



California Association of Wheat Growers

Newsletter

September 16, 2016

**Thank you for your commitment to
the future of agriculture and our membership.**

California Wheat Collaborator Meeting

Save the Date

The annual California Wheat Collaborator Meeting will be held on **Wednesday, October 12th, 2016** at the U.C. Davis Buehler Alumni Center located across the arboretum from Mark Hall and next to the Mondavi Center, Davis California. Please mark your calendars and Save the Date.

National Association of Wheat Growers Update

The California Association of Wheat Growers is an active member of the National Association of Wheat Growers. We continue to invest in, and find the value in having a full time Washington D.C. presence through our membership in NAWG. The key issues of which NAWG serves the California Wheat industry in their advocacy efforts include federal issues surrounding WOTUS; Federal funding of wheat research; the Clean Water Act; Farm Bill policy; and trade policy. Please find several updates from NAWG.

NAWG Continues to Push for Market Access to Cuba

Yesterday, the National Association of Wheat Growers (NAWG) submitted testimony to the House Committee on Agriculture leadership, Chairman Conaway and Ranking Member Peterson, in regards to the House Committee on Agriculture hearing on American Agriculture Trade with Cuba. The hearing was held to provide interested parties the opportunity to expand on their opinions regarding opening the Cuban market for American farmers, ranchers and businesses. NAWG also signed on to testimony submitted by the U.S. Agriculture Coalition for Cuba, a coalition consisting of a range of agricultural commodity and farm member organizations, of which NAWG is a member.

As a member of the USAAC, NAWG supports the elimination of trade barriers with Cuba, because Cuba represents a large market for American wheat exports, and current financing restrictions complicate trade channels between the U.S. and Cuba. The current financing restrictions require Cuban buyers of U.S. agricultural products to pay cash in advance or finance the transaction through third-country banking institutions.

"These restrictions put U.S. wheat farmers at a global disadvantage as other foreign competitors usurp market shares, offering more favorable credit terms," said NAWG President Gordon Stoner. "It is important that NAWG continues to work with Congress to fight for American wheat growers' right to fair market access."

NAWG's comments on this issue emphasize that these financing restrictions should be one focus of discussions revolving around the economic value of Cuba as a trading partner and barriers that remain. It is crucial that Congress acts to reject any language that would reverse or hinder the U.S. wheat industry's ability to compete with other countries currently utilizing Cuba as a trading partner.

NAWG Participates in Field to Market Committee Meetings

NAWG Vice President David Schemm was in D.C. this week to participate in the Field to Market Awards and Recognition Committee. This committee focuses on efforts to recognize growers that are participating in agriculture sustainability "field print" projects using the [FieldPrint Calculator](#). Field to Market, the Alliance for Sustainable Agriculture brings together grower organizations, conservation groups, agricultural input suppliers, cooperatives, food companies and retailers to address agriculture supply chain sustainability issues. NAWG Environmental Policy Advisor Keira Franz participated in the Verification Committee that is focused on developing verification requirement for sustainability claims associated with supply chain sourcing. David Schemm is also on the Board of Directors of Field to Market.

NAWG CEO Discusses Wheat's Priorities with Congressional Ag Leadership

This week, NAWG CEO Chandler Goule met with House Agriculture Committee Chairman Mike Conaway (R-TX), House Agriculture Committee Ranking Member Collin Peterson (D-MN), and Senate Agriculture Committee Chairman Pat Roberts (R-KS) to discuss the difficult economic conditions in wheat country and NAWG's policy priorities. NAWG Vice President David Schemm was in town for part of the week and joined Goule for his meeting with Chairman Roberts. They highlighted the historic dip in wheat prices; the fact that loan rates have been triggered resulting in the availability of Loan Deficiency Payments for the first time in years; the [announcement of the enforcement action](#) USTR initiated this week against China's domestic support programs for wheat, corn, and rice; and trade with Cuba. Additionally, Goule briefed the leaders on NAWG's efforts to develop wheat's priorities for the next Farm Bill, including an overview of [NAWG's Farm Bill survey](#), which has already garnered 250 responses.

