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**Golden Plains Area Extension**

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**For Immediate Release**

February 27, 2014

(Burlington, Colo.)

## Agricultural Commodity Assessments

Producers of agricultural commodities will have choices to make this season regarding funding for their respective commodity's marketing order. Currently, individual producers contribute a small assessment when grain is sold, which is then used to promote the commodity. Commodity marketing orders within Colorado are guided by administrative committees (boards of directors) which are made up of producers (volunteers) of that commodity.

In regard to individual commodity administrative committees, the process allows producers of a particular commodity to fund specific activities related directly to the commodity. In other words, wheat producers fund specific activities designed to benefit wheat production.

These activities can and do (in the case of wheat and dry beans) include variety breeding research, while wheat, dry beans, and sunflower and most all marketing orders invest in production research, crop promotional activities, information sharing, crop insurance and marketing, just to name a few.

In addition, all commodity organizations publish newsletters which communicate directly with the producers contributing to the marketing order in an effort to keep them informed about how funds are invested and the respective returns.

Some commodity organizations that export grain invite foreign buyers to visit with local farmers who produce that commodity. In fact, as a result of commodity group efforts, it isn't uncommon in Colorado for grain purchasers from Asia, Europe, and the Middle East to visit with the very producers (on their farms) whose grain they end up purchasing. In a supply and demand world market, this ends up boosting demand for a particular commodity and increasing farmer prices received, benefitting the very producers contributing to respective marketing orders.

In some cases, such as the sunflower marketing order, returns on assessments have been at least three to one. A 2013 study estimated the CSU wheat breeding program provides \$7 in yield benefits for every \$1 of costs. In other words, for every dollar a producer pays for assessments, three to seven dollars are returned. Other commodities can claim similar or even larger returns.

These activities, however, are not without cost. Research and other efforts require funding, which is why a few commodity marketing orders will be asking for assessment increases this spring. Those marketing orders are Wheat, Sunflower, and Dry Beans. Within each of these groups, producers of those commodities will be asked to vote on assessment increases. If votes are in favor, funding will be used for specific purposes such as increased production research. Should votes fail, the marketing orders will continue, but at a reduced activity level.

"How much is this going to cost me?" is a common question producers ask. In the case of Sunflower, when average dryland yields are near 1500 pounds per acre, a three-cent per hundredweight investment totals 45 cents per acre. The wheat assessment currently stands at two cents per bushel produced, which totals 65 cents per acre using a ten-year average wheat yield of 32.6 bushels per acre.

In both these cases the investment is less than a buck an acre. In the case of wheat, average yields have increased nearly five bushels per acre over the last five years when compared to the ten-year average. Most of this increase can be credited with better wheat varieties due to wheat breeding efforts funded by the wheat marketing order. A one bushel per acre increase in wheat yields returns \$6.50 per acre to wheat producers.

This season, producers will be able to vote regarding these investments by their respective marketing orders. Every farm gets a voice, and as important as the outcome is the fact that everyone who produces the commodity gets to cast a ballot on the question. Cast your vote and make your opinion count!