



# California Association of Wheat Growers

~~~~~

## Newsletter

May 25, 2010

~~~~~

### In This Issue

[USDA Reminds Producers of Approaching Sigup Deadline for & DCP](#)

[California Field Crop Review, May 20, 2010](#)

[Governor Releases May Revise of Budget, Ag Programs Spared](#)

[Changes made to Federal Quarantine Regulations for Karnal Bunt](#)

[House Ag Wraps Up Farm Bill Field Hearings Before Elections](#)

### **USDA Reminds Producers of Approaching Sign-up Deadline for Acre and DCP**

~~~~~

WASHINGTON, May 20, 2010 - USDA Farm Service Agency Administrator Jonathan Coppess today reminded farmers and landowners that they have until Tuesday, June 1, 2010, to sign up for the 2010 Direct and Counter-cyclical Program and the Average Crop Revenue Election Program. More than 75 percent of an expected 1.7 million farms have already enrolled.

"The deadline to sign up for the 2010 Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) Program is quickly approaching," said Coppess. "Producers must be aware of these deadlines and take action. Farmers and landowners must enroll their eligible farms no later than June 1, 2010, to take advantage of these important programs."

USDA calculates DCP payments using base acres and payment yields established for each farm. Farms with base acres are eligible for DCP. Eligible producers receive direct payments at rates established by the 2008 Food, Conservation and Energy Act. For 2010, eligible producers may receive an advance payment of 22 percent of the direct payment for each covered commodity and peanuts on the farm. USDA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued in October 2010. Counter-cyclical payments vary depending on market prices and are issued only when the effective price for a commodity

is below its target price (which takes into account the direct payment rate, market price and loan rate).

ACRE provides a valuable risk-management tool for producers by offering a revenue-based alternative to the traditional counter-cyclical program. Producers may elect to participate in ACRE even if they have already received an advance DCP payment for 2010. Last year, over 130,000 farms chose to participate in ACRE.

Numerous resources are available to help producers make informed decisions on program enrollment. FSA county office staff can answer many questions on program rules, application procedures and possible benefits. ACRE calculators and decision tools can be found on some land grant university websites and can assist with potential payment calculations. FSA also has launched an ACRE Web page with educational information, including an electronic program payment calculator, located at [www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp).

. Producers may complete and sign 2010 ACRE election forms and DCP and ACRE contracts at any USDA Service Center or they can enroll on the USDA website. On the website [www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp) - click on Access eDCP Services, producers can choose payment options, assign crop shares, sign and submit their contracts, and view and print submitted contract options from any computer with Internet access.

## **CALIFORNIA FIELD CROP REVIEW**

**MAY 20, 2010 --- VOL. 31 NO. 5**

~~~~~

### **WHEAT FORECAST**

California farmers are expected to produce 798 thousand tons of winter wheat in 2010, 6 percent above last year. The 380 thousand acres expected to be harvested for grain are up 21 percent from last year. The yield is expected to average 2.10 tons per acre, 12.5 percent below last year.

California's Durum wheat production is forecast at 331 thousand tons, a decrease of 35 percent from 2009. Acreage expected for harvest, at 105 thousand, is 38 percent below last year's acreage. The expected yield of 3.15 tons per acre is up 5 percent from the previous year.

United States winter wheat Production is forecast at 43.8 million tons, down 4 percent from 2009. Based on May 1 conditions, the yield is forecast at 1.38 tons per acre, up 0.06 tons from the previous year. Expected grain area totals 31.8 million acres, down 8 percent from last year.

The U.S. estimate for Durum wheat production for States other than Arizona and California

will not be available until July 9, 2010.

## **2009 COTTON PRODUCTION**

California farmers produced 240 thousand bales (480 lb. net weight) of Upland cotton in 2009, 35 percent less than the 367 thousand bales produced in 2008. Harvested acreage, at 70 thousand, was 40 percent below the 117 thousand harvested the previous year. The average yield was 1,646 pounds per acre, 140 pounds above 2008.

