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### The pandemic and drought may be changing California politics

With Democrats holding a super majority of power in California since 2018, Republican Assemblymember Andreas Borgeas of Fresno is seeing the pendulum now swing in the other direction. Borgeas said the pandemic is creating frustration among voters at a time when the state needs bipartisan agreement on investments in water infrastructure.

"People are discontented," said Borgeas, speaking with California Farm Bureau President Jamie Johansson during an Ag Day event last week. "That is finding its way into the governor's predicament politically."

He was referring to the news that the group spearheading a petition to recall Gov. Gavin Newsom is likely to have gathered enough signatures to qualify for a vote in November, putting pressure on the governor to broaden his political support. Newsom said last week he has visited the Central Valley more than a dozen times in recent weeks.



Andreas-Borgeas

"California is at a moment in time where the chickens have come home to roost," said Borgeas, arguing that policymakers have "kicked the can" when it comes to financing the state's deferred maintenance on water infrastructure and road repairs. "[Voters] want their politicians and their representatives to stay engaged with their community and to find solutions and to be pragmatic and work with their colleagues."

Johansson—along with many in the agriculture community—was frustrated that little money from the Proposition 1 water bond passed in 2014 has been invested in surface water storage and conveyance systems. Last week the state finance department projected an additional \$14 billion in 2020 tax revenue will add to the current budget surplus. California also stands to gain about \$150 billion from the rescue package signed by President Joe Biden.

"What prevents us from investing?" asked Johansson. "We're about to go through another pretty depressing year, when it comes to water, at no fault of our own."

Borgeas said agency boards and commissions acting as a separate branch of government beyond the governor and Legislature have been stalling the Prop. 1 funding.

"Even though the money was there, they find creative ways to make folks like us in the Central Valley continuously ineligible for these projects," said Borgeas. "When the money stands there long enough, at some point in time, the wolves get hungry and then begin diverting it to other preferred projects."

He cited the high-speed rail project as a "classic example" of this and said bond proposals are no longer a reliable source of funding for the valley as a result.

"If we were to have other initiatives pass forward, I would make certain the language is legally airtight," he said, adding that it should be tied to a specific capital investment.

Sen. Melissa Hurtado of Sanger has doubled down on a bipartisan effort to gather state investments for water conveyance in the San Joaquin Valley. After Newsom vetoed her two-year bill for repairing the sagging Friant-Kern Canal, Hurtado introduced a new measure this year. Senate Bill 559 initially requested \$400 million for the project, based on federal cost estimates. The new bill pushes for nearly \$800 million and adds maintenance needs for the Delta-Mendota Canal and the California Aqueduct.

Borgeas has signed on to SB 559 as a co-author, his second turn at securing economic support for businesses this year. He introduced a measure in December that offered relief to small businesses and nonprofits and was later incorporated into an emergency budget bill and signed into law by Newsom.

### "A Republican, with a \$2.6 billion package, getting that fiscal amount through the Legislature—unheard of," said Borgeas.

He held this up as an example of how Central Valley lawmakers of both parties need to create coalitions with coastal lawmakers to "have a seat at the table" and pass major legislation to support their region.

"Our valley delegation numerically is not sufficient," he said. "We need to build bridges."



Jamie Johansson

Borgeas described the diplomatic hurdles this involves for the region's most pressing issues.

"Some of the things that are intuitively the scariest are water and ag issues, because of their history," he said. "They're complex, and they have a lot of political forces and cross currents that can create challenges."

As a lawmaker, this requires a pragmatic approach that is well articulated, sensitive to the political

landscape, works across the aisle, and has a strong certainty for passing through the legislative process, he explained.

"Being a flame thrower does not get anyone anywhere in the Capitol," Borgeas said. "It is a form of discipline that is important for all policymakers and representatives to bring to bear."

In talking with Johansson, CalEPA Secretary Jared Blumenfeld also recognized the importance of collaboration, especially as the state prepares for drought.

"If we're not all understanding who's on first and how we all collaborate and work together," said Blumenfeld, "we're not going to be able to get through this in a way that really reduces impacts on the [water] suppliers to businesses, farms and homes."

Johansson emphasized that water issues are deeply connected to the administration's goals relating to air quality, climate change, pesticide use and soil health. Planting cover crops, for example is difficult when water is scarce. These issues are interrelated, he argued, and can't be compartmentalized within one agency.

