



California Association of Wheat Growers

Newsletter

November 11, 2011

In This Issue

- ❖ [Upcoming Events](#)
- ❖ [State Update](#)
- ❖ [California Wheat Grower Discusses Immigration Reform](#)
- ❖ [Hill Ag Leaders Continue Negotiations on Farm Policy](#)
- ❖ [World Wheat Trade Slightly Up on Black Sea, EU Production](#)
- ❖ [WTO Accession Ready for Last Step](#)
- ❖ [Ag Exports Hit Record as Expected](#)

UPCOMING EVENTS

Thursday, December 8, **California Association of Wheat Growers and California Wheat Commission Board of Directors Meetings. Meetings are to start at 8:00 a.m.**

Location: California Wheat Commission office.
Address: 1240 Commerce Avenue, Suite A, Woodland CA 95776-2267

State Update

Rural Fire Fee Moves Forward

A state board restocked with Gov. Jerry Brown appointees approved a \$150 fire fee Wednesday on rural homeowners this fiscal year, continuing a drive by the governor to raise \$50 million from those residents. After his efforts to pass a higher fee were stymied by the Legislature, Brown appointed four new members to the nine-person board in late October.

The fee starts at \$150. Most property owners will receive a \$35 discount for living in a fire district; an estimated 90 percent of structures qualify for that savings. But their remaining fee, \$115, will still be significantly higher than what rural property owners would have paid under a plan the state Board of Forestry and Fire Protection passed in August.

Brown and Democratic lawmakers authorized a maximum \$150 fee as part of the June budget agreement. But the fire board in August approved a smaller \$90 fee that contained as much as \$65 in credits that could have reduced the fee to as low as \$25 for some property owners. The least a property owner would pay under the new plan is \$115.

Anti GMO Activists Submit Proposed Initiative to Attorney General

Anti GMO activists have submitted a draft of an initiative mandating GMO labeling for all foods in California. Submitting the text of the initiative is the first step in a long process to qualify a ballot initiative. The AG will review the text of the initiative and create a title and summary. Upon receipt of Title and Summary from the Attorney General, the initiative backers can circulate petitions where they have 150 days to collect the necessary signatures. The submitted signatures then must be verified by each of the counties prior to an initiative qualifying.

Rep. Darrell Issa opens probe of California Air Resources Board

In an unusual maneuver, the California Air Resources Board is now being investigated by the House Oversight and Government Reform Committee.

On Wednesday, the committee chairman, Rep. Darrell Issa, R-Temecula, sent Air Resources Board Chair Mary Nichols a 13-page letter advising her that he was "expanding" the committee's ongoing investigation into the establishment of fuel economy standards. Nichols had earlier declined to attend a committee hearing on the subject.

"Your refusal to subject yourself and your office to congressional scrutiny is emblematic of the core concern that many in Congress share...that CARB, as a state actor, is unresponsive to congressional concerns and unappreciative of congressional priorities," Issa wrote.

Issa accompanied his observation with a series of specific questions and document requests, dealing with California's role in the fuel economy standard deliberations. The ARB has until Nov. 23 to meet the demands.

Governor Brown Announces Appointments

SACRAMENTO - Governor Edmund G. Brown Jr. today announced the following appointments.

Bruce Delgado, 50, of Marina, has been appointed to the Central Coast Regional Water Quality Control Board. Delgado has been the mayor of the City of Marina since 2008. He has worked as a botanist for the United States Department of the Interior, Bureau of Land Management since 1988. This position requires Senate confirmation and the compensation is \$100 per diem. Delgado is registered Green Party.

Michael Johnston, 59, of Watsonville, has been appointed to the Central Coast Regional Water Quality Control Board. He is currently a consultant for Teamsters Local 948 and the California Teamsters State Council of Cannery and Food Processing Unions. Johnston was a campaign

coordinator at the International Brotherhood of Teamsters from 2006 to 2009, and a business representative for Teamsters Local 890 from 1988 until 2005. This position requires Senate confirmation and the compensation is \$100 per diem. Johnston is a Democrat.

Michael Jordan, 57, of Santa Barbara, has been appointed to the Central Coast Regional Water Quality Control Board. Jordan has been an account executive for Hub International Insurance Services since 2000. He was a staff agent for State Farm Insurance Company from 1995 to 2000. Jordan was an administrative officer for Commander Fleet Activities, U.S. Navy, Yokosuka, Japan and a supervisory recreation specialist from 1989 to 1992. This position requires Senate confirmation and compensation is \$100 per diem. Jordan is registered decline-to-state.

