



California Association of Wheat Growers

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## Newsletter

March 25, 2011

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ANNUAL BOARD MEETING ANNOUNCEMENT

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Dear CAWG Member:

The 2011 Annual Meeting of the California Association of Wheat Growers will be held at 8:00 a.m. on April 12, 2011, at the California Farm Bureau office, 2300 River Plaza Drive, Sacramento, CA 95833. All CAWG members are encouraged to attend. If you have questions, or to RSVP, please call CAWG at 916/492-7066.

**Thank you!**

## Know a California Farmer - Let's get the word out!

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The California Agricultural Communications Coalition (CACC) is now hosting a weekly email to help farmers stay informed about key issues and events surrounding the industry. Our goal is to provide you with up-to-date information that will spur ideas about what to contribute on [KnowACaliforniaFarmer.com](http://KnowACaliforniaFarmer.com). We'll also provide tips on extending the reach of your messages with social media tools and the best ways to engage consumers in productive dialog.

Brandon Souza will author these emails on behalf of the CACC. A native Californian, Brandon grew up on his family's farming operation in the Central Valley. Brandon is a graduate of Cal Poly, San Luis Obispo with a BS in Agricultural Business and has extensive experience in social media. He brings with him a passion to help farmers communicate positive messages about California agriculture.

All stakeholders in agriculture need to stand up and share stories about their family farms and ranches while responding to timely issues impacting our livelihood. Currently we are doing a great job rallying the troops among ourselves but now is the time to reach out to the broader audience of all consumers in California. **It's important to make sure we're a part of the conversation and not left defending misinformation.**

The first step in this effort is to share your videos, blogs and photos on [KnowACaliforniaFarmer.com](http://KnowACaliforniaFarmer.com). We'll be able to use your content to create dialog with the media, urban audiences, households, nutritionists, mommy bloggers, educators and more! Working together we can provide a powerful voice for agriculture in the Golden State.

See the latest video below highlighting a California Family Farm:



Resendiz\_Brothers\_Protea\_Growers\_LLC.mp4

## **EPA Administrator Travels to California for Meetings with Agriculture, Business Leaders**

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EPA Administrator Lisa Jackson visited California this week, where she met with state and local agriculture and business leaders. Jackson's two-and-a-half-day California trip included stops in Los Angeles and Fresno.

In Los Angeles, Jackson held a roundtable discussion with local business leaders from the energy sector. Jackson also spent a full day in Fresno where she visited farms and met with agricultural leaders.

## **Woteki Refutes Queries Portraying Ag Research as 'Corporate Welfare'**

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At least three times during a House Agricultural Appropriations Subcommittee hearing on

President Obama's fiscal 2012 budget request for agricultural research, Chairman Jack Kingston (R, GA) used the term "corporate welfare" when questioning witnesses about the value of this publicly funded research carried out by USDA and the nation's land-grant universities.

"We do not consider the research conducted either in universities or our intramural

agencies as being corporate welfare," answered Dr. Cathie Woteki, USDA under secretary for research, education and economics (REE), who explained the "vast majority" of research supported by her mission area is pre-competitive in nature with broad applications and would be prohibitively expensive for the private sector to do.

Woteki testified that demonstration and commercialization of new products and processes often grow out of earlier REE breakthroughs like genome mapping or basic work on developing

feedstocks for bioenergy. Kingston repeatedly asked at what point publicly-funded ag research becomes corporate welfare when "you have a small group that's going to benefit the most and profit from that research?" Kingston suggested that agribusiness should be picking up a larger share of the research tab, not taxpayers.

Equally worrisome to agricultural research interests was the absence of substantive discussion about how much federal funding is necessary to ensure that U.S. farm productivity gains keep pace with increasing global food needs. The Administration's blueprint for ag research spending eliminates \$183 million in congressional earmarks, but would boost spending on competitive grants. The budget proposal would also help pay for the competitive grant increase by cutting block grants, which include funding to USDA's Agricultural Research Service (ARS) and Economic Research Service, and formula funds to state agricultural experiment stations. The REE budget, according to Woteki, reflects the "very hard choices" that must be made in tough financial times and focuses on the highest priority and most productive programs. "We believe that the competitive research in the agricultural sciences really has been severely underfunded, and our budget proposes an increase of 24 percent," to \$324 million, she said.

Rep. Sam Farr (D, CA), the subcommittee's ranking member and an unabashed supporter of congressional earmarks, praised the USDA's budget request for increased emphasis on competitive grants and challenged the relevance of projects funded through a formula reauthorized in the 2008 Farm Bill. Formula grants account for 43% of total federal ag research spending. About one-third of the ARS budget is passed through to land-grant schools based on a state's rural population. As such, land-grants located in traditional farm states receive what Farr considers to be a disproportionate share of the money. "If we don't have earmarks, is it smart to continue the formula grants?" he asked. "If we're going to have a limited amount of research dollars . . . then we really ought to make them more competitive." Farr's state, California, which ranks as the nation's biggest in

agricultural production value, ranks behind Iowa and Texas in terms of formula funding allocation.

