

# California Wheat



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## CWC Wheat Bulletin

August 27, 2010

### **Commission Meeting Set for August 31**

The California Wheat Commission will meet at 10 am on August 31, 2010 at the California Farm Bureau building in Sacramento. Commissioners will consider recommendations from the Research Committee for additional research project funding, review harvest results and hear from Dana Peterson, CEO of the National Association of Wheat Growers. The Commission will also affirm the results of the recent grower and handler election and welcome new members to the Commission. The full agenda is posted on the CWC website.

Wheat growers and other interested parties are welcome to attend the meeting. For further information, call the CWC office.

### **2010 Harvest Mostly Complete**

The California wheat harvest is mostly complete - the exception being the Klamath Basin where spring wheat will be harvested next month. Overall, the wheat crop was characterized by very high yields and variable protein. In addition to high yields in the irrigated areas (four tons per acre were not unusual), yields were also above normal for dry land wheat and green chop was lower than average.

The Commission's lab is currently hard at work testing samples for its annual crop quality surveys published in October. The results will be posted on our website; printed brochures in multiple languages will also be available upon request.

### **CWC in the News**

The recent decision by Russia to cancel its wheat exports for the balance of this year sent wheat prices sharply up. We received numerous calls from news organizations asking how this

affects California wheat growers. Here are some excerpts of the coverage we have received:

#### **Problems elsewhere lead to a 'strange' wheat market. By Ching Lee. *Ag Alert*, August 11, 2010**

With global wheat prices hitting a two-year high in recent days, many California farmers are taking advantage of the current strong market by contracting their crop for next year.

Yolo County grower Larry Hunn said he will be planting more wheat this fall because he has already sold much of his 2011 crop—at much higher prices than this year—even though he is just now finishing his 2010 harvest.

"This market is acting strange," he said. "Here we are at the end of harvest and our prices are continuing to go up. Historically, that doesn't happen. Normally as you get into harvest, you see prices drop."

The run-up in wheat prices has been driven mostly by production problems in major wheat-exporting countries and fears of a supply shortfall. . . .

#### **Clarksburg farmer places his bet on the world wheat market. By J. Wasserman**

***Sacramento Bee Saturday, Aug. 21, 2010***

With wheat prices soaring since Russia banned grain exports, farmers like Clarksburg's Larry Hunn are coolly calculating the odds of beating a most fickle of gambling dens: the world grain market.

In past weeks, wheat prices have risen from \$4 a bushel to about \$7, grabbing the attention of everyone in America with a tractor, combine and acreage to plant. . . .

If wheat prices are higher than \$7 when Hunn harvests his crop, he won't make as much money as he could have. But he knows \$7 is a good price, and he's protected if the price slides backward again – as many suspect it might in a world that still holds a lot of wheat in its grain bins.

The quick ascent in a basic grain that's traded anywhere from \$3 a bushel to \$7 in recent years accelerated this month as drought-stricken Russia announced it will hoard its depleted wheat crop. Other nations like Ukraine, Kazakhstan and Canada are also anticipating less production.

Hunn, with more than his share of insight as president of the California Wheat Commission, is making a bet that typifies the difference between farming and everyday business. It's a game where one person's drought is always another's bonanza, where Russia's loss might be California wheat growers' gain in export markets of the Middle East and North Africa. ...

### **Wheat for the World from Arizona and California. By Jiana Escobar, USW**

#### ***Communications Intern USW Wheat Letter***

Though Arizona and California may not spring to mind when someone asks where wheat is grown in the United States, their unique location and local climate variations allow producers to grow and supply a range of wheat classes for domestic and international markets. The California Wheat Commission (CWC) and the Arizona Grain Research and Promotion Council (AGRPC) share the dedication of other state wheat commissions to provide the best possible products to their overseas customers.

For example, the desert valleys and lowlands of Arizona and southern California, especially in the Imperial Valley that borders Mexico, are ideal for producing irrigated durum. In fact, AGRPC and CWC trademarked their unique product as Desert Durum®.

“Our overseas customers see Desert Durum as a niche ingredient that provides consistently high quality grain in terms of color and gluten strength,” said AGRPC Executive Director Allan Simons. “In addition, Desert Durum provides milling benefits derived from its low moisture content and uniform large kernel size, so buyers transport more dry-matter and obtain consistently high extraction rates.”

California begins planting wheat as early as October. Most small grain acreage is irrigated, and irrigation techniques vary across the state. There are, however, dryland grain production in parts of the central and south coastal regions. California wheat producers

generally begin harvesting their crop in late May and, in some locations, harvest continues into September. International milling wheat customer tenders are loaded out of export facilities in Sacramento and Stockton and container loads often move out of the ports of Los Angeles/Long Beach.

Beyond working with its international customers, the California wheat industry has grown to be a huge player in the domestic market. California has surpassed Kansas as the state with the largest flour milling capacity. These mills are in such prime locations as Los Angeles, Oakland, Fresno, Stockton and Woodland, and ship flour throughout the United States by rail, truck and ship.

CWC investment has created a unique opportunity for customers to learn more about the wheat they are purchasing with its in-house milling and baking lab. This facility helps customers identify the best end use for the wheat they purchase. To support many of its overseas customers, CWC, like USW, publishes annual regional crop quality reports in Spanish, Italian, and English. AGRPC and CWC also invest check-off funds in wheat variety development and breeding research, partnered with the University of California – Davis, to meet domestic and overseas market requirements.

“We focus on research and market development, including hosting incoming missions and participating in various USW and individual trade missions” said CWC Executive Director Janice Cooper. Arizona and California durum and wheat producers frequently travel to visit overseas customers and gain current knowledge of international requirements that helps the commissions plan future production and research efforts.

**--These articles can be read in their entirety on the Commission's website under News/Info. --**