

TITLE: Winter and Spring Wheat Variety Performance Evaluation Under Northern Montana Conditions on the Basis of Gross Production Value as Influenced by Yield, Protein and Market.

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OBJECTIVES:

It is the objective of this project to bring quality and quantity together to allow the forces of market value to influence evaluation of winter and spring wheat varieties under varying cropping conditions in northern Montana.

RESULTS:

Average annual PNW quotes for Hard Red Winter wheat at 10, 11, 12, and 13 percent protein for the 10-year period 2000-2009 are graphed in Figure 1. The PNW annual market averages for the same period for Dark Northern Spring wheat at 12, 13, 14, and 15 percent protein are graphed in Figure 2. Both graphs include values along the top axis reflecting the average annual \$/bu price spread between the minimum and maximum protein levels for which quotes are consistently available. It should be noted that during 2009 and even more so during 2008, exporters were not issuing bids for certain days (sometimes entire months) and for certain protein levels. Thus, fewer values make up the average annual quotes for those two years. Historical daily bids issued can be accessed via the Montana Wheat and Barley Committee website at:

http://wbc.agr.mt.gov/Producers/pricing_historical_pnw.html

'Gross Dollar Return' comparisons are graphically presented in Figures 3 through 8 reflecting research plot response data for the locations and years below:

Figure No.	Cropping System & Crop	Research Location	No. of Varieties Included	No. of Data Years Included	No. of Calendar Years	Calendar Years Spanned
3	Flw-WW	NARC-Havre	7	10	10	2000-2009
*3a	Flw-WW	NARC-Havre	9	8	8	2002-2009
*3b	Flw-WW	NARC-Havre	9	5	5	2005-2009
*4	Flw-WW	Loma	7	7	7	2003-2009
5	Flw-SW	NARC-Havre	7	10	10	2000-2009
*5a	Flw-SW	NARC-Havre	7	7	7	2003-2009
*5b	Flw-SW	NARC-Havre	10	5	5	2005-2009
6	Flw-SW	Turner	4	10	10	2000-2009
*6a	Flw-SW	Turner	7	8	8	2002-2009
*6b	Flw-SW	Turner	8	6	6	2004-2009
*7	Flw-SW	North Havre	8	5	5	2005-2009
8	Flw-SW	Loring	4	10	10	2000-2009
*8a	Flw-SW	Loring	6	9	9	2001-2009
*8b	Flw-SW	Loring	8	6	6	2004-2009

Analyses span the maximum number of calendar years, up to 10, for which data exists for a specific location and variety set. Figures marked with an asterisk (*) denote those for which a reduced number of data years were used in the analyses for purposes of including new or otherwise popular variety releases having fewer data years available. In contrast to the 'Comparable Average' method of comparing varietal performance, graphs in this report reflect only analyses where each variety shown was actually grown at that particular location during all years listed. Thus, values included are 'actual' in terms of agronomic yield and associated gross return based on protein content and average annual market performance for each year.

It must be kept in mind that in addition to the influence of price variability; crop fertility, plant available water, and numerous other factors can dramatically affect gross dollar return. All trials included were fertilized. No attempt has been made here to consider fertilizer or other input costs and their subsequent effect on 'net' return. Plant available water estimates and soil fertility data are available for most of these studies. Climatic and nursery management data details for each off-station trial featured here are included with the associated agronomic evaluations in a separate report. Most Havre data, collected both on-station and off-station, is represented by a minimum 'applied' nitrogen rate of 70 lbs actual N/ac. It should be further understood that management plays a key role in affecting dollar return - be it associated with enhanced product quality, quantity or shrewd marketing skills.

SUMMARY:

Producers are well aware of the impact protein premiums can have on overall market value, but are troubled by the fact that the market has generally not been consistent in terms of rewarding growers for producing high quality wheat. The potential for discount associated with low quality has likely had more bearing on production management than have positive incentives in the form of premiums for quality above average. In the past decade, average annual premiums for 10-13 percent protein winter wheat and 12-15 percent protein spring wheat have varied from as little as 1.3 cents to as much as 66.3 cents per point increase in protein per bushel. Producers have encouraged researchers to evaluate potential new practices in terms of dollars and cents. Such is never easy; and this particular effort toward quantifying wheat variety performance on the basis of total dollar return was no exception.

Working with MWBC, the Research Center initiated development of a 'Gross Dollar Return' database in 1988 utilizing a limited approach involving Wednesday markets only. By 1989, daily market spreadsheets were made available by MWBC with some file development assistance for previous years provided by NARC. At present, full market data for the years 1973-2009 is readily available.