Reps. Tom Latham (R, IA) and Jo Ann Emerson (R, MO) came to the defense of land-grants in their states - Iowa State University (ISU) and the University of Missouri. ISU would receive over \$20 million less in formula funding under the fiscal 2012 proposal.

## **Research Says Bioenergy Crops Could Lower Surface Temperatures**

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Stanford University researchers say that large-scale cultivation of perennial bioenergy crops for ethanol production could actually reduce regional surface temperatures. In a study recently published in the Proceedings of the National Academy of Sciences, the researchers say they pursued their examination of perennial grasses - switchgrass, for example - as alternative feedstocks for biofuels due to claims that the increasing use of corn to produce ethanol has been tied to the rise in the cost of food costs and environmental consequences.

In the study, the researchers used a computer simulation to forecast the climatic effects of converting farmland in the Midwest from annual crops - like corn and soybeans - to perennial grasses. The results showed that large-scale perennial cultivation in the 12-state area would pump significantly more water from the soil to the atmosphere, producing enough water vapor to cool the local surface temperature by 1.8° F.

The study comes on the heels of the federal Renewable Fuels Standard, which is aimed at weaning the United States off fossil fuels by mandating significant increases in ethanol production from corn and cellulosic feedstocks. While recent studies have shown corn-derived ethanol produces up to 50% fewer carbon emissions than gasoline, ethanol made from switchgrass and other cellulosic resources emits some 90% fewer emissions than gasoline, and have less of an impact on climate change, researchers say.

## **Truck and Bus Regulation Reporting Date Postponed Until April 29, 2011 for agricultural fleets and fleets with street sweepers with Tier 0**

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The March 31, 2011 reporting date for agricultural fleets and fleets with street sweepers with Tier 0 auxiliary engines is being postponed until April 29, 2011 to give fleets more time to report.

The date that agricultural fleets have to report January 1, 2011 odometer readings for limited use agricultural trucks or information about specialty agricultural trucks to be eligible for the agricultural vehicle extensions has been extended to April 29, 2011. In addition, the date that fleets with street sweepers must report hour meter readings for the Tier 0 auxiliary engines has been extended to April 29, 2011. California Air Resources Board staff is preparing an advisory to reflect the change and will be updating related documents in the near future.

All other fleets do not have to begin reporting until next year.

Fleets that plan to use the phase-in option, want to take advantage of credits, or to use other provisions in the Truck and Bus regulation, would need to report by January 31, 2012.

Because the amendments considered by the Board in December 2010 will not become effective for at least several months, the delay in the deadline is being changed administratively pending approval by the Office of Administrative Law.

Additional information about the regulation is at:

<http://www.arb.ca.gov/dieseltruck>

## **Background**

On December 11, 2008, the Board approved for adoption the Truck and Bus regulation to control emissions from nearly all existing diesel powered heavy-duty trucks and buses operating in California. The regulation became effective under California law on January 8, 2010. The regulation applies to diesel fueled trucks and buses with a gross vehicle weight rating (GVWR) greater than 14,000 pounds that are privately owned, federally owned, and to publicly and privately owned school buses. Local and state government owned diesel fueled trucks and buses are already subject to other ARB regulations. Reducing emissions from in-use trucks and buses is necessary to meet federally imposed clean air standards and to reduce the adverse health effects from truck and bus pollution.

On December 17, 2010, the staff recommended amendments, which are presently pending adoption, that would delay the initial requirement to install particulate matter (PM) retrofit filters by one year to January 1, 2012 and extend the time before a vehicle equipped with a PM filter would have to have an engine that meets 2010 model year emission standards. The amendments would also defer engine replacements for vehicles without PM filters two years until January 1, 2015. Prior to 2020, replacements would be limited to 20 year old or older trucks that are not equipped with PM filters. By January 1, 2023, most vehicles would still need to be equipped with an engine meeting 2010 model year emission standards.

## **Reclamation Announces Updated 2011 Water Supply Allocation for California's CVP**

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**Released On: March 22, 2011:** The Bureau of Reclamation announced an update to its Central Valley Project (CVP) Water Supply Allocation for the 2011 contract year. This updated allocation reflects improved precipitation and snowpack in the Sierra Nevada to date.

"Thanks to a steady influx of rain and snowfall in February and March, the CVP water supply is above average for this date," Reclamation Commissioner Michael Connor said today. "The initial allocation on February 18, 2011, for most CVP contractors was 100 percent of their contract supply. Today we announce an increase for South-of-Delta agricultural water service contractors from their initial allocation of 50 percent to 55 percent. The South-of-Delta Municipal and Industrial (M&I) water service contractors will also see an increase from 75 percent to 80 percent of historic use."

This updated allocation is based on the California Department of Water Resources' March 1, 2011, Runoff Forecast, current hydrological conditions and additional information. Reclamation will continue to monitor water supply data provided by the state and will make adjustments to the allocation as soon as they are indicated.

