



# California Association of Wheat Growers

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## Newsletter

July 15, 2011

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### Upcoming Events

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**Wednesday, August 31, California Association of Wheat Growers and California Wheat Commission Board of Directors Meetings.**

o **Location: California Farm Bureau Federation, 2300 River Plaza Drive  
Sacramento, CA 95833**

### Interested Parties - Water Board Schedules a Workshop on Agricultural Water Use

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The Water Board released the agenda for next month's workshop on agricultural water use efficiency. The workshop will be held Wednesday, July 20, in Sacramento and will focus on trends, challenges and opportunities to improve efficiency. The workshop will also be available on webcast. For more information, see the agenda link below:

[http://www.waterboards.ca.gov/board\\_info/agendas/2011/jul/agenda\\_agwateruse.pdf](http://www.waterboards.ca.gov/board_info/agendas/2011/jul/agenda_agwateruse.pdf)

## CA Wheat Commission to Conduct Grower Elections

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- News Release -

FOR IMMEDIATE RELEASE:      CONTACT: Cymantha Fredrickson  
July 01, 2011      (530) 661-1292

### WHEAT COMMISSION TO CONDUCT GROWER ELECTIONS

Woodland, CA---In August 2011, the California Wheat Commission will conduct district elections for the positions of Commissioner and Alternate Commissioner for five California districts: District 2 - Butte, Colusa, Glenn, and Lake Counties, District 4 - Solano and that portion of Sacramento County lying southwest of River Road and Road J-11, District 6 - Merced & Madera Counties, District 9 - Kern County, and District 11 - San Bernardino, Riverside, San Diego, Los Angeles and Ventura Counties. The term of office for Commissioners and their Alternates is three years.

Involvement in the California Wheat Commission enables California producers to take a more active role in national wheat organizations and wheat policymaking bodies. A qualified producer member or alternate is defined as any person who is engaged within this state in the business of producing wheat for market during any of the preceding three marketing seasons, and who must reside or conduct farming operations in the district in which the election is to be held.

Interested individuals are encouraged to contact the California Wheat Commission to obtain a nomination petition. Petitions are also available via the Commission's website (see quick links below) in the News/Info section. To be included on the ballot, completed nomination petitions must be returned to the Commission no later than July 20, 2011.

*Wheat growers voted to establish the California Wheat Commission in 1983, expressly to develop and maintain domestic and international markets for California wheat and support research that improves California wheat quality and marketability. The Commission, operating under the California Food and Agriculture Code, is funded by wheat growers and is guided by a board which includes thirteen wheat producers, two handlers, two at-large members, and one public member -- each with alternates*

### ITRC OFFERS IRRIGATION CLASSES

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The following classes are available for persons interested in irrigation through the Irrigation Training and Research Center (ITRC):

#### DESIGNER/MANAGER SCHOOL OF IRRIGATION

( <http://www.itrc.org/classes/desmgr.htm> )

- Basic Soil, Plant & Water Relationships - August 2, 2011
- Irrigation Scheduling, Salinity & Drainage - August 3-4, 2011
- Basic Pipeline Hydraulics I - August 8, 2011
- Basic Pipeline Hydraulics II - August 9, 2011
- Pumps I - August 10, 2011
- Pumps II - August 11-12, 2011
- Chemigation - August 11, 2011
- Row Crop Drip Irrigation - August 15, 2011
- Drip/Micro Irrigation Design - August 16-18, 2011

To register for any ITRC classes, please visit <http://www.itrc.org/classes.htm> or call Coral Norris at (805) 756-2434.

## **Wheat Outlook FROM Economic RESEARCH SERVICE:**

### **Higher Supplies ARE More THAN Offset by HIGHER Usage, LOWERING Stocks**

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U.S. wheat supplies for 2011/12 are raised 90 million bushels as higher carryin and production more than offset reductions in imports and higher use. Beginning stocks are raised 52 million bushels, mostly reflecting higher estimated carryout for 2010/11 as reported in the June 30 *Grain Stocks* report. Production for 2011/12 is forecast at 2,106 million bushels, up 48 million from last month as higher winter wheat production and higher forecast yields for durum and other spring wheat more than offset lower area as estimated in the June 30 *Acreage* report. Partly offsetting is a 10-million-bushel reduction in projected imports with lower expected supplies in Canada.