For each research location, a multi-year, average gross market value per acre was determined for each selected variety. Such values were based on gross return for actual yield at the lowest consistently quoted protein level plus added gross return for protein premium, if any. The sum of the two values then represents the gross return per acre in a given market year. Calculations were made for each year the varieties were under evaluation at a particular location. The values were then tested via analysis of variance with data years as replications.

It should be noted that the current procedure affords no mechanism for appropriate adjustment of gross return where protein content is either below that termed as "minimum quoted" (10 percent for winter wheat and 12 percent for spring wheat), or above that termed as "maximum quoted" (13 percent for winter wheat and 15 percent for spring wheat). Thus, discounts for protein below the minimum quoted - or added premiums sometimes available for protein above normal quote maximums, cannot be reflected in these data. Due to fertilization, situations where protein levels were below minimum are extremely rare in these research databases. However, situations where protein exceeded the maximum level for which market quotes were available are common in these data. Thus, in cases where proteins for 'average protein performing' varieties in a particular trial are at the maximum level for which a market quote exists; entries with higher protein are not benefited by additional premium as they may have been in a commercial marketing situation.

One must also remain aware that the marketing periods chosen for these analyses can have pronounced effects on the results due to obvious year differences in overall market price and premium spreads. Not unlike most crop evaluation procedures, but perhaps even more important in this case, data reliability increases with additional years of observation. At present, it would appear that a minimum of four to five years should be involved for meaningful comparison via this system, however in specific instances; three year analyses have been included to illustrate the potential of promising newly released varieties. For this 2009 report all analyses include a minimum of five years of data.

In 1994, Carlson initiated a new "paired" trial series at Turner whereby 16 to 23 varieties each of spring wheat and barley were evaluated for five years under both low and optimum nitrogen fertility. Abridged results of that 5-year study in terms of agronomics and fertilizer economics are posted at Northern Agricultural Research Center's website in the agronomy research section at <http://www.ag.montana.edu/narc>.

Average Annual Market Quotes

* (\$/Bu - Hard Red Winter Wheat)

Pacific Northwest Delivery

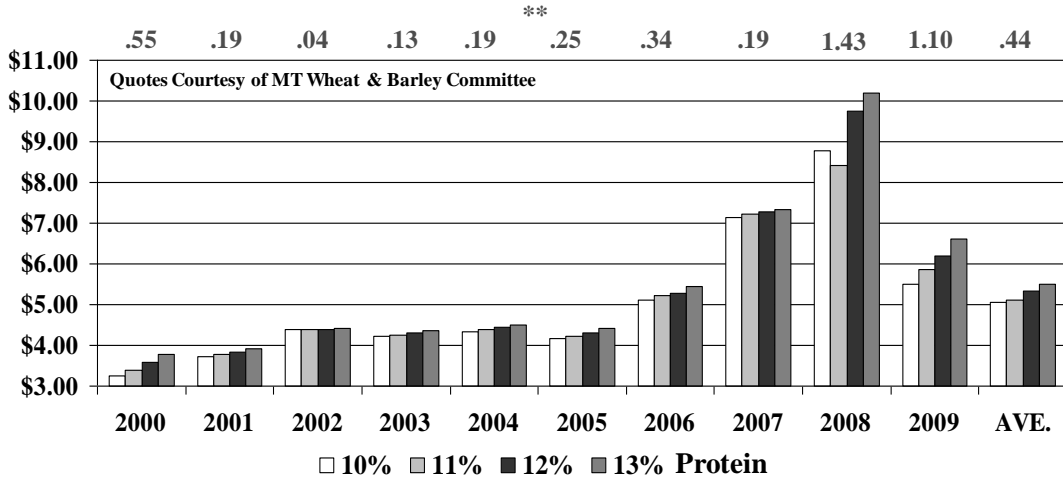


Figure 1.
MSU/AES/NARC-Carlson

* Average of All Market Days/Market Year
** \$/Bu Difference Between 10 & 13% Protein

Average Annual Market Quotes

* (\$/Bu - Dark Northern Spring Wheat)