American-Pima producers planted 119 thousand acres, down 23 percent from last year. Harvested area, at 116 thousand acres, is down 23 percent from last year. Production is estimated at 399,900 bales (480-pound), down 7 percent from last year. The average yield is estimated at 1,494 pounds per acre, up 213 pounds from last year.

All cotton production in the United States is estimated at 12.2 million 480-pound bales, down 5 percent from the previous year's production. The U.S. all cotton yield averaged 777 pounds per acre, down 36 pounds from 2008.

The U.S. Upland cotton production is estimated at 11.8 million 480-pound bales, down 5 percent from the previous season. The U.S. yield for upland cotton is estimated at 766 pounds per acre, down 37 pounds from 2008.

The U.S. American-Pima production totaled 399.9 thousand bales, down 7 percent from the previous season. The yield for American-Pima is 1,389 pounds per acre, up 163 pounds from last year.

## **CALIFORNIA FIELD CROP PRICES - APRIL 2010**

Mid-April prices received by California farmers were unchanged for all types of hay and other hay. Prices for all potatoes and fall potatoes were below the previous month's level. Mid-month prices for wheat and dry edible beans were not published to avoid possible disclosure of individual operations. There were insufficient sales to establish a mid-month price for barley. Prices were above a year earlier for alfalfa hay.

## **U.S. PRICES RECEIVED INDEX**

The preliminary All Farm Products Index of Prices Received by Farmers in April, at 138 percent, based on 1990-1992=100, decreased 2 points (1.4 percent) from March. The Crop Index is down 3 points (2.0 percent) and the Livestock Index decreased 1 point (0.8 percent). Producers received lower prices for eggs, strawberries, broccoli, and lettuce and higher prices for cattle, onions, hogs, and soybeans. In addition to prices, the overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Increased monthly marketings of cattle, sweet corn, strawberries, and milk offset decreased marketings of soybeans, corn, wheat, and cotton.

The preliminary All Farm Products Index is up 9 points (7.0 percent) from April 2009. The Food Commodities Index, at 138, decreased 3 points (2.1 percent) from last month, but increased 12 points (9.5 percent) from April 2009.

The April All Crops index is 150, down 2.0 percent from March, but unchanged from April 2009. Index decreases for commercial vegetables, fruits & nuts, feed grains & hay, and cotton more than offset the index increases for oil-bearing crops, potatoes & dry beans, and food grains.

The April Food Grains index, at 170, is unchanged from the previous month, but 15 percent below a year ago. The April all wheat price, at \$156.33 per ton, is down 34 cents from March and \$35.34 below April 2009.

The April Feed Grains & Hay index is 151, down 1.3 percent from last month and 10 percent below a year ago. The corn price, at \$125.36 per ton, is down \$1.43 from last month and \$12.14 below April 2009. The all hay price, at \$109.00 per ton, increased \$1.00 from March, but declined \$17.00 from last April. Sorghum grain, at \$5.31 per cwt., is 37 cents below March and 26 cents below April last year.

The April Cotton index, at 105, is down 0.9 percent from March, but 42 percent above last year. The April price, at 63.5 cents per pound, is down 1.0 cent from the previous month, but 18.8 cents above last April.

## **HAY STOCKS ON FARMS**

Stocks of hay on California farms as of May 1, 2010 totaled 432 thousand tons. This is 18 percent of the December 1 stocks and was 8 percent below May 1, 2009.