Jean-Pierre Wolff, 62, of San Luis Obispo, has been appointed to the Central Coast Regional Water Quality Control Board, where he has served since 2010. Wolff has been a viticulturist and owner of Wolff Vineyards since 1999. He was an independent technology consultant from 2000 to 2002, senior vice president at Global Energy Services from 1998 to 2002, and vice president of Electro-Test Inc. from 1981 to 1998. Wolff is vice president of the Coastal San Luis Resource Conservation District and the vice chair of the San Luis Obispo County Agriculture Liaison Advisory Board. He received his doctorate in science and technology from Walden University. This position requires Senate confirmation and the compensation \$100 per diem. Wolff is a Republican.

California Wheat Grower Discusses Immigration Reform -

From Know A California Farmer - www.knowacaliforniafarmer.com



The following video was posted on the Know a California Farmer website which is dedicated to dialogue between the California farmers and anyone interested in learning more about California's dynamic agricultural industry. It is a forum for growers to tell their story and discuss topics important to them and their business. This video is one of many posted by Los Banos farmer: Cannon Michael in which he shares his thoughts on immigration. New videos and blogs are posted on the site frequently - click the link above to hear and see more California farmers.



Family Farmer Talks About Immigration Reform

Hill Ag Leaders Continue Negotiations on Farm Policy

Intense negotiations continued in Washington, D.C., this week as Congressional leaders and farm policy stakeholders try to find a way to cut \$23 billion from ag programs while maintaining a workable safety net for producers across the country.

The deadline by which the heads of the House and Senate Agriculture Committees told the super committee they would offer a legislative proposal for the cuts came and went 10 days ago.

The farm community is looking for a compromise that will allow the cuts without decimating programs that help farmers in times of unpredictable weather and markets. Talks are centering around ideas for a revenue program with price protection to supplement crop insurance coverage, which most farmers consider the core of the safety net.

Talking to reporters at the National Association of Farm Broadcasters' Trade Talk, NAWG President Wayne Hurst, a farmer from Burley, Idaho, said wheat leadership continues to work with many Members of Congress and fellow ag groups as the process develops.

Senate Ag Committee Chairwoman Debbie Stabenow (D-Mich.), Senate Ranking Member Pat Roberts (R-Kan.), House Ag Committee Chairman Frank Lucas (R-Okla.) and Ranking Member Collin Peterson (D-Minn.) are the key negotiators in the process thus far, though Members of both Committees and other ag-state leaders are also heavily involved.

Key policymakers include Sen. Max Baucus (D-Mont.), a member of the super committee and the Chairman of the Senate Finance Committee, and Sen. Kent Conrad (D-N.D.), a key author of past farm bills and the Chairman of the Senate Budget Committee. All four Ag Committee principals, Baucus, Conrad and Sen. Patty Murray (D-Wash.), who is a co-chair of the super committee, are from states with extensive wheat production.

In mid-October, leaders of the Congressional Ag Committees told the super committee agriculture-jurisdiction programs should be cut by no more than \$23 billion on top of more than \$40 billion in cuts and spending reductions in recent years.

NAWG's policy priorities for the negotiations are outlined in a letter recently sent to Congress, which is at <http://www.wheatworld.org/wp-content/uploads/farbill-letter-on-ag-policy-deficit-reduction-20111025.pdf>.

World Wheat Trade Slightly Up on Black Sea, EU Production

Casey Chumrau
Market Analyst
U.S. Wheat Associates

The U.S. Department of Agriculture (USDA) provided no surprises with the release of its monthly World Agricultural Supply and Demand Estimates (WASDE) on Wednesday. The report made minor adjustments to the world wheat outlook, all of which were within analysts' expectations.

Estimated world supply increased 4 million metric tons (MMT) in November to 1.013 billion metric tons, a 3 percent increase from 2010/2011. All three factors that contribute to world supply - carry-in stocks, production and imports - increased in November.

The world production forecast increased 2.1 MMT to 683 MMT, which would be the second largest crop on record if realized. Kazakhstan's production estimate accounted for 2 MMT of the total increase, now forecast to produce 21 MMT. The European Union's production estimate also increased, up 1.2 MMT from last month and 1 percent greater than last year. Argentina's production forecast declined 500,000 MT to 13.0 MMT, 16 percent lower than last year.

