A Conversation about Markets and Trade: Eric Wilkey

By Julie Murphree, Arizona Farm Bureau Outreach Director

ric Wilkey is president of Arizona Grain, Inc., having joined the company in 1991. From 1996 until 2006 he was vice president and director of merchandising and risk management.

Before moving to Arizona and joining Arizona Grain, Inc., Wilkey worked for six years with Continental Grain Co. in various locations throughout North America as a product line Commodity Merchandiser.

He currently serves as the Chairman of the National Grain and Feed Association, with past service as the chairman of NGFA's Grain and Feed Foundation as well as chairman of the Transportation Grain Merchants Association. Since 2004, he has served the State of Arizona by appointment of Governor Ducey and his two predecessors as a member of the Arizona Grain Research and Promotion Council, serving as chairman in 2006-2007.

Wilkey is a graduate of the University of Illinois, Champaign, with a B.S. in Agriculture Economics.

Outside of work Wilkey is a registered coach with the National Interscholastic Cycling Association and has coached the High School Mountain bike team comprised of students for Casa Grande, Arizona three high schools from the inaugural year in 2013 to present.

Having stayed in touch with Wilkey over the years in part because of his wise insights on commodity markets, he had some interesting opinions on recent trade moves and certain concerns about how our current administration plans to promote infrastructure efforts in America's rural areas. Here is our latest conversation.

Arizona Agriculture: Give us an overview of how you see the market in the next few months.

Wilkey: Since my experience is in commodity markets, specifically grain, oilseed and protein markets I will give my thoughts on those areas. In general, the price lev-



Coaching the High School Mountain bike team in Casa Grande for three high schools since 2013, Wilkey finds mountain biking a healthy and fun break from the crazy commodity markets but with still a touch of risk and adventure to keep him challenged.

els in these markets have been in a downward trend, in the lower half of the past fouryear price range. What is notable is the lack of volatility. Supplies have been adequate to

abundant and surplus ending stocks have been growing. This has dampened volatility and dressed prices. Further, new or expanding production areas have emerged. For wheat, this has been Russia and the Black Sea countries. For soybean and products, Argentina and Brazil have increased acres and production so that they offer a significant and growing competition to the United States primacy in corn and soy exports. In the past three growing seasons the world's major production areas have experienced fairly benign weather. This all has led to a low-price, flat market scenario.

That could be changing. If the change is real then should the grain and oilseed, fiber and forage producer get ready for better times? Should the animal sector, who benefit from the lower price inputs, brace for a rally? I'm not so sure, here is why. The past six months it has been difficult to see how commodity prices in the U.S. would rise enough to qualify as a rally. It has been an educated guess that it would take a significant negative weather trend in one of the world's major production hubs to tighten the World supply surplus before a significant and sustainable rally could take place. Plain and simple, the surplus of many commodities is too large.

That may be changing. The past four months, we have witnessed the stability of South American soy production put into question and a significant drought has hit Argentina. The losses are real. The big question is will Brazil, who's soy production areas has had more favorable weather, make up for the certain losses in Argentina? This uncertainty has provided a spark. Will it turn

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More than a Smile and a Nod in D.C.

By Chelsea McGuire, Arizona Farm Bureau Government Relations Director

Proof of politician has mastered a few things, but chief among them is a skill I like to call the "smile-and-nod." It's the art of acknowledging a constituent concern by smiling empathetically, nodding one's head to show attention (usually with a slight head tilt to the left or right), and then leaving the interaction with no intention whatsoever of actually acting on what that constituent discussed.

During our semi-annual D.C. trips, we see lots of smile-and-nods – and sometimes, it can get frustrating. The abundance of talk and lack of action is one of the biggest complaints we hear when it comes to Washington, and it can be particularly frustrating when our industry faces so many pressing issues that need Congressional fixes

But this time, I'm happy to report that we left many of our offices with much more than a smile-and-nod. Thanks to the com-

pelling personal stories and engaging conversation of our members, this D.C. trip was one of the most successful on record.

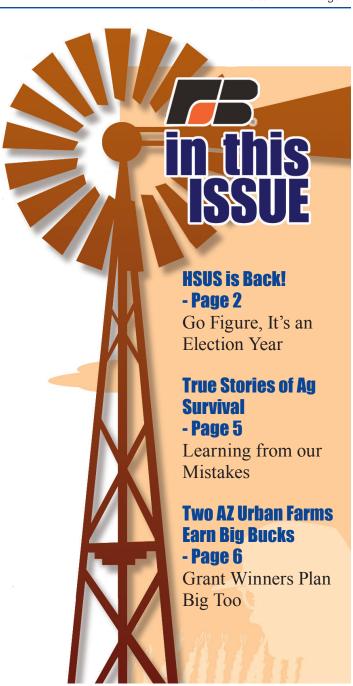
For example, after visiting with Senator McCain's and Senator



Maricopa County's Selwyn Justice, Arizona Farm Bureau's Chelsea McGuire, Arizona Farm Bureau President Stefanie Smallhouse, Yuma County's Chris and Cecil Pratt, Maricopa County's Mark and LeeAnn Freeman and Gila County's Cassie and Jared Lyman stormed the Capitol last month meeting with Arizona's Congressional delegation to address our farm and ranch issues. Not pictured but also in attendance were Yuma County's John Boelts and Jonathan Dinsmore.

