



California Association of Wheat Growers

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## Newsletter

July 30, 2010

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Upcoming Events

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**-August 31, 2010 - CAWG Board Meeting/Special Guest Chief Executive Officer of NAWG Dana Peterson to Attend**

**-September 20-24 - Wheat Foods Council, Urban Wheat Field Event/CAWG Hill Visits**

**-October 22-25 - NAWG Fall Wheat Conference**

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### Governor Vetoes Overtime Bill

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Consistent with the message the agricultural coalition which included California Association of Wheat Growers advanced, Governor Schwarzenegger vetoed SB 1121 (Florez) which would have required overtime for agricultural field workers after 8 hours of work in a day instead of 10 and would have applied the litigious and confusing meal and rest period requirements to these workers. In his veto message Governor Schwarzenegger stated, "this measure, while well intended, will not improve the lives of California's agricultural workers and instead will result in additional burdens on California businesses, increased unemployment, and lower wages. In order to remain competitive against other states that do not have such wage requirements, businesses will simply avoid paying overtime. Instead of working 10-hour days, multiple crews will be hired to work shorter shifts, resulting in lower take home pay

for all workers." This is the message that the agricultural coalition was promoting through lobbying efforts, op-eds in a variety of news papers and with testimony from a cross section of farmers and employees.

Click here for a copy of the news release: <http://gov.ca.gov/press-release/15696>

NAWG 2010 Fall Wheat Conference

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State wheat representatives should register now to attend the 2010 Fall Wheat Conference, scheduled for Oct. 22 to 25 at the Hilton Minneapolis in Minneapolis-St. Paul, Minn.

The agenda for the conference includes NAWG and U.S. Wheat Associates (USW) committee and board meetings as well as joint meetings between the two organizations.

As a reminder, for the convenience of all attendees, NAWG and USW have established a registration website at [http://www.regonline.com/fall\\_wheat\\_conference](http://www.regonline.com/fall_wheat_conference) to facilitate all registrations and hotel reservations for the event. Hotel reservations for the Hilton Minneapolis should also be made through the RegOnline Fall Wheat Conference site. Registration needs to be completed by Sept. 21.

While registering, attendees can also purchase tickets for a welcome lunch scheduled for Saturday, Oct. 23, at noon and a breakfast scheduled for Monday, Oct. 25, from 7 until 8:30 a.m. The cost of the lunch, sponsored in part by John Deere, is \$20 per person and the cost of the breakfast, sponsored in part by Monsanto, is \$16 per person.

The RegOnline Fall Wheat Conference site also has information regarding transportation to and from the airport, a schedule of meetings and Wheat Lounge.

### **Conservation Reserve Program Sign-up Begins August 2**

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Secretary of Agriculture Tom Vilsack announced this week that general sign-ups for the Conservation Reserve Program (CRP) will begin August 2 and continue through August 27. The Farm Service Agency can accept up to 32 million acres based on authorization included in the 2008 Farm Bill. CRP participants voluntarily remove "environmentally sensitive" land from production by entering into long-term contracts for 10-15 years, and receive annual rental payments and a payment of up to 50% of the cost of establishing conservation practices. Land currently not enrolled in CRP can be offered for sign-up, as well as CRP participants whose contracts expire this fall, which covers about 4.5 million acres. Contracts awarded during this sign-up period are effective October 1, 2010. Details of the program sign-ups can be found at www.fsa.usda.gov/crp.

