



# California Association of Wheat Growers

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## Newsletter

December 16, 2011

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### In This Issue

- ❖ Lucas Allows Farm Bill One-year Extension Possible
- ❖ NAWG, Coalition Partners Support Biotech Regulatory Certainty
- ❖ 73 Sign Bipartisan House Letter Pushing Sunset of Ethanol Credit
- ❖ World Agricultural Supply and Demand Estimates
- ❖ ACWA Releases Poll Showing Water is Still a Concern for Californians

### Lucas Allows Farm Bill One-year Extension Possible

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House Agriculture Committee Chair Frank Lucas (R, OK) allowed in a radio interview this week his panel may be forced to consider a one-year extension of the current omnibus farm law because of the political and financial uncertainties next year. Lucas referred to the Herculean effort of trying to move a multi-billion-dollar rewrite of federal farm policy during a presidential election year and in an atmosphere dedicated to slashing federal spending.

Lucas said he doesn't "know what the economic lay of the land is going to be" in the spring, and "what forces who don't necessarily understand or really appreciate rural America/production agriculture are going to insist from us." Lucas' prediction of a 2012 Farm Bill becoming a 2013 Farm Bill was echoed by Rep. Mike Conaway (R, TX), who chairs the House ag panel's subcommittee charged with rewriting farm payment programs. He said the 2012 elections - during which 17 Senators are up for reelection - means the desire to vote on controversial spending packages will contribute to a desire to punt the Farm Bill into 2013. He said the omnibus package will likely pass the full ag committee, but the education process with the full House and cited heated House floor exchanges over farm programs during debate on the FY2012 ag appropriations bill.

Meanwhile, Senate Agriculture Committee Chair Debbie Stabenow (D, MI) is sticking to her plan to hold hearings beginning in late January/early February both in Washington, DC and throughout the country, but her staff is talking as though the rewrite of payment programs cobbled together

for the now defunct Joint Special Committee on Deficit Reduction will be the foundation for her panel's product. Conaway, referring to the estimated \$23 billion the super committee draft bill would save, said that total savings "will be the ceiling in the Senate and the floor in the House."

## **NAWG, Coalition Partners Support Biotech Regulatory Certainty**

NAWG and coalition partners submitted comments this week supporting full deregulation of biotech sugar beets and urging continued evolution of the regulatory process to address the court challenges that crop has faced.

In individual and group comments, NAWG told USDA's Animal and Plant Health Inspection Service (APHIS) that full deregulation of Roundup Ready sugar beets, which have been determined to be safe by a number of government reviews, would be the appropriate regulatory decision.

Roundup Ready sugar beets were deregulated in 2005 by USDA, but in 2010, a U.S. District Court judge ruled the Department should conduct a more extensive review, known as an Environmental Impact Statement (EIS). Since the court challenge was based on process and not safety, the widely-adopted crop was partially deregulated in early 2011, in time to allow farmers to plant it this growing season.

In the Association's individual statement, NAWG Chief Executive Officer Dana Peterson told regulators NAWG strongly believes growers should have the choice to plant new and safe agricultural technologies, and they should have access to a reliable regulatory process.

"Farmers, processors and consumers should be able to count on biotech crop approvals issued by the experts in federal agencies," she wrote.

In the coalition comments, signatories stressed the financial and intangible costs of the "lengthy and unpredictable" regulatory and litigation processes faced by biotech sugar beets and other crops.

These themes echoed recent coalition comments to the White House Office of Science and Technology Policy (OSTP) related to its effort to create a "national bioeconomy blueprint."

The agency had requested input on grand challenges that could be addressed utilizing new technology, as well as regulatory issues surrounding their introduction into the marketplace.

The agriculture coalition in which NAWG joined focused its comments on plant biotechnology issues, describing the importance of biotech applications to meeting global food demand while using fewer resources and assisting crop adaptation to climatic changes around the world.

The groups urged policy makers to "maintain the integrity of the regulatory process with respect to biotechnology crops" and supported the continued development of the regulatory process known as the "coordinated framework," which brings to bear resources in USDA, the Environmental Protection Agency and the Food and Drug Administration.

Wheat produced using biotechnology is not in commercial production anywhere in the world. However, wheat growers support the use of biotechnology as a tool to help farmers achieve better

yields and improved crop quality while reducing inputs.

Additional comments were submitted to the Science and Technology office by the National Coalition for Food and Agriculture Research (NC-FAR), of which NAWG is a member. Those comments said the food and agricultural sciences are building blocks of the bio-based economy and urged a high priority on federal funding for food and agricultural research, which has stagnated for at least two decades.

The full comments submitted this week and more about NAWG's work toward wheat biotechnology is at [www.wheatworld.org/biotech](http://www.wheatworld.org/biotech).

### **73 Sign Bipartisan House Letter Pushing Sunset of Ethanol Credit; RFS Attacked by Ag Groups; Rangel Introduces Bill to Retain Ethanol Import Tariff**

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Six members of the House from both sides of the aisle obtained over 65 colleagues' signatures on a letter sent this week to House GOP and Democrat leaders urging the party leaders to allow federal ethanol tax credits and the ethanol import tariff to expire December 31, and to resist trying to repackage federal ethanol supports. At the same time, 16 national and regional ag groups called on the Senate Environment & Public Works Committee to hold a hearing on the federal Renewable Fuel Standard (RFS) impact on the national economy.