U.S. wheat usage for 2011/12 is raised with a shift in expected seed usage from 2010/11 and higher expected exports compared with last month. Seed use for 2011/12 is raised 7 million bushels as late planting in the Northern Plains shifted seed usage for the 2011 crop into the 2011/12 marketing year, which began June 1. Exports are raised 100 million bushels with larger domestic supplies and reduced competition expected from Canada. Ending stocks are projected 17 million bushels lower at 670 million. While ending stocks remain adequate for most classes of wheat, durum stocks are projected to be especially tight with sharply lower area and production this year. The 2011/12 season-average farm price for all wheat is lowered 40 cents on each end of the projected range to \$6.60 to \$8.00 per bushel, mostly reflecting the sharp drop in projected corn prices this month.

U.S. and Russian export prospects for 2011/12 are boosted due to increased supplies and reduced competition. Global wheat production for 2011/12 is projected to decline this month 1.9 million tons, following a 3.2-million-ton projected drop in foreign production that more than offsets a 1.3-million-ton increase in U.S. wheat output. Canadian wheat production is cut by 3.5 million tons to 21.5 million this month, reflecting a 14-percent reduction in seeded area. Wheat production in Ukraine is projected down 1.0 million tons this month to 18.0 million. The reductions are partly offset by increased wheat production in Turkey and the EU-27. Foreign wheat use is projected up 2.8 million tons to 636.3 million. Projected world ending stocks are down 2.1 million tons this month to 182.2 million.

For Full report [CLICK HERE!](#)

## **Trade Deals STILL Stuck on WORKER Assistance, DEBT Deal Debate**

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The continuing battle over reauthorization of the federal Trade Assistance Act (TAA) and the lack of attention paid by key Senators caught up in the debt ceiling negotiations has pushed Senate ratification of trade deals with Korea, Panama and Colombia to the sidelines. The biggest hang up is how to reauthorize TAA, a 50-year-old program that provides federal wage and health care assistance to U.S. workers negatively impacted by U.S. bilateral trade agreements. Supporters of TAA not only want to reauthorize the program, but expand it and the billions of dollars this double action would cost is getting debt negotiator attention. At the same time, the process battle in the Senate centers on whether one of the pending deals - likely the Korean pact - will carry the TAA action, or whether it should be handled as a separate floor issue. Sen. Orrin Hatch (R, UT), ranking member of the Senate Finance Committee, opposes attaching TAA to the Korean deal because it sets a precedent for similar legislative action on future trade considerations. Earlier this week, Hatch sent a letter to House and Senate tax writers urging them to hold a "mock conference committee" on the Korean trade treaty and related issues in hopes of breaking the impasse. Also at issue is Senate Minority Leader Mitch McConnell's 11<sup>th</sup>-hour demand that the White House and Senate Democrats agree to extend fast-track trade negotiating authority for the President.

## **CALIFORNIA RELIES on MIXED BAG for HANDLING GROUNDWATER RESOURCES**

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*Donna Hesterman, Stanford University*

In a typical year, California gets about 30 percent of its water from groundwater wells. Yet when it comes to managing this precious resource, the state of California relies on a mixed bag of more than 2,000 local water agencies with varying degrees of authority.

Critics say that this decentralized system leaves the state vulnerable to overdraft, which occurs when water is pumped out faster than replacement water is absorbed. But according to a new report published by Stanford University's [Program on Water in the West](#), a surprising number of local water districts are taking on the challenge of groundwater protection, even without state leadership.

"Contrary to popular expectations, our report uncovers a treasure trove of innovative strategies for groundwater management in California," said the paper's author, Rebecca Nelson, a former Australian water lawyer who is now a graduate student in the Stanford Law School.

"The California legal framework for groundwater management is weak," Nelson said. "It doesn't compel local districts to do anything, so many of them don't. But there are these gems in the rough. This report highlights the work of some of these outstanding managers."

### **Statewide survey**

To evaluate how well groundwater is managed in California, Nelson first had to overcome the lack of basic information about groundwater management in the state. Because California lacks a centralized data clearinghouse, she had to contact more than 50 local districts and request copies of their groundwater management plans - if they had any. "Maybe on two hands you could count the districts that acknowledge the environmental effects of over-pumping," Nelson said.

This lack of statewide data is a problem not only for researchers but also for local water agencies wishing to learn from each other and develop a comprehensive regional strategy, she said.

