

January 8, 2010



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**Budget Highlighted in Governor's Final State of the State Address – Williamson Act  
Targeted in Schwarzenegger's 2010-2011 Budget**

Gov. Arnold Schwarzenegger, in his annual State of the State address this Wednesday, announced he will be calling the Legislature into emergency session to address the current budget year \$6.3 billion shortfall. This amount does not include the \$14.4 billion shortage in the coming 2010-2011 budget year, which begins on July 1, 2010.

Today, the Governor announced his budget for 2010-2011. Unfortunately, again this year, the Williamson Act is out of the Governor's budget. The Governor funded the entire Williamson Act program at the \$1,000 level statewide for the 2010-11 fiscal year. Fully funded, the subvention payments would total approximately \$39 million. Currently, the state's deficit is \$6.6 billion, with a proposed shortfall of \$14.4 billion and counting for the 2010-2011 fiscal year. The Governor noted the cuts in his proposed budget are "draconian" and would not happen if California did not suffer from a structural budget problem.

CCA will be working continuously to protect the Williamson Act in California and will keep members informed as the issue evolves. For more information, contact Dawn Clover in the CCA office at (916) 444-0845 or [dawn@calcattlemen.org](mailto:dawn@calcattlemen.org).

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### **California Rangeland Conservation Coalition Holds 4<sup>th</sup> Annual Summit**

This week, nearly 300 people attended the 5<sup>th</sup> Annual California Rangeland Conservation Coalition Summit at California State University, Sacramento. The event welcomed ranchers, educators, students and staff from multiple California natural resources and conservation agencies, who all are striving to keep our rangelands and natural resources healthy and productive for the future. The Summit featured numerous speakers and as well as a tour of cattle ranches and rangelands east of Sacramento. Since the first Summit in 2004, the event has significantly increased in attendance each year as partners of the Coalition have grown to nearly 100 and interest in the organization has continued to expand.

For complete coverage of the event, look for an article in the March 2010 issue of the *California Cattleman* magazine. For more information on the Coalition, visit [www.carangeland.org](http://www.carangeland.org) or contact Tracy Schohr in the CCA office at (916) 444-0845.

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### **ARB Releases Draft Regulation for California Cap & Trade**

This week, the California Air Resources Board (ARB) released preliminary findings for a draft regulation for California's mandated cap and trade program to reduce greenhouse gas emissions in accordance with California's climate legislation AB 32 adopted in 2006.

The draft regulation calls for a massive auction of allowances for roughly 600 businesses required to reduce emissions and limits the use of offsets that will help businesses more cost effectively meet reduction targets. CCA will be submitting comments over the next week outlining our opposition to the current provisions outlined in the draft notably because ARB has proposed a limit on offsets that could be provided through carbon sequestration projects on farms and ranches and the potential to bring farms and ranches in to the capped sector in 2015.

ARB proposes two phases, the first encompasses high emitting sectors and those businesses that emit more than 25,000 metric tons of carbon dioxide equivalent. The second phase lowers the 25,000 metric ton threshold for point source emitters with the intention to bring in more businesses that use fuel and natural gas to operate. ARB expects to release a more detailed regulation in March with the intention of bringing a draft final regulation before the board in October.

For more information on this topic, contact Justin Oldfield in the CCA office at (916) 444-0845 or [Justin@calcattlemen.org](mailto:Justin@calcattlemen.org).

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## **California Assembly Elects New Speaker**

As was expected based on his nomination in November, John Pérez (D-Los Angeles) was elected Speaker of the Assembly by the Assemblymembers on Thursday. Perez succeeds Speaker Karen Bass (D-Los Angeles), who announced her support for his bid in November.

Pérez has said his priorities as the Speaker will include job creation and addressing the structural and financial issues facing California. CCA looks forward to working with the new Speaker and his staff as well as the rest of the California Assembly during the 2009-2010 Legislative Session.

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## **UC Davis Vet School Examines Options Following Budget Cuts**

In light of continued budget difficulties prompted largely by the state of the economy and the California's budget crisis, the University of California, Davis (UC Davis), School of Veterinary Medicine has been in the midst of significant financial pressure over the past two years. This pressure has resulted in the elimination of 130 staff positions, closure of the Fresno branch of the diagnostic lab, placement of 12 faculty recruitments on hold, reduction of programs, temporary pay cuts and work furloughs on all faculty and staff, restructuring of administrative activities and increases in student tuition and fees.

The situation has not yet stabilized, and the vet school is looking at a number of options, including changes to the In-House Food Animal Program (C-Barn), which have created concerns among some faculty and livestock producers.

CCA officers and staff are aware of these concerns and have spoken with concerned members. Officers and staff also met with Bennie Osburn, DVM, dean of the vet school, prior to the holidays to express our support for maintaining a robust food animal program at the vet school that provides a means to train future large animal practitioners, allows non-large animal students to become familiarized with large animal practice and continues to provide a facility at which producers can seek expert advice.

Osburn assured attendees at the meeting that he does not intend to close the food animal program and remains committed to providing UC students with an excellent food animal educational experience while serving the food animal industry and client constituents. He did say, however, that his goal is to work with impacted industry representatives in the coming months to make a decision that allows the In-House Food Animal Program to remain programmatically sound and financially responsible and has urged faculty to work to develop other clinical instruction that considers the resources (personnel, regional case load, budget) available to meet professional training objectives that are aligned with industry needs in California.

Osburn also invited CCA along with other livestock representatives and veterinary practitioners to continue communicating in the coming months with him, faculty and

students to determine the best service model and educational experiences required for our veterinary graduates to meet the future needs of animal agriculture.