However, adding fuel to the ethanol tax fires, was Rep. Charles Rangel (D, NY) who introduced this week a bill to renew the ethanol import tariff through 2014, a move his office said is to force foreign and U.S. ethanol producers to use nine processing plants located in El Salvador, Costa Rica, Jamaica, Trinidad and Tobago and the U.S. Virgin Islands. Rangel and his cosponsors are all tightly aligned with Caribbean nation economic development and see the ethanol import tariff as leverage to force use of the facilities, many of which are either under producing or idle.

The action enraged the Brazilian ethanol industry, and the Brazilian association of sugar cane and ethanol producers said the Rangel bill is "a blatant move...that risks a trade war between the U.S. and its trade partners, including friendly nation's like Brazil," according to reports. Brazil has suspended but not repealed its own tariff on imported ethanol, and U.S. ethanol producers are currently exporting about 900 million gallons a year, with about 450 million gallons going to Brazil.

### **World Agricultural Supply and Demand Estimates United States Department of Agriculture**

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**WHEAT:** U.S. wheat ending stocks for 2011/12 are projected 50 million bushels higher with reduced prospects for exports this month. Exports are lowered 50 million bushels with reductions projected for Hard Red Winter, Soft Red Winter, and White wheat. Larger supplies in several major exporting countries and relatively strong domestic prices, supported by the tight domestic corn supply and use situation, are expected to limit opportunities for U.S. wheat in world trade. Ending stocks for 2011/12, at 878 million bushels, are projected to be up 16 million from last

year, but down 98 million from the recent high in 2009/10. The 2011/12 season-average farm price is lowered slightly to \$7.05 to \$7.55 per bushel compared with \$7.05 to \$7.75 last month.

Global wheat supplies for 2011/12 are projected 9.3 million tons higher with larger beginning stocks in Australia and Argentina and a 5.7-million-ton increase in foreign production.

Beginning stocks for Australia are raised for 2011/12 with a 1.9-million-ton increase in 2010/11 production based on recently released data from the Australian Bureau of Statistics. Argentina beginning stocks for 2010/11 and 2011/12 are raised with revisions to 2009/10 and 2010/11 production based on the latest indications of available supplies and usage.

Global wheat production for 2011/12 is projected at a record 689.0 million tons, up 37.4 million from 2010/11, and 3.5 million higher than the previous record in 2009/10. Australia production for 2011/12 is raised 2.3 million tons in line with the latest government estimate. Another year of adequate to abundant precipitation across the country's southern and eastern growing areas and a recovery in production in Western Australia pushes production to a record 28.3 million tons. Argentina production is raised 1.5 million tons with higher expected harvested area and yields with recent improvements in late-season growing conditions. Production for Canada is raised 1.1 million tons based on the latest estimate from Statistics Canada. Production is raised 0.9 million tons for China based on the recently released estimate from China's National Bureau of Statistics. Other 2011/12 production changes this month are smaller and mostly offsetting.

For full article click the following link: <http://www.usda.gov/oce/commodity/wasde/latest.pdf>

## **ACWA Releases Poll Showing Water is Still a Concern for Californians Also Finds Support for Investing Public Dollars in Water Infrastructure**

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Tuesday, December 13 ACWA released a new statewide survey showing that although the economy is the dominant issue for Californians, voters remain concerned about the state's water supply and agree California should make major investments to upgrade and modernize its water supply system

Field Research conducted the survey of 1,000 registered voters in English and Spanish in late November on behalf of ACWA. The survey found that three in four voters (75%) are concerned about water, with 28% extremely concerned and 47% somewhat concerned. In addition, an overwhelming majority (84%) agrees the state has major water problems and must invest in its water infrastructure to ensure reliable water now and in future years.

Mark DiCamillo, senior vice president with Field Research, said the findings indicate water has not dropped off the radar for Californians even as the economy and unemployment dominate headlines and voter concerns.

"You still have a significant majority saying they are concerned about water, even though there are huge concerns about the economy today," said DiCamillo, who has surveyed Californians regarding water and other issues for over 20 years. "There is also a core base of support for investing public dollars in upgrading and expanding the state's water system through a water bond. That base is about 40%, with another 22% that is sympathetic and inclined to feel that way.

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The survey showed that by a margin of 55% to 41%, more voters take the view that now is a good time to invest in water infrastructure projects to create jobs than believe the state should not commit large sums of public money until the financial picture improves.

ACWA Executive Director Timothy Quinn said the findings indicate that Californians see the link between investing in water infrastructure and job creation.

"At a time when the public is hypersensitive about how dollars are spent, investing in water infrastructure may be in a class by itself because water is seen as such an essential service and a critical part of our economy and jobs," Quinn said.

The survey findings will be valuable in the coming months as policy makers in the Brown Administration and elsewhere assess strategies for financing California's water future. "It is very encouraging to know that Californians are still supportive of making investments in our water infrastructure," Quinn said.

[Link](#)