Congressional Hearings Covering the Ag Economy

On Thursday, September 15, the Senate Agriculture Committee held a [hearing](#) with the two nominees for the Commodity Futures Trading Commission (CFTC): [Chris Brummer](#) and [Brian Quintenz](#). Though neither nominee has a specific background in agriculture policy, they did receive bipartisan support from committee members throughout the hearing. Their testimony and video of the hearing can be found at the links above.

Next week there will be several other hearings of interest to wheat farmers. The Senate Judiciary Committee, chaired by Senator Charles Grassley (R-IA), will be holding a [hearing](#) on Tuesday, September 20, at 10:00 a.m. eastern exploring consolidation and competition in the seed and chemical industries. Witnesses will include senior leadership from DuPont, Dow AgroSciences, Syngenta, Bayer CropScience, and Monsanto as well as the American Antitrust Institute, American Farm Bureau Federation, National Corn Growers Association, and the National Farmers Union. This hearing follows several recent proposed mergers and acquisitions involving these major seed and chemical companies. Agricultural groups were also invited to testify to discuss their perspectives on what the farmer impact could be of such consolidation. Additionally, the Senate Agriculture Committee will be [meeting](#) on Wednesday, September 21, at 10:00 a.m. eastern time to hear from USDA Secretary Tom Vilsack about the current state of the farm economy. No other witnesses are slated to

testify.

Wheat Growers Participate in Chesapeake Bay Event

NAWG Board Member and Poolesville, MD farmer Eric Spates and US Wheat Chairman and Stevensville, MD farmer Jason Scott participated in an event with USDA Secretary Vilsack and NRCS Chief Jason Weller to discuss the adoption of conservation practices on agricultural operations in the bay. Last week, the USDA Natural Resources Conservation Service (NRCS) released a Chesapeake Bay Progress Report, highlighting the investments in voluntary conservation by the federal government, states and individual farmers. Since 2009, USDA has invested \$900 million in targeted conservation in the bay, and that investment is frequently matched by individual farmers through their portion of a cost-share to implement conservation practices. States, like Maryland also offer conservation programs such as the Maryland Cover Crop Program

http://mda.maryland.gov/resource_conservation/Pages/cover_crop.aspx to provide conservation assistance to growers. USDA assessments found that 99% of agricultural acres in the bay have at least one conservation practice installed and those buffer strips, cover crops, reduced tillage and nutrient management efforts are having positive impacts on the health of the bay. The water quality, wildlife and underwater ecosystems in the bay are showing improvements in recent years. NAWG supports voluntary conservation efforts in the Bay and across the country and welcomed the opportunity to participate with USDA to highlight conservation efforts of farmers in the Bay.

U.S. Wheat Associates Update

U.S. Wheat Associates (USW) is the industry's market development organization working in more than 100 countries. Its mission is to "develop, maintain and expand international markets to enhance the profitability of U.S. wheat producers and their customers." USW activities are funded by producer checkoff dollars managed by 18 state wheat commissions and USDA Foreign Agricultural Service cost-share programs. For more information, visit www.uswheat.org or contact your state wheat commission.

Wheat Growers Welcome Trade Enforcement Action on Chinese Market Support Programs

ARLINGTON, Virginia - U.S. Wheat Associates (USW) and the National Association of Wheat Growers (NAWG) welcome the Obama Administration's new trade enforcement action against China at the World Trade Organization (WTO). The significant investigative effort by the Office of the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA) followed five years of work by USW, NAWG and other industry partners to demonstrate how China's domestic support policies hurt U.S. farmers.

This enforcement action challenges the level of China's trade-distorting market price support programs for wheat as well as for corn and rice. In describing its action, USTR said "the level of support provided through these programs in excess of China's commitment was nearly \$100 billion."

These programs cost U.S. wheat farmers between \$650 and \$700 million annually in lost income by pre-empting export opportunity and suppressing global prices, according to a 2016 Iowa State University study sponsored by USW. That loss estimate is actually 19 percent more than the losses estimated by a similar 2015 study due to the effect of increasing global stocks and resulting market price decline.

"Wheat production subsidies in China and other advanced developing countries are the single biggest policy issue affecting our farm gate prices and global trade flows," said USW President Alan Tracy. "In

taking this step, USTR and USDA are demonstrating that trade enforcement can ensure that our many trade agreements and a pro-trade agenda really work for American farmers."

