

CGFA convention was both timely and effective

Chairman **Peter Hanlon** summed up last month's 84th Annual Convention in Palm Springs with this observation: "When it was all over, everyone left the convention better prepared to face the issues that lie ahead than they were before they came."

The theme of this year's convention was "The New Agriculture," and Hanlon acknowledged the effective way that the featured speakers "played a big role in meeting our convention theme of the New Agriculture...facing tomorrow's challenges today."

Hanlon had high praise for the convention speakers. "They were all excellent—dynamic, well respected in the industry, very knowledgeable and approachable. We had long discussions with them after the lunch and they were all very approachable. It was great."

The convention planning committee came up with this year's theme after brainstorming about the need to focus on the very timely issues that CGFA members all face. "The committee was comprised of managers, traders, brokers and CGFA staff. I thought this was a key to our success as we were able to discuss the spectrum of industry concerns from a wide variety of viewpoints," he said.

"These issues include the changing global economy and what it means to us and what tools we can use to better equip ourselves for change," he said. "It is a testimony to how wonderful our organization really is. Our membership is comprised of people who not only want to stay on top of current issues but look forward to and embrace change."

More than 300 people attended this year's convention at the Hilton Palm Springs Resort.

Hanlon said the success of the event is a credit to all of the people who helped with the planning and organizational aspects. "It always takes a team effort to make things successful and we had a great team," he said. "The committee members and wives all contributed. A special thanks to **Hilary Hanlon**, **Chris Adams**, **Frankie Hearne**, and **Mary Kauffmann** for their tremendous efforts for everything from decorations to offsite events. Also, a huge thanks to **John Kauffmann**, **Randy Jones** and **Mark Krebsbach** for the sponsorship drive, and **Ron Seley** and **Mike Hearne** for help with the speakers and

ideas. And let us not forget that this convention would not have been a success without **Donna Boggs** and **Anita Gore** and all they do that no one really sees."

Bill Adams—Outgoing President

Reflecting on his just completed one-year term as CGFA president, Bill Adams said it was a year of challenges and a year of unification as members and staff came together as one voice to deal with them.

"Right after I became president, we had the resignation of **Rich Matteis** (longtime CGFA executive vice president and now administrator of the California Farm Bureau Federation). As proof of the resiliency of our organization, everyone—staff, board members and the executive committee—stepped up to make the transition fairly seamless as **Chris Zanobini** took the helm," he said.

Adams, of Imperial Western Products in Selma, noted that CGFA, like other agricultural organizations, faces a number of short-term and long-term challenges, particularly dealing with water supply and environment issues.

"Our biggest challenge in the California grain industry is risk management because of escalating food prices and grain prices. Also, escalating fuel prices play a huge role because California imports about 80 percent of the feed that goes to the dairies and feedlots," he said. "It is also important to monitor our customer base. As the feed prices go up, the customers' bottom lines get squeezed. Generally most of our accounts are unsecured credit situations, so credit and collections are going to be big issues."

Adams stressed the need for CGFA members to get involved by volunteering for committees, sending letters and making phone calls when called upon to do so.

"Even with all the environmental problems that we face, I don't think people realize all the little things they need to do. There are a number of examples over the last 10 years where a few members made the difference by becoming involved with some of the things we are fighting against. If it wasn't for their dedication, we could have been in serious trouble."

Adams expressed confidence in the continued effectiveness of CGFA under the leadership of new president **Sonda Sibole**. Sibole, of Kemin Agri Foods North America in Orland, is the association's first female president.

Agriculture—Global Perspective

Bruce Scherr, chairman of the board and CEO of Informa Economics Inc. (formerly known as Sparks Companies, Inc.), discussed the changing economic landscape of American agriculture and its implications for the future of agricultural business. Informa Economics is a world leader in broad-based domestic and international agricultural and commodity/product market research, analysis, evaluation and consulting.

Scherr noted that the United States is undergoing an unprecedented commodity price boom that is being driven by extraordinary global growth. Key factors are the emerged and newly emerged middle-income consumers, over two decades of disinflation from 1977 to 2001, and excessive liquidity from 2000 to 2005.

Describing the U.S. corn market, Scherr said prices are at a near record, but that there is no sign of rationing as demand for more corn is coming for food, fuel and exports. He predicted that a persistently tight market balance is likely to continue for several years because of these increasing demands for corn.