Flake's staff, the two offices met to collaborate on a letter regarding the mandatory Electronic Logging Device, or ELD, mandate, which has the potential to have devastating impact on haulers of agricultural commodities. Although the Department of Transportation agreed to extend the exemption period for the mandate just a few days after we left the Hill, both offices have given us a standing offer to provide any other letters or support that may be necessary to make sure that Transportation and the Federal Motor Carrier Safety Administration finalize a permanent exemption for haulers of agricultural products.

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HSUS is Back in Town



Managing more than 800 species of wildlife across Arizona, Game & Fish wildlife biologists must ensure that a scientific management balance of all species exists, including predators, such as mountain lions as seen here, and their prey. To hunt the big cat, this hunter had to obtain a permit issued by the Arizona Game and Fish, including reporting the kill.

Tes, they have returned, however this time, the Humane Society of the United States (HSUS) has disguised themselves as Arizonans for Wildlife (AfW). They think this ruse is going to trick Arizona voters into believing their non-factual, emotion based, and unscientific blather on another ballot initiative.

On the surface, the animal-rights group says it wants Arizona voters to outlaw the hunting and killing of "wild cats." Two of the five species they are focusing on, mountain lions and bobcats, are closely managed by the Arizona Game & Fish Department. The other three species, jaguar, ocelot and Canadian lynx (which are not found in Arizona) are all federally protected by the Endangered Species Act. How much more protection do they need?

Arizona sportsmen and women have formed a 501C-4 organization called Conserve and Protect Arizona, to fight back against the HSUS effort and stop them from even qualifying for the ballot. Educating the voting public won't be easy, but the moniker is simple, Decline to Sign!

Unlike some past citizen initiatives spearheaded by HSUS in Arizona, there is optimism that we will be successful in keeping this one off the ballot. Several factors are in play, but two bills signed into law last year by Governor Doug Ducey are playing a key role. The first is strict compliance, which holds signature gatherers to a high degree of accuracy in their effort. The second changed how circulators are compensated, as they no longer can be paid per signature, but must be paid per hour.

Game & Fish wildlife biologists manage more than 800 species of wildlife across Arizona, for all of Arizonans. A significant piece to that scientific management is making sure there is a balance with all species, including with predators and their prey. Predator management is highly regulated and managed to ensure that balance is maintained in our ever more urbanized State of Arizona.

So, let's set the record straight and clarify the innuendo coming from AfW. Here are the facts and talking points you can use when confronting circulators:

- 1. There are no trophy hunts in Arizona for mountain lions or any other species!
- 2. Trapping on Arizona public land was eliminated by a ballot initiative in 1994.
- 3. Mountain lions and bobcats are not endangered, and in fact their populations are increasing and their ranges are expanding.
- 4. Federal protection is already in place for jaguars, ocelots and Canadian lynx.
- 5. The North American Model of Wildlife Conservation has been a successful endeavor for almost a century. Regulated and managed hunting has been a significant factor in that success.
- 6. As Arizona's human population and activity increases, wildlife habitat suffers and shrinks, making it even more critical that our wildlife is scientifically managed by professional biologists. We are long past the time of the adage, "let nature take its course."

HSUS has until July 5th to gather enough valid signatures to qualify for the ballot. Help us stop them and spread the words...Decline to Sign!

To learn more about the campaign, the efforts to keep scientific wildlife management in the hands of Arizona's wildlife professionals, or to contribute, go to these websites: https://conserveandprotectaz.org/ or http://azsfwc.org/. 🚜

Smile

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We also saw a real-life example of action over talk during a committee hearing on the FARM Act, sponsored by Senator Deb Fischer of Nebraska. This bill, and it's House companion the ACRE Act, would permanently exempt farm operations from the Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA. CER-CLA was intended to help prevent disasters from hazardous waste spills at so-called Superfund sites. Congress never intended agricultural operations to be included in the rules, but a recent D.C. Circuit case overruled Bush and Obama era rules exempting farms from reporting. Under the holding in that case, livestock operations would be required to report ammonia and hydrogen sulfide emissions over a certain threshold to the Coast Guard, despite a complete lack of scientific consensus regarding a method of determining when that threshold has been met. During the committee, Senators from both sides of the aisle expressed their support for exempting agriculture from this ridiculous and impossible standard. Our Arizona Congressional delegation was similarly supportive of the bills.

