



# California Association of Wheat Growers

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## Newsletter

June 24, 2011

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### Upcoming Events

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**Wednesday, August 31, California Association of Wheat Growers and California Wheat Commission Board of Directors Meetings.**

- **Location: California Farm Bureau Federation, 2300 River Plaza Drive Sacramento, CA 95833**

### Interested Parties - Water Board Schedules a Workshop on Agricultural Water Use

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The Water Board released the agenda for next month's workshop on agricultural water use efficiency. The workshop will be held Wednesday, July 20, in Sacramento and will focus on trends, challenges and opportunities to improve efficiency. The workshop will also be available on webcast. For more information, see the agenda link below:

[http://www.waterboards.ca.gov/board\\_info/agendas/2011/jul/agenda\\_agwateruse.pdf](http://www.waterboards.ca.gov/board_info/agendas/2011/jul/agenda_agwateruse.pdf)

### House to Begin Farm Bill 'Audit Hearings'; Senate Does USDA Oversight

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The pace of 2012 Farm Bill negotiations increased incrementally this week as the House Agriculture Committee announced it will begin audit hearings on various programs contained in the bill, and the Senate ag panel held hearings on how efficient USDA is at administering those programs. However, the first of the House ag panel's hearings - set to look at conservation programs - was cancelled at the last minute this week without notice of when it will be rescheduled. In audit hearings - usually short, very focused question/answer sessions between the committee and the heads of various USDA agencies and

programs - the committee seeks to determine if programs are working, farmers are participating, administration is efficient and no spending waste or fraud is involved. However, this round's hearings have a bit more significance, as Ag Committee Chair Frank Lucas (R, OK) previously said such hearings would not begin until early 2012, but now expects his panel will be asked to identify duplication and waste in ag programs by the bipartisan agreement Congress hopes to reach on raising the federal debt ceiling and cutting overall federal spending. The Senate's hearings are broader, but focus on the same issues, looking at "Farm Bill accountability" reviewing performance "while eliminating duplication and waste." Stabenow also announced she'll hold a hearing on the state of the livestock industry June 28.

## **Vilsack, G20 Ag Ministers Reach Partial Accord on Global Food Issues**

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In first-ever moves designed to address increasing global food price and supply volatility, the U.S. and other G20 agriculture ministers failed this week to address government subsidies for biofuels, but did agree on a wheat research project, set up a pilot program on humanitarian food supplies, set up a new wheat research project and brought India and China into a global market supply and demand database program. The G20 includes government officials from the world's 20 largest economies. Vilsack worked against a proposal before the ministers to oppose bio-based government fuel subsidies, but said it's important for biofuels from algae, biomass and nonfood feedstocks, to be supported. The group did agree to further "analyze the relationship between biofuels and food availability." Vilsack got agreement on a provision calling for science-based regulatory systems on biotechnology which he hopes will enhance international acceptance of biotech foods. Also hotly debated among the G20 group was financial regulation of futures and cash markets, with hopes of action to curb speculation. However, Australia and the United Kingdom put up the greatest resistance on tightening regulation. The group also discussed how to increase global food production on a "sustainable basis," the creation of a world reporting system on food production and consumption to be housed at the United Nation's Food & Agricultural Organization (FAO), something the U.S. has done for decades, but which China initially opposed because it considers such data a matter of "national security" and India balked at because it says it doesn't have the technical ability to collect the data. Both nations ultimately agreed to join the system. Vilsack followed his G20 meeting with an appearance at the Paris Air Show, where he talked about biobased aviation fuels.

## **Debt Ceiling Talks Move to Obama, Boehner**

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With the U.S. Treasury identifying August 2 as the deadline for congressional action on whether to increase the federal debt ceiling, the future of negotiations among House and Senate Republicans, Democrats and the White House is now in the hands of President Obama and House Speaker John Boehner (R, OH). Bipartisan negotiations called by the White House and chaired by Vice President Joe Biden hit a stalemate this week, with GOP members abandoning the talks and calling on Boehner and Obama to take the lead. The impasse is two-part: First, the Republicans insist President Obama abandon his call for new taxes as part of the agreement, and secondly, that an increase in the \$14.3-trillion debt ceiling be accompanied by equally deep cuts in federal spending. Obama wants a plan that drops the debt ceiling about \$14 trillion over 12 years, tacitly acknowledging such a move would include cuts to entitlement programs, including Medicare and Medicaid; Boehner, while standing tough on no new taxes, wants to avoid a "no" vote on the debt ceiling, and in one-on-one talks with the President this week it's reported Boehner talked about a series of short-term debt ceiling extensions to facilitate a broader deal. The Biden group has identified a broad range of spending cuts across the federal government. House Majority Leader Eric Cantor (R, VA) said once the tax issue is resolved, "we have a blueprint." Rhetoric being tossed around by various House Democrats is considered just that, political grandstanding on tax increases and an elimination of tax deductions on the wealthy and cuts in "taxpayer-financed" oil and gas industry perks.