"My goal in CalEPA," responded Blumenfeld, "is to create more cohesion, more understanding of how all the different pieces work together. We've allowed government to get too siloed."

While the administration may be taking more interest in rural concerns, agriculture is already facing a difficult year.

Along with the forecasted drought, the second round of plans are due for the Sustainable Groundwater Management Act (SGMA) in January 2022, and the Department of Water Resources is in the midst of assessing the viability of plans already submitted for the most critically overdrafted basins. Districts that have traditionally relied on groundwater pumping when managing past droughts are now in a difficult position.

Johansson said fixing the Friant-Kern Canal through SB 559 would have helped the valley to alleviate some of these groundwater issues. He was also frustrated to see three years of Democratic leaders proposing multiple variations of a climate resilience bond that contained no investments in surface water infrastructure. A new measure calling for a \$5.5 billion wildfire and climate resilience bond <u>would exclude conveyance</u> from the bond.

Assembly Agriculture Chair Robert Rivas, who represents much of the Salinas Valley, has been working with the agriculture industry alongside environmental and social justice groups to craft a \$3 billion food and agriculture bond proposal, which also includes provisions on climate resilience. Johansson asked Rivas at the Ag Day event if he would include any infrastructure funding to support communities implementing groundwater plans.

"We certainly made sure that we dedicated resources to all SGMA efforts," said Rivas. "It's certainly recognized that there's a lot of concern and a lot of support that's needed on the ground."

The bill would allocate \$50 million in grants to support local groundwater sustainability agencies, along with \$12 million each for technical assistance and for smallholder and disadvantaged farmers. While the bond would support a broad range of infrastructure along the food supply chain, water infrastructure is again left out.

### Q+A with CDFA Secretary Karen Ross

During February, CDFA's Office of Environmental Farming and Innovation held a series of meetings with farmers and ranchers to get their input on ways to sequester carbon, reduce greenhouse gas emissions and improve biodiversity to help meet California's climate goals. CDFA released a <u>preliminary report from those sessions</u> Tuesday (March 30). Secretary Karen Ross spoke with Agri-Pulse about those meetings and how ag is contributing to the state's climate goals.

This interview has been edited and condensed.

There were six listening sessions, two each for the annual, perennial, and livestock sectors. They were organized so people came together for an initial meeting and then reconvene a second time a few days later. How did your office decide that was the approach you wanted to take?

The director of our office, Amrith Gunasekara, has had a lot of experience and interaction with farmers and ranchers. He learned this from our work early on in climate change, going back to 2012, when we convened the <u>Climate Change Consortium for Specialty Crops</u>. Based on his experiences of doing that first Consortium report and so many other (reports) that we've done



Secretary Karen Ross

around potentially contentious issues, we really wanted to use the first convening to get everyone on that same basis of understanding: here's what we already have, we're looking for things to add on to or adjust to what's in existence. And then, when people walk away after that initial discussion, they go home and think about it. So, it seemed to make sense to bring (groups back) together.

#### What are some takeaways from those meetings?

The one thing that came through loud and clear is "we're so over regulated, please don't let these things turn into other mandates." Our secret sauce is voluntary practices, technical assistance, and incentive grants. That's how we've gotten so many people into this. Adding demonstration projects really helps for that farmer-to-farmer learning (because) they have very candid conversations. There are a lot of really interesting thoughts about region-specific needs and practices. In a big diverse state like California, with so

many different microclimates and so many soils, we have to be very mindful that it is not a one-size fits all.

I wanted to ask you about specifically some of the climate smart projects that have been instituted. Are there are any that stand out for you as most practical to be replicated on the widest scale?

Because it was the first program and it was rolled out in response to drought, our <u>State Water Efficiency and Enhancement Program</u>, SWEEP. One of the things that I think has made our programs work is we don't say "here is what you must do." It's a menu for you to pick what works best for your operation and where you are in this continuum of sustainability.

I have been so impressed and pleased by the momentum behind <u>Healthy Soils</u>. It's interesting because we have like 27 practices that you could go with but cover crops, hedgerows—which is exciting for our pollinator friends—mulching and compost are the top four. And then kudos to our dairy families, we did one pilot program year and did 12 dairy digesters. By the time of sign up, of course, a mandate on methane reduction helped pique interest. A dairy digester is like a mini utility that you're operating, so allowing the partnership of dairy farmers with developers has been very positive.

### Do you think because there's been so much adoption by dairy farmers to the digesters that that might lead more methane gas infrastructure?