“Worldwide economic activity has globalized despite trade-talk failures, and businesses have fostered globalization,” he said. “This extraordinary economic growth and related infrastructure demands and consumption expansion has shifted demand curves to reflect more than a billion emerging and newly emerged global consumers.”

Farmers and commercial handlers are concentrating and controlling grain storage and distribution, Scherr said. “High-priced commodities boost the cost of doing business, and big, well financed farmers are establishing more storage and executing better control of marketing. Fewer, but well positioned commercial firms will concentrate the tasks of grain assembly, handling and distribution to end markets.”

Other Convention Speakers

During the Annual Convention’s business session, **Bell Chen** from the China offices of RJ O’Brien and Associates gave a briefing on agricultural markets in China and the impact of Chinese agriculture on global trade. Founded in 1914, RJ O’Brien is one of the oldest and most highly regarded independent futures commission merchants in the industry today.

Richard Matteis, chief executive officer of the California Farm Bureau, gave a very timely and informa-

tive report on key legislative and congressional activities that have an impact on farmers and ranchers in this state. Matteis, the former executive vice president of CGFA, discussed such major issues as the farm bill, water and environmental challenges and labor.

William Orts, leader of Bioproduct Chemistry and Engineering Research at the USDA Agricultural Research Service Western Regional Research Center in Albany, CA, described some of the important work being conducted at the center. Orts explained that the goal of his research unit is to add value to crops by optimal production of biofuels and biobased products.

“In order for bioenergy production to be viable in the Western states, a wide range of feedstocks will need to be utilized, requiring flexibility in processing capabilities,” he told the group.

Orts pointed out that USDA-ARS has a wide-ranging program in biomass-to-energy conversion including new processing methods, enzymes and technologies for cellulose-to-ethanol capabilities, new separation methods for production of ethanol and bioproducts, and crop improvement via plant molecular biology.

Humor in the Workplace

Convention attendees were entertained and informed by inspirational speaker Jim Pelley’s presentation of humor in the workplace. Pelley’s company, Laughter Works Seminars, is dedicated to providing the highest quality, most humorous presentations possible, packed with tools and skills for a more productive workplace.

Through his light-hearted delivery, Pelley conveyed how laughter and humor can work to your advantage when dealing with the seemingly unfunny business of balancing risk and managing change. Attendees also learned the importance of maintaining a positive attitude is a key to problem solving.



Industry Social Hour



This popular convention event was held at the **Palm Spring Aerial Tramway**, featuring the world's largest rotating tram cars that carry visitors from the Valley Station, elevation 2,643 feet, to the Mountain Station located at the 8,516-foot level at Mt. San Jacinto State Park and Wilderness. This scenic and unique setting made the Industry Social Hour an unforgettable experience.

Other Convention Highlights

For convention attendees, the options for activities seemed endless. The biggest challenge for everyone was determining which activities to choose. They included:

- ◆ The Convention Golf Tournament: Teams formed up at the Indian Springs Golf and Country Club for a challenging day of fun at one of the most pristine golf courses anywhere in the world. The players were provided with new Precedent Golf Cars, equipped with GPS.
- ◆ "Upscale Shopping: Destination for shoppers was the world famous El Paseo Shopping District in Palm Desert. Known as the Rodeo Drive of the Desert, the district offers more than 300 world-class shops, clothing boutiques, art galleries, jewelers and restaurants.
- ◆ "Living Desert Museum: Attendees who chose this option received a real treat as they discovered remarkable plants, animals, places and natural phenomena associated with deserts.
- ◆ The President's Poolside Banquet: Lively music, a delicious dinner and amazing views of the desert mountains made this convention finale unforgettable. Topping the show was the performance of J.C. and Alejandro, the world-renowned Dueling Pianos. Their spirited performance had people laughing, clapping and shouting with enthusiasm.
- ◆ Children's Program: While the adults were busy with their activities, the children weren't left out. KiddieCorp professionals providing the children with age-appropriate games, arts and crafts, toys and entertainment that left the youngsters with plenty of fond memories.



Red Jeep Tour

Several convention participants enjoyed the thrill of an open-air off-road jeep tour into the depths of the Indio Hills. They explored miles of pristine canyons, box canyons and fossil beds that are part of an incredible maze created by the San Andreas Fault. Tour members learned about the hardy plants and animals that have adapted to survive in this rugged terrain. A pause for refreshments at a private palm oasis was a welcome break during this 3-½ hour adventure.