"This enforcement action shows a welcome willingness to defend farmers against governments that blatantly disregard the rules of the road under their trade agreements," said NAWG President Gordon Stoner, a wheat grower from Outlook, MT. "It comes at a critical time for farmers who have seen market prices collapse to unsustainable levels in recent years."

A 2014 study by DTB Associates, also sponsored by USW, showed that China's minimum procurement price of about \$10 per bushel for wheat, in addition to other subsidies, violates China's WTO commitments. That market price support is so high that the Chinese government has to purchase and store enormous stocks of domestic wheat. As a result, USDA estimates that by June 2017, China will hold 44 percent of the world's wheat stocks, which will be at record levels and further depress market prices. This also hurts Chinese flour millers who are forced to purchase overpriced domestic wheat from these stocks and hurts their customers who pay more for the flour.

Noted Iowa State University agricultural economist Dr. Dermot Hayes conducted the 2015 and 2016 studies of domestic support effects. In reviewing the 2016 study results, which compared a base case including China's current support to a new scenario in which the factors represented by China's policies were removed, Dr. Hayes said farmers there would grow less wheat because domestic prices would fall and input costs would increase.

"In our comparison, that would benefit farmers in the United States and other wheat exporting countries as China would need to increase its imports to more than 9 million metric tons," Dr. Hayes said. "The corresponding lift in wheat exports would increase U.S. farm income from wheat by 19 cents per bushel."

"China may try to cloak its market price support as necessary to achieve self-sufficiency in wheat production, but this does not justify ignoring its trade commitments," said Tracy. "Trade plays a vital role in food security, as no country can truly be self-sufficient in food production. The studies we have sponsored clearly show that eliminating its expensive market price support programs and letting the market work to meet their wheat needs would reduce the cost of food for Chinese consumers."

"Trade agreements cannot meet their promise if other countries ignore the rules, no matter if the agreements are multilateral, bilateral or regional like the Trans-Pacific Partnership," said Stoner. "That TPP has improved enforcement mechanisms is one more reason we strongly support its passage. Our grower organizations fully support this new trade enforcement action with China, and we will continue to work with our government and industry partners to address other trade distorting issues."

USW and NAWG have posted the Iowa State studies online at <http://bit.ly/1XPLrLo> and <http://www.wheatworld.org/issues/trade/>.

For results of two DTB Associates studies measuring domestic support in advanced developing countries, visit www.dtbassociates.com/docs/DomesticSupportStudy11-2014.pdf and www.dtbassociates.com/docs/domesticsupportstudy.pdf.

For a third party analysis of individual policy measures by country, visit <http://www.oecd.org/tad/agricultural-policies/producerandconsumerssupportestimatesdatabase.htm#country>.

USW's mission is to "develop, maintain, and expand international markets to enhance the profitability of U.S. wheat producers and their customers." USW activities in more than 100 countries are made possible through producer checkoff dollars managed by 19 state wheat commissions and cost-share funding provided by USDA/Foreign Agricultural Service. USW maintains 17 offices strategically located around the world to help wheat buyers, millers, bakers, wheat food processors and government officials understand the quality, value and reliability of all six classes of U.S. wheat. For more information, visit our website at www.uswheat.org.

Vilsack Begins Exit Tour with September 21 Senate Ag Committee Appearance

With about four and a half months left in the Obama Administration, one sure sign that the end is near is the increasing number of "lasts" reported, as in the last speech, last rulemaking, or last major committee testimony. This last event is Secretary of Agriculture Tom Vilsack's swan song when he appears for the last time before the Senate Agriculture Committee September 21, to talk about the state of the farm economy and how lawmakers can strengthen the next Farm Bill.

Vilsack, who periodically delivers his roundup of all things agriculture to the Senate panel, will talk about the need for "new tools" for both producers and USDA to be included in the next omnibus ag legislation. The secretary riled some lawmakers this week when he told the National Farmers Union (NFU) Washington, DC, fly-in that Congress needs to give him more flexibility when it comes to financial assistance to farmers and ranchers. He said he's used every tool he's got to help farmers - at times getting creative - and "I'll continue to do it until January 20, 2017. And then someone else is going to have to do it." He's also expected to talk about the Supplemental Nutrition Assistance Program (SNAP), and Grain Inspection Packers & Stockyards Administration (GIPSA) rulemakings.

