



NAWG 2025 Farm Bill Update

Earlier this spring in Washington, DC, we saw a flurry of farm bill reauthorization activity. While Congress hasn't taken any formal steps since the House Agriculture Committee advanced the Farm, Food, and National Security Act of 2024 (H.R. 8467) on May 21, 2024, the National Association of Wheat Growers (NAWG) has been busy inside the beltway working to advance a meaningful farm bill that works for wheat producers.

Currently, farmers in South Dakota and across the United States are operating under a one-year extension of the 2018 Farm Bill, and one of NAWG's top policy priorities for this year is to work with Congress to pass a farm bill that protects the farm safety net and makes meaningful improvements to the support wheat farmers in the United States. These priorities, as outlined by the NAWG board of directors in 2022, include:

- Protecting crop insurance that serves as the cornerstone of the farm safety net.
- Working to strengthen and enhance Title I and crop insurance to protect farmers better.
- Supporting financial and technical assistance through voluntary conservation cost-share programs for producers in all climates and wheat-producing regions.
- Encouraging additional investment in agricultural trade promotions and US commodities as part of the Farm Bill's trade title.
- Supporting wheat research programs authorized under the Farm Bill and robust funding as part of the annual appropriations process.

In May, Chairwoman Stabenow (D-MI) and Chairman Thompson (R-PA-15) each released their own five-year farm bill proposals. At NAWG, we were happy to see progress being made on a long-term farm bill and proposals being put forward by both the Senate and House Agriculture Committee. While formal action has yet to take place on the Senate-side, we also saw Senator John Boozman (R-AR), Ranking Member of the Senate Agriculture Committee put forward his own version of a five-year farm bill proposal. All of these actions are a step in the right direc-



tion, and NAWG has continued to urge members in both chambers to get a bipartisan farm bill signed into law this year.

The true flurry of activity culminated on May 21, when the House Agriculture Committee passed Farm, Food, and National Security Act of 2024 on a bipartisan vote of 33-21, which includes several priorities that NAWG has advocated for over the past two years. We appreciate that the committee passed bill protects and enhances crop insurance, provides a meaningful increase in the Price Loss Coverage (PLC) program, prioritizes U.S. commodities in the Food for Peace Program, and doubles funding for the Market Access Program (MAP) and Foreign Market Development (FMD) program. While floor action has yet to be scheduled on the House-version of the farm bill, NAWG has continued to advocate for positive movement to get a bill done this year.

In June, wheat growers from Oklahoma, Idaho, Montana, Maryland, and Washington were in Washington, DC, meeting with members of Congress and staff from both chambers. The participants met with nearly 30 offices to talk about our farm bill policy priorities and urged them to get a bipartisan, long-term farm bill signed into law this year. Of note, the group met with Chairwoman Stabenow, Ranking Member Boozman, staff from the House Agriculture Committee, Speaker Johnson's office. Our conver-

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SD Wheat Commission Exec Sees Potential for Record Crop in His First HRS Tour



During the week of July 22nd, I had the opportunity to attend the Wheat Quality Council's annual HRS tour for the first time. The tour brings together people from all aspects of the wheat industry, including government personnel, millers and bakers, agronomists, and others to try and estimate the yield potential of the HRS crop in the upper Midwest. The three-day event consists of travel routes in mainly throughout ND but also includes western MN and northern SD.

I had the northern SD route on the first day of the tour and found 70+ bu/acre yield potential near Webster in the northeast which gradually tapered off to 50 bu/acre when we got to Selby in the north central part of the state. We didn't go west of the Missouri river and therefore did not get into the heart of SD HRS country, but I think yields out there might be less than expected due to dry conditions earlier in the year. The record crop for SD was recorded in 2014 at 56 bu/acre but I think lower yield potential in the west will limit the average this year. We saw a little bit of scab in some areas but not enough to significantly affect yields. Bottom line, current NASS projections of 50 bu/acre for the HRS crop in SD seem to be accurate.

The highest recorded yield for the HRS crop in ND is 50 bu/acre (2022) and currently the NASS estimate for this season is 56 bu/acre, which would be a record crop by quite a margin. The HRS tour sampled 237 fields over three days and found an average yield of 54.5 bu/acre (including SD and MN), which is very close to the current NASS estimate. The tour involved some long days but was a lot of fun and turned out to be a great way to make new friends and reconnect with old ones. If you are interested in learning more about the tours, information can be found at <https://www.wheatqualitycouncil.org>.

April 22, 2024

Tax Cuts and Jobs Act (TCJA) Expiring Tax Provisions: Economic and Distributional Effects

A number of the changes enacted as part of P.L. 115-97, commonly referred to as the “Tax Cuts and Jobs Act” or TCJA, are temporary. Many of these provisions, particularly those affecting individuals and families, are scheduled to expire at the end of 2025. Others affecting businesses, including pass-through businesses, are scheduled to expire between 2025 and 2028. This In Focus provides background on the TCJA, discusses possible economic and distributional effects related to the expiration of TCJA provisions, and examines potential issues for Congress moving forward. For a description of specific TCJA expiring tax provisions, see CRS Report R47846, *Reference Table: Expiring Provisions in the “Tax Cuts and Jobs Act” (TCJA, P.L. 115-97)*, by Margot L. Crandall-Hollick, Donald J. Marples, and Brendan McDermott.

