



California Association of Wheat Growers

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## Newsletter

April 8, 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!

### 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.

House FY2012 Budget Proposal Includes Nearly \$148 Billion in Ag Cuts over Decade

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Calling it a "Path to Prosperity," House Budget Chair Paul Ryan (D, WI) this week unveiled his panel's FY2012 budget proposal, a move to cut \$6.2 trillion from overall federal spending in the next 10 years, including about \$30 billion from crop insurance, trade promotion and commodity programs, nearly \$100 billion from USDA food and nutrition programs, and \$18 billion from conservation programs. His committee promptly approved the plan on April 7 on a straight party line vote.

Also in jeopardy are biofuels programs at both the Department of Energy and USDA. The plan also tackles so-called "entitlement" programs, including Medicaid and broad federal tax reform. Food stamps, the largest single budget item at USDA, would be converted to state block grants, with new eligibility and work requirements as part of the deal, a move rejected in previous budget battles.

Amidst calls to go slow and allow the ag committees rewrite USDA spending, Ryan said high farm income based on rising crop prices, means "it's time to adjust support to this industry to reflect economic realities," but he also said his recommendations would not take effect until the "beginning of the next farm bill." Ryan would replace the current farm programs with fixed direct payments with incentives. "Soaring commodity prices" and record exports are reducing the need for farm income supports, Ryan said, and crop insurance changes mean farmers "assume the same kind of responsibility for managing their risk that others do." House ag panel ranking member Rep. Collin Peterson (D, MN) said he doesn't "buy into that foolishness" explaining higher prices simply lead to greater production which lowers prices.

House Agriculture Committee Chair Frank Lucas (R, OK) was cautious in praising the Ryan plan. "The House Budget Committee has outlined a plan that may shock some, but this only illustrates the deep hole we are in. While I may not agree with every proposed cut, we are well past the point where a trillion-dollar deficit can be ignored. At the end of the day, members (of the committee) and I will rewrite the next farm bill."

The National Farmers Union (NFU) called the plan "shortsighted," but others cautioned the process is just beginning, that Ryan's proposals are merely "suggestions," and pledged to work with Congress on the process of spending and budget cuts.

### **Spending Battles Must not Unfairly Complicate Ag Just before Farm Bill Action**

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While the FY2011 budget battles continue to build toward a possible shut-down of the federal government, and with the House FY2012 budget resolution released this week causing jitters, two senior members of the Senate told congressional leadership and the White House that ill-advised or disproportionate cuts in USDA's budget will complicate efforts to write the 2012 Farm Bill.

Senate Finance Committee Chair Max Baucus (D, MT) and Senate Budget Committee Chair Kent Conrad (D, ND) in a letter this week, said spending decisions on agriculture programs must be made by the ag committees, not appropriators.

Conrad told President Obama the Senate Agriculture Committee should be tasked with coming up with spending reductions. "Instead of making arbitrary cuts now through an appropriations bill, we urge the Agriculture Committee be given the responsibility for crafting any necessary reduction as part of the reauthorization of the 2008 Farm Bill," he said. Acknowledging agriculture must bear its fair share of spending cuts, the Senators said, "It makes no sense to single out the agriculture budget for cuts that will do little to reduce spending in the short run while greatly complicating reauthorization of the Farm Bill later in this Congress."

1099 Repeal OK'd by Senate, Obama to Sign

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In the first test of the President's acknowledgement that some parts of the new health care law may need "refining," the Senate by a wide margin this week overcame concerns over how to pay for the \$22-billion

fix and approved repeal of a requirement that an IRS Form 1099 be issued by businesses to every vendor to which they pay more than \$600.

Voting and approving the already-passed House 1099 repeal, the bill is now on its way to the White House where President Obama is expected to sign the bill despite lingering administration concerns over the spending offsets needed to pay for the change.

Long-time advocate of the repeal Sen. Mike Johanns (R, NE) said of the final vote, "Not even the IRS wanted this requirement. It should have never been part of the health care law in the first place."

### **House Passes EPA Greenhouse Gas Restriction, Senate Rejects, Obama Threatens Veto**

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Proving federal spending is not the only game of political chicken going on in Washington, DC, the House this week approved HR 910, a bill to prohibit EPA from regulating greenhouse gas emissions, nullify a 2007 Supreme Court ruling, and effectively stopping all pending rulemaking.