Vilsack will no doubt be called out on his criticisms of the 2014 Farm Bill, a legislative approach he says that was more about saving money than helping farmers and rural America. Agri-Pulse quoted him this week telling NFU, "I have just one bit of advice on the Farm Bill. That is: Please, please, please, don't let folks on the Hill start the conversation like they did...which was 'Golly, let's see how much money we can save.' It's much better to start the conversation with 'What's the need out there?,' I think if you start out the conversation that way, then you can have a much more robust debate - a much more unified opportunity - for agriculture and rural American to speak with a single voice," ending the debate with a better Farm bill.

In other remarks to the NFU this week, Vilsack urged the group to tell Congress an appropriations rider that blocks him from using Commodity Credit Corp. (CCC) money to help farmers market crops needs to go away. He told the 275 producers they must convey to lawmakers what needs to be done to improve the income safety nets included in the Farm Bill. He said dairy farmers want changes in the Margin Protection Program (MPP) and cotton farmers still aren't happy with the Stacked Income Protection Plan (STAX), both new in the last omnibus bill.

Monsanto Board Says "Yes" to Bayer Offer; Grassley Merger Hearing Promises Fireworks

As the Monsanto board of directors gave the green light to Bayer's \$66-billion buyout offer this week

for the biotech giant's seed, biotechnology and precision agriculture businesses, Sen. Charles Grassley (R, IA) and his Judiciary Committee's September 20 hearing on the recent flood of mega-mergers in the ag input side of production agriculture promised even more fireworks than previously expected.

The Monsanto board approved Bayer's latest offer of \$127.50 per share, or \$56 billion, a bid about 18% above Monsanto's closing price last week. With debt, the total bid hits nearly \$66 billion.

The string of ag input company mergers has inspired a single message from both critics and supporters: It's all about research/development, price competition, product choice and anti-trust. All of the deals must not only pass Department of Justice anti-trust review, but because they involve multinational companies, some headquartered overseas, anti-trust approval must be won in the U.S., Canada, Brazil, Europe, Asia and elsewhere. Monsanto CEO Hugh Grant says the Bayer/Monsanto deal will be filed in about 30 different jurisdictions. The deal must also be blessed by the Committee on Foreign Investment in the U.S. (CFIUS) for national security implications. CFIUS cleared the ChemChina/Syngenta deal two weeks ago.

Both Bayer and Monsanto executives have gone out of their way to say the merger of the two companies will ultimately lead to reduction in redundancy, but also to an increase in research and development. Bayer said the combined company will have a \$2.5-billion research budget, about \$1 billion more than currently spent by Dow and DuPont, their nearest competitor. Monsanto says, "The real winner in this transaction is going to be the grower who is going to see more innovation."

The Grassley witness list includes Robert Fraley, Monsanto executive vice president and chief technology officer, and Jim Blome, president and CEO of Bayer Crop Sciences North America. Joining them will be executives of Dow and DuPont, also in merger talks, as well as Swiss agrichemical/seed giant Syngenta CEO Erik Fyrdal, whose company is the target of a ChemChina take-over bid. Also joining the corporate witnesses will be Bob Young, American Farm Bureau Federation (AFBF) chief economist, and representatives of the National Corn Growers Assn. (NCGA), the American Antitrust Institute (AAI) and the National Farmers Union (NFU).

Grassley says the Monsanto-Bayer deal, now the poster child for mega-mergers, increases his concerns about farmers losing competitive pricing and product competition when making input purchase decisions. Young stressed the need for the Justice Department, in reviewing the series of mergers, to take into account the business climate that's inspiring the series of corporate moves, explaining Justice needs to look at the mergers as a collective, not individually.

"Iowa farmers who I've spoken with are worried about rising input costs, especially in a weak agriculture economy," Grassley said. "As mergers continue to occur in the seed, agrochemical and fertilizer industries, federal anti-trust regulators must be ever more vigilant to ensure a robust competitive environment in this important sector."

NFU President Roger Johnson, whose members are in Washington, DC, this week for their annual congressional fly-in, said "Consolidation of this magnitude can't be the standard for agriculture, nor should we allow it to determine the landscape of our future. All mergers, he said, must be "put under the magnifying glass of the committee and the U.S. Department of Justice."

