



California Association of Wheat Growers

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## Newsletter

August 12, 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.**

### ITRC Offers IRRIGATION Classes

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The following classes are available for persons interested in irrigation through the Irrigation Training and Research Center (ITRC):

DESIGNER/MANAGER SCHOOL OF IRRIGATION

(<http://www.itrc.org/classes/desmgr.htm>)

- Basic Soil, Plant & Water Relationships - August 2, 2011
- Irrigation Scheduling, Salinity & Drainage - August 3-4, 2011
- Basic Pipeline Hydraulics I - August 8, 2011
- Basic Pipeline Hydraulics II - August 9, 2011
- Pumps I - August 10, 2011
- Pumps II - August 11-12, 2011
- Chemigation - August 11, 2011
- Row Crop Drip Irrigation - August 15, 2011
- Drip/Micro Irrigation Design - August 16-18, 2011

To register for any ITRC classes, please visit <http://www.itrc.org/classes.htm> or call Coral Norris at (805) 756-2434.

USDA - World AG Supply AND Demand Estimates - U.S. Wheat SUPPLIES Estimates DECREASE

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U.S. wheat supplies for 2011/12 are lowered 30 million bushels this month as higher forecast winter wheat production is more than offset by lower area and production for durum and other spring wheat. Total use for 2011/12 is lowered 30 million bushels with a reduced outlook for exports more than offsetting an increase in expected feed and residual use. Exports are projected down 50 million bushels with increased competition, particularly from FSU-12 countries, where production prospects are raised.

Projected feed and residual use is raised 20 million bushels, reflecting a continuation of competitive prices for feed-quality wheat and lower projected corn supplies. Ending stocks are nearly unchanged. The 2011/12 season-average farm price for all wheat is projected at \$7.00 to \$8.20 per bushel, up from last month's range of \$6.60 to \$8.00 per bushel supported by higher projected prices for corn.

Full Report: [Click Here](#)

### **State UPDATE:**

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July REVENUES Running WELL Below BUDGET Projections

State Legislators will return from their first true summer break in years to the reality that the "On time budget" they passed in early July may need to be revisited sooner than expected. State Controller John Chiang reported this week that July revenues were down 12% (\$543 million) below projections. These revenues were from July, prior to the recent finance challenges on Wall Street which many predict will further suppress revenue.

The current year budget includes a trigger that if by January 1, budget projections are not met, automatic cuts are instituted. This could result in an additional \$4 billion in cuts, approximately \$1.7 billion from K-12 education. This leads to speculation that the Governor may call an extraordinary legislative session this fall to revisit the triggers and cuts.

Human RIGHT to WATER Bill PROGRESSES

A group of social and environmental justice advocates are sponsoring legislation that would guarantee a humans right to affordable water in California. AB 685 (Eng) is a bill that seems logical and common sense on its face. However, by establishing a Human right to affordable water" in policy within the state and mandating that every agency address this policy in their regulatory and funding decisions, it could serve as a litigation opportunity to negatively impact water rights, water quality decisions and infrastructure. The bill will be heard in Senate Appropriations on August 15th where it will likely be a suspense candidate due to costs to state agencies. If the bill comes off suspense, it will need to pass the Senate by September 9th.

CDFA Feed, FERTILIZER and Livestock DRUGS Regulatory SERVICES Branch is MOVING

On August 22, 2011, the Feed, Fertilizer, and Livestock Drugs Regulatory Services Branch of the California Department of Food and Agriculture will be moving to 2800 Gateway Oaks, Suite 100, Sacramento, CA, 95833. Our new telephone number will be (916) 900-5022. The mailing address will remain the same, 1220 N Street, Sacramento, CA 95814. Please update your records.

Agricultural TRADE Facilitation ACT introduced - FROM Farm PRESS

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Rep. Nunes, R-Calif., introduced the Agricultural Trade Facilitation Act that would establish Sanitary and Phyto-Sanitary (SPS) negotiating objectives for the on-going Trans-Pacific Partnership (TPP) negotiations.

Rep. Nunes represents a California district that encompasses all of Tulare County and about half of Fresno County and produces agricultural products -- including upland and extra-long staple cotton -- with a farm gate or gross value of about \$5 billion annually. He is a member of the Ways & Means Committee and has long been a strong advocate for improved, consistent access to international markets.

