



# California Association of Wheat Growers

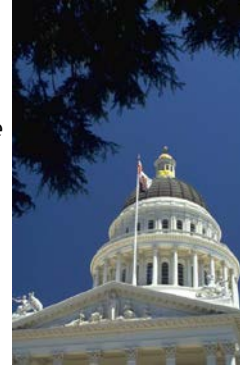
## Newsletter

March 24, 2017

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

### California Legislative Update

*By Dennis Albiani, Legislative Advocate*



#### Legislators Introduce Bills to Strengthen Sales for Food Grown In California

California's climate, soils, workers and industrious farmers combine to make it the largest agricultural state in the nation, growing over 350 commercial commodities. Surveys continually show that California residents prefer food grown in California because we have the highest environmental standards, highest labor standards and they feel they are helping their neighbor. However, residents and our state institutions are not always able to identify California grown products and may not know where they are being offered for sale. Additionally, institutions have no incentive to spend Californian's tax dollars on California products.

Members of the California State Legislature have announced bills that together would help bring this bounty to the people in California and strengthen the economic opportunities for **California's 76,000** farmers and ranchers who grow the healthiest and greatest diversity of crops and livestock in the world. Bills sponsored by California Grown, Farm Bureau and Ag Counsel combined create a package which would promote California grown commodities. Legislation will expand support for local growers and producers who rely on agriculture and encourage consumers to Buy California. This March the California Department of Food and Agriculture is instating **March as California Grown Food Month**.

The package includes:

**AB 627 (Bigelow)** Requires no less than 50% of all food provided in California State Prisons to be "California Grown" after January 1, 2018. California Department of Corrections and Rehabilitation is the largest State food purchaser and food service provider, serving 130 million meals each year. This bill will ensure a healthy food

supply for our prisoners, drive down the cost of food, help keep business in California, and lower emissions from transporting goods. Sponsored by California Grown.

**AB 822 (Caballero)** This bill provides a preference for the state's purchase of California-grown or California-packed or processed agriculture goods if the cost of the products are as much as 5% more expensive than those grown or packed or processed out of state. The 5% preference applies to state-owned and state-run institutions, but does not include public universities and colleges, or school districts. Sponsored by Farm Bureau.

**AB 1163 (Irwin)** Provides \$3 million in general fund support for matching block grants through the Buy California Marketing program. This bill will allow the program to expand beyond the 26 existing commodities and assist in promoting California Grown products to Californians. Sponsored by California Grown.

**AB 1219 (Eggman)** This measure creates the California Good Samaritan Food Donation Act and expands the liability immunity to businesses and non-profits that donate food for charities.

**SB 730 (Pan)** Provides state enforcement to the existing Buy American provisions in existing school lunch program. Recent surveys showed that most California schools districts are not complying with existing federal law. The goal of this bill is to encourage California school districts to follow current "Buy American" requirements for school lunches. Sponsored by Ag counsel.

## Federal Policy Update

### Everybody Loves Sonny Perdue Based on Confirmation Hearing

The Senate Agriculture Committee room was packed with his family, including 14 grandchildren; friends and former coworkers when President Trump's nominee to be secretary of agriculture was introduced by a former Georgia GOP Senator - who just happened to be the former chair of the ag committee - and a Georgia Democrat House member. In the end - only about two and a half hours later - former Georgia Gov. Sonny Perdue had sailed through his confirmation hearing with nary a negative syllable uttered, with members on both sides of the aisle repeatedly thanking him for his willingness to serve.



Committee Chair Pat Roberts (R, KS) said he'll schedule a business meeting of the full committee as soon as possible to get a final vote on Perdue's nomination. "We have told leadership we would like to move him as soon as possible and leadership has agreed," he said. However, when asked if Perdue would get full committee and full

Senate approval before the April 10 two-week Easter recess, Roberts said, "Hope springs eternal."

"Now, more than ever, agriculture needs a voice - and advocate - at the highest levels of government," said Roberts in his opening remarks. "Gov. Perdue has been nominated to serve in exactly that role."

Committee ranking member Sen. Debbie Stabenow (D, MI) echoed Roberts' sentiments, saying in her statement, "An agriculture secretary will need to look past regional divides or partisan pressures to support all farmers, all families and all rural communities. And right now we need an advocate to stand up for them in this administration."

Stabenow's view also reflects most other Senate Democrats' opinion of Perdue. "We have a nominee who understands agriculture, grew up on a dairy farm and after multiple discussions with him, I feel he can do a good job of running the department. Barring anything that comes up in questions for the record and so on, I'm planning on supporting him," she said. In addition, the National Farmers Union (NFU) issued a strong endorsement of Perdue this week, urging quick confirmation.