Pacific Northwest Delivery

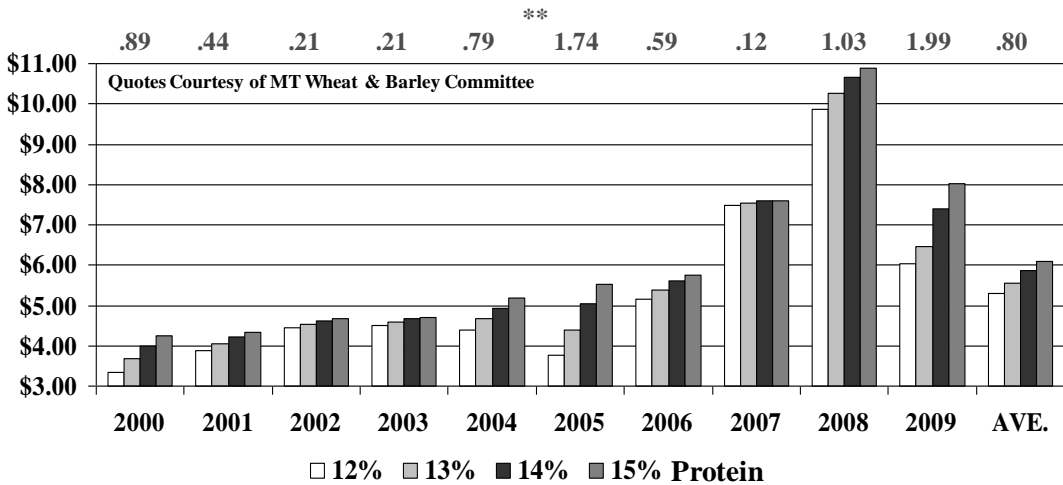


Figure 2.
MSU/AES/NARC-Carlson

* Average of All Market Days/Market Year
** \$/Bu Difference Between 12 & 15% Protein

Gross Return - Fallow Winter Wheat Northern Ag Research Center – Havre, Montana 10-Yr Means (2000-2009)

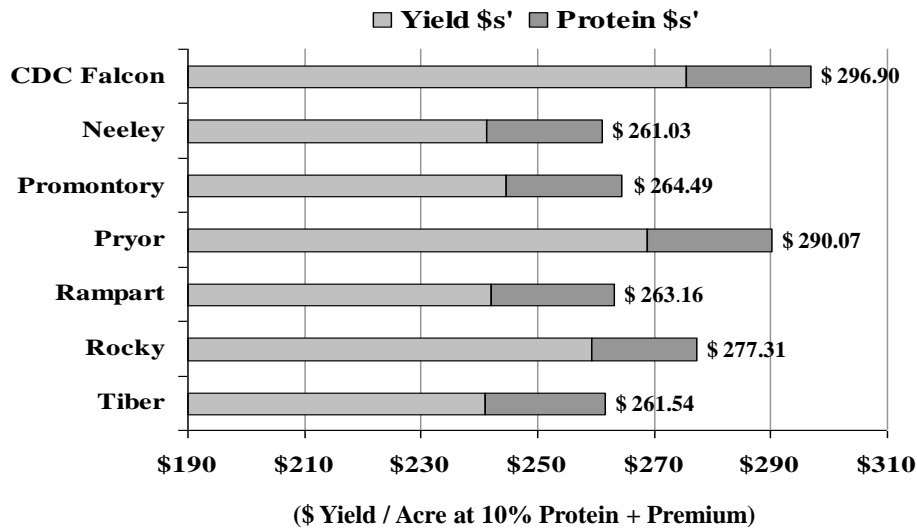


Figure 3.

MSU/AES/NARC-Havre
Ref=09-3502 P=.0019 CV2=2.69%

LSD (P<=.05), Gross Return = \$ 20.86 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Winter Wheat Northern Ag Research Center – Havre, Montana 8-Yr Means (2002-2009)

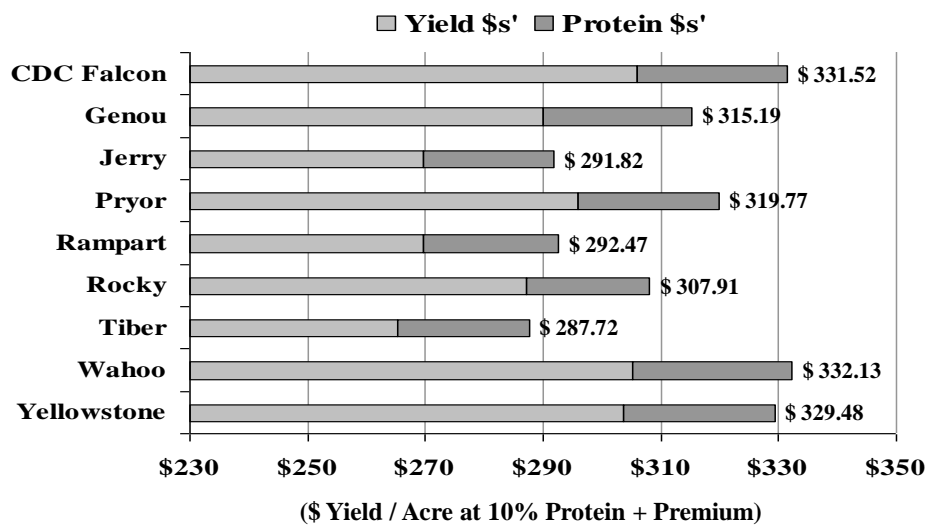


Figure 3a.