Maggie Smith and Chris Adams enjoy the amenities at Spa Day Poolside.

The Spouse Program

CGFA ladies attending this year's convention received some special pampering during a morning of rejuvenation poolside. On-site therapists offered participants the option of either a manicure or pedicure as they lounged alongside the resort's pool. Coffee and a light breakfast were provided and each of the ladies received a goodie bag stocked with a variety of feminine items.



"Follow me," quipped Dave Johnson as the wilderness hike began.

Mecca Hills Wilderness Hike

Former CGFA president **Dave Johnson** provided skillful leadership for an enchanting hike into the Mecca Hills Wilderness. The geological formations found there are among the most unusual sites of their kind in the world. The area is a badlands labyrinth, a natural maze of small, narrow, steep canyons. Boxed lunches, plenty of water and transportation were provided.

2008 Convention Committee

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Imperial Western Products

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DHS Clarifies No-Match Rule

The U.S. Department of Homeland Security (DHS) has released a Supplemental Proposed Rulemaking for the No-Match Rule previously issued on August 15, 2007. This rulemaking addresses three issues cited in a decision of the U.S. District Court for the Northern District of California enjoining the August 2007 No-Match Rule. This Supplemental Proposed Rulemaking provides a more detailed analysis of how DHS developed the No-Match policy and will help responsible employers ensure that they are not employing unauthorized workers.

This supplement addresses the three grounds on which the district court based its injunction, said Homeland Security Secretary **Michael Chertoff**. "We have also filed an appeal and are pursuing these two paths simultaneously to get a resolution as quickly as possible," he said.

The rule outlines clear steps an employer may take in response to receiving a letter from the **Social Security Administration** indicating that an employee's name does not match the social security number on file. If the business follows the guidance in the No-Match Rule, comprising various actions to rectify the no-match within 90 days of receiving the letter, they will have a safe harbor from the no-match letter being used against them in an enforcement action.

The original No-Match Notice of Proposed Rule Making was published on June 14, 2006, and the comment period was open for 60 days. The department then incorporated the comments and issued a final rule on August 15, 2007. DHS is requesting public comment on the Supplemental Proposed Rulemaking for 30 days after its publication in the *Federal Register*.

Farm Bill Adopted; Veto Expected

After months of intense debate, congressional negotiators have completed a \$286 billion farm bill that faces a presidential veto because it fails to ban crop subsidy payments to farmers who make more than \$200,000 a year. The new farm bill would ban all government payments to growers with off-farm income exceeding \$500,000, according to media reports.

According to the *Associated Press*, the legislation would:

- ◆ Expand subsidies for certain crops, extend dairy programs and increase loan rates for sugar producers. It includes language which calls on the federal government to buy surplus sugar and sell it to ethanol producers, where it would be used in a mixture with corn.

- ◆ Cut a per-gallon ethanol tax credit that supports blending fuel with the corn-based additive from 51 cents to 45 cents in favor of more money for cellulosic ethanol, which is made from plant matter.

- ◆ Add dollars for conservation programs designed to protect farmland.

- ◆ Pay farmers for weather-related farm losses out of a \$3.8 billion disaster assistance fund.

- ◆ Eliminate loopholes that now allow farmers to collect subsidies for multiple farm businesses.

As details of the farm bill provisions became clear, U.S. Agriculture Secretary **Ed Schafer** reiterated a Bush administration threat to veto the bill. "The U.S. House and Senate announced the completion of a farm bill that unfortunately fails to include much needed reform and increases spending by nearly \$20 billion," Schafer said. "At a time of record farm income, Congress decided to further increase farm subsidy rates, qualify more people for taxpayer support, and move programs toward more government control. We should not remove farm commodities from market forces and make them dependent upon government support programs."

Ethanol Production Rises

U.S. ethanol fuel production averaged 423,000 barrels per day in 2007, an increase of more than 34 percent over 2006 production, according to the **Renewable Fuels Association**.

Ethanol fuel production totaled 6.48 billion gallons in 2007, far above the 4.7 billion gallons of renewable fuel required by the Energy Policy Act of 2005. Ethanol production is expected to continue to increase this year, as the Energy Independence and Security Act of 2007 includes a new Renewable Fuel Standard that requires 8 billion gallons of renewable fuels to be blended into the country's fuel supply in 2008.