For himself, Perdue noted his confirmation hearing was held "during the same week we celebrate National Agriculture Week," and he committed to being a "tenacious" champion for agriculture. He provided diplomatically worded responses to some questions, appearing to be less than 100% on board with Trump administration moves on the budget, as well as on trade.

**"Agriculture is in my heart, and I look forward to fighting for the producers of America,"** Perdue said.

"I will work tirelessly to advance four primary goals," said Perdue in his sworn testimony. "I will maximize the ability of the men and women of America's agriculture and agribusiness sectors to create jobs...for the American taxpayers - our customers - I will prioritize customer service every day...our tax payers are also consumers, and they expect a safe and secure food supply... (and) we will safeguard and maintain our responsibility as good stewards (of the land) ...supporting conservation efforts and managing natural resources as entrusted to the department."

Issues raised by the committee included telling the White House of the need for a strong foreign market development effort; the need to protect the Renewable Fuel Standard (RFS), forestry management issues in the West, and a rework the Margin Protection Program (MPP) for dairy. Perdue was born and raised on a small dairy farm.

Perdue, in response to a question from Sen. John Thune (R, SD) as to whether the U.S. should embargo beef imports from Brazil after allegations of unsanitary practices protected by company bribes were reported this week, said he did not favor formally blocking imports lest other nations take similar steps against the U.S. poultry industry due to concerns about avian influenza. He said he supported thorough inspections of Brazilian beef entering the U.S.

All of the media hype about Perdue's corporate holdings, "ethics" issues while governor and other criticisms were never mentioned. A good number of committee members delivered opening statements which were laundry lists of the challenges facing production agriculture - including Trump's "skinny" FY2018 budget outline which contemplates whacking USDA's discretionary spending by 21% -- but they asked no questions in open committee. Other members looked for Perdue's on-the-record commitment to protect a favorite program from Trump budget cuts, work with them to achieve a constituent goal as part of 2108 Farm Bill development, or travel to their state to meet with their farmers and ranchers, go to a football game or go hunting.

### **Ag Gets White House Attention on Ag Day; Reassurance on Trade Priority**

President Trump tweeted about farmers and ranchers, White House Press Secretary Sean Spicer talked ag this week, and newly appointed assistant to the president food, agriculture and trade Ray Starling talked the importance of the administration's commitment to ag trade, as the White House used National Agriculture Day to show farmers, ranchers and agribusiness a little love.

Marking **March 21 as National Agriculture Day** with an official proclamation, Trump tweeted, "Today on #NationalAgDay, we honor our great American farmers and ranchers. Their hard work and dedication are ingrained in our national fabric."

Spicer cited Ag Day during his daily press briefing, saying, "While our farmers are the most efficient in the world, margins have been tightening, regulations have been multiplying and exports, which have historically counted for over one-fifth of U.S. farm production, have been declining due to unwise trade policies. The president promised many people in the agriculture industry and throughout rural American that he would not allow this to continue, and he will continue to pursue policy changes that will reverse this disturbing trend."

Starling assured the audience at a Washington, DC, Ag Day event that trade remains a top priority for the Trump administration. He said farmers and ranchers need to be "reassured that what's said inside the White House about agricultural trade is nothing but good stuff." He said Trump's public talk of addressing the imbalance of trade in manufacturing "is not meant to neglect ag." He said the White House continues to meet with ag groups to get direction on how to renegotiate the North American Free Trade Agreement (NAFTA).

## **Brazilian Beef Scandal Raises Calls for Import Ban; USDA Assures on 100% Re-inspection**

Amid police raids, multiple arrests and growing government allegations that private meat companies bribed Brazilian government meat inspectors to allow spoiled and bacteria-laden meat to be sold, several countries have banned Brazilian beef imports, while USDA has stopped short of a ban and instead assured the public of its "additional steps to keep the food supply safe."

Those steps don't satisfy a growing number of lawmakers on Capitol Hill. Rep. Rosa DeLauro (D, CT), one of the staunchest food safety champions on the Hill, this week called for an immediate halt to all Brazilian meat imports in a letter sent to acting Deputy Secretary of USDA Michael Young. DeLauro said the U.S. should follow Chile, Canada, Mexico, China, South Korea and the European Union (EU) and immediately halt Brazilian meat imports, including poultry in some cases. Sen. Jon Tester (D, MT) introduced a bill that would **ban Brazilian meat imports for 120 days** to give USDA time to assess the situation and take appropriate steps.

Senate Agriculture Committee ranking member Sen. Debbie Stabenow (D, MI) wrote to Young this week as well, posing several questions to USDA on how it's handling the Brazil situation. She wanted responses in writing to questions about what "immediate actions" the department is taking to "ensure the integrity of our import U.S. food supply." Specifically, she asked if any adulterated meat has entered the U.S.; whether USDA needs additional personnel at ports of entry, and whether the Food Safety & Inspection Service (FSIS) is going to revisit its determination that the Brazilian food safety system is equivalent to the U.S. system.