That has already started and I think that will accelerate and especially if we focus on just trucking. If we could convert major fleets that tend to fill I-5 and I-99 24/7/365 days out of the year we would have an immediate positive impact on the air quality in the Central Valley. The developers are big believers in cow power, and even if, as we see this move towards zero emission vehicles, we went all electrification in the grid, we could still use the dairy digesters for generating that renewable electricity so that we could have freeways lined with the electrical charging stations with cow power. I get excited about cow poop.

### Do you think agricultural equipment will evolve to meet the zero emissions mandate, or do you think agriculture is going to head in the direction of trying to get some exemptions?

We will work hard to meet the mandate for the years in which they're set. This is providing a very strong market signal and so just given my conversations, especially with the major farm equipment manufacturers, some of this stuff could be near term, meaning maybe in 15 years, some of it maybe less. There's work that's happening on it and oftentimes as policy signals are sent that work will accelerate. But we feel that with having to meet this "technically and economically feasible" (expectation), we're going to keep moving as quickly as we can on this pathway. But in the meantime, being able to reduce the carbon intensity of whatever it is that fuels that piece of equipment is going to be extremely important.

## California is moving ahead with a lot of things that are still not on the agenda in other ag states. How are you seeing other states respond to what California ag is doing in terms of climate change?

I'm always mindful that it's different farming here because we are specialty crops, we are farming practically every day of the year. In dairy and dairy efficiencies, California has been a leader and we've seen how rapidly dairy farming across the country has embraced a lot of the efficient practices that they have, and that was even before climate (became a priority). I see the cattle sector really providing strong leadership from California. Understanding the role of grazing, whether it's for wildfire or for habitat and retaining the biodiversity that's on rangeland, has really taken off across the country. [...] On climate, I'm excited to be part of a national conversation and to see how much momentum in the last couple of years has really gone from not wanting to talk about climate change at all to let's all work together because it's going to take collaboration. And it cannot just be farmers and ranchers, we can lead, and it's important that we have that strong voice, but we need the entire supply chain in this with us. We tend to silo ourselves, even within that supply chain, and we can't afford to do that. The brand names have set some of their sustainability or climate goals, and thought it was easy to say, "Oh, this is what we want to buy from you." And they're much more engaged (now) and understand how complex it is, that there are trade offs and that there are unforeseen incidents and risks that a farmer has to deal with, and they shouldn't have to do that all alone.

As the federal government focuses more attention on climate policy, how much is USDA reaching out to the states, or to California specifically, to try to make sure that what comes down from USDA aligns with what states are prioritizing?

I was really thrilled to see that they announced that they're seeking comments on farmer- and rancher- lead solutions, so that's a golden opportunity. We really are excited to encourage all California ag groups, as well as our sister agencies, to weigh in with comments. It's great that before they actually went through some sort of "here's our idea of what this should look like," they're starting with "let's see what's out there."

And let's face it, we built our climate smart programs on research that's been happening at USDA for years and on the work that Secretary Vilsack and the Obama Administration did when they came up with identifying the building blocks for climate smart agriculture. Those definitions and that way of doing organizational thinking made it much easier for us to go into this space and use terminology that was already out there, not only nationally, but internationally. That's important work that they've done and we were able to just step on to that and build upon it.

## There's starting to be a lot more talk about ecosystem services markets, about a carbon bank or some kind of payment for carbon sequestration. What's the situation here in California, and what's the potential of that?

Well, clearly there's the interest and with our cap-and-trade program it's been primarily about the wisdom, or not, of pursuing an offset, which is almost a 10-year process. The verification process is expensive and the dollars generated are so minimal. One of our first ones was in rice and it just didn't pan out the way people had hoped or expected it to. There's huge interest in markets and we'd love to see that the consumer would help share this wonderful public benefit of us being the ones who manage it and take responsibility for it. By the same token, we want to make sure that it's real. It could easily fall into a greenwashing and so we want to make sure there's integrity in how this is done. I'll just be blunt: I don't want to see a brand taking a bunch of credit for what a farmer's doing for them to meet their goals without some payment and some verification so both of them have comfort that this is real, we stand behind it, the practices are on the ground, sequestration is happening. We've been talking about it for 15 years and we're much closer than we've ever been.

#### Any final thoughts?

This is about helping to solve the biggest challenge of our time. Nothing's more rewarding than to be able to grow food and feed people, but to be able to do this and solve these problems and to be able to improve not only nutrition for people, but the health of our planet... who wouldn't want to be in agriculture?