"Getting farmers and ranchers to Washington D.C. to meet with our lawmakers is well worth it, especially when we are able to address an issue like the irrational reporting for farms and ranches in CERCLA," said Arizona Farm Bureau President Stefanie Smallhouse. "Once again environmental groups were able to take a law with good intentions and turn it into a club against America's food producers. On this recent trip, we discussed an exemption fix for agriculture with our congressmen and women. I would like to thank Congressman O'Halleran, Congresswoman Sinema, and Congressman Biggs for their early support of the ACRE Act. Arizona's farms and ranches grow food, not environmental

Farmers and ranchers are people of action. When you get a smile and a nod from a Farm Bureau member, it means whatever you needed is about to get done. It sure is nice to see our representatives in Washington taking after our farmers for a change!

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into something significant for the market? Still a bit early to tell. What we can tell is that it has touched off volatility.

Other production concerns are the western Great Plains hard wheat areas. Drought indications have been increasing and this could be a second major crop area with production challenges. This has generated a stronger and more volatile wheat market in the past few weeks.

But before we know the rally is at hand the U.S. markets face BIG headwinds from a whole host of exogenous factors: Trade policy, lack of a breakthrough on the renegotiation of NAFTA, questions about Korea Free Trade Agreement (KORUS) status, lack of any progress of any bilateral trade agreements, abandonment of the TPP trade negotiations (the completion of the agreement and signing in Santiago, Chile on March 8, 2018), and now the imminent threat of steel and aluminum import tariffs. These factors are trending negatively for the agriculture sector and mere tighter supply and demand tables will not offset the impact of dollar volatility and negative trade developments.

The issue is clear, to me there is more uncertainty in market structure and trade policy than we have had in years and if a lack of reasonable certainty exists it is hard to imagine that the supply and demand tables hold the key drivers to future price direction. To me this means volatility, more day-to-day chatter in prices with less predictable patterns that we can rely on to make informed buying and selling decisions. Market and risk management plans that focus on margin management should rule buyer's and seller's decisions.

Arizona Agriculture: In an earlier interview I had with you this year, you outlined ways to improve our agriculture commodity markets. Can you share in more detail here?

Wilkey: Two factors that I pointed out in recent statements are the need to improve competition in transportation and the need for fair and free, or at least trade that is not impeded by excessive or unreasonably protective tariffs, or maybe worse yet non-tariff trade barriers.

More on the trade first. We in agriculture have a pretty strong appreciation for the positive benefits of trade. We cannot look for prosperity unless we have access to outside markets that are willing to buy our surpluses. We simple are too productive and do not have enough consumers within our own borders to go without exports. Trade results in an allocation of labor and resources, this takes time. After 20 years of NAFTA that change has happened, somewhat gradually, and predictably. What is being talked about and or implemented now will not result in a gradual allocation of resources towards the benefits of comparative advantage. There are plenty of voices making the point how badly we need to be part of healthy trade agreements yet other than hanging on by our nails in the NFTA talks it remains difficult to see this need is resonating with the current administration. Not enough credit can be given to Agriculture Secretary Perdue for his herculean efforts of keeping us in the NAFTA discussions, and maintaining the KORUS Agreement. So, unless there is a darn perfect grand strategy being played out, one I admit that I cannot fathom, then it seems the forecast for agriculture looks rather discouraging.

The other part of my suggestions for improving market for producers would be to see the improvements in transportation efficiencies at least accruing to the market in the form of lower rates. This country has excelled as an exporter of its surpluses because we were gifted with the natural benefit of and amazing river system that is a superhighway of commerce, stretching from our production areas to the gateway of world markets, our ports. No other part of the world yet has capitalized on its own water resources the way this country did beginning two centuries ago. Unfortunately much of that system has not been effectively repaired or upgraded for many decades. The barge industry has been paying into a Federal trust fund for decades to make improvements. These improvements have been held hostage by litigation, environmental challenges that never end and the inertia of the Army Corp of Engineers. Our railroads have recovered from over-regulation and are well beyond "revenue adequate" since the passage of the Staggers Act in 1980. Today railroads operate in sections of the country as near monopolies or duopolies. This structure has resulted from many mergers without effective tools in place to address competitive concerns. Yes, there have been very significant benefits for our country as the railroads have achieved revenue adequacy. However, many railroads effectively have little or no meaningful competitors and as a result the farm sector is paying the price. This leaves the U.S. further and further away from the "Market." Our competitors in the world are investing in infrastructure and transportation capabilities while ours extracts an ever growing margin from our producers. Part of what drives competition in transportation rates would be a robust road system, especially in rural areas. Besides road investments, an open-minded review of the ways technology and safety improvements should allow truckload sizes to grow.

This means fewer trucks on the road for a given volume, lower freight rates and greater competition. Agriculture would certainly benefit.

Arizona Agriculture: On that point, your solution for improving our rural and transportation infrastructure has merit. You've seen what Trump has proposed. Is it enough? What else would you suggest?

Wilkey: The infrastructure proposals by the Trump administration sound grand but the amount of spending is very highly leveraged using State, Local and private funds to make up most of the spending. This calls into question the amount that will actually be spent in a meaningful time period. Rural areas are supposed to get priority but the devil is in the detail.