Sen. John Tester (D, MT), an organic farmer, said Justice should reject the merger outright because it will "reduce competition, suppress innovation and threaten the very fabric of rural life."

Some consumer activist groups are also leery of the mega-mergers, with Food & Water Watch saying this week such consolidation among input companies means there are ultimately going to be fewer options for consumers at the grocery store as farmers are paid less for crops and more pesticides are used. "It's past time for the Justice Department to do its job and enforce anti-trust measures to support healthy competition in the ag industry," the group said.

CR, Omnibus Should Carry USDA Farm Loan Language: Ag, Lending Groups

The continuing resolution (CR) to keep the government operating past September 30 should include new authority to USDA to make loans to farmers and ranchers in proportion to the number of producers who request them, says a letter sent to House and Senate ag appropriators as well as 15 national agriculture and ag lending groups this week.

There are currently more than 1,900 backlogged loan applications sitting at the Farm Service Agency (FSA), the groups wrote, and FSA is about \$215 million shy of being able to fill all loan requests as of October 1. The law says no new applications can be processed until the backlog is funded; a lot more loan requests are expected.

"When you factor in the existing loan backlog and the higher-than-previously anticipated demand on FSA loan programs due to lower commodity prices, FSA will likely run out of money during the CR period, just at a point when farmers need the program the most," wrote the American Farm Bureau Federation (AFBF), the National Farmers Union (NFU), the National Grange, the Independent Community Bankers of America, the National Rural Lenders Assn., the American Bankers Assn. (ABA), the Farm Credit Council (FCC), and others.

"We urge you to address the shortfalls in FY2016 and FY2017 so that producers who cannot be fully serviced by commercial credit under current price conditions, including beginning, historically underserved and veteran farmers and ranchers, can get the loans they need to stay in business," the groups wrote.

The groups want to see language patterned after the Small Business Administration's (SBA) 7(a) loan program. The organizations also want to see funding of USDA loan programs included in both the CR, and the "final appropriations bill...written for FY2017." In the latter, the groups want to see increased funding.

"We urge you to include additional funding for direct and guaranteed operating loans sufficient to address the FY2016 backlog, given clear signs that there will be increased demands on the program in the coming year," the groups said.

Obama White House Swings Big Club with WTO China Complaint over Corn, Rice, Wheat Subsidies

The U.S. this week called out China yet again for trade misbehavior, this time filing a complaint with the World Trade Organization (WTO) over China's excessive subsidies on corn, wheat and rice production and sales. The complaint is the 14th the Obama Administration has filed against China, the 23rd WTO trade complaint overall, and the White House proudly announced it has won every case filed so far.

This case is considered a "landmark" complaint designed to hold China to its commitments under various trade agreements. It alleges China's market price support program for the three commodities exceeded legal levels by more than \$100 billion just last year, and it is the first formal complaint filed against a pricing system under WTO rules," according to Ambassador Michael Froman, U.S. Special Trade Representative. He said the outcome of the WTO review will have a "systemic" impact on global trading.

"By distorting Chinese prices, these subsidies encourage Chinese farmers to increase production to the detriment of U.S. exporters of competitively priced corn, rice and wheat," Froman said. USTR contends the Chinese government has held domestic prices above world market levels since 2012, a level far above the 8.5% threshold it set on the three crops when it joined the WTO. The country is also guilty of failing to notify the WTO of its price support actions, USTR said.

However, some analysts argue China's subsidy system has actually been a boon to exports. The second largest world economy has spent the last year dismantling its corn subsidy program. However, it's that program which placed domestic corn prices at a premium to global prices, increasing overseas corn purchases by Chinese companies.

The announcement of the complaint filing was done with great theater, with Froman joining Secretary of Agriculture Tom Vilsack at USDA, along with Senate Agriculture Committee Chair Pat Roberts (R, KS), ranking member Sen. Debbie Stabenow (R, MI), House Agriculture Committee Chair Mike Conaway (R, TX), along with ranking member Rep. Collin Peterson (D, MN), House Ways & Means Committee Chair Kevin Brady (R, TX), Sen. Heidi Heitkamp (D, ND) and Rep. Adam Smith (R, NE).