### Optimism fades for groundwater sustainability as drought deepens

The resiliency of farmers in the San Joaquin Valley is going to be severely tested as state and federal agencies limit surface water allocations and as groundwater sustainability plans begin to be implemented, according to David Orth, a water policy expert and former general manager of the Westlands Water District.

Speaking to the California chapter of the American Society of Farm Managers and Rural Appraisers last week, Orth explained how the "dismal" conditions for surface water storage will continue a dependence on groundwater this year. This is already resulting in water scarcity, higher prices and more water transfers, he said.

The Department of Water Resources (DWR) is currently evaluating the first round of plans submitted for the Sustainable Groundwater Management Act, which are for the most critically overdrafted basins.



All-American Canal, Colorado River

"In areas where we've had unfettered groundwater use for the last several decades, there's going to be a striking impact as these plans are implemented," said Orth. "SGMA is going to start impacting as early as 2021 water supplies on the farm."

The groundwater sustainability agencies implementing the plans need to balance the economic impacts with a ramping down of pumping. Most have started the transition by maintaining "business as usual" for a year or two before stepping down the pumping, which gives some flexibility to growers for dry years like this one. Most of the plans

would implement some type of groundwater trading market. But Orth and his colleagues at the consulting firm New Current Water and Land have not seen functional markets yet in the San Joaquin Valley, and the markets that do develop are going to be highly restricted and limited in their use, he said.

Within the next two to three months, DWR will release the first assessments of the plans.

"DWR has essentially already advised many of us that none of the [plans] that they have can expect an A grade," said Orth. "There's going to be corrective action lists for all of them. Many should expect something below a passing grade."

Many will be incomplete or told to fix certain parts, with 180 days allowed under the statute to make the adjustments.

"The question is how much flexibility the state agencies will grant," he said.

Orth wondered if DWR will demand that all relevant data be included, as well as plans for restoring groundwater-dependent ecosystems. If the groundwater agencies are unable to comply, the state will take over control of the subbasin through the State Water Resources Control Board and charge the agencies for running it. Orth estimated that will be inevitable for certain subbasins.

"There are going to be some examples made," he said. "The state board is on record of saying if they have to step in and manage, they're not going to be real creative. They're going to force a quick reduction to sustainable yield."

Orth cautioned that the litigation is just beginning over the plans and to keep an eye on what these early lawsuits will mean for groundwater agencies to understand the impacts to growers.

For those appraising agricultural land values, the plans leave many questions unanswered.

"These [plans] are complex, they're difficult to understand or interpret, they're uncertain. There's data gaps in them," said Orth.

Appraisers are certain to see the continued trend of values going up for lands with multiple sources of water while those dependent on groundwater only are swinging the opposite direction.

The drought will continue to drive water prices up. Orth believes that groundwater is already more scarce than what the plans reflect, and once that is recognized, prices will go up further and eventually reach a level based on the actual value of the commodity generated from each water source.

The long-term solution for the groundwater curtailing in the valley, he said, would be to restore surface water deliveries from the Sacramento–San Joaquin Bay Delta.

"I'm not optimistic that we're going to solve that problem," said Orth. "The reality is we're going to see a shrinking [of agricultural land]. There's just, in my view, no way to get around it."

### One year later: Within diverse produce sector, pandemic experiences mostly not as bad as feared

This is the fifth and final story in our series looking back on the impact of the COVID-19 pandemic on food and agriculture. Previous stories have covered <u>rural broadband</u>, the nation's <u>ag workforce</u>, the <u>livestock sector</u>, and <u>food banks</u>.

Florida farmers got hit hard when the pandemic shut down food service just over a year ago. The Sunshine State had myriad crops ready to harvest, including lettuce and other leafy greens, sweet corn, green beans, squash, cabbage, strawberries, blueberries, melons, and tomatoes.

"We're talking millions and millions of pounds of product, all at once," that suddenly had nowhere to go, said Mike Aerts, director of science and regulatory affairs for the Florida Fruit and Vegetable Association. "About 60% to 70% of that produce had been planned for distribution to schools, restaurants, theme parks and other food service settings. "Those markets literally went away overnight and these are perishable commodities."

Images of crops rotting in the field made the impact feel even worse for Florida growers.

"They hated it," Aerts said. "That's the last thing you want to see happen when you put your blood, sweat and tears into producing a crop like that."