I am not in favor of relying too heavily on private 'investments' in roads and infrastructure as the underlying motivation for profits and the direct need to generate investable returns places a toll on the project that in the end means the projects have a higher cost on the users. There are projects that this model may be acceptable but this should not be the primary basis of our future road and infrastructure building.

The country needs to come to grips with the reality of that the current Federal and State fuel taxes do not keep up with the maintenance and expansion of our transportation infrastructure. Federal fuel tax rates have not changed since 1993 and many states have not changed their rates either. While total miles driven have continued to rise, the increased fuel efficiency requirements and the use of EV's and some alternative fuels will mean there will be a flattening or even a decline in the funds that are collected for road repair and building. This needs to be addressed. There will need to be consideration given to how to charge the growing number of users of EV and certain other fuel technology vehicles their fair share of the road and infrastructure costs.

Federal infrastructure projects that have funding but are held up by never ending analysis and litigation need to be priorities for progress. The lock and dam systems have billons in barge fuel taxes paid by the industry that have not been put to work yet. Our Ag export capabilities are hamstrung with a lock and dam system that is decades beyond its original service life. This also prevents viable competition to railroads and burdens the road systems with freight and increases a less efficient means of transporting goods to limit ag products to export markets.

The Trump proposal calls for block grants to States and the money would be doled out partly based on a yet to be defined "rural lane miles" formula. Trouble is the Federal government has many definitions of "rural." Any infrastructure plan should consider how rural areas have access to information. Trump's proposal lacks this vital link, this is a mistake. Maybe the Farm bill will include funding for this. It needs to be there if we want farms and U.S. ag to keep up with the competition.

Arizona Agriculture: Talk about our opportunities in global markets. Knowing that we're out of the TPP and waiting on NAFTA, what can we do despite these tenuous trade relations?

Wilkey: We've all heard the numbers: the U.S. is 4 % of the world population and yet we have the natural benefit of close to 25% of the world's productive farmland. This naturally makes us a country that needs exports in some form or another. The value of trade is that it encourages economic growth and prosperity. Yes, there are downsides to trade but they are caused from displacements of workers and the potential loss of industries and capabilities that can have strategic concern. Much of the world has been engaged in negotiations of trade deals and the U.S. for now appears to be going backwards. Other than protecting certain strategic industries based on national security we should be methodically engaging the world on work to lower tariffs and the other artificial and non-tariff barriers that we face, it's going to be a give and take. How do you influence the world if you have little economic value to offer? The "big stick" is not always the best tool. Trade is one of the best ways to sustain our agriculture sector. We have incredible natural resources, productive land and significant water resources. This is some of the essence of what we are negotiating in our trade talks. In the short run, the products may be corn, beans, wheat, fiber and animal proteins but someday it may be about other crops, proteins or even energy. If we have more trade it will require us to address the process of retaining and properly educating some of our current and future workforce given the inevitable changes that trade will bring. This next Farm Bill is a possible place to find traction on trade issues. Not letting MAP funding and FMD lapse or be reduced is a good start. Additional funding for the land grant colleges to continue basic research and funding to help universities lower the overhead burden when they host research projects would also pay dividends.

Arizona Agriculture: Make comparisons with the West's grain market compared to the Midwest. What do we do well out here in the West?

Wilkey: The biggest difference in the West's grain markets versus the Midwest is the price structure. The West tends to have higher prices versus the Midwest which is

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True Stories of Agricultural Survival: Learning from Mistakes

By Amber Morin, Arizona Farm Bureau Field Manager

ick and Sherry Saylor are third-generation farmers here in Arizona. Sherry says that her start in agriculture began when she married the first farmer she met,

Rick was working for Dupont selling Ag products in South Carolina, her home state. 8 months after they were married Rick's family bought the Buckeye farm and so they moved to Buckeye, Arizona - quite a culture shock for a self-proclaimed city girl! But, Sherry fell in love with agriculture and has often said the Farm Bureau saved

her life in terms of providing her a community of farmers and ranchers. The organization also gave her opportunity to grow in her knowledge of the agriculture industry, so she could be a more articulate advocate for the great job the American Farmer does.

When asked about the topic of farm safety, Sherry has quite a story to tell. One that changed the way her and Rick do things on their farm and impacted their lives for forever.

An Interview with Sherry Saylor, Co-owner of R&S Farms

What has been the biggest challenge(s) or near miss that you have faced? And why?

Saylor: The biggest challenge in terms of safety was December 2, 1982. That was the day that our 2-year-old son, Scott, was run over by a tractor in our shop yard.

Rick and I were in the house when the accident occurred. I was being trained by the then

Farm Bureau Staff, Monica Pastor, for my new position as AZ Women's Leadership Chair and Rick was doing book work in the office.

Scott was set on the edge of the tractor, and a hired man on the farm didn't see him there when he backed the tractor up. Scott fell off and a front wheel rolled over Scott's little body. The only things that saved his life were his young, flexible bones, a quick helicopter ride to the hospital in Phoenix and, perhaps, a little divine intervention.

