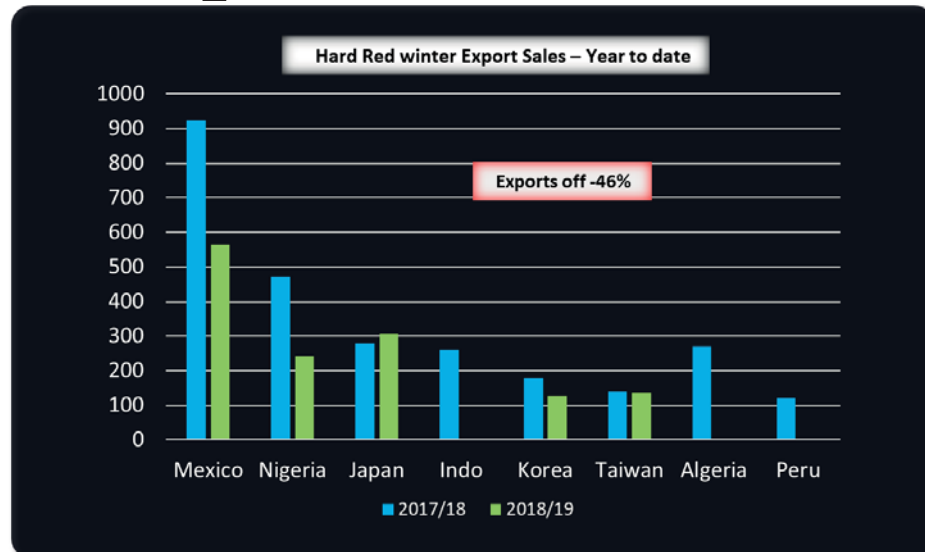


will be enough good wheat around to meet demand. It's just a matter of knowing where it is before it is shipped. Eventually those areas of the state will catch up on sales and that will add some pressure to this market that it hasn't experienced yet.

Australia's wheat production will be the next major item to sort out, and while it looks to be a poor year for them due to drought, there is still enough time left to significantly improve the crop if rains arrive in September. The whole country was experiencing drought early in the year, but over the last month the western areas have received good moisture and crop prospects have improved significantly. In the east it remains very dry and the forecast indicates that should continue for a while. The west produces most of the wheat that we compete with for exports into Southeast Asia, so while the overall production number for Australia could look bad it may not translate into as large an export boost for soft white wheat as it might seem on paper.

By Byron Behre

# Exports



It is worth taking a deeper dive into our current year export pace to see the challenge the market is facing throughout the coming year. As Byron noted on the previous pages we have been banking on some crop production problems around the world, especially in Australia, that we would see an increase in U.S. exports. As we break down the numbers to the left, the picture becomes somewhat worrisome.

On the red wheat side, we are behind last year's export pace. HRW is off 46% and HRS 14%. Both will need to pick up pace to help stabilize prices. Currently HRW needs to average 7 million bushels in sales per week to achieve current USDA projections. They have only been inking about 6 million. DNS is averaging right on the needed pace of 4 million per week. Current USDA projections have Soft White Wheat exports at 200 million bushels. We need to average 2.8 million per week and we are currently clipping 3.5 million per week. However, when we look at the charts to the left we can see the tremendous gap between last year and this year's exports-to-date, with white wheat running 18% behind last year's pace. We need to see an up-tick in demand to stabilize this market. The white wheat crop will need some real help from buyers who usually rely on Australia for their January forward purchases (Indonesia being #1).

The last USDA report did not give the bullish input the market place was expecting. Looking at the current pace of exports, it leaves one wondering will the September 12th report provide those reductions???

Steve Yorke

**“In this business if you’re good, you’re right six times out of ten. You’re never going to be right nine times out of ten.”**  
Peter Lynch

# Market Team



**HEATH BARNES**  
VP MARKETING



**BYRON BEHNE**  
GRAIN MERCHANTISER



**STEVE YORKE**  
GRAIN MERCHANTISER

Our marketers have an insight to the global spectrum and keep up to date on current and past trends to give the best advice when dealing with each different operation. We can help you build a marketing plan, execute a current plan and decide what is the best time and way to sell your crop so it's right for your operation and your bottom line. We offer a whole host of contracting options to achieve your goals.

We know that time moves fast and we want to be able to keep you abreast of what is happening in the markets. You can sign up on our website to receive emails and text messages. We are also always available to answer all your questions.

Walla Walla 509-525-6510  
Dayton 509-382-2571  
St. John 509-648-3316

# Marketing