## **Governor Releases May Revision of Budget, Ag Programs Spared**

~~~~~

On Friday May 14th the Governor released the May Revision of his earlier budget. Since January, budget projections for income have come in approximately \$3 billion less than anticipated. Therefore, the May revision had to make up for that shortfall and recalibrate next year's funding projections. The anticipated budget shortfall has increased to over \$20 billion requiring additional budget cuts. The bulk of the revisions in programs come from two areas, Health and Human Services and Corrections.

With Health and Human Services the Governor proposed eliminating the entire "Healthy Families" program for a state savings of approximately \$1.8 billion and other specific reduction in similar programs. With Corrections they will shift many prisoners from state correctional facilities to county jails where housing costs are reduced. They are likely to prosecute less non violent misdemeanors to address some of the prison costs with attrition in inmate numbers. In general, funding for the Department of Food and Agriculture remained stable and most

program funding is static. Programs important to agriculture that lack funding include the continued shortfall from last year's budget for the Williamson Act, an increase in some fees for weights and measures programs and increases in fees for OSHA compliance activities.

Because of the continued revenue shortfalls and demands on funding these budget negotiations will continue to be a challenge. The Democrats are discussing many tax proposals but after last year's largest ever state tax increase, it will be hard to muster bipartisan support for additional taxes. It is sure to be a long hot summer in Sacramento.

## Changes made to Federal Quarantine Regulations for Karnal Bunt

~~~~~

Changes to Section 218.1 Karnal Bunt in the California Department of Food and Agriculture Plant Quarantine Manual were recently announced.

Karnal Bunt is under a Federal Domestic Quarantine. The changes to the manual include the addition of La Paz County, Arizona to the designated list of quarantined areas and the Texas counties formerly on the list have been removed. If you handle or produce any of the regulated articles the designated quarantine areas please read the attached excerpt from the PQM to ensure that you are in compliance with this quarantine regulation.

### **301.89 KARNAL BUNT**

#### **Federal Domestic Quarantine**

**A. Pest.** Karnal bunt, a plant disease caused by the fungus *Tilletia indica* (Mitra) Mundkur.

#### **B. Regulated Articles.**

- 1. Conveyances**, including trucks, railroad cars, and other containers used to move wheat, durum wheat, or triticale;
- 2. Grain elevators/equipment/structures** used for storing and handling wheat, durum wheat, and triticale;
- 3. Milling products or byproducts**, except flour;
- 4. Plants, or plant parts**, including grain, seed, or straw of all varieties of the following species: wheat (*Triticum aestivum*), durum wheat (*Triticum durum*), and triticale (*Triticum aestivum* x *Secale cereale*);
- 5. Root crops with soil**;
- 6. Soil from areas where field crops are produced**;
- 7. Manure from animals** that have fed on wheat, durum wheat, or triticale;
- 8. Used bags, sacks and containers**;
- 9. Used farm tools**;
- 10. Used mechanized cultivating equipment**;
- 11. Mechanized harvesting equipment** (i.e., mechanized harvesting equipment used in the production of wheat, durum wheat, and triticale that test positive from Karnal bunt);
- 12. Used seed conditioning equipment** (i.e., equipment that has been used in the production of wheat, durum wheat, and triticale);

**13. Used mechanized soil-moving equipment;** and

**14. Any other product, article or means of conveyance** when

**a.** An inspector determines that it presents a risk of spreading Karnal bunt due to its proximity to an infestation of Karnal bunt; and