What did you do to overcome this? How long did it take you? Why?

Saylor: Of course, we were devastated that this accident involved our young son. Amazingly, however, Scott had no broken bones, only bruised internal organs. He spent a week at Good Samaritan Hospital and recovered well. We are so blessed when we really think that the outcome could have been much worse.

I think we learned a valuable lesson in how complacent we can become on the farm.

When talking about farm safety, Rick and Sherry Saylor of R&S Farms have quite a story to tell. One that changed the way they do things on their farm, impacting their lives for forever.

It only takes one experience, like the one we had, to wake you up to the reality of how important safety is.

Now, Scott is a 37-year-old father of two precious boys and a football coach-teacher. We are thankful for the good outcome we had!

How important is it to have a support group i.e. family, friends, industry organizations, to overcome challenge(s)?

Saylor: Our support group of good friends were hugely important—Buckeye was

very small at that time, and in a matter of minutes neighbors and friends were there to support us with anything we needed. Many prayers were said over our son's life and we value the fact that God protected him that day.

The Farm Bureau was always there to help us through that valley experience, and we never felt judgement, only support.

What type of mindset do you think an agriculturalist must have to survive, and then thrive, through tough times?

Saylor: To be a farmer and rancher it takes a strong individual work ethic as well as a community of like-minded friends to walk your journey with you. Agriculture is cyclical in nature and there are many things you have no control over-i.e.—markets, weather, etc. I think perseverance is a huge quality that you must have in our industry.

I also feel that you must be able to ask for help when you need it, knowing there is an army of friends who will be there for you.

What do you know now, that you wish you known before your challenge happened? Saylor: I think at that time in our lives we had become complacent about safety on the farm.

When you do the same things over and over, things can get routine and you forget to take the precautions you need to.

Rick and I had done a safety demo not too long before Scott's accident, but I think we had the mindset that something like this would never happen to us.

What advice would you give someone in a comparable situation?

Saylor: My advice would be to lean on your faith, family, and friends when you are going through a challenging event—we were built for relationship and we cannot do life alone. I will never forget the faces of my closest friends surrounding me in that difficult time. They are still my closest friends –35 years later.

Also learn from your mistakes. We never put Scott on an open cab tractor again. Follow the safety protocols, they are there for a reason!

What has been your biggest take away?

Saylor: The biggest take away for me is gratitude for God's protection, for forever friends who are loyal and steadfast, for the importance of family in tough times, for an organization like Farm Bureau that educates in prevention, so that we can avoid needless accidents as we go about our daily chores on our farms and ranches.



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a result of transportation cost from the surplus markets to the West and the impact of water costs on production. The West (I'm thinking west of the Rockies) is relatively small in terms of grain production. The western farmer is a capable producer of grain but the production of grain has declined partly because of changes to the price support programs in the past few farm bills, which overall has led to a better allocation of resources. However, the consumers of grain in the west, the livestock producer, dairy farmer and egg producer has become vulnerable to the pricing power of the railroads which currently have no effective competition and little outside restriction to their margin expansion. The western farmer has shown that they are very adaptable with many farms capable of producing and marketing many more crops than their Midwestern counterpart. Clearly the western producer excels in water management, adopting to the change in the farm programs and to the shifts in world production centers.

Arizona Agriculture: Our new Chairman of the Federal Reserve talked about a strong dollar. This can hurt agriculture. Talk about this?

Wilkey: A strong dollar can hurt agriculture exports without a doubt but maybe it's a strengthening or volatile dollar that hurts agriculture even more. The strong dollar makes imports cheaper in dollar terms and our exports less attractive. It may be tempting to advocate for a weaker dollar at times but I see more advantages when it comes to the allocation of resources to have stable values. Weak currencies lead to inflation and inflation leads to real problems in commodity production.

Arizona Agriculture: Handing you the crystal ball, what's your take on our future? Wilkey: My last comment is to make the point that U.S. agriculture needs to work from its and our common positions. Our industry associations and advocacy groups deliver value to their members and we compete in agriculture for members to our groups. There are positions on issues that we may not have complete agreement but we need to avoid the temptation to position ourselves against each other. This weakens our base and sends confusing messages. Examples might be GMO versus non-GMO, organic versus conventionally-grown crops. We need to ask ourselves if we are finding ways to address issues and challenges that are for the good for the broadest base of agriculture instead of just "our group."

There will be fewer farmers and companies (continued consolidation) that are engaged in production agriculture. There will be continued consolidation of which leads to a consolidation of dollars and possibly a more self-interested focus. We will have less electorate clout on the political front to sustain ourselves so we must be more strategic within industry. We need leaders who see the merit of working together whenever we

can. 📆

SBA Economic Injury Disaster Loans Available to Arizona Small Businesses

mall nonfarm businesses in 15 Arizona counties and neighboring counties in California, Colorado, Nevada, New Mexico and Utah are now eligible to apply for low interest federal disaster loans from the U.S. Small Business Administration, reported Director Tanya N. Garfield of SBA's Disaster Field Operations Center-West. These loans offset economic losses because of reduced revenues caused by drought in the following primary counties that began Jan. 1, 2018. The deadline to apply for economic injury is Nov. 8, 2018.

