



California Association of Wheat Growers

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## Newsletter

April 9, 2010

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In This Issue

[Annual Meeting of CAWG](#)

[Ag Appropriations Subcommittee Meets on Farm, Trade Programs](#)

[U.S. Wheat Industry Welcomes Positive Step Forward on Brazil Trade Dispute](#)

[All Wheat Acreage Down 9%](#)

[Second and Sixth Circuit Courts in Some Conflict on Pesticide Issue](#)

Annual Meeting of the California Association of Wheat Growers

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The 2010 Annual Meeting of the California Association of Wheat Growers will be held at 9:00am on April 15, 2010, at the CAWG office, 1521 I Street, Sacramento, CA. All CAWG members are encouraged to attend. If you have questions, or to RSVP, please call CAWG at 916/492-7066.

### NAWG Farm Bill Survey

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A Farm bill survey being conducted by NAWG was distributed by the CAWG office on April 9, 2010 via email. For those members that receive this newsletter via U.S. mail a survey has been enclosed with this newsletter.

We are requesting your participation in this survey to initiate the development of farm policy for the 2012 Farm Bill. If you have any questions regarding this survey please contact the CAWG office at: 916-492-7066.

There are two methods by which you can complete these surveys.

- 1) Online - www.surveymonkey.com/s/NAWGDataMining will direct you to the

- survey automatically and tabulate your responses within the system.
- 2) Hard Copy version (enclosed).

The preferred method of completion is online. However, if you complete the survey using the word document, please send your surveys to the CAWG office at: **1521 I Street, Sacramento, CA 95814 by April 20, 2010.**

U.S. Wheat Industry Welcomes Positive Step Forward on Brazil Trade Dispute

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The following is a statement from the National Association of Wheat Growers and U.S. Wheat Associates:

"The U.S. wheat industry is very pleased that the U.S. and Brazilian governments have been able to identify a process for negotiating a settlement in the World Trade Organization (WTO) dispute between our two countries. Brazil recently won the right to impose countermeasures against U.S. trade and planned to increase U.S. wheat tariffs to 30 percent from 10 percent today as part of its response. Yesterday's agreement ensures that U.S. producers will remain competitive in one of the world's largest wheat markets.

"The demonstrated willingness of the Brazil and U.S. governments to begin in good faith to negotiate a settlement is very encouraging. In particular we commend the efforts of Under Secretary Jim Miller, Ambassador Miriam Sapiro and Ambassador Isi Siddiqui in achieving this outcome, and we look forward to working with them and Members of Congress as discussions on this issue continue."

### **All Wheat Acreage Down 9%**

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The latest [USDA Prospective Plantings report](#) wasn't much of a surprise, as wheat acres remained down substantially. All wheat planted area is estimated at 53.8 million acres, down 9% from 2009. The 2010 winter wheat planted area, at 37.7 million acres, is 13% below last year but up 2% from the previous estimate.

The bearish news in the corn and soybean reports immediately slashed the wheat market by more than 21¢, down to \$4.64/bu. in Chicago. Kansas City wheat dropped about 17¢ to \$4.73.

The direction of the market remained depressed Thursday and Friday, providing further evidence that wheat prices, although still highly volatile, are likely to remain under pressure into late spring.

Of total wheat acres, about 28.3 million acres are hard red winter, 6 million acres are soft red winter and 3.4 million acres are white winter. Area planted to other spring wheat for 2010 is estimated at 13.9 million acres, up 5% from 2009. Of this total, USDA says about 13.3 million acres are hard red spring wheat. Durum planted area for 2010 is estimated at 2.22 million acres, down

13% from the previous year.

"The big decline in wheat acreage is really coming from the fall-seeded crops," says Chris Hurt, [Purdue University Extension](#) economist. "Two things are going on there. One was very low returns and poor prices for wheat prospects and, secondly, extremely wet weather for the harvest season in 2009. We just didn't get the wheat in the ground."

To view the full article click the following link: cornandsoybeandigest.com/eWheat/wheat-acreage-down-0402/

Second and Sixth Circuit Courts In Some Conflict on Pesticide Issue

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The Second and Sixth Federal Circuit Courts appear to be in conflict on regulation of pesticide applications following a Second Circuit decision handed down March 30 in the *Peconic Baykeeper vs. Suffolk County Department of Public Works* case.

According to information out this week from CropLife America and RISE, the crop protection product trade associations, that decision did not endorse the analysis used by the Sixth Circuit in the case *National Cotton Council v. Environmental Protection Agency*, which was decided in 2009 and said pesticide discharge is a point source of pollution subject to additional regulation and permitting under the Clean Water Act. The Second Circuit decision in fact affirmed that pesticide applications made in accordance with the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) and EPA's 2006 National Pollutant Discharge Elimination System (NPDES) Rule - existing law and regulation - are lawful.

The organizations said that the decision did not address whether a pesticide applied to water is a pollutant and did not endorse the Sixth Circuit's reasoning on that issue. However, the three-judge panel did rule the pesticide applications at issue in this case were "from a point source," as defined by the Clean Water Act, though the Second Circuit refused to follow the reasoning in *National Cotton Council*.

The Second Circuit also vacated a judgment by a lower court which said Suffolk County's mosquito control applications were in compliance with the pesticide product labels. That issue was sent back to the lower court for further review.

Importantly, the Second Circuit held that applications under the auspices of EPA's rule and applied in compliance with an EPA-approved FIFRA label is lawful as long as the rule remains in effect. The Second Circuit Court ruling also notes that nothing changes the EPA rule until the stay currently in place related to the Sixth Circuit ruling is lifted. These facts effectively mean that the use of crop protection products vital to agricultural production and public health is not in immediate danger.

The Sixth Circuit decision has been alarming for many in agriculture because it could require producers to obtain additional permitting for every crop protection application. The logistics of carrying this out are harrowing for EPA, state agencies and producers alike, prompting the Court to issue a two-year stay of the decision to give regulators a chance to figure out how to apply it.

CropLife and RISE pointed out that the conflicting court decisions emphasize the need for

Congressional oversight. NAWG will continue to work with both organizations, EPA and other coalition partners to gain more information about these decisions and the path forward to ensure that needed products are available for ag uses in a timely and efficient manner.