MSU/AES/NARC-Havre
Ref=09-3512 P=.0047 CV2=3.21%

LSD (P<=.05), Gross Return = \$ 28.35 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Winter Wheat Northern Ag Research Center – Havre, Montana 5-Yr Means (2005-2009)

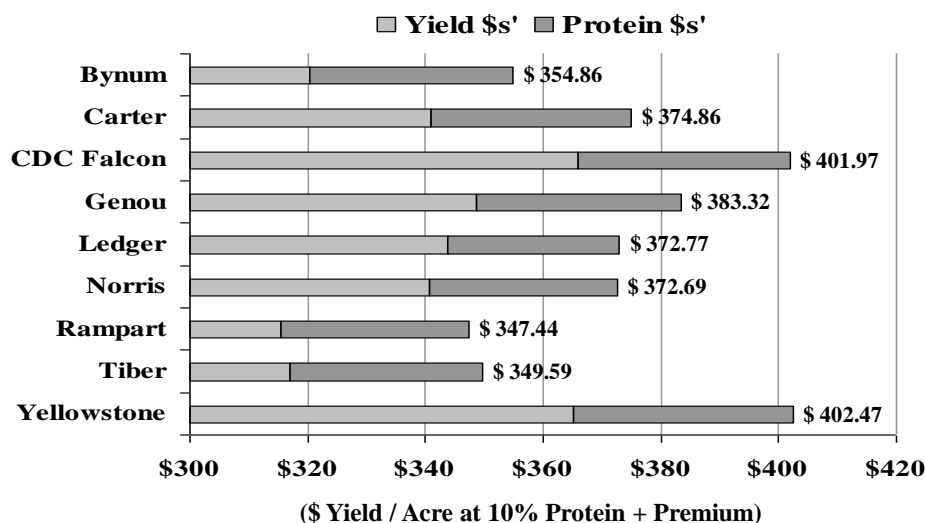


Figure 3b.

MSU/AES/NARC-Havre
Ref=09-3522 P=.0314 CV2=3.47%

LSD (P<=.05), Gross Return = \$ 37.30 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Winter Wheat McKeever Farm & Seed, Inc. – Loma, Montana 7-Yr Means (2003-2009)

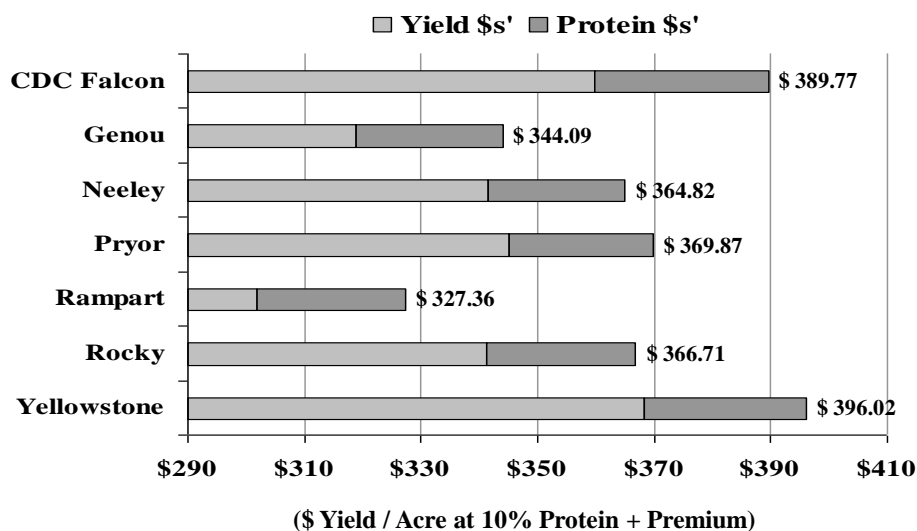


Figure 4.