**b.** The person in possession of the product, article, or means of conveyance has been notified that it is regulated.

**C. Quarantined Areas.**

**The following areas are designated as quarantined areas:**

**Arizona**

**La Paz** Portions of the county.

**Maricopa County** Portions of the county.

**Pinal County** Portions of the county.

**California Riverside County** Portions of county in the Palo Verde Valley.

**Changes Designed to Help Small California-Based Fleets and Owners**

**California Air Resources Board**

~~~~~

FOR IMMEDIATE RELEASE

May 19, 2010

Contact: Mary Salas Fricke

(916) 322-2990

\$28 million funding assistance program is expanded to help more independent truckers.

Changes are designed to help small California-based fleets and owners.

SACRAMENTO - The Air Resources Board approved changes to an existing \$28 million financial assistance program this week that will significantly help more California independent truckers qualify for the purchase of a cleaner-running vehicle.

The changes made to the statewide Voucher Incentive Program, also known as the VIP, will make funding available to a larger variety of trucks that will help owners comply early with the statewide truck and bus regulation passed in 2008. VIP, which is part of the Carl Moyer air quality program, is a streamlined, diesel on-road voucher program that helps the small independent truck owner get a cleaner-running truck sooner.

"The board understands the need to expand our financial assistance programs and these changes give more small fleet and individual truck owners access to money to clean up their vehicles," said ARB Chairman Mary D. Nichols. "This will help a lot of small business owners

comply with the law, and also ensure we continue the state's efforts to fight pollution from diesel trucks and clean up the air."

The program is geared to help small California-based fleets replace their older, polluting trucks with newer, cleaner models.

Approximately \$28 million is available through the program to fund truck replacements or exhaust retrofits statewide.

Specific changes to VIP are:

- \* Medium heavy-duty trucks with a gross vehicle weight of 19,501 pounds and above now qualify. Previously, only heavy-heavy-duty trucks with a declared vehicle weight greater than 60,000 pounds qualified;
- \* Trucks with mileage as low as 15,000 miles per year are now eligible. Previously, a truck had to operate a minimum of 30,000 miles per year or consume 4,700 gallons of diesel fuel per year during the previous two years;
- \* High-mileage trucks can get up to \$45,000 in voucher money. Previously, the maximum amount of a voucher was \$35,000;
- \* Trucks with 2002 and older engines may qualify for a newer truck. Previously, only trucks with 1993 and older engines were eligible; and,
- \* New funding option of up to \$10,000 per truck for an exhaust retrofit.

Participating truck dealerships or retrofit installers can help business owners check eligibility and apply for a voucher.

Grants are made on a first-come, first-served basis and qualifying applications are reviewed and approved within five business days. For a list of participating dealerships and installers, go to:

<http://www.arb.ca.gov/msprog/moyer/voucher/dealerlist/dealerlist.htm>

VIP is part of the state's overall plan to cut toxic diesel emissions 85 percent by 2020. In December 2008, ARB adopted statewide clean truck and bus regulations to bring California closer to meeting federally mandated air-quality standards and deadlines. California is currently working toward meeting clean-air standards for ozone and particulate matter emissions.

For additional program information, see [www.arb.ca.gov/msprog/truckstop/truckstop.htm](http://www.arb.ca.gov/msprog/truckstop/truckstop.htm):

or call ARB's diesel hotline at 1-866-6DIESEL.

The Air Resources Board is a department of the California Environmental Protection Agency. ARB's mission is to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy. The ARB oversees all air pollution control efforts in California to attain and maintain health based air quality standards.

### **U.S. Wheat Associates Summer Meeting Set for July in Bozeman**

~~~~~

U.S. Wheat Associates' 2010 summer meetings, including sessions of joint NAWG/U.S. Wheat committees on trade and biotechnology, are scheduled for July 10 to 12 at the Hilton Garden Inn in Bozeman, Mont.

The NAWG/U.S. Wheat Joint International Trade Policy and Joint Biotechnology Committees are scheduled to meet Saturday, July 10, along with separate sessions of other U.S. Wheat working groups and committees.

NAWG CEO Dana Peterson, a number of NAWG officers and NAWG representatives to the joint committees will attend the meetings.

More information on lodging and transportation and a draft agenda for the meeting are at [www.uswheat.org](http://www.uswheat.org) under "News and Meetings".

### **I Love Farmers; They Feed my Soul**

~~~~~

"I Love Farmers" is a nonprofit group of young agriculture students and farmers dedicated to their involvement in the next generation of farming and agricultural business. They have given farming a fresh and exciting look and are engaged in social media communication and overall promotion of the importance of farmers.

To make donations and or find out more about their mission check out their website at:

[ilovefarmers.org](http://ilovefarmers.org)