- Primary Arizona counties: Apache, Cochise, Coconino, Gila, Graham, Greenlee, Maricopa, Mohave, Navajo, Pima, Pinal and Santa Cruz;
- Neighboring Arizona counties: La Paz, Yavapai and Yuma;
- Neighboring California county: San Bernardino;
- Neighboring Colorado county: Montezuma;

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- Neighboring Nevada counties: Clark and Lincoln;
- Neighboring New Mexico counties: Catron, Cibola, Grant, Hidalgo, McKinley and San Juan;
- Neighboring Utah counties: Kane, San Juan and Washington.

"SBA eligibility covers both the economic impacts on businesses dependent on farmers and ranchers that have suffered agricultural production losses caused by the disaster and businesses directly impacted by the disaster," Garfield said.

Small nonfarm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private nonprofit organizations of any size may qualify for Economic Injury Disaster Loans of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

"Eligibility for these loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 3.385 percent for businesses and 2.5 percent for private nonprofit organizations, a maximum term of 30 years and are available to small businesses and most private nonprofits without the financial ability to offset the adverse impact without hardship," Garfield said.

By law, SBA makes Economic Injury Disaster Loans available when the U.S. Secretary of Agriculture designates an agricultural disaster. The Secretary declared this disaster on March 8, 2018.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency about the U.S. Department of Agriculture assistance made available by the Secretary's declaration. However, nurseries are eligible for SBA disaster assistance in drought disasters.

Applicants may apply online, receive additional disaster assistance information and download applications at https://disasterloan.sba.gov/ela. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@ sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard of hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Two Arizona Urban Farmers Win National Grants

By Julie Murphree, Arizona Farm Bureau Outreach Director

Sucson's Merchant's Garden AgroTech won \$10,000 and Phoenix's Arizona Microgreens won \$5,000 in the national Cultivating Change contest, in which local farmers compete for grant awards ranging from \$1,000 to \$20,000. Both Urban farming businesses have made a name for themselves in their local communities in Arizona.

A member of Arizona Farm Bureau, Merchant's Garden AgroTech (www.merchantsgarden.com) plans to use its \$10,000 grant to install and implement food traceability tools and processes. Established in 2015, Merchant's Garden grows a variety of leafy greens and herbs using aquaponics. They partner with Stern Produce Company, a PRO*ACT fresh produce distributor and member of Greener Fields Together.

Arizona Microgreens plans to use its \$5,000 grant to purchase a commercial germination chamber for increased microgreen production. Arizona Microgreens grows assorted microgreens for restaurants, schools, and individuals throughout Arizona. They partner with Stern Produce Company, a PRO*ACT fresh produce distributor and member of Greener Fields Together, a program that supports sustainability throughout the fresh produce supply chain.

The funds will enable both farms to reach their goals of implementing food traceability tools for increased food safety and full supply chain transparency.

"Winning this grant means fuel for the next iteration of our business," explained Chaz Shelton, Founder and CEO of Merchant's Garden AgroTech. "It means we've prepared properly to take the next step towards making fresh food more accessible and affordable in Southern Arizona. \$10,000 helps provide us with the resources necessary to grow our production and operate it more efficiently. These funds will allow us to accomplish value-added activities."

Cultivating Change was started in 2015 to promote and support the efforts of local farmers by providing funds for new or upgraded equipment and facilities, certifications, or eco-driven projects that will minimize environmental impact and maximize production. This year, 100 farms participated in the grant program, which has awarded more than \$200,000 in grants since the program's inception. Six project proposals,

> representing a total of \$55,000 in grant money, were selected by panel review, and five additional outstanding winners, who each will receive from \$1,000 to \$10,000 in grant funds, were chosen via

popular vote.

Farms throughout North America were invited to submit applications that clearly defined a quantifiable and distinct outcome in one of four areas: marketing, infrastructure, capacity building, or certifications. "Our team was amazed by the quality of the applications, ingenuity of projects, and ultimately enthusiasm from the community," stated Anne Nichols, Sustainability Manager for Greener Fields Together. "We are excited to see these projects funded and

PRO*ACT CEO, Max Yeater, shared PRO*ACT's goal to "really 'cul-

moving forward." tivate change' in communities through ef-Chaz Shelton of Merchant's Garden says the \$10,000 will help provide them with the fective support of these local farmers who resources necessary to grow their production and operate it more efficiently. "These provide fresh produce, jobs, and inspirafunds will allow us to accomplish value-added activities," he explained. tion to those they serve. It's our hope that

these investments provide the needed support for them to continue to grow."

Applications to participate in the Cultivating Change competition in 2018 will be accepted beginning on October 1, 2018. Requirements and contest rules, as well as profiles of all of our winners, can be found at cultivatingchange.org.