That's an annual growth rate of more than 23 percent, but the industry appears ready to meet that challenge. According to the RFA, there are currently 143 ethanol biorefineries with the combined capacity to produce 13.4 billion gallons per year of ethanol fuel, well above that required by the new standard.

The industry is also building another 57 biorefineries and expanding 7 existing biorefineries, an effort that will boost ethanol production capacity by another 5.2 billion gallons.

Less Corn Planted This Year

On the heels of last year's record-high corn production, U.S. farmers intend to plant 8 percent fewer corn acres in 2008, according to the Prospective Plantings report released by the **U.S. Department of Agriculture's National Agricultural Statistics Service**. Producers plan to plant 86 million acres of corn this year. While 7.6 million acres less than 2007, this would still be the second-largest acreage since 1949.

The outlook for corn prices remains strong, thanks to increasing ethanol production and other factors. Still, favorable prices for other crops, along with crop rotation considerations and high corn input costs, are motivating some farmers to switch from corn.

Corn prices soared to a record in April after the U.S. government said stockpiles were falling faster than expected, raising concerns of a shortage of the grain used to feed livestock and make biofuel, according to the *Associated Press*.

Corn for May delivery jumped \$13.75 cents to settle at \$6.05 a bushel on the Chicago Board of Trade, after earlier rising as high as \$6.16 a bushel, the highest ever. Prices for corn have shot up 30 percent this year amid dwindling stockpiles and surging demand to feed livestock and make alternative fuels including ethanol. Moreover, cold, wet weather in parts of the U.S. corn belt may force farmers to delay spring planting, potentially sending prices even higher.

The Prospective Plantings report provides the first official estimate of U.S. farmers' planting intentions for 2008. NASS's acreage estimates are based on surveys conducted during the first two weeks of March from a sample of approximately 86,000 farm operators across the United States. Prospective Plantings and all NASS reports are available online at www.nass.usda.gov.

Truck Replacement Rule Looms

California Air Resources Board (CARB) is formulating regulations that could affect the more than 1.5 million trucks and buses in use on California's roads, highways and farms.

Given the age and, in many instances, the limited usage of most agricultural vehicles, CARB's proposal has enormous economic consequences. A statement submitted by more than 75 agricultural groups offers a number of alternatives relating to low mileage exemptions and finan-

cial incentives to allow agriculture to comply in an economically feasible manner.

Agriculture's biggest challenge relates to the fact most farm vehicles have pre-1998 engines, which means they would have to be retrofitted or replaced twice within an 11-year timeframe if CARB's schedule is adopted as proposed.

Meetings have been held with the CARB staff to explain the impact of the replacement schedule on agriculture and seek an alternative schedule that would require only one replacement/retrofit within the same time period.

Given the millions of consumer and industrial goods and products delivered via truck each day in the state, these regulations threaten to have a profound, negative impact on the business community, according to the **California Chamber of Commerce**.

What CARB is proposing to adopt are the nation's most stringent new emissions regulations that could also be the most costly and far-reaching rule that business has yet to face.

Under the new proposed rule, any heavy-duty vehicle with a pre-1998 engine will need to be replaced or retrofitted with yet-to-be developed technologies by Dec. 31, 2010.

In addition:

- All vehicles with engines manufactured between 1998 and 2002 must be retrofitted or replaced by Dec. 31, 2011.
- All vehicles with 2003-04 engines must be retrofitted or replaced by Dec. 31, 2012.
- All 2005 and newer engines must be retrofitted or replaced by 2013.

All trucks must meet 2007 emissions standards by the year 2014 and 2010 emission standards by the year 2022.

If the rule goes into effect, the market will be flooded with "outdated" trucks; greatly diminishing the ability of businesses to sell used equipment or recoup any resale value.

Businesses have an opportunity to make sure their voice is heard in this process and have an impact on the final adopted rule. The California Chamber of Commerce and other associations are leading a coalition effort called "Driving Toward a Cleaner California."

For additional information on joining Driving Toward a Cleaner California, contact **Jason Schmelzer** at the CalChamber, (916) 444-6670,

jason.schmelzer@calchamber.com.

ARB Targets Diesel Emissions

The California Environmental Protection Agency Air Resources Board (ARB) staff is developing a regulation to reduce diesel particulate matter and other emissions from in-use heavy-duty diesel powered vehicles operating in California. A proposed regulation is planned to be presented to the Air Resources Board in October 2008. The proposed regulation would apply to diesel shuttle buses, vehicles greater than 14,000 pounds Gross Vehicle Weight Rating (GVWR), and does not include pickups.