The Florida Department of Agriculture and Consumer Services estimated in mid-April 2020 that crop losses could exceed \$522.5 million.

"You can't plan for shutdowns," said Tori Rumenik, manager of commodity services and supply chain at FFVA.

In time, producers adjusted distribution to retail stores, launched farm box programs for direct-to-consumer sales and generally regrouped. It was not fast or easy.

"We did a lot of donations during that time," Rumenik said, to local charities and to people in need as far away as the Bahamas.

Across the country, Steve Brazeel, CEO of California-based SunTerra Produce, said initially some of his fields also went unharvested. "We lost about 250 acres between iceberg and romaine lettuce," he said. Later, he landed a contract for the Farmers to Families Food Box program and partnered with food banks.

For Georgia produce farmers, whose season ramps up in March and April, the first jolt came with the fear that H-2A workers wouldn't be allowed into the country.

"It was a very scary few days there," Charles Hall, executive director of Georgia Fruit and Vegetable Growers Association, remembered. But because of the timing of their major crops, Georgia farmers didn't have as much





Donated Florida cabbage and sweet corn ready for shipping to the Bahamas.

immediate loss in the field. "Yes, they probably lost some, but it was not a significant amount to affect their harvest."

In many places, produce growers saw an increase in consumer willingness to drive out to a farm or buy a box of fresh produce delivered to urban and suburban areas. Both Florida and Georgia, for example, had state-supported programs to help wholesale growers adapt to direct-to-consumer sales. Hall said the "Georgia Grown To Go" program brought farm-fresh produce by the truckload to consumers who could drive up and buy a box. Others visited a farm.

Hall said he saw "pictures of cars backed up into the highway going to the farm to get their produce."

Brazeel said some of his worst fears did not materialize. Early on, with spring barbecues and parties canceled and many shoppers hesitant to touch anything, he thought selling fresh sweet corn would be difficult. He imagined people might ignore traditional displays that let them select certain ears. He even toyed with bagging ears of corn ahead of delivering to retailers.

"But it was the opposite," he said. "It sold like hot cakes."

Turns out, many farmers experienced better-than-expected sales in 2020, even with the pandemic, and that may be especially true for smaller farms serving their local communities.

"When the lockdowns started to happen, I had a huge influx of people wanting to sign up for my (community supported agriculture)," or CSA, said Liz Graznak of Happy Hollow Farm in Jamestown, Missouri, "and that was awesome." Demand was also up when she brought products to the Columbia Farmers Market, which never shut down. In the past, farmers' market sales accounted for about 30% of her total, but in 2020 that increased to 40%.

"The demand just skyrocketed because of so many people not wanting to go to grocery stores," she said. But market days also looked different; people stood in long lines waiting to get to

individual farm stalls, which were spaced farther apart. And Graznak changed how she and her staff served customers.

"One person, myself, would be touching the produce and somebody else would be touching the money," she said. For CSA subscribers, she switched things up to reduce the exchange of items between the farm and the customers' homes. Where in the past, customers took a box home and brought it back, during COVID "we started packing orders in a removable plastic liner." Customers simply pick up the whole liner. She says it's faster and easier, which she appreciates, but she's not sure she'll continue after the pandemic because "there's a lot of things that are really great about the plastic sleeve, but I hate the plastic."

The pandemic demand led Graznak to increase from four full-time and two part-time employees in 2019 to seven full-time and four part-time in 2020. She kept more workers on through the winter than in years past and said she is "planning and planting as if our sales will be what they were last year, but I don't know and I'm very nervous about that." If sales drop, she won't have the income to pay the additional staff.

"The pandemic forced people to think more about where their food was coming from, so that was a win," she said. "I just hope that we can keep that."



Roberto Meza

For Emerald Gardens in Bennett, Colo., the pandemic became a catalyst for realizing business aspirations co-founder Roberto Meza had not yet started to pursue. The farm grows microgreens, such as young broccoli, pea shoots, and radishes, in a year-round greenhouse for distribution to retailers, restaurants and within other farms' CSA boxes. It's expanded into leafy greens, edible flowers, and herbs this year, but the farm is also now hosting a couple of microenterprises, one for vegetables and another for mushrooms.

"Thankfully, we started the farm with food access and food justice in mind," Meza said. A pandemic relief program led a local agency to ask if Emerald Gardens would contribute to "WIC boxes" for the USDA's Women, Infants

and Children program. "When they approached us to ask if we wanted to participate as a supplier, we said, 'why don't we participate as an aggregator?""

