



California Association of Wheat Growers

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## Newsletter

May 14, 2010

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USDA Plans Rural Issues Summit June 3

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Moving to bolster the Administration's philosophy that it's the broad rural economy that needs help, USDA will hold a National Summit on Rural America June 3, in Hillsboro, MO, on the campus of Jefferson College. The summit is designed to allow "rural Americans to share their vision for creating a more prosperous and promising future for rural America," said Agriculture Secretary Tom Vilsack in announcing the event. He said it's an opportunity for farmers, ranchers and foresters to engage policymakers in discussions of evolving strategies "to keep their futures bright." The summit will feature general and breakout sessions to tackle such issues as improving infrastructure, improving farm competitiveness and encouraging innovation in rural energy development. The summit caps Vilsack's "Rural Tour" during which he visited 22 states to "begin a conversation" with farmers, ranchers and rural community residents. Registration is available by going to <http://www.usda.gov/ruralsummit>.

### Conservation Stewardship Program Sign-up Ends June 11

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USDA is urging farmers to apply for USDA's Conservation Stewardship Program (CSP) by the June 11 deadline. CSP provides payments to producers who maintain a "high level" of conservation on their land and who agree to adopt "higher levels of stewardship." Eligible lands include cropland, pastureland, rangeland and non-industrial forest land. CSP is

limited by Congress to 12.7 million acres per year, and applicants compete in state-identified ranking pools. Land may be enrolled on a continuous basis. A self-screening checklist is available to determine if the program is suitable to particular operations. The checklist can be found at www.nrcs.usda.gov/programs/new_csp/csp.html.

EPA Releases "Tailoring" Rule on Greenhouse Gas Emissions, Farms "Shielded"

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A final rule setting caps and a timetable for federal regulation of greenhouse gas (GHG) emissions was released this week by EPA, touted as "shielding" farms and small business from GHG permit requirements. The final rule, generally referred to as the "tailoring rule" because it sets specific GHG limits for various regulated industry segments based on EPA's previous "endangerment" finding on GHG and the threat to human health, is designed to capture about 70% of U.S. GHG emissions using a phased-in, "common sense" approach that will hit new power plants, oil refineries and large factories first, the agency said. The rule is effective January, 2011, when Clean Air Act (CAA) permitting will begin for already-regulated facilities emitting at least 75,000 tons of GHG per year. In July, 2011, phase two kicks in, requiring new facilities emitting at least 100,000 tons per year and facilities which undergo major modifications and emit 75,000 tons per year. EPA indicated sources emitting less than 50,000 tons per year will not be regulated until 2016, "if ever," even though CAA permitting applies to all sources emitting 100-250 tons per year or more depending on the pollutants covered. EPA said without the tailoring rule, these much lower limits would have applied to GHG emissions across all industry. All new permitting requires facilities to show they're using "best available control technologies" to minimize GHG emission increases when a facility is built or significantly modified. By July, 2011, the new permitting requirements are expected to capture about 900 additional facilities, and 550 facilities will be required to obtain CAA GHG permits for the first time. The new rule also includes a mandate that EPA provide by April, 2015, a study on the impact of the rule if it were applied to all sources and announce its intent to further regulate by 2016. Capitol Hill reaction was swift, with Sen. Lisa Murkowski (R, AK), author of a resolution to put a stop to EPA's regulatory march, saying "it's a question of whether you regulate me now or regulate me later," adding she'd continue to push her resolution to Senate action by the June 7 deadline. On the House side, Rep. Earl Pomeroy (D, ND) said he'd push his version of the Murkowski resolution because EPA's action will stall investment and cost jobs "across the nation." He's also moving to block EPA appropriations earmarked to pay for the GHG regulation. Gases covered in the GHG definition are carbon dioxide, methane, nitrous oxide, hydroflouorocarbons, perfluorocarbons and sulfur hexafluoride. Details of the EPA action can be found at [www.epa.gov/nsr](http://www.epa.gov/nsr) and at [www.regulations.gov](http://www.regulations.gov).

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## **Lower Production, Higher Demand Slightly Offset Abundant Wheat Production**

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According to USDA's preliminary World Agricultural Supply and Demand Estimates for

marketing year 2010/11 (June-May), the world will produce less wheat while world demand will increase for the fifth consecutive year. That will cut slightly into exportable supplies by year's end, although global stocks will remain strong.

