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FOR IMMEDIATE RELEASE

New Wheat Marketing Center training course aims to boost farm and river elevator operator profits through enhancing quality control and wheat quality segregation measures.

**And, that is a benefit for wheat buyers around the globe.
That is a win-win.**

Portland, Oregon (February 20, 2007) -- During the past several months, the Wheat Marketing Center (WMC), in Portland, OR delivered grain elevator operator training to 48 employees, supervisors, and managers from 15 country and river elevator businesses in the wheat growing areas of central and eastern Oregon and Washington.

Titled "Managing Wheat Inventory to Maximize Profits," the Wheat Marketing Center designed and developed the new training program to:

- Provide information to grain elevator operators and managers on the importance of wheat quality segregation;
- Increase knowledge of the economic impact of wheat quality segregation; and
- Increase profitability through improving business practices.

Major objectives of the training included:

1. Increasing participants' knowledge of the overall wheat industry system from wheat farmer to bakery;
2. Describing the relevance of wheat, flour, and finished product tests to grain elevator operations;
3. Explaining the impact of segregation on profitability;
4. Discussing the roles of the Federal Grain Inspection Service (FGIS), export grain elevators, USDA/Risk Management Agency, U.S. Wheat Associates, and Wheat Marketing Center;
5. Considering how to apply new knowledge to cooperative grain elevator business practices; and
6. Discussing ways cooperative elevator operators can convey information on the benefits of segregation to wheat farmers to increase their crop management skills on the farm.

While it may be too early to tell just how much of an increase in profits will occur, or when, the immediate benefits of the training are already becoming apparent. One elevator general manager explained his thoughts this way: "I think it's too early to tell right now, but the more knowledge we have throughout the operation in identifying and really looking at the wheat instead of looking at dockage, looking at the other factors in the different classes of wheat, it doesn't necessarily make me a premium, but it prevents me from absorbing a discount - and lack of a discount is a premium."

Another operator, engaged in customer relations field work, said, "It's kind of a long-term profitability. I was in charge of grain coming in this harvest and coordinating elevators to take

different varieties. I think that the way it was segregated to quality probably improved our profitability.”

Sharing the knowledge has begun to flow both ways: to wheat growers, and to how they perceive their own farm businesses; and to end users, such as companies making a variety of noodles and other wheat foods in Asia.

For example, grain elevator employees working in the seed plants regularly provide advice and technical assistance to producers/growers regarding varieties of wheat to plant. They are able to share information from the training program this way: “We try to explain to the growers as they make wheat variety selections for planting, that if they are selecting for quality, they have a better chance of expanding their, and our, market. Otherwise, they are just growing a commodity that we need to find a home for. The feedback I’m getting from customers is that it is extremely valuable information for them.”

Another participant explained, “Gaining knowledge about global market demands and customer specifications really is what we need to know and keep in the forefront... every day.”

An important factor in profitability is the ability to target specific markets for wheat that meet customer specifications for end-product manufacturing. Several grain merchandisers have found that they have been a lot more successful marketing specific wheat to specific buyers as a result of the information they received on customer specifications and global market demands for their wheat.

One manager connected his efforts at targeting specific markets with the handling processes and employee performance at his elevator: “I’ve spent a lot of time trying to differentiate our company from others by using expert knowledge and trying to add value by segregating for quality. I think our company is getting better at that and it adds to the profitability.

“I may be able to find business that will pay a premium price for the wheat, but if we all refuse to pay attention to the quality, the opportunity is lost because we can’t guarantee that quality. It’s only when we recognize the value, and integrate proper segregation for quality that we’ll make a difference. It’s about separating the stuff that isn’t good because it ruins the homogenous mass ? that’s the driver,” he said.

After USW’s presentation to the class, comments centered on wheat specifications and how detailed, or not detailed, the customer specs are. Actual specs from Japan, for instance, were interesting to the group. “We know what happens to the wheat from here to Portland, but not what happens from Portland to Japan and then into their wheat food product-producing plants,” one participant noted.

FGIS grading of wheat samples, another class hands-on activity, was helpful to most of the elevator cooperative members. One explained it this way: “Just how little it takes of foreign material, or dockage, or whatever being in the sample that they’re looking at can really change things. If they’re looking at 100 kernels, and find just two kernels of barley in there... what that does to your grade. It makes you realize how tight those tolerances are and that if your contract is based on #1 wheat, you’d better be sure that only #1 wheat goes down there.”

Another viewpoint regarding FGIS and the wheat grading presentation proved beneficial to another elevator operator, who said, “I really enjoyed the FGIS wheat grading because it is so relevant to my work. I load the barges and check the grain... now I know I will do a better job as I know a lot more about the process.”

During a different portion of the class, another participant, after seeing an export elevator, commented, “I also thought it was interesting out at Columbia Grain when they were talking about how much more they

clean the wheat before they ship it, compared to even five years ago. That was interesting, showing that's why our dockage system is so tight on what is allowed before discount."

The tests run at the Wheat Marketing Center lab made an impression on the participants, too. One said, "The most useful things I found were the tests and how they use the tests and apply them to the wheat being tested.

"Understanding what the tests mean is like having a face to go with a name. I mean an Extensograph doesn't really sound all that exciting, but when you understand what it does, and what it is, it makes a big difference. That was the biggest thing for me," he said. The Extensograph is used to measure and record the resistance of a dough to stretching.

Other tests for wheat and flour quality performed during the training included:

- Milling test
- Falling number test
- Protein content test
- Single Kernel Characterization System (SKCS)
- Dough and Gluten Strength tests (Farinograph, Alveograph, and Flour Starch Viscosity tests, i.e., Amylograph, and Rapid Visco Analyzer)

"I would encapsulate what I got out of this training as quality counts, starting on the farm. I came back and recognized that somebody out there needs the end product, and it's got to be a consistent quality product that we're trying to sell. We're not just selling wheat of any type anymore. We're selling specific wheat for a specific use for a consumer out there that demands high, and consistent quality. If we don't meet it, then we lose too," a participant concluded.

"The Oregon and Washington elevator operator training seminars were the results of successful grant proposals created by WMC Education Program Manager Pamela Causgrove. These training opportunities and sponsorships were made possible through the U.S. Department of Agriculture, Rural Business Enterprise Grant funds," Executive Director David Shelton said

"The Wheat Marketing Center is developing two new seminars: one tailored specifically to wheat growers, and another, at the next level for elevator operators. We believe this will assure customers in the countries buying their wheat from the United States that wheat quality is our number one objective," Shelton added.

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The Wheat Marketing Center is a private, non-profit corporation that is a bridge between wheat producers of the Great Plains and the Pacific Northwest and wheat importers throughout the world.

It is a focal point for wheat processing information, particularly in the countries of the Pacific Rim, with a mission to conduct wheat research projects and to provide related educational activities to the worldwide wheat-consuming industry.

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