MSU/AES/NARC-Havre
Ref=09-3803 P=.0814 CV2=4.56%

LSD (P<=.05), Gross Return = \$ 47.85 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Northern Ag Research Center – Havre, Montana 10-Yr Means (2000-2009)

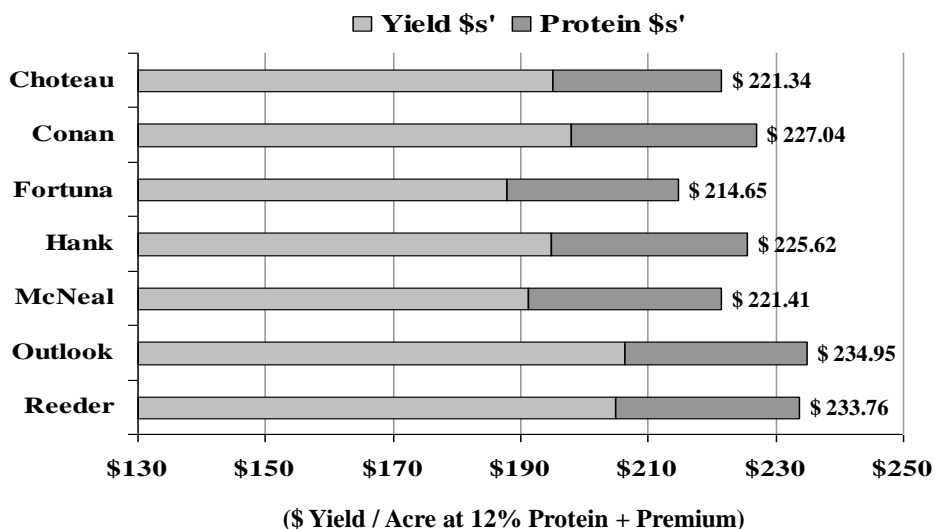


Figure 5.

MSU/AES/NARC-Havre
Ref=09-3102 P=.0532 CV2=2.14%

LSD (P<=.05), Gross Return = \$ 13.66 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Northern Ag Research Center – Havre, Montana 7-Yr Means (2003-2009)

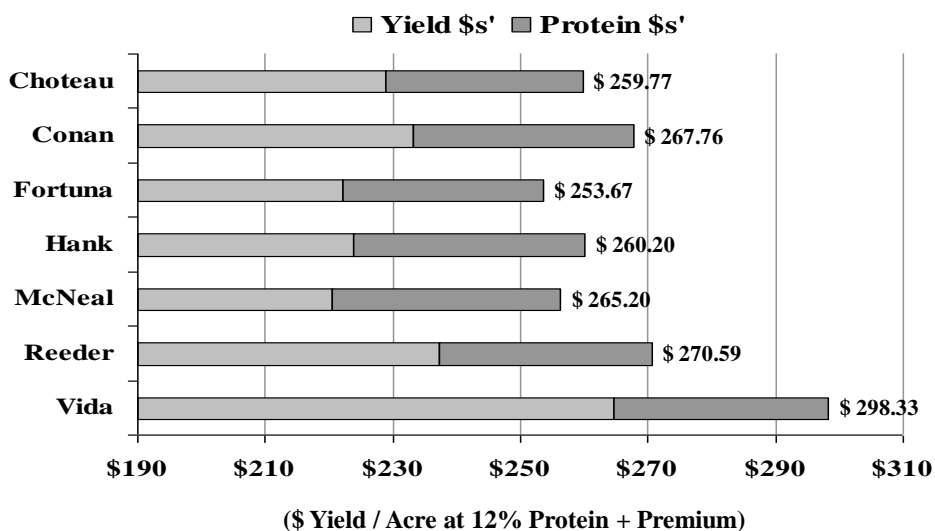


Figure 5a.

MSU/AES/NARC-Havre
Ref=09-3112 P=.0024 CV2=2.76%

LSD (P<=.05), Gross Return = \$ 21.13 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Northern Ag Research Center – Havre, Montana 5-Yr Means (2005-2009)

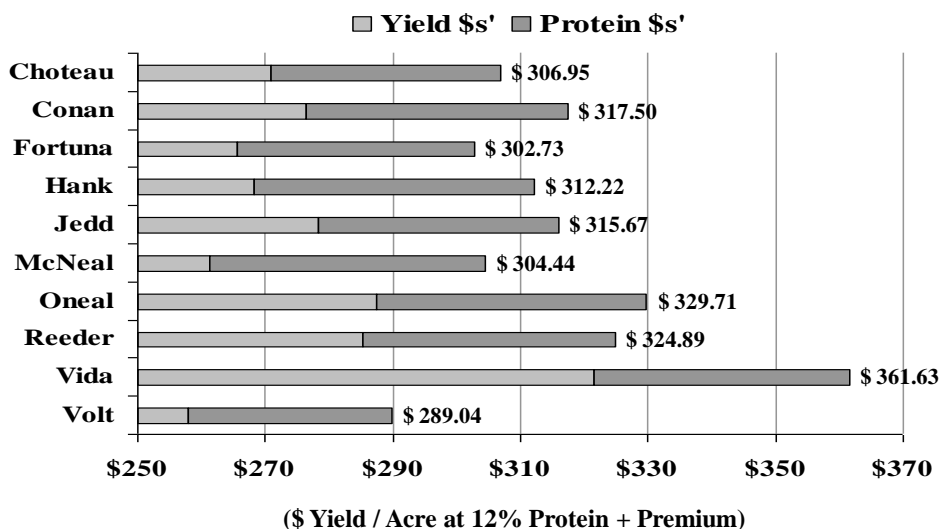


Figure 5b.

