

# GRASS & GRAIN

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## Wheat seedings report reflects fewer acres

By **Bill Spiegel**

Kansas farmers planted just 8.6 million acres of wheat last fall, the lowest winter wheat planting acreage since 1957 and an 8% reduction from the fall, 2008 total. The 2010 Wheat Seedings Report, released by the National Ag Statistics Service Jan. 12, also reports that nationally, wheat acreage is down 14% from 2009, to 37.1 million acres. This is the lowest U.S. total since 1913.

These figures are not unexpected. In Kansas, wheat acreage has declined steadily since 1993, when farmers planted 12.1 million acres of winter wheat. Last fall, the trend was exacerbated by a late corn, soybean and grain sorghum harvest, and unusually wet soils — both of which prevented many farmers from getting wheat planted. This scenario takes place during a time when U.S. wheat farmers are facing increased competition



The pattern continues with fewer acres of wheat being planted again this year in Kansas. The decline began in 1993 and 2010 will follow suit.

from around the world. Since cash wheat prices peaked at record highs in

2008, global wheat production has reached record-high levels. Competitors battle

the U.S. for export trade, and often sell their production at a lower price. As a result, the U.S. has more than 900 million bushels of wheat in storage. Establishing new international markets and continuing excellent service to current export customers is a priority to the Kansas Wheat Commission, which is a member of several marketing organizations, including the U.S. Wheat Associates and Plains Grains, Inc. Both of these are designed to educate customers about the high-quality and functionality of U.S.-grown wheat, and train overseas millers and buyers to show how our wheat can be a more profitable alternative to that from competing countries. Meanwhile, the KWC distributes a sizable portion of the Kansas Wheat Assessment to research projects that improve quality characteristics, increase domestic consumption and develop new uses for wheat, important factors

when it comes to using up the current surplus of wheat. “The planted acres story is lost somewhat due to the high carryout total, which is a result of back-to-back years of record wheat production. But the Kansas Wheat Assessment is being put to good use to boost demand for U.S. wheat,” says Justin Gilpin, chief executive officer of Kansas Wheat. In the meantime, the decrease in acres planted to wheat is a disturbing trend. Competition from other crops, including corn and soybeans, has taken acres away from wheat. Many farmers prefer to plant these crops, each of which have benefitted greatly from biotechnology investments, which allow farmers to use production practices that oftentimes are more efficient.

“One of the tools we can use to catch up with the competing grains is biotechnology,” says Gilpin, who adds that private industry devel-

opments could lead to major biotech improvements in wheat within the next decade. Through the Kansas Wheat Assessment, the Kansas Wheat Commission invests more than \$1 million each year in new variety development and improvement of existing wheat varieties, with the end-goal of making wheat a profitable option for Kansas farmers. “The Kansas Wheat Commission and Kansas Association of Wheat Growers are actively engaged as a primary stakeholder in discussions between private companies and Kansas State University as private companies are poised to invest into wheat breeding programs of their own,” Gilpin says. “Private companies believe there is an opportunity by investing in wheat variety research, and Kansas Wheat and K-State are working to make sure the collaboration is in the best interests of Kansas wheat producers.”

## Trend for locally grown food may provide opportunities for producers

By **Cindy Baldwin**

What's so special about food? Scott Allegrucci believes the answer to that question will have an impact on both agricultural producers and Main Street as Americans' interest in eating locally grown food continues to grow.

Allegrucci, Director of the Great Plains Alliance for Clean Energy, believes that food systems — where and how food is grown and consumed — is an emerging issue that will have an increasing impact on how our food is produced and marketed. Allegrucci recently spoke at the Kansas Farmers Union Convention held Jan. 8-9 in Lawrence, focusing on the increasing role he sees the food movement playing in what farmers produce.

While he is not a farmer, Allegrucci helped initiate the State of Kansas agri-tourism program and has a direct connection to the retail side of the food industry. His wife, Hilary Brown, is the owner of Local Burger, a fast food restaurant in Lawrence that features a menu composed almost entirely of ingredients and food stuffs produced within a 150 mile radius of the city.

The business is thriving as a destination restaurant and is an example of how the growing local food movement has influenced restaurant menus and fueled the growth of food cooperatives, community gardens, magazines and websites dedicated to the model, and even production values of multi-national companies based in industrialized countries.