USDA forecasts world production to reach 672 MMT in 2010/11, which is 7.8 MMT less than 2009/10, but still the third largest crop on record. USDA expects the largest decrease in the United States, where it currently pegs production at 55.6 MMT, down 8 percent from 2009/10. USDA predicts larger crops for Argentina and the EU. Argentina's production, crippled by drought the past two years, fell to a 14-year low of 9.6 MMT in 2009/10. Although Argentina's crop will still be below its five-year average of 13.7 MMT, it should rebound to approximately 12.0 MMT in 2010/11. USDA forecasts a 6.2 MMT increase for the EU, to 145 MMT. The top three EU producers (France, Germany, and the United Kingdom) all increased planted area and expect larger crops in the upcoming year.

Both world consumption and world trade are forecasted to increase by 2 percent. Consumption is expected to reach a record 667 MMT, which would be an increase of 15.8 MMT over 2009/10. Global trade is pegged at 129 MMT, second only to 143 MMT in 2008/09. USDA expects the U.S. to retain its place as the number one wheat exporter in the world, with a projected 24.5 MMT in exports. This is up slightly from the 2009/10 current estimate of 23.5 MMT. As of May 6, exporters had reported U.S. wheat export sales of 22.3 MMT.

Global carry-in stocks for 2010/11 will be approximately 193 MMT, the largest since 2002/03. However, the combination of reduced production and record demand will reduce exporter stockpiles as the year progresses. While USDA estimates 2010/11 ending stocks at 198 MMT, up 5.0 MMT from 2009/10, USDA noted that China's stocks should increase by 8.3 MMT. This implies a decrease in stocks for the rest of the world (ROW). China's forecasted ending stocks, at 63.7 MMT, account for 32 percent of the 2010/11 projected ending stocks. Global ending stocks outside China are projected to fall 6.0 MMT, from 140 MMT in 2009/10 to 134 MMT in 2010/11.

U.S. Mexico Trucking Plan Expected "Soon"

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Secretary of Transportation Ray LaHood told Senate appropriators this week he will announce "soon" a plan to reopen the U.S. Mexican border to mutual access by Mexican and U.S. trucks. The previous cross-border trucking program under which Mexican trucks were allowed to deliver goods anywhere in the U.S., with similar access in Mexico for U.S. trucks, was killed by Congress in 2009, and resulted in a \$2.4-billion package of Mexican tariffs on U.S. products as retaliation. "President Obama's Administration's intention is to restart this program. It's part of NAFTA. It needs to be restarted," said LaHood. Mexican President Felipe Calderon will visit Washington this month, and it's during that visit the new accord is expected to be announced.

### **Wheat and Barley Producers Can Sign Up for Scab Alerts**

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Wheat and barley producers, as well as other interested parties, will find it easier to stay ahead of potential Fusarium Head Blight (scab) problems this year, thanks to a "scab alert" system recently instituted by the U.S. Wheat & Barley Scab Initiative (USWBSI).

Producers, crop consultants, grain processors and others can sign up for the alerts by going to the following web site address: http://scabusa.org/fhb_alert.php. The alerts will be sent out to one's cell phone or email, depending upon the user's preference. Frequency and timing of alerts will depend upon a given area's risk for severe scab - which can vary widely, depending on environmental conditions.

The purpose of the alert system, according to USWBSI leaders, is to give growers and affiliated industry personnel better advanced notice of potential outbreaks and the risk of scab in their area, thus allowing for timely treatment of fields with fungicides.

"We are aware that many farmers do not have easy or convenient access to the Internet, but most of them carry a cell phone," says Dave Van Sanford, USWBSI co-chair. "We wanted a system that would send an alert to their cell phone, prompting them to take an appropriate action - such as going to the USWBSI website, checking with their county agent, chemical dealer or consultant, or simply looking at their crop to check its stage of development. Our hope is that the alerts will lead to some action that will reduce the impact of head scab on the crop."

The alert system is tied in with the Fusarium Head Blight Risk Assessment Tool hosted by Pennsylvania State University, Kansas State University, Ohio State University and the U.S. Wheat & Barley Scab Initiative. This web site - www.wheatcab.psu.edu/riskTool_2010.html- provides detailed, daily updated information on scab risk in various U.S. small grain production regions.

The FHB Assessment Tool is supplemented by commentaries from various state university plant disease specialists regarding environmental conditions and the presence of scab (or lack thereof) in their state. These commentaries provide the content behind the FHB alerts.

I Love Farmers; They Feed my Soul

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"I Love Farmers" is a nonprofit group of young agriculture students and farmers dedicated to their involvement in the next generation of farming and agricultural business. They have given farming a fresh and exciting look and are engaged in social media communication and overall promotion of the importance of farmers.

To make donations and or find out more about their mission check out their website at:

[ilovefarmers.org](http://ilovefarmers.org)