Wheat plays an important role in Idaho’s Economy.

Wheat production creates jobs and income, not only in the production process, but also in transportation, storage, milling and input supply industries. Wheat production generates over $24 million in indirect taxes and contributes over 8,500 jobs.

Cash receipts for Idaho wheat were $456 million in 2007 and more than $700 million in 2008. For many decades, wheat has been a steady contributor to the state’s economic well being.

Idaho growers invest substantial amounts of time and money toward improving agronomic and quality attributes to keep demand high.

Efficient grain production is only part of the equation. Competitive transportation options are equally important. To create wealth we have to ship the wheat we produce. It is impossible to use it all in state.

Information from this survey will help wheat growers and others effectively address legislative and industry concerns on local, state and national transportation issues.

Appreciation is expressed to all those who provided input.
Idaho is one of the few places in the world where buyers can find several different classes of wheat in one place. Wheat class is determined by kernel hardness and color, and by its planting time. Each class of wheat has its own characteristics related to milling, baking and agronomic needs.

- **Soft White Wheat (winter & spring):** pastries, pancakes, cakes, cookies, crackers, flat breads, snack foods and cereals.
- **Hard Red Wheat (winter & spring):** yeast breads, hard rolls and bagels, Asian noodles, flat breads.
- **Hard White Wheat (winter & spring):** blended flours, Asian noodles, steam breads, domestic foods made with whole wheat.
- **Durum:** pasta

Idaho wheat production is usually between 85-95 million bushels/year. Wheat production plays an important role in Idaho’s economy. The value of production in 2008 was $646 million; $378 million from winter wheat, $262 million from spring wheat and $6 million from durum.

### Different Markets

Due to Idaho’s unique geographical position in the Pacific Northwest (PNW), marketing opportunities continue to evolve and are equally divided between export destinations and domestic markets.

#### Export Markets

The Pacific Rim. The Middle East. Latin America. Consumers around the world enjoy products made from Idaho wheat. Several decades ago nearly seventy percent of Idaho’s wheat moved through PNW export elevators to overseas destinations. Today that number is close to 50% of production.

After moving via rail or barge to Pacific Coast export elevators, Idaho wheat is commingled with wheat from Washington, Oregon and other states and loaded onto ships.

Cost efficiencies gained by using the barge system on the Snake and Columbia Rivers and the competitive ocean freight rates from west coast ports can add up to substantial savings on shipments to many export destinations.

#### Top Export Destinations for Pacific Northwest Wheat

Indonesia, Japan, Philippines, South Korea, Taiwan, Yemen.

#### Domestic Markets

As population numbers grow in the western states the domestic milling industry has grown to meet the demand.

Nearly half of Idaho’s production moves via rail and truck to various end users in states such as California, Utah and Colorado. Idaho has one flour mill which is located in the south central part of the state.

Acres of a new class of wheat — Hard White Wheat — are being grown to meet increasing demand for White Whole Wheat products. Due to quality attributes in our hard wheats Idaho grain continues to replace wheat that was once shipped in from other states.

**NOTE:** A small portion of wheat (less than 10%) is grown for seed and/or used locally as feed depending on price. When wheat is priced close to barley or corn it can be economically fed to livestock. Wheat straw, as a co product with the grain also has many uses.
During harvest the wheat is transported by the farmer’s grain trucks to either on-farm storage or nearby commercial grain elevators. When ready for shipping, it is transferred by truck to regional rail or barge-loading facilities or trucked directly to end users.

Grain not shipped in a timely manner creates cash flow problems for our buyers, delivery schedule headaches for the mills and leaves piles of wheat exposed to the elements too long. All this inefficiency has negative economic impacts and reduces our ability to compete in domestic and world markets.

Rails, rivers and roads play a major role in keeping supply lines open and keeping the industry viable. However, the degree of dependence on transportation modes varies throughout the state.

Breakdown of Information into Regions
The following information is categorized into four Idaho regions as defined by USDA Idaho Agricultural Statistics: north, southwest, south central and east. The categorizing of information into regions, rather than counties ensures confidentiality of information.

NOTE: Due to minor yearly changes in supply and demand factors this material is presented in percentage form based on a 3-year average (2005, 2006, 2007). It should be kept in mind that grain grown in one region may be shipped from a different region.