The movement is based on the belief that people are increasingly interested in the “story” behind the food on their plates. Understanding how that influences food choices has even caught the attention of institutional food producers and distributors. Allegrucci quoted Rick Schnieders, president and CEO of SYSCO, one of the country's largest food distributors, as stating that, “The pleasure of good eating is not about fast, convenient, and cheap, but about memory, romance, and trust. To be successful in today's food market requires offering products so that customers will say ‘Wow, where did that come from? I want that again.’... Customers want to be active participants in the

food chain — to be able to access information and to have a relationship that reaches all the way back to the farmer.”

There are converging reasons for the increased demand for fresh, local, sustainably produced food. The obvious include profit and quality, health and nutrition concerns, food safety and accountability, and the basic desire of the eater to be connected in some way to the producer. But it also stems from issues emerging from the conservation and global warming discussions including: input, transportation and fuel costs; environmental stewardship; and concerns about urban land use and conversion of fertile farm ground into parking lots and apartment complexes. Allegrucci said that many urban eaters don't know where their food is coming from and they have an anxiety that they don't. There is a growing belief that the corporate approach to food processing is impacting the country in the costs related to diabetes, obesity and the way we consume food.

The growing “eat local” movement also is reflected in the National Restaurant Association's list of the Top 20 Food Trends for 2010. Number one on the list is locally grown produce. Number two is locally sourced meats and seafood. Number three is sustainability. Also included on the list are: locally produced wine and beer at number five, farm/estate-branded ingredients at number eight, organic pro-

duce at number 12, nutrition-health at number 15, regional ethnic cuisine at number 19 and, at number 20, fruits/vegetables as children's side items.

Clearly, there are opportunities for producers who can tap into the trend.

Even though Local Burger has achieved success with its local-only menu, Allegrucci stated he is not saying that a food system could ever be completely local for a number of reasons.

He does believe that farmers should be aware of the desire of many food-aware eaters to have a connection with where their food comes from. That opens marketing doors which may include direct sales to consumers — meat, vegetables, processed grains, organic products, farm fresh eggs, to name just a few possibilities — pick-your-own operations, and arrangements with local food distributors such as grocery stores, restaurants or farmers markets. He believes those options will continue to multiply.

Wal-Mart, for example, has jumped on the local-food trend and in 2008 spent more than \$400 million on locally grown food for its supercenters. Starting in Idaho, Wal-Mart is expanding the practice throughout the country. One Idaho farmer saw a doubling of his asparagus sales and a 30-percent increase in organic grape sales over the past two years due to Wal-Mart contracts. Wal-Mart's stated reasons for the new emphasis on local food include reducing food

waste, cutting transportation costs and customer demand.

Allegrucci said they intend to expand local options beyond fruits and vegetables to include meat and dairy as soon as possible.

Additionally, there will soon be an anticipated federal mandate for a percentage of food served in social or institutional programs to be purchased locally. For Kansas producers, that gets interesting, Allegrucci said, when you consider that both Ft. Riley and Ft. Leavenworth would fall under that mandate — as would schools. That market, plus the 1.06 million people who live in just seven counties in northeast Kansas, provide a potentially viable demand for locally grown food.

Developing local food options — either in restaurants or on-the-farm sales — can also impact local economies on a larger scale. Allegrucci cited studies of destination tourists which indicate that they are willing to make additional purchases to experience local culture and support local business.

These purchases average \$200 per visitor or trip — but only if items available are made or offered by local businesses using local materials. That includes shopping or dining. The impact of those additional \$200/visitor on an economy can be great.

Allegrucci admitted that there are challenges for producers wanting to enter the local-food market. Those include labor requirements and related costs for the foods

which are more profitable are often higher than conventional production, the greater capital costs of keeping land near urban/suburban centers in agricultural production, adding value to provide that necessary “experience” to food production, and distribution and quality assurance. With many producers in the locally grown market being smaller operations, there can be challenges in keeping an adequate and constant supply for restaurants or markets specializing in locally grown food, in addition to seasonal growing restrictions.

Perhaps the most daunting thing about the process will be defining what is local and what is sustainable. People wishing to purchase locally grown food want to know what those labels mean. If food is marketed with those labels, how is that marketing regulated. Someone will have to manage the process and Allegrucci urged farmers to become involved in the discussion. There is tension now between the eater discussion and the producer discussion. Developing relationships and an understanding from both sides — what eaters are wanting to eat and the realities of food production, what is possible at what price — is needed for successful resolution.

If those issues can be addressed, Allegrucci is convinced there is promise in the local food market. The doubts that local food can be profitable are decreasing and it's becoming an easier sell each month, he said.