Interested parties are invited to participate in the next series of public workshops to discuss revised proposed regulatory language to reduce emissions from existing diesel-fueled trucks, buses, and other vehicles operating in California. In addition to discussing revisions to the proposed regulation, staff will also discuss revised emission benefits and cost estimates, revisions to the Public Agency and Utility Regulation, and how school districts would be affected by the proposed regulation. The workshops will be held during the day and in some locations, in the evening as well, with breakout sessions to discuss the proposed school bus requirements.

The workshops in Sacramento will also be webcast. For more information on the workshops, visit www.arb.ca.gov/msprog/onrdiesel/workshops.htm.

Governor Seeks Delta Water Study

Gov. Schwarzenegger has sent a letter to Senate Democrats informing them that he intends to move forward on studies of the Sacramento-San Joaquin Delta, including the peripheral canal, as well as call for a 20 percent per capita reduction in statewide water use, according to the *Sacramento Bee*.

Department of Water Resources Director **Lester Snow** compared the water conservation proposal to a 2006 law that requires the state to reduce state greenhouse gas emissions 25 percent by 2020.

Schwarzenegger wrote that he intends to direct DWR to begin federal and state environmental reviews on at least four Delta canal alternatives. Those include no new Delta transfer system, a two-part system with a canal and pumps, a stand-alone canal and substantial improvements to the existing pumps.

The studies could take two to three years and cost more than \$100 million, paid for by water users under existing contracts, Snow said.

The governor also plans to have DWR complete feasibility studies of three dams, including new projects at

Temperance Flat northeast of Fresno, Sites Reservoir in Colusa County and expansion of the existing Los Vaqueros Reservoir north of Livermore. Those studies would be paid for by 2006 voter-approved bond funds.

Wireless Telephone Laws

Two new laws dealing with the use of wireless telephones while driving go into effect on July 1.

The **California Highway Patrol** explains the differences between the two laws this way: The first prohibits all drivers from using a handheld wireless telephone while operating a motor vehicle. Motorists 18 and over may use a hands-free device. The second law states that drivers under the age of 18 may not use a wireless telephone or hands-free device while operating a motor vehicle.

CHP points out that the all motorists are allowed to use a handheld wireless telephone to make emergency calls to a law enforcement agency, a medical provider, the fire department, or other emergency services agency.

The base fine for the first offense is \$20 and \$50 for subsequent convictions. According to the Uniform Bail and Penalty Schedule, with the addition of penalty assessments, a first offense is \$76 and a second offense is \$190.

There is no grace period for enforcement of these new laws. The laws also apply to out-of-state drivers. They do not apply to passengers in motor vehicles.

For more information, visit the CHP Website at: www.chp.ca.gov/pdf/media/cell_phone_faq.pdf

Report on Greenhouse Gases

The **California Energy Commission** has adopted a report to develop comprehensive regulatory strategies to meet AB 32 greenhouse gas reduction goals. The Interim Opinion on Greenhouse Strategies was prepared jointly by the Energy Commission and the **California Public Utilities Commission** (CPUC).

The Interim Opinion makes recommendations to the California Air Resources Board (ARB) for a regulatory structure that includes a combination of market and program approaches to reduce greenhouse gas emissions in the electricity and natural gas sectors.

The Interim Opinion is the first of two phases tasked to the commissions under AB 32. This initial decision that defines the point of regulation and a second opinion to be issued in the summer of 2008 will describe the specific mechanisms for requiring the electricity and natural gas industries to meet their goals. Both decisions will be considered and possibly incorporated into the ARB's

Scoping Plan for the agency's further work in implementing AB 32.

The foundation of this proposed regulatory framework is based on the state's "loading order" which puts energy efficiency as the top priority, followed by renewable energy investment. The Interim Opinion recommends that all retail providers of electricity and natural gas be required to provide, at minimum, yet-to-be determined levels of all cost-effective energy efficiency and renewable energy.

The Interim Opinion further recommends that if a multi-sector cap-and-trade program is developed for California, the electricity industry should take part. The Energy Commission believes that if a robust cap-and-trade program is implemented by the ARB, the electricity sector can provide reductions in greenhouse gases beyond the mandatory programs and at a lower cost with increased flexibility and innovation.