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EmpireAg.com

The French Love Arizona Wine

By Elaine Anne Reby, Erato & Vin, LLC Founder

Then you are from Europe and hear "Arizona," the first thoughts are likely to turn around big desert landscapes, cattle, cowboys and Native Americans. Yet, this image seems to be only part of the rugged western motif.

Arizona has always been a farming state, but turned towards the future with an increasing growth in wine grapes especially beginning in 1983 when the first license was issued in Sonoita. Today, we are told that Arizona's wine industry generates \$3.3 billion in total economic activity. At the same time, it has kept its traditions, its love for the land, and its pride in its earth. It is exciting to see how the state of Arizona is defining its own story of the térroir; including all its distinct and local grape growers, as well as winemakers. The idea of the térroir cruises around in the wine world like a small fisherman's boat in the ocean: Everyone can handle a nutshell on flat water, yet, one must be an excellent sailor and expert of its boat, to take it out into the big waves. The word seems to have become a saying, without that most people really

Arizona's farmers who take pride

understands what it means.

in their craft and passion in their land are discovering the potential of their authenticity. Most Arizona wines reveal a vivid freshness and a perfectly mature fruit character of the grapes. It is quite a lovely surprise that the fruit is let to reveal itself, instead of being covered by an over usage of strong American oak. The desert climate with cool nights and warm, sunny days allow the vines to grow excellent fruits that will unravel their flavors in an elegant wine; very often aged with a bit of French oak that will not cover the fruit's characteristics, but allow the final product to unleash its bouquet with a nice structure.

It is due to its vibrant, elegant and refined wines, that more wine enthusiasts and connoisseurs start travelling to Arizona, to witness the rise of a new térroir.

I barely tasted U.S. wines with such a flavorful concentration, Arizona wines without being jammy, display a clarity, and refreshing acidity. "Arizona is a great surprise for wine lovers and connoisseurs. I see a lot of potential in its geographical features, the climate, and the passionate farming attitude. For me, Arizona has all the potential to become a more elegant and refined wine growing state.

There seems to be an increased interest from the traditional wine world to discov-

er the potential of Arizona's grape growing industry, and the business opportunities that go alongside. Mathilde Despresle, from France Chêne, a French oak sourcing company who own their proper forests in France and who also makes barrels and wood alternatives for high end chateaux in France and other parts in Europe, expressed her enthusiasm during her visit: "I didn't know that they grew grapes in the desert, but I love it and will spread my positive experience when I am back in the Bordeaux region!"

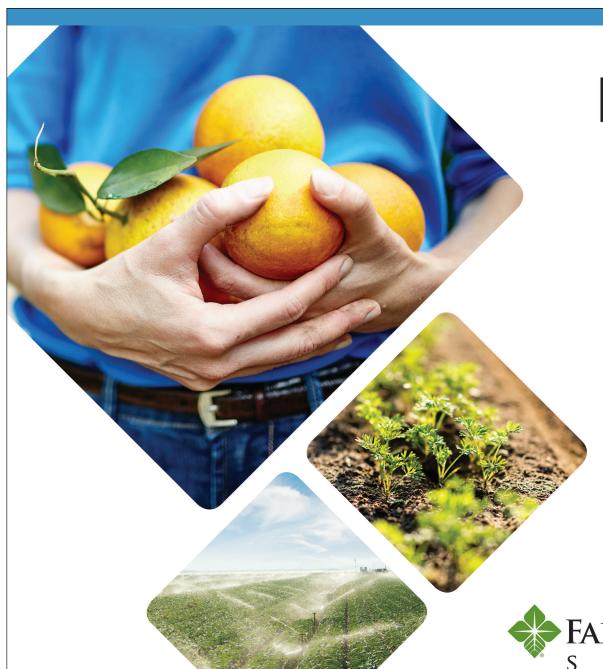
Until Arizona will have grown as its own 'brand' among the wellrenowned wine destinations and appellations, there are certainly still some trials and harvests to go through, first. Yet, with the spirit of creating something new that does not try to copy any over-styled wines, it is only a matter of some good cooperation and seasons.

Editor's Note: Elaine Reby

founder of Erato & Vin LLc., moved to Arizona to be part of the exciting development the state is starting to go through in wine. Reby partnered up with Mathilde Despresle from France Chêne, after accomplishing the same master course in international wine management, called OIV MSc. The international OIV MSc in Wine management diploma – created in 1986 – is a program open exclusively to future managers and decision makers in the wine sector, providing interdisciplinary training in over 24 different countries and their wine regions. Both ladies agreed that they wanted to expand their horizon, and instead of remaining in her home country France, Elaine moved to Arizona to celebrate and help develop further a wine culture in our state. Mathilde stayed in France, but as a representative for France Chêne, she focuses on the international market. Her company is one of the only producers in the barrel and alternative oak industry that owns its own oak woods in various regions in France, and hence controls every single step in the production of outstanding viticultural materials.



According to the USDA and the University of Arizona, Arizona's wine industry now contributes \$3.3 billion in total economic activity.