Despite California's inherent decentralization, the survey revealed that some local districts are making advances on a number of fronts, including conservation and transparency. Nelson found that several water agencies are developing effective conservation strategies without state mandate. The Mendocino City and Soquel Creek water districts, for example, have opted to limit pumping by issuing permits and charging fees, much like those used to manage rivers, reservoirs and other surface waters.

To balance their water budgets, some districts are shifting their focus from water-supply augmentation to water-demand reduction. It's a politically risky approach, Nelson said, because most districts are governed by elected boards, and telling constituents that they no longer have unlimited access to groundwater could jeopardize a board member's re-election campaign.

Transparency has been another historic problem, she said: "Groundwater agencies are protective about their local information, because they fear that the state will intervene if it learns too much about local problems."

But in the survey, Nelson discovered that some agencies have begun to overcome this lack of transparency by forming new, unexpected partnerships. For example, the Northeastern San Joaquin County Groundwater Banking Authority in California's farm-rich Central Valley has decided to include environmental organizations in its groundwater management planning process. "It doesn't happen often that an agricultural district will bring in a group like the Sierra Club, but it's great when it does," Nelson said.

**Critical overdraft**

A trained engineer, Nelson worked as in-house counsel for an interstate river basin commission in her native Australia before coming to Stanford to pursue a doctorate in law. She soon discovered that over-pumping had already caused serious problems in parts of California, where 11 groundwater basins suffer from critical overdraft.

"Years of groundwater siphoning can pose a variety of critical challenges," said Buzz Thompson, professor of law and co-director of the Woods Institute for the Environment at Stanford. "As groundwater tables fall, for example, the cost of pumping water to the ground increases. Ultimately groundwater use can become uneconomic."

Subsidence is also a serious issue, said Thompson, noting that parts of the Central Valley have sunk 30 feet or more as a result of groundwater overdraft. "Overdrafting of groundwater can also reduce flows in hydrologically connected rivers and, in the case of coastal aquifers, lead to saltwater intrusion," he added.

**State vs. local**

The current system for managing groundwater in California evolved through a series of court battles between landowners over well rights dating back to the 1800s. Today, California is almost unique in having no statewide legislation providing for management of groundwater use.

Some experts recommend that a comprehensive strategy should be developed at the state level. But that's unlikely to happen, said Nelson, noting that many groundwater users will oppose new state regulations that could chip away at their water rights.

Ultimately, Nelson hopes that her report will inspire water management districts to collaborate and create a comprehensive plan that makes sense for the entire state.

"The homegrown innovations uncovered by this report point the way forward for local agencies to better manage groundwater in California, and the way towards an updated and improved state policy structure to encourage them to do so," she said.

The Program on Water in the West is jointly run by the Woods Institute and The Bill Lane Center for the American West at Stanford. Nelson is also lead researcher with the Comparative Groundwater Law and Policy Program, a collaboration between the Program on Water in the West and the United States Studies Centre at the University of Sydney.

**Governor BROWN Announces APPOINTMENTS**

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7-12-2011

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

Ken Pimlott, 45, of Cameron Park, has been appointed director of the California Department of Forestry and Fire Protection (CAL FIRE). He has served in multiple resource management and fire protection positions with the department since 1993 and has served as acting director since 2010. Pimlott began his career as a seasonal fire fighter in 1987 and is a Registered Professional Forester. This position requires Senate confirmation and the compensation is \$167,664. Pimlott is registered decline-to-state.

Matt Rodriquez, 58, of Castro Valley, has been appointed secretary of the California Environmental Protection Agency (CalEPA). Rodriquez has served with the California Department of Justice since 1987, currently serving as chief deputy attorney general and chief assistant attorney general. As a deputy attorney general from 1987 to 1999, he represented the Attorney General and clients of the Land Law Section of the Attorney General's Office,

including the California Coastal Commission, State Lands Commission, and the San Francisco Bay Conservation and Development Commission. As a senior assistant attorney general from 1999 to 2008, Rodriquez oversaw the Land Law Section of the Attorney General's Office and as a chief assistant attorney general since 2008 he has overseen the Public Rights Division of the Attorney General's Office. Prior to joining the California Department of Justice, Rodriquez was deputy city attorney for the City of Hayward from 1985 to 1987, assistant city attorney for the City of Livermore from 1983 to 1985, associate program analyst for the Governor's Office of Planning and Research from 1981 to 1983, and graduate student assistant for the California Coastal Commission from 1979 to 1981. This position requires Senate confirmation and the compensation is \$175,000. Rodriquez is a Democrat.