USDA almost immediately released a public statement detailing its actions in the wake of the Brazilian meat bribery scandal. First, it assured the public no Brazilian beef sourced from any of the 18 plants implicated in the bribery allegations has entered the U.S. FSIS has instituted additional pathogen testing of all shipments of raw and ready-to-eat products from Brazil, and has increased examination of these product categories at ports of entry across the country. The department said it will indefinitely continue its 100% re-inspection and pathogen testing for Salmonella and Listeria monocytogenes of all regulated products imported from Brazil.

## **US Wheat Associates**



### **Educational Partners Add Value to U.S. Wheat Exports**

*By Erica Oakley, USW Program Manager*

Every year, USW collaborates with educational organizations to offer training that fits the needs of overseas customers. From grain purchasing to milling and end-product

development, these courses are created to provide information and training that is beneficial to U.S. wheat buyers and their customers. This year, approximately 70 USW customers from more than 15 countries will travel to the United States to participate in 11 short courses at our partner institutions.

[Wheat Marketing Center](#). This week, the Wheat Marketing Center (WMC) in Portland, OR, is hosting a USW-sponsored Korean team taking part in an Asian noodle development course aimed at evaluating noodles made from various blends of U.S. wheat. The course includes testing a whole-wheat noodle made with soft white (SW) wheat flour.

"Last year, a Korean development team found that noodles with more than 30 percent whole wheat flour from hard red winter wheat did not have the texture, color and flavor that Korean consumers desire," said Janice Cooper, WMC Managing Director. "In discussions with WMC Technical Director Dr. Gary Hou, the soft white option came up and Dr. Hou developed a research proposal, which was funded by the Idaho Wheat Commission. This year's Korean team will help test the validity of that concept."

The WMC provides key programs including technical training, product development and research on end-product quality to help solve customers' issues and expand the demand for U.S. wheat around the world.

[Northern Crops Institute](#). As in years past, customers from several USW regions will attend a Grain Procurement Management for Importers course at Northern Crops Institute (NCI) in Fargo, ND, this summer. Along with USW participants from Europe and Latin America, the Philippines, one of USW's largest customers, will be represented by four rising managers and top executives.

"Many of these managers have significant experience and have been active in the industry for some time but are attending the NCI course to refine their knowledge base and increase their skills," said Joe Sowers, USW Assistant Regional Vice President based in Manila. "They will observe state of the art grain trading software and technologies in the North Dakota State University Commodity Trading Lab. Through the course, they hope to improve their contract specifications and price risk management practices."

Millers in the Philippines purchase more hard red spring (HRS) and SW wheat than any country. The NCI course includes local farm visits so participants can see HRS production practices first hand. After the course, the Philippine participants will continue to the heart of SW country in eastern Washington state to meet farmers, visit wheat variety breeding facilities, and observe inland logistics infrastructure that has more than doubled in size in the last decade.

[International Grains Program](#). At the International Grains Program (IGP) in Manhattan, KS, a team from Nigeria and South Africa will participate in a customized flour millers short course in June. For both Nigerian and South African senior personnel, "the course offers a refresher on the basics of milling and an enhanced understanding of new milling equipment, techniques and concepts," said Gerald Theus, USW Assistant Regional Director for Sub-Saharan Africa based in Cape Town, South Africa. "Whereas for junior level milling managers and technicians, the in-depth exposure to various USW classes is a great tool for determining end-use applications and enhancing performance at work."

A customized course like this provides the opportunity to identify and address issues that are unique to Nigeria and South Africa, which keeps those customers returning year after year.

[California Wheat Lab](#). The California Wheat Quality Laboratory, housed within the California Wheat Commission (CWC) in Woodland, CA, is unique in that it also has an on-site milling and baking laboratory. Through the lab, CWC provides hands-on training to customers and conducts quality testing, chemical analysis and end-product testing.

"The CWC Lab has developed a relationship with overseas buyers, particularly those from Latin America, as they trust our results and seek our input," said Executive Director Claudia Carter. "The CWC Lab provides guidance about wheat quality related issues and the overseas customers that utilize the lab tend to be those that seek high quality wheat."

In addition to providing services to overseas customers, the CWC Lab analyzes samples of hard red winter (HRW) wheat and Desert Durum® for USW's annual Crop Quality Report.

These are just a few examples of the technical support provided by our U.S. educational partners and the value they add to USW's ability to help meet our customers' needs. These partnerships will remain a crucial part of USW's service to our customers overseas on behalf of the U.S. wheat farmers and USDA Foreign Agricultural Service export market development programming that fund such activities.

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