Roberts said U.S. farmers know "the importance of sticking to commitments" and they're feeling the first-hand pain of countries "which don't follow the rules." Conaway applauded Froman and Vilsack's work to bring the complaint and said the action could be "the tip of the iceberg in terms of predatory pricing practices going on around the world." He said he wants to see a similar complaint filed against China over its cotton policy that directly subsidizes producers, adding "I do believe this must be only a start."

Cuba Trade Potential, Problems Reviewed at House Ag Hearing

Increased U.S. agricultural trade with Cuba will be a good thing for farmers and ranchers, but is that benefit being traded in exchange for strengthening the Castro regime on the island nation? That's the question the House Agriculture Committee took up this week as it reviewed trade potentials and the political pitfalls of normalizing trade between the U.S. and Cuba.

The Obama Administration has incrementally sought to normalize U.S.-Cuba diplomatic relations, effectively nonexistent since Fidel Castro took power in 1959. In 1960, Congress formally embargoed all U.S. trade with Cuba, and in 2000, loosened those restrictions slightly, allowing ag commodities to

be sold, along with medical supplies for humanitarian reasons. President Obama officially recognized the Castro government two years ago, and since then both nations have opened embassies in Washington, DC, and Havana respectively. USDA announced it has an ag trade office in the U.S. embassy, and travel and other incremental changes have been attempted.

Committee Chair Mike Conaway (R, TX), who opposes lifting the broad trade embargo and travel restrictions, reiterated his desire to see unfettered ag trade between the two countries, but allowed there is mistrust in dealing with the Castro regime. "We are dealing with a regime that cares about little more than ensuring its own perpetuity and prosperity," he said in his opening statement. He said "common ground" must be found between "those who want absolutely everything, and those who want absolutely nothing" done on U.S.-Cuba trade.

The hearing focused on a bill introduced by Rep. Rick Crawford (R, AR) that would remove current restrictions on private financing of trade between the U.S. and Cuba. Currently, deals must be cash-only or handled through a third-party bank. While financing limits on medical supplies were lifted by the White House, Crawford's bill would do the same for agricultural trade. The majority of witnesses said the cash-only requirement is the single biggest roadblock to sales of corn, wheat, rice, poultry and dairy to the Caribbean island nation sitting 90 miles south of Florida. Conaway, who supports Crawford's bill, said the legislation is a "work in progress" and changes are likely.

USDA says that in 2010-2013, Cuba bought \$313 million in agricultural commodities per year, an amount that would more than double if the U.S. lifted financing and other restrictions.

Critics of normalized trade said Congress must remember there are no independent importers in Cuba, only the state-run ALIMPORT, which they say makes its decisions on political not market concerns. He said most of the higher quality food imports don't reach the Cuban people, but go to government institutions, the military, hotels and other places frequented by tourists. Supporters said a strong U.S. presence can overcome this restriction on food movement. Rep. Jim McGovern (D, MA) said he wants to see broad free trade, unrestricted travel and removal on any restrictions on agricultural trade.

CFTC Nominees to Tout Ag Importance at Confirmation Hearing

Two new White House nominees to serve on the Commodity Futures Trading Commission (CFTC) do not boast agriculture-heavy resumes, but both are expected to tout the importance of agriculture futures markets and risk management during their Senate Agriculture Committee confirmation hearings this week.

Georgetown University law professor Chris Brummer, the Democrat nominee, and hedge fund manager and former House staffer Brian Quintenz, the GOP nominee, were picked by President Obama nearly six months ago to fill the empty CFTC commissioner slots. While the confirmation hearing will come off this week, it's unlikely the full Senate will vote before the November 8 election.

In formal statements provided to the committee both nominees pledge to honor agricultural concerns.

"Should I be confirmed, I pledge to ensure the market concerns of the agricultural sector are recognized and to continue developing a first-hand knowledge of the agricultural community," said

Quintenz in a statement. Brummer says, "Farmers, ranchers and commercial end users must be able to trust that markets both function properly and allow market participants to hedge their commercial risks effectively."

A lack of agriculture experience has dogged Obama CFTC nominees, and in 2014 the committee pummeled the three eventually confirmed commissioners for not understanding agriculture and its use of futures markets. Given the downturn in the overall agriculture economy, both nominees are expected to be grilled over risk management, with at least some questioning about the price of and regulation of cattle futures.