Additional recommendations will be provided later this year to ARB after detailed economic modeling is finished on emission reduction opportunities and costs in the electric and natural gas sectors.

The opinion is available at www.energy.ca.gov/ghg_emissions/meetings/.

New Federal Ozone Standard

Federal officials announced a tougher national ozone standard that could push back the San Joaquin Valley's target date for clean air by six years, to 2030, the *Fresno Bee* reported.

The **U.S. Environmental Protection Agency** lowered the threshold above which the corrosive summertime gas is considered unhealthy by about 6 percent.

"I adhered to the law, I adhered to the science in choosing the new ozone standard," EPA Administrator **Stephen Johnson** said.

Electric utilities, oil companies and other industries objected to the new standard, maintaining that the old standard is still adequate. The stricter standard for ozone will cost billions of dollars to reach, hurting the economy.

Many counties haven't been able to meet the current standard set a decade ago, said **John Kinsman**, senior director for environment at the **Edison Electric Institute**, which represents most of the country's power companies. "Moving the goalpost again will inflict economic hardship on those areas without speeding up air quality improvements."

Legal action may follow the EPA decision, as it often does with new air standards, and that could delay SJV efforts to implement it.

The district still must meet the cleanup goal for the current standard, which is clean air by 2024. It would then have six more years to meet the new standard.

Johnson said that ought to change. He said the Bush administration plans to propose legislation to Congress to overhaul the 1970 law, which was amended in 1990, so that in the future costs can be considered when setting health standards.

Any such move is likely to be met with strong opposition in Congress. Health experts and environmentalists view the setting of health standards without consideration of cost as essential for assuring public health.

Tougher Dust Standard Is OK'd

Despite Republican and Administration opposition, the **House Education and Labor Committee** has approved a bill requiring OSHA to come up with a "combustible dust standard." Both Republicans and OSHA have argued there's no need for a new standard since OSHA's existing dust rules cover general rules for housekeeping, emergency action plans, ventilation, hazardous standards and communications.

The **Department of Labor** said of the committee's action, "(The bill) would mandate a one-size-fits-all standard for as many as 200,000 worksites throughout the country... supporters mistakenly believe there are no combustible dust workplace protections, when there are 17 existing OSHA standards."

The agency also said it's currently inspecting facilities with the highest risk of explosion, and said if these inspections find that current rules aren't working, then the agency will initiate a rulemaking.

Renewable Fuels Waiver Option

With the Senate closer to an agreement on its list of energy program tax extenders, the recent **U.S. Department of Agriculture** planting intentions report and the subsequent market reaction have some calling for a waiver of alternative fuel blending requirements to take the pressure off corn and soybean markets.

A waiver of the Renewable Fuels Standard (RFS), which mandates exactly how much of various alternative fuels must be blended with diesel over the next five years, carries a provision allowing the Bush Administration to waive the requirements if the mandate distorts other

markets and costs. First to publicly call for a waiver of the standard was the Nebraska Cattlemen, saying now is the time to begin to talk about how the waiver might be invoked.

“We don’t want to see cattlemen shut down and then a waiver comes into place,” said Nebraska President **Mike Kelsey**, stressing that decreasing corn supplies in the face of record demand threatens both livestock production and ethanol refining.

Immensity of California Agriculture

If California were a country, it would rank in the top 10 of the world’s nations in the value of its agriculture, according to a report by the **University of California Agricultural Issues Center**.

The report found that California farms and related processing industries generate 7.3 percent of the state’s private-sector jobs and account for 5.6 percent of labor income. The calculations include ripple effects.

Findings are based on an analysis of data from the 2002 U.S. Census of Agriculture, which is the most recent one available. Center staff posted it online so that other researchers and policy analysts can begin to use the data right away.

“California agriculture is large, diverse, complex and dynamic,” said **Daniel Sumner**, a professor of agricultural and resource economics at UC Davis. “It contributes significantly to the economies of the state and nation.”

In addition to looking at the state as a whole, the report also analyzes agriculture’s economic impact on the Central Valley, San Joaquin Valley, Sacramento Valley and Central Coast regions of California.

Established in 1985, the UC Agricultural Issues Center serves as forum for the study of important trends and issues involving California agriculture.

The report, entitled “Agriculture’s Role in the Economy,” is now available on the Internet at www.aic.ucdavis.edu/publications/MOCA_Ch_5.10aPrePrint.pdf.