"In this type of water year, a 55-percent allocation for South-of-Delta agricultural water service contractors - which is below the 20-year average final allocation of 62 percent - reinforces the critical need for a long-term solution to improving California's water supply reliability. While there may be opportunities to increase the South-of-Delta allocation over the next several weeks, we remain committed to working with our partners to develop the Bay-Delta Conservation Plan," Commissioner Connor said.

For this updated CVP allocation under the terms of various CVP water contracts:

- Increased to 55 percent: Agricultural water service contractors South-of-Delta are allocated 55 percent

of their contract supply of 1.965 million acre-feet, an increase of 5 percent from the initial allocation in February.

- Increased to 80 percent: South-of-Delta M&I contractors are allocated 80 percent of historic use, an increase of 5 percent from the initial allocation in February.
- Unchanged at 100 percent: Agricultural water service contractors North-of-Delta are allocated 100 percent of their contract supply of 443,000 acre-feet.
- Unchanged at 100 percent: M&I water service contractors North-of-Delta are allocated 100 percent of their contract use.
- Unchanged at 100 percent: Sacramento River Settlement Contractors and San Joaquin River Exchange Contractors, who receive their CVP water supply based on a pre-CVP water right, are allocated 100 percent of their contract supply of 2.2 million acre-feet and 800,000 acre-feet respectively.
- Unchanged at 100 percent: Wildlife refuges (Level 2) North- and South-of-Delta, whose allocations are based on a pre-established inflow trigger to Shasta Reservoir, are allocated 100 percent of their contract supply of 422,000 acre-feet.
- Unchanged at 100 percent: Eastside water service contractors (Central San Joaquin Water Conservancy District and Stockton East Water District), whose water supplies are delivered from New Melones Reservoir on the Stanislaus River, are allocated their full contract supply of 155,000 acre-feet.
- Unchanged at 100 percent Class 1 and 20 percent Class 2: Friant Division contractors' water supply is delivered from Millerton Reservoir on the upper San Joaquin River. The first 800,000 acre-feet of water supply is considered Class 1; any remaining water is considered Class 2. The Friant Division water supply allocation is 100 percent of Class 1 (800,000 acre-feet) and 20 percent of the contracted supply of 1.4 million acre-feet of Class 2 (280,000 acre-feet).

Changes to hydrology and opportunities to exercise operational flexibility of the CVP are factors and conditions that will influence the water supply and allocations as the water year progresses. Water supply updates will be made monthly or more often as appropriate and will be posted at <http://www.usbr.gov/mp/>.

## Japan's Food Imports Likely to Slow

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The United States will likely send less food to Japan in the coming weeks as damage from Friday's earthquake and tsunami makes shipping to some areas difficult and demand drops as people focus on burying the dead and other emergency work, agriculture experts said.

It's unclear what Japan will need from America's bread basket in the longer term. The island nation with the world's third-largest economy is typically a top buyer of U.S. grains and meats. It buys more corn than any other country - nearly 600 million bushels last year to process into livestock feed - and is a top export market for soybeans, pork and California rice.

Despite photos from Japan of long lines and empty grocery stores, analysts said they weren't worried about a food shortage. Japan keeps large quantities of rice in reserve, and a U.S. Department of Agriculture (USDA) statement said stockpiles spread throughout the country mean there is no urgent need for rice imports. Japan does import most of its pork and nearly three-fourths of its beef, but Rich Nelson, director of research for

Allendale Inc., a commodity advisory firm in McHenry, Ill., said he expected to see demand for those kinds of products fall in the short term as fewer Japanese citizens eat in restaurants.

With damage reports still coming in, there was widespread uncertainty among analysts about what Japan would need, when and how much. Only two of the 12 ports that handle bulk commodity shipments were damaged by the earthquake, aftershocks or tsunami, according to the USDA. However, many smaller ports in the country's northeast region were severely damaged.

## **China Food Barriers Cost U.S. Billions in Exports, Report Says**

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U.S. farmers are losing as much as \$3.1 billion in annual trade with China because of non-tariff restrictions such as the swine-flu related restriction on U.S. pork, according to a government study. Wheat, pork and cotton are being hurt the most by the non-tariff barriers, the U.S. International Trade Commission reports.

The study, which was conducted at the request of the Senate Finance Committee, estimates Chinese tariffs and quotas reduced U.S. agricultural exports by as much as \$2.1 billion in 2009. Wheat and poultry were affected the most. The non-tariff measures reduced U.S. ag exports by \$2.6 billion to \$3.1 billion in 2009, the report said.

Sen. Chuck Grassley, R-Ia., said the report shows "China's policies harm exports of U.S. products including pork, beef, and corn. U.S. producers should have full access to the Chinese market. It's necessary for supporting U.S. jobs, and it's China's obligation to allow legitimate access as a member of the World Trade Organization."

Despite those issues, China is a huge and growing market for U.S. agriculture, the report shows. The United States was the leading agricultural supplier to China, mainly because of soybean sales that accounted for 17 percent of its total ag imports, the report said. U.S. products accounted for 27 percent of China's total agricultural imports in 2010, or \$17.8 billion.

From 2005 to 2010, U.S. agricultural exports to China tripled, mostly because of soybeans, cotton, processed animal feed and animal hides, the report said.