

July 9, 2010



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Caballero Bill Amended to Appropriate Williamson Act Dollars

Recently, Assemblymember Anna Caballero (D-Salinas) amended her Assembly Bill 715 to appropriate \$36 million in General Fund dollars for the Williamson Act subvention fund for the current 2010-11 fiscal year. Assemblymember Caballero has been a long time supporter of this program and joins Assemblymember Jim Nielsen (R-Biggs) in championing this issue in the legislature and during this year's brutal budget process.

For questions or comments, please contact Dawn Clover at (916) 444-0845 or by e-mail at dawn@calcattlemen.org.

China-New Zealand Announce Plans to Move forward on Beef Trade Deal

Two weeks after Canada announced plans to begin exporting beef to China, New Zealand has announced a multimillion dollar trade deal to facilitate New Zealand beef exports into China as a result of a recent bilateral trade agreement.

This movement by competitors to U.S. producers is of concern as China, the only major market remaining completely closed to U.S. beef, represents one of the largest potential growth markets for the U.S. beef industry, worth in excess of \$200 million.

This week, President Obama announced progress on his pledge to double U.S. exports over the next five years, including the development of a new presidential advisory council on exports, but progress to reopen beef trade with former partners remains slow. CCA and NCBA have continued to press for opening of additional markets to fill the roughly \$1.5 billion in annual beef exports that are not being realized as a result of unresolved beef market access barriers.

CCA Encourages Members to Review Water Diversion Reporting Requirements after Deadline

Even though the July 1 Surface Water Diversion and Use reporting deadline has passed, CCA would encourage members who have yet to file their statement of diversion for 2009 to do so as soon as possible.

The law does not provide the State Water Resources Control Board (State Water Board) flexibility to alter the July 1 reporting deadline that has been in law since 1966, however, they do recognize that there are additional water users who have not reported and are still learning the process of doing so. Communications with the State Water Board have indicated they understand and recognize the difficulty in getting the word out about the reporting requirements statewide and the difficulty diverters have had accessing information and assistance in a timely manner.

The reporting law adopted by the California legislature in 1966 requires those that divert water from California's lakes, rivers, streams, creeks or pump water from known subterranean streams to report water use to the State Water Resources Control Board using a Statement of Diversion and Use. The reporting statute applies to all water diversions, including adjudicated and riparian water rights. Certain exemptions exist for diversions that are already being reported under a stockpond registration or by a watermaster and for diversions of less than 25 acre-feet/year from a spring that does not flow off the property.

Until recently, there was no consequence associated with non-compliance, however, following the adoption of water legislation passed by the state legislature and Governor Schwarzenegger last year, a series of fines were established for water diversions that are not reported on an annual basis as currently required by state law. A \$1,000 fine will be assessed for not reporting followed by a 30-day correction period. Following the correction period, failing to register fines will be assessed at \$500/day. Additional fines have been added for accidental and willful misstatements.

CCA has been working diligently to provide information on how to comply since the beginning of the year and will continue to assist members on how to report diversions over the next few months. More information on the reporting program and the reporting form can be accessed by visiting the CCA Web site at www.calcattlemen.org.

Members are encouraged to either contact the State Water Board directly at (916) 341-5300 with questions or by contact Justin Oldfield at justin@calcattlemen.org or by calling the CCA office at (916) 444-0845.

NAIS Funding Zeroed Out in Appropriations Bill

In a statement last week, Congresswoman Rosa L. DeLauro (D-CT), chairwoman of the House Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Subcommittee, marked up the subcommittee's fiscal year 2011 bill.

The Chairman's Mark includes \$23 billion in total discretionary spending – \$204 million below the FY2010 enacted level and \$27 million below the President's request.

The reduction in USDA spending reflected a zeroing out of funding for the voluntary National Animal Identification System (NAIS).

"We have spent over \$147 million on this program since 2004. And six years later, we still have not seen a clear plan from USDA on successful implementation, even after they shifted to a more fragmented system in 2010," said DeLauro. "While the administration asked for \$14.2 million for this program, we do not feel it is a good use of resources to fund NAIS until the agency develops a clear plan for a mandatory system with measurable goals, long-term funding levels, and a plan for successful implementation.

American's Great Outdoors Initiative

CCA was represented at both of the public listening sessions in California on the President's, "America's Great Outdoors Initiative." The Stated goal of the initiative was to develop a 21st century conservation agenda and to reconnect Americans with our great outdoors.

During the listening session in Davis on July 7, CCA members and staff were in attendance. Matt Byrne, executive vice president provided remarks on behalf of California's ranchers during the public testimony session. At the listening session held on July 8, in Los Angeles, Kevin Kester, CCA first vice president, represented cattlemen on the event's introductory panel.

Both Kester and Byrne spoke to cattlemen's support for the federal funding of voluntary conservation and enhancement programs available, such as those offered through the Natural Resources Conservation Service. They also elevated the importance of local collaboration and the need to work with private landowners. Lastly, they addressed the important role of private lands in both environmental and economic sustainability and shared concerns with government mandates of land use, such as monument designations, that have restricted livestock grazing and other activities in the past.

Other speakers at the event discussed a full range of issues, including the need to expose children to nature, access to public lands, the need for additional government protection of certain lands and the need to focus on partnership to achieve conservation goals.

In light of the interest in this issue, CCA will continue to follow the progress of the initiative as additional listening sessions are held and as the report to the President is prepared in November of this year. For more information on the listening sessions or the America's Great Outdoors Initiative please contact Tracy Schohr in the CCA office at (916) 444-0845 or tracy@calcattlemen.org.

Cattle Fax Weekly Market Highlight
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The fed cattle market ranged from steady to \$1.50 higher this week with the bulk of the cattle selling \$1 to \$1.50 higher. In the South, sales occurred in a range of \$91 to \$92.50 with the bulk at \$92 to \$92.50. In the North, trade was noted at \$92 to \$93 live and mostly \$148 dressed. Trade volumes were moderate to active. The boxed beef market was modestly lower. Although movement over the 4th was good, demand slowed once the fill-in was completed and the heat wave along the East Coast slowed consumption. Feeder cattle and calf prices were steady to \$1.00 higher for the week; volume was very light as many sales closed their doors in observance of the 4th of July. Slaughter cows were steady to firm, also in a light test. Corn prices increased during the week as the trade continued to digest the smaller than expected acreage as well as wet weather in the Cornbelt that slowed some crop development.