MSU/AES/NARC-Havre
Ref=09-3122 P=.0003 CV2=2.84%

LSD (P<=.05), Gross Return = \$ 25.81 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Leon Cederberg Farm – Turner, Montana 10-Yr Means (2000-2009)

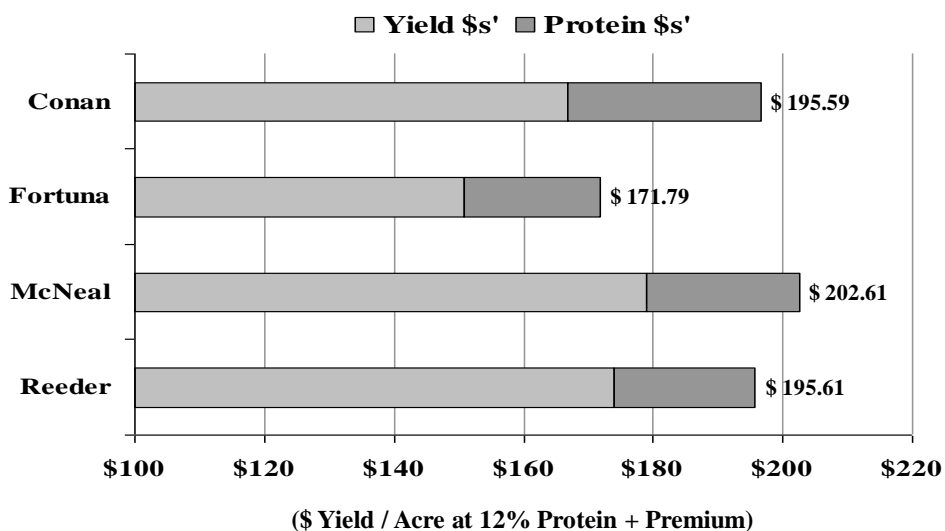


Figure 6.

MSU/AES/NARC-Havre
Ref=09-9901 P=.0016 CV2=2.75%

LSD (P<=.05), Gross Return = \$ 15.29 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Leon Cederberg Farm – Turner, Montana 8-Yr Means (2002-2009)

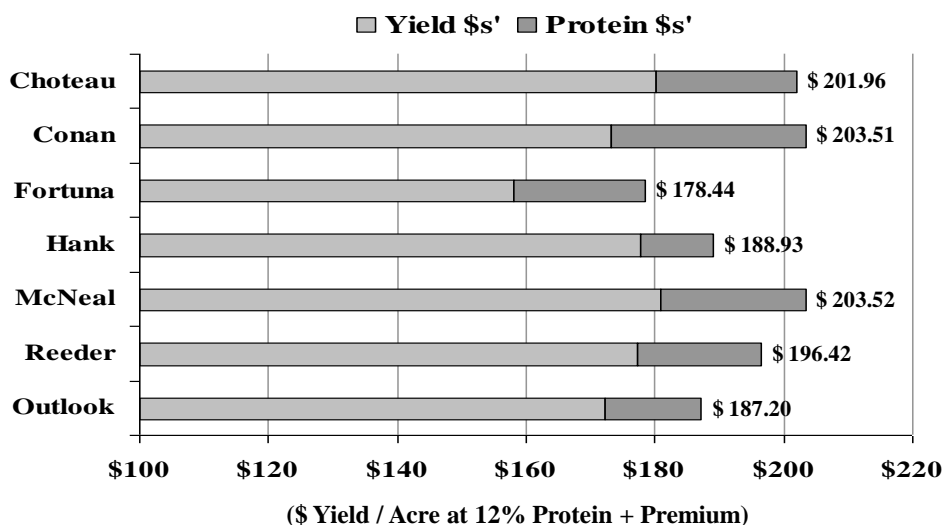


Figure 6a.