Due to the low number of acres planted to Hard White Wheat and Durum and to streamline reporting, data on these two classes is combined with data labeled Hard Red. Amounts less than 1% not shown.

### Northeast Idaho
- **32%** of Idaho wheat production
- **93/7** of market mix
- **149,000** acres of hard wheat
- **341,000** soft white wheat

### South Central Idaho
- **18%** of Idaho wheat production
- **48/52** of market mix
- **112,000** acres of hard wheat
- **93,000** soft white wheat

### Southeast Idaho
- **43%** of Idaho wheat production
- **17/83** of market mix
- **358,000** acres of hard wheat
- **269,000** soft white wheat

### State
- **100%** of Idaho wheat production
- **51/49** of market mix
- **625,000** acres of hard wheat
- **800,000** soft white wheat

### Modes of transportation to various markets
- **Barge Export**: Hard Red, 25%: Soft White, 72%
- **Rail Export**: Soft White, 2%
- **Rail Domestic**: Soft White, 1%

### NORTH IDAHO
- **Overall within the region**
  - Barge: 97%
  - Rail: 3%

### SOUTHWEST IDAHO
- **Overall within the region**
  - Barge: 66%
  - Truck: 14%
  - Rail: 20%

### SOUTH CENTRAL IDAHO
- **Overall within the region**
  - Truck: 32%
  - Rail: 68%

### EAST IDAHO
- **Overall within the region**
  - Rail: 50%
  - Truck: 49%
  - Barge: 1%
This survey underscores the importance of having a diverse and efficient transportation system. The cost of transportation is subtracted from the price a grower receives for his grain. The elevator which purchases the grain pays the freight rates and charges. Growers, unlike a number of other transportation customers, are unable to pass freight costs on to other parties. The growers’ grain receipts reflect transportation rates and play a major role in profit margins.

RAILS

Nearly thirty-six percent (36%) of Idaho’s wheat moves to market via rail.

Over the past 25 years there has been a dramatic consolidation of railroads. There are now only four major railroads in the US. Two major carriers serve Idaho: Burlington Northern Santa Fe (BNSF) moves across north Idaho, while the Union Pacific (UP) runs across southern Idaho. The Eastern Idaho Railroad, a short line, helps pull grain from south Idaho production areas into position to join UP for movement out of state.

Marketing opportunities are defined by freight rates, rail car availability and rail options. Railroads are an important and valuable part of the transportation network.

RIVERS

Thirty five percent (35%) of Idaho’s wheat moves to market positions on barges via the Columbia – Snake River System. Idaho wheat, mostly from the north part of the state is trucked to barge loading facilities such as Lewis-Clark Terminal in Lewiston and other sites along the River and loaded onto barges. This system provides the most efficient, environmentally friendly way to ship bulk commodities such as wheat.

Efforts to increase river efficiencies, such as maintenance of the locks and dams and deepening and widening the lower Columbia River Channel to accommodate larger ships will help insure continued effectiveness of the river system.

The presence of a strong river system in the north plays a primary role in keeping local transportation prices competitive. Before 1975 rail was the main mode of wheat transport. With the completion of dams and locks on the Columbia and Snake Rivers wheat movements shifted to barge.

ROADS

All wheat travels on roads at some point. Farmers must move wheat from fields to market positions. With a growing domestic market nearly twenty-nine percent (29%) of Idaho’s wheat is now trucked directly to end users.

Uniform truck regulations for the U.S., Canada and Mexico would provide a level playing field and aid our competitive position.

Whether getting grain to rail loading facilities, to barges or end users, local roads play a pivotal role in keeping things moving.

SUMMARY: Whether growing wheat in Idaho fields or moving it across the seas, the challenges are many and success often hinges on very short time frames and small cost differences. Grain sales are decided on just a few cents per bushel. Transportation costs are a critical factor in the shipment of wheat. Every penny is important.

The modal opportunities and therefore usage vary from region to region. Access to navigable waterways, rail loading facilities and the availability of trucks and rail cars influence both rates and usage of each mode within each region.

Success depends on how much wheat is sold at what price. Trucks, trains and barges must be synchronized to fill orders. The viability of the state’s wheat industry depends on a seamless transportation system from farm to end users.