

Hurricane Florence Amplifies Feed Grain Deficit

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Hurricane Florence amplified the feed grain deficit in North Carolina. The local livestock industry consumes more feedstuffs than can be produced within the state. We estimate the current feed grain deficit to be approximately 50% or 156 million bushels. Despite high transportation costs, other sources from the U.S. Midwest and international imports supplement local feed supply. This year Hurricane Florence caused livestock producers to suffer losses which reduced animal inventory levels. Feed grain and oilseed producers also suffered losses because of weather conditions and flooding. Considering the feed grain market, economists characterize these events as negative shocks to local demand and supply. The numbers suggest the loss of feed grain supply outweighs the change in local feed grain demand.

It is important to understand the drivers of North Carolina's feed grain needs to understand how these losses to livestock producers and losses to growers will affect the feed grain deficit within the state. Negative (positive) shocks in the feed grain deficit have a positive (negative) impact on local feed grain basis which impacts prices North Carolina feed grain producers receive. The main driver of North Carolina's feed needs are hog inventories; hogs account for 55 percent of feed needs, poultry 20 percent, and cattle 25 percent. Livestock loss estimated by USDA at 4.1 million poultry and 5.5 thousand hogs, results in a 0.6 percent reduction in total North Carolina feed demand, or about 32,000 fewer metric tons of energy feed grains per year assuming these livestock are not replaced. The reduction in feed demand amounts to 1.2 million fewer bushels of corn. However, the latest USDA forecasts for this year's corn production is 98.3 million bushels, 21 million bushels fewer than last year. This reduction in local corn supplies is a negative shock to the feed grain deficit which should result in a strengthening (increase) in North Carolina feed grain basis. In particular, we would expect a strengthening in new crop wheat basis levels in North Carolina as a result of this negative shock.

Higher new crop wheat basis levels should lead to an increase in planted winter wheat acres which, assuming average or above average wheat yields for the 2018/19 crop year, means an increase in wheat production. This expected increase in wheat production will subsequently result in a positive shock, and then a decline in the feed grain deficit because approximately 80% of wheat production is fed in North Carolina each year. Wheat producers should look for increased new crop wheat basis levels to make planting and marketing decisions for this upcoming winter wheat season.

National Association of Wheat Growers: Weekly Update

Reminder: Book Housing and Register for the 2018 NAWG/USW Fall Conference

NAWG and U.S. Wheat will be holding their 2018 Fall Conference at the Grand Hyatt Tampa Bay in Tampa Bay, Florida from October 30th to November 2nd. NAWG's schedule of events, registration, and information on housing can be found here: <https://www.wheatworld.org/newsroom/meetings-events/fall-wheat-conference/>. Thank you Bayer, Syngenta and WestBred for partnering with us on this conference!

NAWG PRESS RELEASE: NAWG Welcomes ARC and PLC Farm Payment Relief

On October 12, 2018, U.S. Department of Agriculture (USDA) Secretary Sonny Perdue announced farm program payments for the 2017 crop year through the Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program, which were both created in the 2014 Farm Bill, have now gone out to producers. These safety net programs provide essential revenue and price support for farmers across the country. Approximately \$3 billion in payments will be made under the ARC and PLC programs for the 2017 crop year, and approximately \$1.8 billion in annual rental payments under CRP for 2018.

NWF Blog: Jerry Minore Memorial Scholarship: Hear from Last Year's Winners!

The National Wheat Foundation (NWF) is proud to announce that applications for the Jerry Minore Memorial Scholarship are now being accepted. NWF and chemical company, BASF, partner together each year to award four scholarships to students pursuing agriculture-related degrees. Read the Foundation's recent blog highlighting testimonials from last year's winners as well as directions on how to apply: <https://wheatfoundation.org/jerry-minore-memorial-scholarship-hear-from-last-years-winners/>

Global Agriculture Productivity (GAP) Report Shows Consumer Demand is Improving Sustainability

A new report authored by the Global Harvest Initiative was launched at the World Food Prize in Des Moines, Iowa on October 17, 2018. The 2018 Global Agricultural Productivity Report® (2018 GAP Report®): Agriculture for a Healthy Sustainable World explores the consumer trends that are transforming the food and agriculture system. According to the report, today's consumers expect much more from their agriculture and food systems than in previous generations. Through their purchases, consumers express their preferences and values and help shape decisions producers and retailers make. For more information, visit <https://globalagriculturalproductivity.org/>.

USTR Plans to Continue Developing Trade Agreements With Japan, EU, and UK

On Tuesday, October 16, 2018, US Trade Representative Lighthizer announced that " Under President Trump's leadership, we will continue to expand US trade with Japan, the EU and the UK. The USTR is committed to reaching agreements quickly to deliver for the farmers, workers and businesses that have suffered. USTR will continue to work under the Trade Promotion Act (TPA) and communicate closely with Congress throughout the negotiation process."

NCSGGA Upcoming Events

October 23rd - 25th
Hoke County Ag Days
Hoke-Robeson Gin
Maxton, NC

Oct. 29th – Nov. 1st, 2018
Wheat Industry (NAWG)
Fall Conference
Grand Hyatt Tampa Bay
Tampa Bay, FL

Oct. 29th / 10:00am
Ladies Garden Club
Ag Education Day
Flint Rock Farms
Cameron, NC

November 2nd, 2018
Person County Ag Field Day
Huck Sansbury Park
425 Long Ave
Roxboro, NC 27573

November 6th - 8th, 2018
9:00am - 2:15pm
Stanly County Ag Days
Stanly Co. Agri Civic Center
Albemarle, NC

December 6th - 7th, 2018
NCSGGA Board Meeting
Sheraton Imperial Hotel
4700 Emperor Blvd. Durham, NC

December 14th / 8am – 11:30am
Academy of Moore County
Agriculture Field Day
Aberdeen Post Masters House
204 E South St.
Aberdeen, North Carolina 28315

January 9th, 2019 / 1:00pm
NCSGGA Board Meeting
Sheraton Imperial Hotel
4700 Emperor Blvd. Durham, NC

January 10th – 11th, 2019
NC Commodities Conference
Sheraton Imperial Hotel
4700 Emperor Blvd. Durham, NC

January 30th – February 1st, 2019
Southern Farm Show
NC State Fairgrounds Raleigh, NC

February 28th – March 2nd, 2019
Commodity Classic
Orlando, Florida

March 8th, 2019 / 8am – 11:30am
Academy of Moore County
Agriculture Field Day
Aberdeen Post Masters House
204 E South St.
Aberdeen, North Carolina 28315

The North Carolina Small Grain Growers Association, Inc. is a nonprofit corporation formed to encourage, promote and develop more efficient and effective small grain marketing and production practices and to participate in all matters relative to the interests of small grain producers. For more information please contact Dan Weathington, Executive Director of NCSGGA at danweathington@gmail.com / 910-736-8258 or Nikki Johnson for Outreach Events and Communications at nfjohnson0902@gmail.com / 919-809-8657.