State Board Creates ‘Ag Vision’

From backyard fruit trees to supermarket shelves, California’s \$31.4 billion agricultural industry touches the lives of individuals worldwide on a daily basis. In the years to come, how this industry adapts and innovates will be vital to its continued success. In planning for this future, the **State Board of Food and Agriculture** has brought together the public and the agricultural industry to create an “Ag Vision” for California.

At a meeting on March 26, the state board heard presentations by agricultural representatives and departmental officials concerning the strategic planning process. **Chris Zanobini**, CGFA executive vice president, was among the agricultural leaders who made presentations to the board.

The California Agricultural Vision will consist of strategic goals that the agricultural industry wants to achieve by the year 2030. Public input is essential for the agricultural vision to fully represent California, including perspectives from farmers, ranchers and processors as well as hunger, nutrition, conservation and rural development groups.

“When we forget the stable foundation upon which agriculture must stand, we do so not at our own peril, but at the peril of civilization itself,” said **A.G. Kawamura**, secretary of the California Department of Food and Agriculture.

The state board and the California Department of Food and Agriculture have launched a series of listening sessions that will provide a forum for the agriculture industry and public to give their input into a California strategic agricultural vision. For a schedule of these sessions, go online at www.cdfa.ca.gov/agvision/files/listeningsessions.pdf.

Feed Rule Changes Published

The long-pending final changes to the **Food and Drug Administration’s** restricted use protein products (RUPP) rule, known to the industry as the BSE feed rule, were published on April 25, despite opposition by most industry segments affected by the rulemaking, according to the *State Association Weekly Washington Report*.

The changes come just days after the White House announced a new beef trade agreement with Korea, including a provision demanded by Korea that meat from animals over 30 months old would not be accepted unless the U.S. “expanded” its feed rule. The 12 national organizations that signed the letter to federal agencies said current economics argue against the rulemaking, that the BSE risk in the U.S. is so low that the new ban will have almost no effect on risk, and that trade policy should not drive food safety policy.

Effective April, 2009, the regulation rule expands the 1997 feed rule to ban the so-called “short list” of SRMs, meaning brains and spinal cords from animals over 30 months must be removed at processing and rendering, and the use of these ruminant byproducts in all livestock, poultry and pet foods is forbidden. FDA says the ban will

prevent the accidental cross-contamination of feeds with materials which could carry BSE infectivity.

FDA estimates that the changes could cost live-stock-related industries up to \$81 million a year in disposal and rendering costs.

The new rule can be found by going to the FDA website at www.fda.gov, and clicking on the icon for the **Center for Veterinary Medicine**.

FSA Signup Deadline Nears

John Smythe, director for USDA's **Farm Service Agency** in California reminds producers of the acreage reporting requirements that must be met prior to receiving program benefits. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

"Producers are required to file an FSA-578, Report of Acreage, certification for the farm by July 15 for all crops except small grains," said Smythe. Small grain crop reporting dates in California have already passed except for Spring-seeded grains in Northern California. For small grain reporting dates and other crop reporting issues, producers can contact the nearest county FSA office in their area.

According to Smythe, acreage reports on crops are due in the county office by the earlier of July 15 for all crops except small grains, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

"It is also very important that producers report crop losses, including those insured under Federal Crop Insurance (FCIC) and Non-insured Assistance Program (NAP) within 15 days of the date damage occurred or 15 days from the date damage is apparent," said Smythe. "Losses

and or damages to crops must be reported after each disaster occurrence and in a timely manner to insure continued eligibility for benefits."

Producers are encouraged to visit their local FSA county office to file the required FSA-578 certification report before the deadline dates expire. For background information, visit the state website at www.fsa.usda.gov/ca.

In Memory

CGFA Past President **Bill Carender**, 68, of Kingsburg, died on Monday, April 7, 2008. Graveside services for Mr. Carender were held on Friday, April 11 at the Kingsburg Cemetery.

Mr. Carender was a retired Kingsburg Cotton Oil manager and long-time active member and past president of the California Grain & Feed Association. Remembrances may be sent to Grace Church of the Valley, 1849 18th Ave., Kingsburg, CA 93631.



DATES TO REMEMBER

* **January 14-15, 2009** - Grain & Feed Industry Conference, Embassy Suites - San Luis Obispo, CA

* **April 29-May 2, 2009** - CGFA Annual Convention, The Meritage Resort and Spa - Napa, CA

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