Small Business Package May Carry Biofuels Tax Extenders; Ag Disaster Funds Dumped, White House Steps in to Pay for Assistance

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That nice, neat package of federal tax credit extenders that morphed into a \$200-billion jobs bill, then shrank to half the size by jettisoning the tax extenders, is now a piece-meal

approach, with various individual extenders being carved out and tacked onto other moving legislation. Senate Majority Leader Harry Reid (D, NV) was wheeling and dealing this week on the stalled Senate Small Business tax bill, negotiating with Republican leadership over how many amendments would be offered during floor consideration and how the bill had to be tweaked to make it acceptable to 60 Senators in order to avoid yet another failed cloture vote. One compromise accepted by Reid which didn't make Sen. Blanche Lincoln (D, AR) happy was when Reid stripped an agriculture disaster package she authored - and which Reid previously agreed to include in the package - out of the bill to make another Senator comfortable enough to vote for cloture. Lincoln, facing a very tough reelection, was saved by the White House when it committed to find \$1.5 billion from "other federal accounts" - no word on which accounts - to pay for disaster assistance. As to the various biofuel tax credits, including the \$1-per-gallon biodiesel and renewable diesel credits, as well as the 50-cent-a-gallon alternative fuel mixture tax credit, these are now part of a series of amendments to the small business bill. Sen. Chuck Grassley (R, IA) has permission to offer a floor amendment to reinstate the biodiesel tax credit - and depending on with whom you speak, it may pick up the renewable diesel credit as well - and there's an amendment by Lincoln and Tom Carper (R, DE) which includes all three biofuels credits. Whether they get the chance to offer the amendment depends on whether Reid and Senate minority leader Mitch McConnell (R, KY) can come to an agreement on amendments. The GOP has already blocked one motion to proceed and leadership has resumed negotiations in hopes of resolving the issue before the House leaves July 30 for a five-week summer recess. On the House side, the biofuel tax credits are part of a new bill drafted by the House Ways & Means Committee to provide energy-related tax incentives for green technologies. The \$25.1-billion package must find offsets to its cost, and has not been set for markup.

### **Senators Introduce Farm, Ranch Estate Tax Bill**

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A bipartisan group of Senators led by Sen. Dianne Feinstein (D, CA) introduced legislation this week to provide estate tax relief to family-owned farms and ranches. The legislation would defer payment of estate taxes for "small family farms" until those farms are no longer operated by the family or they're sold or used for other purposes, Feinstein said. To qualify, the deceased must have owned the farm for at least five years and had annual farm-related income of \$750,000 or less. The farm must generate more than 50% of the farm owner's estate. The farm must be left to a family member who's been involved in the operation of the farm for at least five years, and that family member must continue to use the land for farming. If the farm is sold outside the family or the family ceases to use the land for farming, a recapture clause kicks in to secure payment of estate taxes. Feinstein was joined at introduction by Sens. Mike Crapo (R, ID), Mark Udall (D, CO), Michael Bennet (D, CO) and Barbara Boxer (D, CA).

Ethanol Subsidy, Gas Blend Remain Battlegrounds

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Two recent studies one private, one public, say that the ethanol industry will do just fine without its blenders' credit and import tariff, and that a pipeline - paid for through federally guaranteed loans - is not feasible unless total ethanol demand dramatically increases. An Iowa State University study reveals ethanol production will increase to 14.5 billion gallons by

2014 without a federal subsidy, with ethanol imports only increasing "modestly" if the import tariff is removed. The Department of Energy (DOE) said the cost of moving current ethanol through a pipeline would cost 28 cents per gallon compared to the 19 cents it costs to move the fuel by rail and barge. Meanwhile, 36 groups, ranging from the American Lung Association to the American Meat Institute to Friends of the Earth, cosigned a letter to Senate Majority Leader Harry Reid (D, NV) and Senate minority leader Mitch McConnell (R, KY) urging both party leaders to oppose any amendment that may be offered to any pending energy legislation that would seek to end-run the EPA and statutorily impose a higher ethanol blend rate in gasoline. Some in the ethanol industry have petitioned EPA to increase the mandated ethanol blend rate in gasoline from 10% to 15%. EPA was to have made a decision on the blend rate petition last winter, but has twice delayed it, the most recent deadline being this fall some time. Agriculture Secretary Tom Vilsack continues to say he fully expects EPA to grant the 5% increase.