Increased consumption and trade estimates offset the increase in supply, resulting in only a 13,000 MT increase in world ending stocks to 203 MMT. Increased estimates of feed use once again contributed to an increase in total wheat demand. Estimated world feed use increased 900,000 MT this month to 126 MMT, a 12 percent increase from last year and the highest demand for feed since 1990/1991. Total world consumption jumped 2.4 MMT to 677 MMT, which would set a record for the fourth straight year.

World trade estimates increased 2 MMT this month to 137 MMT, the second highest trading volume ever and 5 percent greater than last year, if realized. Increased imports into China, North Africa and Brazil account for much of the increased global demand with the European Union and Russia expected to meet most of that incremental trade.

The U.S. wheat supply and demand outlook remained mostly unchanged from last month. A decrease to production estimates of 240,000 MT to 54.4 MMT was the only change, decreasing ending stocks by the same margin to 22.6 MMT. USDA re-surveyed spring wheat and durum producers in five states in the Northern Plains and Pacific Northwest following the Sept. 30 Small Grains Report. Farmers there harvested a substantial portion of the crop later than usual due to weather-delayed plantings.

The survey results prompted USDA to reduce hard red spring (HRS) production estimates by 190,000 MT to 10.8 MMT and durum by 50,000 MT to 1.36 MMT. Durum production is estimated at its second lowest level in 30 years, down 53 percent from last year and 43 percent below the 10-year average.

Increased white wheat production estimates helped slightly offset reductions in HRS and durum. White wheat estimates increased 30,000 MT to 8.55 MMT, 20 percent greater than the 10-year average thanks to nearly ideal growing conditions.

U.S. Wheat Associates updates its Supply and Demand Report every month with the latest USDA estimates. The new report is at <http://www.uswheat.org/reports>.

The full WASDE is available at <http://www.usda.gov/oce/commodity/wasde/>.

WTO Accession Ready for Last Step

~~~~~  
November 11, 2011 - From the Moscow Times

Russia cleared a major hurdle toward opening up its huge oil-driven economy Thursday, with negotiators agreeing to final terms that would allow it to join the World Trade Organization after an 18-year effort.

The deal is expected to quickly inject 4 billion euros (\$5.45 billion) a year into the ailing European economy by boosting European Union exports.

The 27-nation bloc is Russia's biggest trading partner. EU nations imported 158.6 billion euros worth of goods - mostly oil and gas - from Russia last year, while exporting 86.1 billion euros worth of machinery, automobiles and farm products.

Excerpts of the commitments made by Russia in the accession agreement:

**Tariffs:** The import tariff ceiling will average 7.8 percent, compared with an actual 2011 average of 10 percent.

The average ceiling for agricultural import tariffs will be 10.8 percent, lower than the actual 13.2 average.

The average ceiling for manufactured goods will be 7.3 percent, compared with an average of 9.5 percent now.

Import tariffs on information technology products, currently 5.4 percent, will be zero. Cotton imports will also have a zero tariff.

**Subsidies:** Russia commits to zero export subsidies on agricultural products. It will also scrap value-added tax exemptions for certain domestic agricultural products.

Total trade-distorting agricultural subsidies will not exceed \$9 billion in 2012 and will be reduced to \$4.4 billion by 2018.

Subsidies for specific agricultural products will be limited in relation to overall agricultural subsidies in each year until the end of 2017. In the draft text, total product-specific support is limited to 30 percent of general subsidies, but that figure is in brackets, indicating that it is provisional.

All industrial subsidies will be eliminated, or they are not dependent on exportation or favor local goods over imports.

**Privatizations:** Russia will privatize 100 percent of United Grain Company by 2012 and 50 percent plus one share of Rosagrolizing no sooner than 2013.

**Customs Fees:** Russia will cut the maximum customs clearance fee to 30,000 rubles (about \$1,000) from the current 100,000 rubles and simplify procedures.

**Plant and Animal Health:** Russia plans to put a new law on plant quarantine into force on Jan. 1, 2012, and plans to pass a new veterinary law in 2012.

Russia, in its customs union with Belarus and Kazakhstan, will work out a common list of quarantine pests and phytosanitary requirements to enter into force on Jan. 1, 2013.

For full article click the following link: <http://www.themoscowtimes.com/print/article/wto-accession-ready-for-last-step/447551.html>

## **Ag Exports Hit Record as Expected**

~~~~~  
USDA announced this week that agriculture exports in fiscal 2011 hit a record value of \$137.4 billion, exceeding the previous record by \$22.5 billion. The record exports contributed to a trade surplus of \$42.7 billion, another record. Secretary of Agriculture Tom Vilsack said President Obama's signing of free trade agreements with Korea, Colombia and Panama means next year's exports should surge even higher.