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Seriously, You Need to Take Advantage of Farm Bureau

By Peggy Jo Goodfellow, Arizona Farm Bureau Farm Bureau Marketing Manager

uring a recent visit to our doctor's office, I struck up a conversation with a woman in the waiting room. We introduced ourselves and talked about what we do for a living. Turns out she is insured by a Farm Bureau Financial Services agent and is a member of Arizona Farm Bureau. I talked about the great member benefits and she said, "You mean to say that I have member benefits and discounts? Where can I find out what they are and how to use them?"

I decided right then to remind Arizona Farm Bureau members - especially our Ag members -- about all the great benefit discounts available to them. Not only do these benefits exist but they mean real savings to you and your family, if you use them. (They're listed below but also available on our "FB Benefits" mobile App.)

Simply making one discount purchase can pay for your membership on the spot, especially if that purchase is a new Ford F150, a John Deere lawnmower or even some CASE IH equipment. Yes, you must spend some money to save some, but if you had plans to buy a new Ford vehicle anyway, get the \$500 rebate, exclusive to Farm Bureau members!

Because you belong

- Farm Bureau Financial Services: access to insurance and investments
- Farm Bureau Bank: credit cards, checking, savings; vehicle and home loans
- AmeriGas: \$.05 off per gallon of propane
- Ford vehicles- \$500 rebate on new Ford cars and
- Lincoln vehicles- \$750 rebate on new Lincoln vehicles
- · Sears Commerical- on-line savings
- ClearValue Hearing Healthcare benefit- Up to 55% discount
- Choice Hotels: 20% discount
- Grainger: 10% discount on catalog items. Free shipping for online orders
- Wyndham Hotel Group: 20% discount
- Motel 6: 10% discount
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- Jiffy Lube: 15% discount • LEGOLAND: Save \$34 on adult and \$29 on child
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- TicketsatWork: Save up to 60% on entertainment
- Case IH- \$300 \$500 off select equipment
- Avis/Busget: up to 25% discount
- Enterprise, Alamo, and National car rentals: save
- Life Line Screening: 30% off health screenings
- Farm Bureau Prescription Discount Program: up to 75% savings with free drug card
- Homes Direct: Up to \$7.500 off manufactured
- Office Depot/Office Max: 80% off online
- Truly Nolan: \$35 off initial pest treatment, \$75 off initial Termite treatment
- USAPetmeds.com: 15 55% off pet and livestock medications & supplements
- WorkBoots.com Save 10%
- Caterpillar: Save up to \$2,000 on equipment
- John Deere: Save up to \$3,200
- Local/Regional benefits: Over 140 discount locations offered statewide
- Two Blogs: The Voice and Fill Your Plate find and follow on azfb.org
- FillYourPlate.org: Farmers and Ranchers that sell direct to you

If you need more information, visit www.azfb.org or call 480-635-3609.



John Deere Newest Member Benefit

Arizona Farm Bureau members can now receive special



access to the John Deere's GreenFleetTM Loyalty Rewards program, providing members with a free two-year Platinum 2 membership. It's easy to become a GreenFleet member too! Just sign up for John Deere GreenFleet Loyalty Rewards program using a valid member ID and zip code for membership verification, and

become a Platinum 2 level by visiting www.JohnDeere. com/FarmBureau!

Farm Bureau members are eligible for the following benefits as Platinum 2 status members: • Discounts on the following categories of equipment:

- \$350-\$3,200 off Commercial Mowing
- \$100-\$250 off Residential Mowing
- \$200-\$350 off Utility Vehicles
- \$200-\$350 off Tractors
- \$500-\$3,700 off Golf & Sports Turf
- 17% off MSRP Commercial Worksite

Go to the GreenFleet website to learn about the discounts and other benefits of being a Platinum 2 member!

Don't Forget the Discount Partners in your Area

Your Farm Bureau membership can save you up to 15%

off haircuts, auto repair, restaurants, carpet cleaning and more at one of the local and regional benefit locations. Log on at azfb.org, click on member benefits then "Local/ Regional Benefits." These discount partners are listed by county and are provided by businesses that do not offer one of our statewide benefits. These discounts come from a local business near you...one you may be using

Don't forget to check your FB Benefit app for all your member benefits. 📆

Editor's note: For more information on our member benefits including our regional benefits go to Arizona Farm Bureau's member benefits page online. Or, download the Member Benefits app (FB Benefits) to your smart phone for easy, everyday access to your benefits.

NRCD Elections May 6th

The NRCD's have elections for Supervisors on May 6th throughout the state. To be eligible to vote you need to be a registered Cooperator with your District. Most importantly, Cooperators voice their opinions at annual Local Work Group meetings with the U.S. Natural Resources Conservation Service (NRCS) where long-term goals for the District are identified. For questions, please contact Steve Barker of Arizona Association of Conservation Districts (AACD) at Steve.Barker@aacd1944.com, (480) 893-7652 or Jackie Thomas at Arizona State Land Department (ASLD) jthomas@azland.gov, (602)370-7623.



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