Opponents say the bill is an attack on the Clean Air Act (CAA), while supporters contend EPA's overzealous regulation of greenhouse gas emissions is the classic example of regulatory overreach.

While 19 Democrats joined the GOP in passing the House bill, the Senate earlier in the week failed to come up with the 60 votes necessary to cut off debate and bring the bill to the Senate floor. Meanwhile, President Obama said Tuesday he will veto the House bill if it reaches his desk.

While some believe the Senate's inability to invoke cloture signals the death of the effort in that chamber, Sen. James Inhofe (R, OK), ranking member of the Senate Environment & Public Works Committee, said supporters will continue to offer the bill as an amendment to other pending legislation. Further complicating the political scenario, similar language restricting EPA greenhouse gas regulatory authority has been included as a GOP policy rider in negotiations over FY2011 appropriations, and is considered a major bone of contention.

Colombian Trade Deal Breaks Impasse, Groups Applaud Action, Hope Other Deals Move

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With word from the White House that a new agreement with the Colombian government signals a free trade pact with the third largest economy in Latin American is moving forward and President Obama was set to meet with Colombian leaders to finalize the deal, food and ag groups praised the action, saying they hope the agreement means that similar deals with South Korea and Panama will move forward as well. Senate trade insiders, however, say there continues to be disagreement over whether the Senate will approve the pacts individually or insist that all three move as a package.

The American Feed Industry Assn. (AFIA), the American Soybean Assn. (ASA), the Grocery Manufacturers Assn. (GMA) and host of other food and ag groups praised the White House announcement this week, but acknowledged on-going battles over labor protections for U.S. workers, environmental requirements and disputes over beef trade continue to plague the trade pacts. But this week the White House Office of the

Special Trade Representative (STR) said the deal with Colombia, which it hopes will jump start discussions with Congress, means Colombia will take a number of labor and judicial actions to address concerns about domestic actions against unions. House Ways & Means Committee Chair Dave Camp (R, MI) said he was "encouraged" by the deal, and urged the White House to submit all three pending trade pacts so Congress can act before July 1.

The International Trade Commission (ITC) says more than half of ag exports - grain, oilseeds, and meat and dairy products that go to Colombia will become duty free immediately under the agreement, and the reductions in Colombian tariffs alone will mean U.S. exports could grow by more than \$1.1 billion and increase the U.S. gross domestic product (GDP) by \$2.5 billion.

### **Roberts Introduces Pesticide NPDES Permit Bill**

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Following full House approval of a bill (HR 872) to eliminate duplicative EPA permitting of certain pesticides used on or near water, Sen. Pat Roberts (R, KS), ranking member of the Senate Agriculture Committee, this week led a group of 12 GOP colleagues in introducing the Senate version of the bill. The bill would nullify a requirement that pesticide applicators get NPDES permits for use of certain products on or near water if the pesticide is already permitted under the Federal Insecticide, Fungicide & Rodenticide Act (FIFRA). "Our bill eliminates this redundant permit requirement while at the same time ensuring proper pesticide use through existing law," Roberts said.

Heavy Truck Bill Introduced in Senate

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A bipartisan bill to allow 97,000-lb. trucks with six axles and additional braking power to operate on federal highways at individual state discretion was introduced this week in the Senate, a companion to an identical bill in the House.

The Safe & Efficient Transportation Act (SETA) was introduced by Sens. Mike Crapo (R, ID), Herb Kohl (D, WI), Susan Collins (R, ME) and Rob Portman (R, OH).

The current federal weight limit is 80,000 lb., a level that sits well below several state weight limits and is less than that allowed in Canada and Mexico, supporters said. While the size of the heavier trucks will not increase, the additional axle will allow shippers to use extra cargo space while not jeopardizing safety or handling.

Supporters said "a body of data collected from academic, state, federal and international experts" supports "the logic of the six-axle 97,000-lb. configuration as the new workhorse standard for the American truck fleet."

Without heavier trucks, and given the American Trucking Assn. (ATA) predicts a 30% increase in tonnage by 2021, shippers would have to use 18% more trucks than are currently on the road.