## "FOOD for THOUGHT"

### **From TIME Magazine: Want to Make More than a Banker? Become a Farmer!**

By Stephen Gandel / Grand Island

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If you want to become rich, Jim Rogers, investment whiz, best-selling author and one of Wall Street's towering personalities, has this advice: Become a farmer. Food prices have been high recently. Some have questioned how long that can continue. Not Rogers. He predicts that farming incomes will rise dramatically in the next few decades, faster than those in most other industries - even Wall Street. The essence of his argument is this: We don't need more bankers. What we need are more farmers. The invisible hand will do its magic. "The world has got a serious food problem," says Rogers. "The only real way to solve it is to draw more people back to agriculture."

It's been decades since the American heartland has been a money pump and longer since farming was a major source of employment. Old rural towns have emptied as families - and the U.S. - have moved on. Technology, service jobs and finance have been the basis of the economy since at least the 1980s. Farming became the economic equivalent of a protected species - supported by a mix of government handouts, lax regulation (agriculture is one of the few industries shielded from certain child-labor laws) and charity concerts.

But in the past few years, thanks to a wealthier (and hungrier) emerging-market middle class and a boom in biofuels, the business of growing has once again become a growth business. At a time when the overall economy is limping along at an anemic growth rate of 1.9%, net farm income was up 27% last year and is expected to jump another 20% in 2011. Real estate prices in general are again falling this year. But according to the Federal Reserve, the average farm has doubled in value in the past six years. Farmland is quickly emerging as one of the year's hottest investments on Wall Street. "We've been doing this for a number of years, long before anyone thought this was sexy," says Jeff Conrad, who heads Hancock Agricultural Investment Group. "Now we are getting a lot of calls, and we are noticing more competition. There's a lot of interest in New York."

These days, a trip to Grand Island, Neb., a city of 48,500 surrounded by farms, is a trip to an economic bizarre land. Business is booming. None of the half-dozen or so local banks in town have failed or even come close to failing. In fact, profits are up. "A lot of local banks are sitting with a lot of cash," says Colby Collins, Grand Island branch manager for Five Points Bank. The largest local manufacturing plant, which makes combine harvesters, is at full capacity. Case IH plant manager Bill Baasch has hired 130 workers in the past nine months. Sales at Global Industries, a company based in Grand Island that makes grain-storage bins and other building materials, are up 130% since 2003. Tom Dinsdale, who owns the local General Motors car dealership, says 2010 was the best year he's ever had. Customers who would normally buy a Chevy Suburban are buying a Cadillac Escalade. Dinsdale is adding an infinity pool to his nearby riverfront second home. "Business is good," he says.

Even housing has done well in the past few years. Realtor Lisa Crumrine says her office has sold 48 homes in Grand Island in 2011 and that prices are up slightly. Greg Baxter, a cattle rancher and real estate developer, says he has sold six lots so far this year in a development just off Grand Island's commercial strip. Local homebuilders

are busy constructing custom homes on the properties. That's one reason Nebraska's unemployment rate is 4.1%, the second lowest in the country behind that of mining-heavy North Dakota. Iowa's unemployment rate is a slightly higher 6%, still far lower than California's 11.7%, New York's 7.9% or the national average of 9.1%.

Even with the recent uptick, however, agriculture accounts for only 1% of U.S. GDP. Add in all those other things that are part of the farm economy - tractors, fertilizer, seeds - and you still get to only about 4%. That's smaller than real estate - about 13% - and far smaller than the nation's service sector, which makes up about 70% of the economy. As Jamie Dimon, head of JPMorgan Chase, tells TIME, "We don't make up what we lose to the world in buying oil by selling them corn."

But some experts believe agriculture can do more to fuel job growth. Chuck Fluharty of the Rural Policy Research Institute at the University of Missouri sees a possible renaissance in farm towns. As money flows back into those areas, he predicts, farmers will need somewhere to invest. As they did with ethanol, he says, farmers will put their money in new industries that will create uses for their crops, like biodegradable plastics or other kinds of biofuels. The result will be more jobs. "Agriculture is the most critical story in our economy today," says Fluharty. "It will affect the future of the world."

**Read more:** <http://www.time.com/time/magazine/article/0,9171,2080767,00.html#ixzz1SDcCljXH>