Overview of TCJA

The TCJA substantively changed the federal tax system. Broadly, for individuals, the act temporarily modified income tax rates. Some deductions, credits, and exemptions for individuals were eliminated, while others were substantively modified, with these changes generally being temporary. For businesses, the effective tax rate on pass-through entities was reduced via a new deduction, which is also temporary. The statutory corporate tax rate was permanently reduced. Many deductions, credits, and other provisions for businesses were also modified. The act also substantively changed the way international corporations are taxed, generally moving the U.S. corporate tax toward a territorial system. The Joint Committee on Taxation (JCT) estimated that the TCJA would reduce federal tax collections by \$1.46 trillion over the 10-year budget window, FY2018-FY2027.

Expiring TCJA Individual Provisions

The majority of the TCJA provisions affecting individuals are scheduled to expire, though several of the individual provisions are permanent. The expiring provisions include the elimination of personal exemptions for taxpayers and dependents and increases in both the standard deduction and the size of the child tax credit. Changes to various itemized deductions and the alternative minimum tax will also expire. In May 2023, the Congressional Budget Office estimated that extending these individual tax provisions would reduce federal tax collections by \$2 trillion over the 10-year budget window, FY2024-FY2033.

Expiring TCJA Business Provisions

Several TCJA provisions affecting businesses are scheduled to expire or be modified, though the majority of the business provisions are permanent. The expiring provisions affect the expensing of business investment, the 20% deduction for certain business income, and the deductibility of employer-provided meals. Several other provisions related to cross-border business activity are also scheduled to change over the next several years. In May 2023, the Congressional Budget Office estimated that extending these business tax provisions would reduce federal tax collections by \$953 billion over the 10-year budget window, FY2024-FY2033.

Other Expiring TCJA Provisions

The TCJA also contained several other provisions scheduled to expire that are often thought of separately from provisions affecting individuals and businesses. The TCJA temporarily created an employer credit for paid family and medical leave and modified the estate tax deduction. In May 2023, the Congressional Budget Office estimated that extending the estate tax provision would reduce federal tax collections by \$126 billion over the 10-year budget window, FY2024-FY2033.

TCJA Distributional Analysis

Distributional analysis of the TCJA is complicated by a number of factors—including how to allocate changes to the corporate tax system to individuals and that each provision has a unique distributional effect. Distributional estimates from a variety of sources (JCT, Urban-Brookings Tax Policy Center, the Tax Foundation, Penn Wharton Budget Model) did, however, generally project that the TCJA would initially reduce tax burdens across the income distribution, with the largest reductions going to taxpayers in the top 20% (quintile) of the income distribution. Preliminary empirical analysis of select corporate tax changes in the TCJA supports the findings of these estimates. Upon the expiration of the TCJA provisions, these estimates also generally agreed that the remaining benefits would largely go to taxpayers in the top quintile.

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July 2024 Winter Wheat Harvest Report

**CHS River Plains — Dakota Mill & Grain
Onida Elevator**

Winter Wheat Report from Onida 7-15 thru 7-20
Tim Luken at Oahe Elevator

This past week in Central SD we had pop-up rain events couple times which held up our harvest advancement. It rained over an inch on Friday and this pretty much ended any weekend harvest.

This morning it is very foggy and will prevent any cutting today. I am starting to get concerned of the quality going forward with all this moisture and dewing mornings. So far quality has been good with Test weights 60-62 and protein from 10.0-13.5 range. Yields are much better than I had thought. Talking with local producers and custom harvesters they have been seeing 65-85 bushel yields and a few fields in the 90's to upper 90's. I do know, in the Hays area guys were getting into the field. Talked to one producer reporting 65-75 bushel winter wheat. Spring Wheat harvest which is still a good 10 to 12 days away. Row crop is in no stress conditions. So far in the month of July we have received 5.6 inches of rain. This will put fuel in the tank for the row crop to go a long way without any stress.

This week it is suppose to start drying so we can get going again. I would call our harvest 10% done. Last week we took in a slow weather related trickle of only 145,000 bushels TW 61.3 and pro 11.75. This was all new crop with no old crop taken in. I still think we will avg 11.5-12.0 pro crop.

Winter Wheat
Dakota Mill & Grain at Fort Pierre

50% of the crop harvested, TW 65; Protein 10.5 ; BPA between 60 - 90.

Spring Wheat 5% complete; TW at 61; Moisture at 15.1; Protein 14.1

Winner Area

30-40% harvested; 61-62# test weight; 10 1/2-11 pro avg; 80-100 bu. / acre

Phillip / Pierre / Dupree Area

50-60% harvested, 62# test weight; 10 1/2- 11 pro avg; 75 bu. / acre

Onida / Blunt Area

25% harvested; 62# test weight, 11 pro avg, 80 bu. / acre

Gettysburg Area

10% harvested, 62 # test weight; 12 pro avg; 65 bu. / acre

Selby Area

0% harvested; will be starting this week maybe



**CHS River Plains,
CHS South Central, CHS Southwest Grain
Winter Wheat**

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**10% harvested; 62# test weight;
12 pro avg; 65 bu. / acre**

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0% harvested, will be starting this week maybe.