His legislation addresses several key issues: (1) an SPS regime that strengthens the requirement that the application of measures is based on scientific evidence by requiring parties to make their risk assessments available and provide a science-based justification; (2) increase regulatory coherence and use of system-based approaches and allow imports of products if the system of the exporting party meets or exceeds the end-product standards of the importer; (3) require parties to carry out risk analysis in a timely manner; ensure that risk assessments are based on the most relevant scientific data; require the parties to consider the full range of risk management options; ensure that the measures are no more trade-restrictive than necessary to meet the intended purpose; and require effective risk communication; and (4) improve testing rules; require importing parties to use validated test methods; and provide importers the right to a confirmatory test with the right to appeal.

Rep. Nunes believes the TPP provides an important opportunity to work to harmonize export certification requirements and limit information requirements on export documents to that necessary for determining whether a product meets SPS standards. Given statements that this agreement is to be the model for "21st Century" Free Trade Agreements, Rep. Nunes said, "It is imperative that we get the strongest possible SPS provisions."

Current supporters of the legislation include: the NCC, American Sheep Industry Assoc., California Citrus Mutual, National Chicken Council, California Poultry Federation, California Grape and Tree Fruit League, California Farm Bureau, National Milk Producers Federation and US Dairy Export Council.

**NAWG ATTENDS White HOUSE Rural COUNCIL Briefing**

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NAWG staff and representatives from 15 other rural and agricultural groups participated in a roundtable discussion at the White House this week hosted by the newly-created White House Rural Council.

Established to streamline and improve federal program delivery to rural stakeholders, the council, chaired by Secretary of Agriculture Tom Vilsack and comprised of two dozen Cabinet leaders, is focused on economic development, job growth and quality of life issues in rural America. A brief overview of the council's work was shared and discussion was held about the President's upcoming trips to rural America, specifically Minnesota, Iowa and Illinois.

DOT TRUMPETS "No New REGULATIONS for America's AG Community"

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In an unusually broad communications blitz this week, the Department of Transportation (DOT) announced its Federal Motor Carrier Safety Administration (FMCSA) has "no intention to propose new regulations governing the transport of agricultural products," a move to coincide President Obama's scheduled three-day whistle-stop tour of Iowa. At the same time, DOT released a guidance document to the states to make sure they "clearly understand the common sense exemptions that allow farmers, their employees and their families to accomplish day-to-day work and transport their goods to market." All of this translates to no new commercial drivers' license rules, unreasonable safety requirements or changes in the rules governing the transport of products, machinery or supplies to and from a farm. Earlier this year, FMCSA solicited comments on a list of potential changes, and received 1,700 comments, most of which told the agency to leave things just as they are. Details of the decision can be found at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov).

**DHS Proposes NEW Ammonium Nitrate SECURITY Program**

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In an August 2 Federal Register notice, the Department of Homeland Security (DHS) announced its proposal to create an Ammonium Nitrate Security Program as part of the department's efforts to secure "potentially dangerous" chemicals. The new proposal seeks to regulate the sale of ammonium nitrate while ensuring legitimate uses are not restricted. The program would be built on users validating their need to use the chemicals, requiring those selling ammonium nitrate to retain records and report thefts or loss to federal authorities within 24 hours. Because the proposal covers the "transfer of possession" of ammonium nitrate, it has implications for transporters as well as sellers and users. Details can be found at www.dhs.gov.

Joint DEFICIT Reduction "SUPER" Committee APPOINTED

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Party leadership in both chambers named members to the Special Joint Deficit Reduction Committee this week, well in advance of the August 16 deadline, and while the committee kicked into gear, skepticism abounds over the panel's chances of coming up with a bill that slashes \$1.2-1.5 trillion from federal spending over the next decade.

Key deadlines include the following: The panel will accept until October 14 recommendations from the various House and Senate committees of jurisdiction on where and how deep cuts should fall, but are not bound by these recommendations. The super committee has until November 23 to finalize a draft bill by a simple majority vote of the members. By December 2, if the super committee approves its bill, a report and recommended legislative language is presented to the President, Vice President and House and Senate leadership, with the bill formally introduced in both chambers the next legislative day. The bill is referred to committees of jurisdiction by December 9, and committees which formally report the bill out must do so without amendment, but many are expected to send recommendations that include specific legislative language to implement the recommendations. If committees fail to formally report a bill, it is automatically discharged. Congress has until December 23 to vote up or down on the fate of the bill - no amendments or procedural blocks are allowed. If Congress fails to approve whatever the committee comes up with, a minimum of \$1.2 trillion in across-the-board cuts in federal spending kick-in. The committee is dissolved on January 31, 2012.