MSU/AES/NARC-Havre
Ref=09-9911 P=.0044 CV2=2.58%

LSD (P<=.05), Gross Return = \$ 14.28 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Leon Cederberg Farm – Turner, Montana 6-Yr Means (2004-2009)

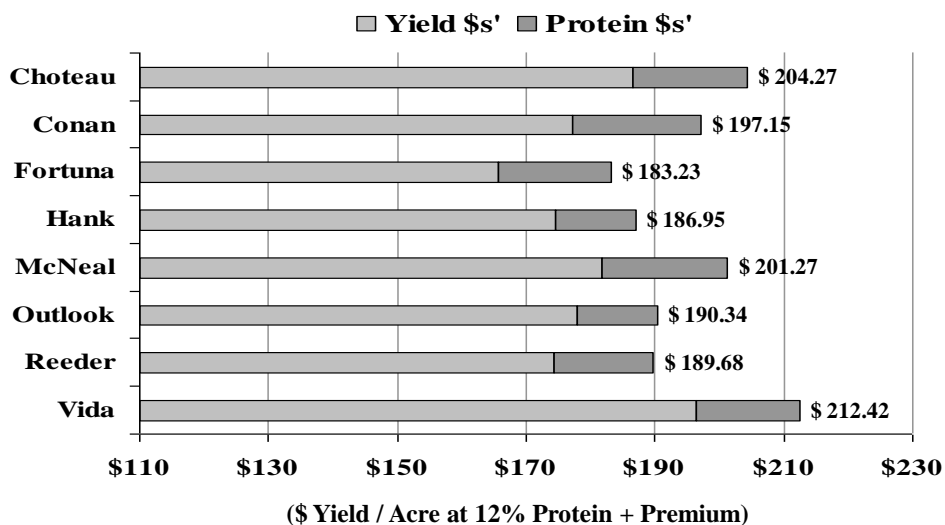


Figure 6b.

MSU/AES/NARC-Havre
Ref=09-9921 P=.0001 CV2=1.88%

LSD (P<=.05), Gross Return = \$ 10.57 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Mark Peterson Farm – North Havre, Montana 5-Yr Means (2005-2009)

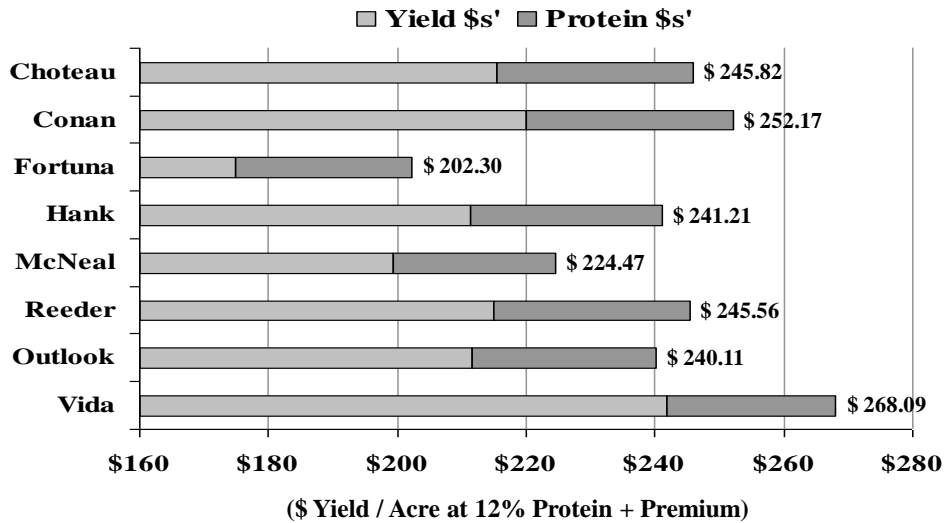


Figure 7.

MSU/AES/NARC-Havre
Ref=09-9902 P=.0307 CV2=4.99%

LSD (P<=.05), Gross Return = \$ 34.69 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Flansaas/Lumsden Farm – Loring, Montana 10-Yr Means (2000-2009)

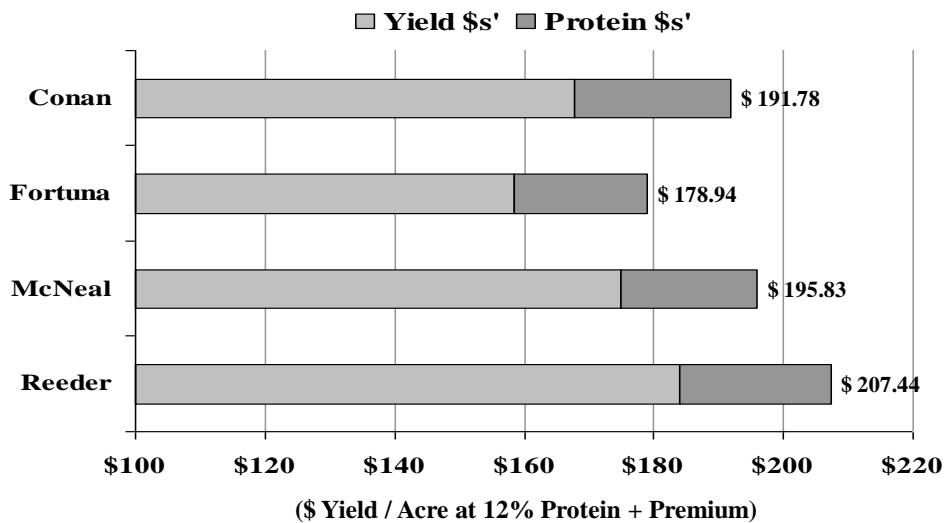


Figure 8.