USDA Seeks Public Input on GE Label Rulemaking; Conaway says Vilsack Wrong on Funding

USDA wants the public to weigh in on how it should design studies to help it write rules to implement the "National Bioengineered Food Disclosure Standard," the law signed by President Obama in late July requiring mandatory on-label "disclosure" by food companies of information sources on genetically engineered (GE) ingredient use.

At the same time, House Agriculture Committee Chair Mike Conaway (R, TX) this week took Secretary of Agriculture Tom Vilsack to task for Vilsack's statement last week that writing the GE disclosure rules would be a tougher road to hoe because Congress "forgot to give us the money" for the new effort. Vilsack also urged a number of agriculture groups concerned about the rulemaking to "encourage our friends in Congress...to state unequivocally that the resources will be there."

The public comment request comes in the form of USDA's publication of a "request for information," a more informal solicitation of citizen input than a formal comment request, and the information the department is seeking will be used to help design studies which look at how on-label disclosure should work best for consumers.

On the money question, Conaway says he raised funding concerns for the USDA effort during the evolution of the legislation, but says Vilsack's statement is not accurate. "Congress didn't 'forget' to fund the bill, and these kind of comments certainly don't help an already difficult process," said a Conaway spokesperson.

EPA Punts Glyphosate Review to New Administration

A two-year effort by EPA to finish its review of the safety of glyphosate, the world's most widely used herbicide, won't be completed by the time President Obama's administration is out of office, meaning it will be at least 2017 before a final review is released and a decision on the chemical's fate is known.

Insiders say it will be at least April, 2017, before even a draft risk assessment is available, and that date could slip depending on who sits in the White House, and who's nominated to run EPA.

EPA began its review of glyphosate in 2009 as part of its standard reregistration review process under

the Federal Insecticide, Fungicide & Rodenticide Act (FIFRA). The full review was supposed to take about six years, and a final decision was due last year. Latest word is that the human cancer portion of the review will be on the agenda for an October 18-21 meeting of the agency's Science Advisory Board (SAB), which will have 90 days to report back on whether it supports how EPA did its work and reached its conclusions.

While some contend glyphosate exposure can lead to non-Hodgkin's lymphoma and other cancers, but EPA has found no definitive link going back to a 2006 study. Germany, New Zealand, the European Union's (EU) European Food Safety Agency (EFSA), and a Joint UN/FAO/WHO meeting on pesticide residues meeting have all concluded glyphosate is unlikely to cause cancer.

USDA Predicts 'Bin-Busting' Crops

USDA's September monthly Crop Production report gives little heart to producers seeking higher prices for their crops as USDA's projection continues for "bin-busting" production of grains and oilseeds and general global overproduction.

USDA also reported in its Crop Progress report that harvest of the corn crop is well underway, but lags behind average in most major Corn Belt states. Corn in the 18 major producing states was 5% harvested as of September 11, compared to 4% at this time last year and the 7% average.

While down slightly from August's report, the 2016 corn crop will still likely set a record, USDA said, coming in at an expected 15.093 billion bushels, off about 1% from last month, but 11% higher than last year. Average yield is pegged at a record 174.4 bushels per acre, six bushels higher than in 2015, based on 86.6 million planted acres.

Corn supplies for 2016-2017 dropped from a month ago, but are still seen hitting a record 16.859 billion bushels, mainly on lower exports. Feed and residual use of corn should drop about 25 million bushels, and exports are unchanged from the August report. Ending stocks of corn at a record 219.5 million bushels, are expected to be off slightly from last month's prediction, but still the highest since 1987-88, and the season-average corn price is predicted to be about five cents higher at \$2.90-3.50 a bushel.

Soybean production is forecast at 4.2 billion bushels, 7% above a year ago and 3% higher than predicted in August based on expected higher yields. Yield is expected to hit a record 50.6 bushels per acre. Despite higher crush and exports, 2016-2017 soybean ending stocks are projected at 365 million bushels, up 35 million from last month. The season average soybean price is pegged at \$8.30-9.80 per bushel, down five cents from last month.

U.S. wheat supply and demand estimates are unchanged from August, and season-average prices will drop about 10 cents per bushel to \$3.30-3.80 per bushel, the department said. Global wheat supplies for 2016-2017 are seen increasing marginally, partially offset by decreased beginning stocks.

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