Many view the panel as too partisan, particularly the choices made by Rep. Nancy Pelosi (D, CA), House minority leader, who said the panel "must achieve a 'grand bargain' that reduces the deficit by addressing our entire budget, while strengthening Medicare, Medicaid and Social Security."

The panel has deep experience in the budget/spending battles - four members were also members of the White House Deficit Commission and several sit on fiscal committees - and most are considered adept at working in a bipartisan fashion. The make-up signals heavy action on the federal tax code, both closing loopholes and perhaps tinkering with rates and Sen. Max Baucus (D, MT) and Rep. Dave Camp (R, MI), the tax writing panel chairs, have a long history of bipartisan action. However, none of the Gang of Six Senators - the bipartisan group seeking a compromise budget deal - made the cut, and several of the members voted against the White House Deficit Commission report and three of the super committee members voted against the new budget law that created the panel.

The following are the members of the new super committee and how ag falls within their priorities:

### Senate Democrats:

**Sen. Patty Murray (WA)** - Co-chair; a member of the Budget and Appropriations Committees, and part of Senate leadership, Murray is the health care/entitlement member; never an ag voice, she's a middle of the road pick, and she has the fiscal credentials. She also heads the Democratic Senatorial Campaign Committee (DSCC), the committee dedicated to reelecting Democrat Senators.

**Sen. Max Baucus (MT)** - Baucus is chair of the tax-writing Finance Committee, and a member of the Agriculture Committee; he's a former member of the White House Deficit Commission. He's a good choice for agriculture, generally a moderate on tax policy, a deal-maker, but has been known as an ideologue.

**Sen. John Kerry (MA)** - A member of the Finance and Small Business Committee. It has been reported that Sen. John Kerry is a deal-maker which has led to concerns by some liberals and union officials that he may be too willing to agree to a grand bargain.

**GOP:**

**Sen. John Kyl (AZ)** - Kyl is retiring in 2012, and is a Finance and Judiciary Committee member; well respected by both sides of the aisle, he's a deal-maker, but can be partisan; ag is not threatened by this choice.

**Sen. Pat Toomey (PA)** - A freshman who comes out of a long career in the House, Toomey is a member of the Banking and Budget Committees; from a strong ag state, he's seen as the Tea Party player on the Senate side, and carries a 97% rating from the American Conservative Union.

**Sen. Rob Portman (OH)** - Portman could be the key member on the panel when it comes to how the federal government actually operates. A friend of ag from his days in the House, Portman is a freshman member of the Budget Committee; he served as Special Trade Representative (STR) and director of the Office of Management & Budget (OMB) under President Bush. He has extensive fiscal experience; one of the strongest members of the panel but known to be uncompromising.

**House GOP:**

**Rep. Jeb Hensarling (TX)** - Co-chair; Hensarling sits as vice chair of the Financial Services Committee; former member of the Deficit Commission and a rising GOP star, he's liked by the Tea Partiers, he has good fiscal credentials, and comes from a major ag state.

**Rep. Fred Upton (MI)** - Upton is chair of the House Energy & Commerce Committee, and like the Kerry selection, is considered an odd choice. He'll be key when it comes to food safety and FDA funding/spending decisions.

**Rep. Dave Camp (MI)** - The chair of the powerful Ways & Means Committee and a former member of the Deficit Commission, Camp was a member of the House ag committee and prior to that was a staffer for an ag panel member. Thoughtful, strong friend of agriculture.

**Democrats:**

**Rep. Chris Van Hollen (MD)** - Van Hollen is ranking member on the Budget Committee and is a strong Minority Leader. She does not have a history of supporting agriculture.

**Rep. Xavier Becerra (CA)** - Becerra is an active Ways & Means Committee member, and a former member of the Deficit Commission; he is considered the most serious choice from Pelosi. As a Californian, he'll pay attention to ag issues, but has not made agriculture issues a priority.

**Rep. Jim Clyburn (SC)** - Clyburn is assistant minority leader, holding no committee positions; he is on the panel to protect social welfare programs. He, like Van Hollen does not have a history of supporting ag.