SDSU Extension — Originally written by Ruth Beck, former SDSU Extension Agronomy Field Specialist. Updated October 12, 2021

Crop Rotation in Farm Management

Crop rotation has long been considered an important farm practice. In 2013 producers had to stray from their well thought out crop rotations when the winter wheat crop in South Dakota failed. This may still be affecting many producers in central and western South Dakota. Crop rotation, or the planned sequence of specific crops in a field, can require additional planning and management for farmers. However the benefits of good crop rotation are numerous and include reduced soil erosion and improved soil water management, soil tilth, and fertility.

Crop rotation can also reduce pest issues and reliance on pesticides. Rotations also allow farmers to spread their workload and better utilize labor and machinery resources. The risk from weather related incidents can also be reduced with a good crop rotation.

There are a number of basic principles to consider when determining a crop rotation. One basic principle is crop water use. Crops such as sunflowers and corn are considered high water use and can draw soil water to very low levels at harvest. The success of crops planted after a high water use crop will be determined in part by weather and the amount of precipitation received, caught, and infiltrated between harvest of the high-water-use crop and seeding and/or moisture sensitive periods of the succeeding crop. In all cropping systems water use must match water availability. If the system is not sufficiently intense problems such as water logging, saline seep formation, nutrient loss, traffic ability problems, etc. are common. If the system is too intense, poor yields due to water stress or stand establishment problems are likely.

Another determining factor in crop rotation decisions are pests. Crop rotation has long been advocated as an excellent way to break the cycle of disease, insects and weeds. It is commonly accepted that yields of crops grown in rotations are 10% (or more) higher than yields of crops grown in a monoculture. This yield benefit is sometimes referred to as the rotation effect. The common thought is that this benefit is the result of a number of factors working together, among those, is a reduction in disease and other pest issues.

Crop rotations will be more successful if they include three or four crop types (cool-season grass, cool-season broadleaf, warm season grass and warm-season broadleaf). Also rotations that are not consistent in terms of either interval or sequence provide the best protection against shifts and biotype resistance. In other words rotations such as wheat-canola or wheat-canola-wheat-pea are consistent in both interval and sequence. Wheat always occurs in alternate years and always follows a cool-season broadleaf. Rotations such as spring wheat-

winter wheat-pea-corn-millet-sunflower are not consistent in either interval or sequence. Rotations should have crop type to crop type intervals of a minimum of two years somewhere in the rotation.

There are a number of common plant diseases where recommended best control method is listed as crop rotation. In these circumstances crop rotation can lead to a healthier, more resilient crop by reducing and preventing the transmission of disease. However there are a few situations where the cycle of plant disease can be aggravated by crop rotation. The one that comes to mind is wheat after corn or sorghum. Corn or sorghum grown prior to wheat can result in an increased incidence of fusarium head blight (FHB) in wheat. FHB can be very detrimental to both yield and quality. This crop sequence can also lead to increased root and crown diseases in the wheat. Root and crown disease can be difficult to identify until late in the season. In any event there is no cure and, depending on the situation, these diseases can substantially reduce yields in wheat. Therefore it is not recommended to follow corn or sorghum with wheat in a crop rotation. Barley and oats present less of an issue but sequencing these crops behind corn or sorghum is not ideal. Large-seeded broadleaf crops like peas, soybeans, sunflowers, etc. do well following warm-season grasses.

Planting too many low residue (low in carbon content; sunflowers, peas, soybeans) crops in a rotation and especially in sequence can leave fields susceptible to erosion from wind and/or water. It is important that we have corn and wheat (also consider oats and sorghum) relatively frequently in all our annual crop rotations as these provide good soil cover. These crops also leave residue that is high carbon content. Residues high in carbon are better at building soil organic matter.

Another important consideration for farmers in determining crop rotations is work load. Equipment and labor can cover more acres with crops that are seeded, sprayed and harvested at different times throughout the growing season.

Overall crop rotation is known to be a beneficial management tool. However each farm will have to determine its own specific rotation dependent on soil, climate, equipment and human resources.



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Farm Bill Update

(From page 1)

sations were encouraging. However, lawmakers need to hear from wheat growers about your needs and reinforce that the time to act is now.

NAWG will be hosting another farm bill fly-in on September 10 and 11, and we welcome any wheat growers from South Dakota to join us for the hill visits. While there are limited days left on the legislative calendar, the challenges to passing a long-term and meaningful farm bill would remain in 2025.

NAWG is confident that our efforts have encouraged Congress to make progress in the right direction. If you cannot join us in DC, you can go to wheatworld.org and visit the "Policy & Action" page to send a letter to your lawmakers so they can hear directly from you. Also, we would encourage you to attend town halls and farm bill roundtable events while lawmakers are in-district during the August recess.



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