## **Business Calls it "Stacking the Deck" as NLRB Proposes "Streamlined" Union Elections**

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A notice of proposed rulemaking was published by the National Labor Relations Board (NLRB) this week seeking to amend existing rules and regulations "governing procedures in representation cases." Included in the proposal, however, is a dramatically shortened timeline for union certification elections. NLRB says its proposal is designed to reduce "unnecessary litigation, streamline pre- and post-election procedures" and make easier the use of electronic communications and document filing. However, at issue is the time elapsed between a union presenting enough signatures to call an organizing election and when that election is held, a period averaging about 60 days. The unions say employers use this time to convince workers not to ratify a union. This period would be shortened significantly by simplifying procedures, deferring

lawsuits and setting shorter deadlines for filings and hearings. The National Association of Manufacturers (NAM) said the NLRB proposed rule is "the latest attempt by the NLRB to do what Congress won't - stack the deck in their favor." The chair of the House Workforce Committee Rep. John Kline (R, MN) said the shortened election timeframe will "expedite union elections and undermine an employer's lawful right to communicate with his or her employees, and will cripple a worker's ability to make an informed decision." Union representatives universally hailed the action, with the president of the Service Employees International Union calling it a "positivestep for workers who want to exercise their fundamental right to decide for themselves whether to form a union." In the last Congress, unions attempted unsuccessfully to pass union election changes called "card check." Under that system, all a union needed to do was collect signatures on "preference" cards from 50% of a facility's workers plus one additional worker, to certify organization.

## **Supreme Court Says EPA has Authority to Regulate Climate Change**

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The U.S. Supreme Court this week upheld EPA's authority under the Clean Air Act (CAA) to regulate greenhouse gas emissions (GHG) and address other air pollution contributors to so-called "climate change." The high court said its 2007 decision "made plain that emissions of carbon dioxide qualify as air pollution subject to regulation" under the CAA. The court heard American Power Company v. Connecticut, a case brought by the power company to challenge the state's claims against alleged plant pollution under federal CAA regulations. The court said its previous decision "speaks directly to emissions of carbon dioxide from the defendant's plant." The court also referenced in detail EPA's ongoing rulemaking to set standards on GHG emissions from fossil-fueled plants by May, 2012.

## **EWG Releases List of Farm Program Payments**

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In an update of its comprehensive listing of who gets farm program payments, how much they get and where those folks live, the Environmental Working Group (EWG) released its new list, all based on USDA numbers on payment recipients. The new numbers follow the money, all \$222.8 billion paid in 1995-2010, and include the top 10 cities of residence for those getting federal checks. The database also includes crop insurance program payments. To view the full searchable report, go to [www.ewg.org](http://www.ewg.org).

## **Overseas, NAWG CEO Talks Supplies, U.S. Policy, Biotech**

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NAWG Chief Executive Officer Dana Peterson continued her travel overseas this week, stopping in Australia to meet local wheat industry leaders and Indonesia to attend U.S. Wheat Associates' South Asian Wheat Marketing Conference.

In Australia, she met with representatives of wheat industry organizations and farmers to learn about the country's research system, noting that the Australians have a well-coordinated public research system and widespread understanding among farmers of the importance of public-private collaborations.

She also learned about efforts to set up a marketing program after the Australian Wheat Board (AWB) dissolved, noting that the Australian handling system seems to have adjusted well.

At the Marketing Conference, Peterson noted the major wheat buyers in attendance were particularly interested in issues of supply and quantity in the short term, but also questioned U.S. wheat industry representatives about the long-term supply situation.

She said many have interest in U.S. work on biotechnology and American government policy that will affect production and prices.

Peterson spoke Friday local time to buyers attending the Marketing Conference, emphasizing wheat industry work on those priorities.

## Talk Of Productivity, Regulation Reform at Biotech Hearing

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Agricultural applications of biotechnology can help feed the world and preserve resources, but the regulatory process the technologies must go through is problematic, witnesses said Thursday at a meeting of the House Agriculture Committee's subcommittee with jurisdiction over the technology.

Three witnesses appeared at the hearing - Charles Conner, head of the National Council of Farmer Cooperatives and a former USDA official;

Roger Beachy, former head of USDA's National Institute for Food and Agriculture (NIFA) and former director of the Donald Danforth Plant Science Center; and Calestous Juma, a professor at Harvard University's John F. Kennedy School of Government.

All three spoke to the enormous productivity gains possible in developed and developing countries with the responsible application of biotechnology in plants and, in some cases, animals.

They also all touched on recent complications in the U.S. regulatory system, which is complex and subject to litigation that can delay a determination for years.

Regulatory approval of a new biotech trait is now estimated to cost tens of millions of dollars while the process between between trait discovery and approval can take up to 10 years.

"The need to support this technology is not in question. The question is how to enable biotechnology to move forward to meet future needs," Conner told Members at the hearing.

"Legal decisions not based in science put the U.S. at risk of not being able to capitalize on the opportunities and benefits provided by biotechnology. They also represent an unnecessary drain on the resources of the federal government, commodity organizations and biotechnology companies."

Beachy was more direct in his comments.

"This is an exciting period of time in discovery and innovation. Unfortunately, it is not an exciting time for delivering new products of agriculture biotechnology to consumers or to those who would invest in the future of agriculture," he testified.

"While not all discoveries lead to innovation and new products, there are a growing number of examples of new inventions developed through genetic engineering that have good likelihood of success and that continue to be delayed in reaching the marketplace because of regulatory processes that are ill-defined and/or unpredictable, sometimes irrational, and always costly. This is an area for significant concern to inventors and entrepreneurs, and is worthy of attention and reform."

Beachy said that since 1987, more than 2 billion acres of biotech crops have been grown by 15.4 million farmers in 29 countries. The products of these crops have been consumed in billions of meals over a 20-year period, with no "novel, negative consequence" reported.

There is no commercialized biotech wheat anywhere in the world, but the wheat industry works on biotechnology issues because its leaders believe biotechnology's introduction into the wheat crop is necessary to increase productivity, attract acres back to the crop and feed a growing global population sustainably.

For purposes of the hearing, NAWG associated itself with Conner's testimony and provided wheat-specific information as necessary. More information about the wheat industry's biotech work is at [www.wheatworld.org/biotech](http://www.wheatworld.org/biotech).

A webcast of the hearing can be viewed online at <http://agriculture.edgeboss.net/wmedia/agriculture/20110623b.wvx>.