CCA will continue working with the University to find a means to ensure that the vet school can continue to provide the level of hands-on training required for the school to turn out highly qualified food animal practitioners to support cattle production throughout the state. For more information or to share any comments or concerns about the issue, please contact Matt Byrne in the CCA office at (916) 444-0845 or [matt@calcattlemen.org](mailto:matt@calcattlemen.org).

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### **EPA Proposes Lower Smog Standards**

In a statement released by Federal Environmental Protection Agency (EPA) Administrator Lisa Jackson yesterday, EPA is proposing to strengthen the 8-hour smog (ozone) standard to a level between 0.060 and 0.070 parts per million (ppm) compared to the current standard that is over 0.070 ppm.

For some areas of the country this change may be insignificant, however, for California it may have a huge impact on the state's ability to meet air quality objectives for smog specifically in the Central Valley. Both the San Joaquin and Imperial Valleys are unable to meet federal air quality requirements at the current level and will be even harder pressed to meet new smog and ozone requirements if lowered. Businesses, farms and ranches are already heavily regulated to help air quality authorities to meet current ozone air quality objectives.

The San Joaquin Valley Air Pollution Control District has not released a statement on the proposed strengthening of the ozone standard. EPA will be holding public meetings in February throughout the country, including a meeting in Sacramento on Feb. 2. CCA will be in attendance at the hearing to oppose strengthening the standard.

For more information, contact Justin Oldfield in the CCA office at (916) 444-0845 or [Justin@calcattlemen.org](mailto:Justin@calcattlemen.org).

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### **Schwarzenegger Fills Natural Resources Positions**

Gov. Arnold Schwarzenegger has looked inside his administration to fill top natural resource positions. On Tuesday, Schwarzenegger promoted state Department of Water Resources Director Lester Snow to lead the California Natural Resources Agency. The agency oversees such departments as fish and game, CalFire, parks and recreation, and water resources. Snow replaces Mike Chrisman, who will retire Feb. 1 after seven years heading the resources agency.

The governor also named John McCamman as director of the Department of Fish and Game, and appointed Mark Cowin, a deputy director at water resources, to lead that department.

CCA has enjoyed working with Chrisman and wishes to congratulate him on his upcoming retirement. CCA also looks forward to working with Snow, McCamman and Cowin in their new positions.

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### **Three Californians Appointed to Top Ag Positions with Obama Administration**

Californian Karen Ross has been appointed as Chief of Staff at the United States Department of Agriculture. Also, Manuel “Ray” Souza of Turlock and Patricia Stroup of Hilmar were appointed to the newly created 17-member USDA Dairy Industry Advisory Committee. The committee will consider and evaluate various proposals that address the issues facing the industry, such as milk prices, and make recommendations to the Secretary of Agriculture.

Ross has had a long and successful career in California agriculture and viticulture. She most recently served as President of the California Association of Winegrape Growers. She has served as the Executive Director for Winegrape Growers of America, and the California Wine Grape Growers Foundation. Ross has also served a gubernatorial appointee to the California State Board of Food and Agriculture.

Souza is a longtime respected leader in the California dairy and agriculture industry, serving on numerous related committees and boards. He owns and operates Mel-Delin Dairy in Turlock and has served on the Board of Directors for Western United Dairymen for more than 10 years. He is now in his second term as president. He has previously testified on agriculture and dairy issues before the U.S. House of Representatives and served as an appointee to the USDA /USTR Agricultural Technical Advisory Committee. Additionally he has served on the National Beef Promotion & Research Board and Governor Gray Davis’ Ag-Water Transition Team in 1998.

Stroup has been associated with the dairy industry throughout her career. She began a dairy farm in North Carolina with 50 cows and quickly grew her family business. She later went on to work for Himar Cheese and gained an in-depth understanding of the connection between processors and dairy producers. She now works for Nestle and manages up to \$1 billion in milk and dairy products for the U.S. and Canada. She is regularly published in industry publications and is a recipient of the Purdue University Apex Award for outstanding accomplishments in agricultural economics. She currently serves on the boards of the Dairy Institute of California and Milk Industry Foundation.

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### **Cattle Fax Weekly Market Highlight January 8, 2010**

Fed cattle traded \$1 to \$2 higher this week. In the North, sales occurred mostly at \$136 to \$138 dressed and \$84 to \$85 live. Kansas cattle sold primarily for \$85 to \$85.50. At press time, Texas trade was not established with cattle feeders passing bids of \$85 to \$85.50 and holding out for \$86 or better. Cold weather through most of cattle feeding regions resulted in many sellers willing to hold cattle into next week to see if they can recover some of the weight lost during the recent storm. Boxed beef prices were higher on the

week driven by an empty pipeline coming out of the holiday shortened production week. Feeder cattle values were mostly \$1 to \$2.00 higher this week, while calves sold fully steady. Demand was good as offerings have been limited over the past few weeks. Slaughter cows were \$1 to \$2.00 higher; high trimmings demand has supported stronger slaughter cow prices. Corn prices strengthened ahead of next fresh fundamental news next week.

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**Help Your Business and Your Industry by Joining CCA Today**

Do you like what you see here? Are you interested in participating in these important efforts and receiving additional publications about California's beef cattle industry? If you're not yet a member, you can lend your support by joining the California Cattlemen's Association (CCA) today. CCA is the only membership organization in California dedicated solely to looking out for the interests of ranching families and California's cattle industry.

CCA staff and officers work every day to ensure that our members have a known voice in Sacramento and in Washington, D.C. CCA defends your private property rights; works towards preserving private and public rangeland; protects the health of California's cattle herd; and provides scholarships to help the next generation of ranchers remain in the industry.

Joining this critical effort is simple for cattle producers, landowners and supporters of the industry. Call Stevie in the CCA office at (916) 444-0845 or email requests for membership information to [stevie@calcattlemen.org](mailto:stevie@calcattlemen.org).

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