MSU/AES/NARC-Havre
Ref=09-9905 P=.0008 CV2=2.22%

LSD (P<=.05), Gross Return = \$ 12.45 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Flansaas/Lumsden Farm – Loring, Montana 9-Yr Means (2001-2009)

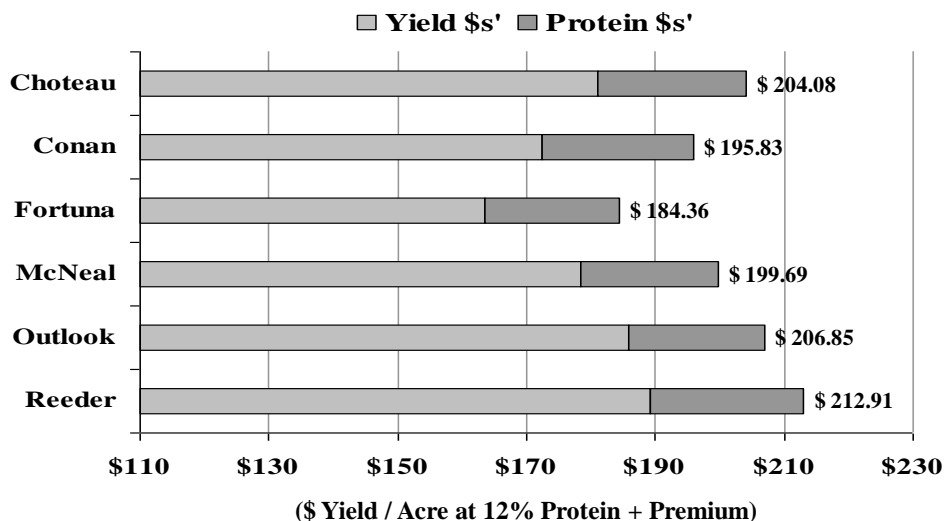


Figure 8a.

MSU/AES/NARC-Havre
Ref=09-9915 P=.0036 CV2=2.40%

LSD (P<=.05), Gross Return = \$ 13.78 / ac
Prices = PNW Average Annual Market/Year

Gross Return - Fallow Spring Wheat Flansaas/Lumsden Farm – Loring, Montana 6-Yr Means (2004-2009)

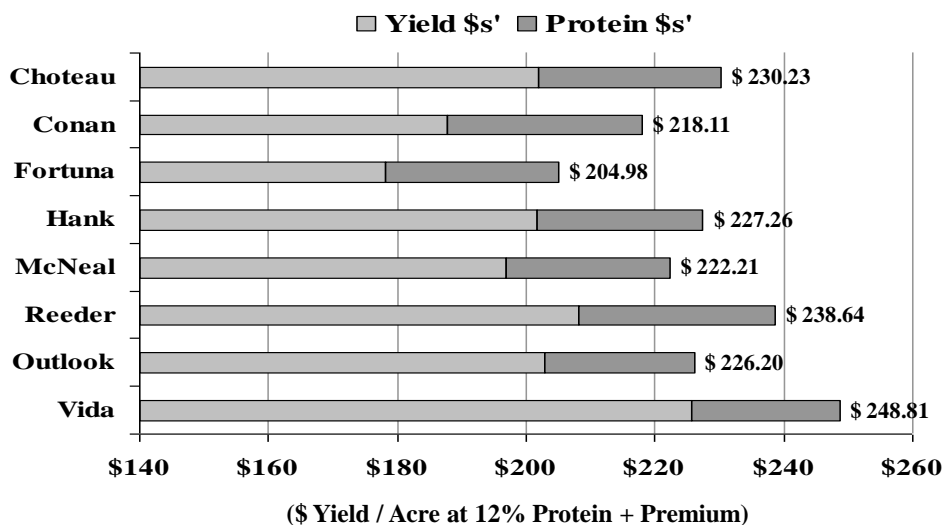


Figure 8b.

MSU/AES/NARC-Havre
Ref=09-9925 P=.0068 CV2=3.13%

LSD (P<=.05), Gross Return = \$ 20.38 / ac
Prices = PNW Average Annual Market/Year