The East Denver Food Hub was born. Meza said it's giving him and his business partner a vehicle for connecting area farmers with local consumers, especially those in need of food assistance. He says state and federal pandemic relief money gave them the initial means to get started.

"We really want to optimize that as a way to not just view it as a Band-Aid on hunger" but a pathway to what he calls a sustainable food model. In addition to directing fresh produce from growers to both charities and end consumers, he says the East Denver Food Hub has created an infrastructure that will guarantee an initial market to the new farmers he's hosting on Emerald Gardens land.

"We now have a model for basically jump-starting new farm operations," he said.

"We really want to right the wrongs of history and ensure equity and dignity for community members that have struggled so much to start their own farm," Meza added. His mushroom grower is a Dreamer who is still working out his immigration status, and the new vegetable farm is run by an immigrant family from Ghana.

Partly because everybody still has to eat in a pandemic, partly thanks to creativity and the willingness to shake up business as usual, and because the government offered support programs, many produce operations ultimately came through 2020 in solid shape.

"Overall, our growers survived the pandemic, if you will, and had a pretty good year," Hall said of produce farmers in Georgia.

"You'd be surprised at how inventive you can be," said Rumenik, describing how a packing house in Florida modified its break room with partitions at tables "so you could sit next to somebody with that barrier and still have a conversation with them."

While some consumer habits forged during the pandemic may revert, such as driving out to a farm to pick up a box of vegetables, others may stick around.



Food gets packed into boxes at the new East Denver Food Hub, founded during the pandemic. (Courtesy: EDFH)

Aerts said shifts to online grocery shopping pose a challenge for the fresh produce sector because shoppers often choose fruits and vegetables based on what they think looks the best, and they like to touch those items. Buying online strips out those sensory inputs.

"We're going to have to figure out how to make these things more desirable" online, he said.

In Missouri, Graznak plans to continue designating just one person at her market booth to handle money because the pandemic-inspired change turned out to be "a good little discovery that happened for me."

Meza said 2020 began, pre-pandemic, with one of Emerald Gardens' key grocery partners filing for bankruptcy. So, his business was already struggling when the pandemic hit. Now, things are looking up.

"We got creative," Meza said. "We realized that the problem also incubated its own solution."

### Taxes could complicate Biden infrastructure push

President Joe Biden and congressional Democrats are readying their next big legislative push for a \$2 trillion infrastructure package that he wants to pay for with corporate tax increases, likely making the measure a non-starter for Republican lawmakers and many farm groups.

The president's infrastructure plan will have a heavy focus on climate policy and include substantial new funding for rural broadband, <u>according to a fact sheet</u> released by the White House early Wednesday morning.

Biden's plan includes \$621 billion for transportation, including roads, bridges, electric vehicles and waterways, plus \$100 billion to ensure that the entire country has access to broadband. Another \$16 billion is earmarked for port and waterway improvements.

The "plan will modernize 20,000 miles of highways, roads, and main-streets. It will fix the ten most economically significant bridges in the country in need of reconstruction. It also will repair the worst 10,000 smaller bridges, providing critical linkages to communities," the White House says.



President Joe Biden

An additional \$50 billion is set aside in the plan for climate resilience projects. The funding could be used in part for "agricultural resources management and climate-smart technologies" and forest management, according to the White House fact sheet.

An alliance of farm and environmental groups has recommended Congress increase funding for conservation programs in order to help farmers adopt climate-friendly practices. Agriculture Secretary Tom Vilsack also has signaled that increased funding for wildfire prevention is a key priority of his for addressing climate change.

The "plan invests in rural and Tribal communities, including by providing 100 percent broadband coverage, rebuilding crumbling infrastructure like roads, bridges, and water systems, providing research and development funding to land grant universities, and positioning the U.S. agricultural sector to lead the shift to net-zero emissions while providing new economic opportunities for farmers," the White House fact sheet says.

Another \$5 billion is earmarked for rural development. This program will empower rural regions by supporting locally-led planning and capacity building efforts, and providing flexible funding to meet critical needs," the fact sheet says.

To pay for the plan, Biden proposes to increase the corporate income tax from 21% to 28% and to take other steps to prevent companies from avoiding U.S. taxation. Biden also wants to increase the global minimum tax for corporations and calculate the rate "on a country-by-country basis so it hits profits in tax havens," the fact sheet says. A potential change in the capital gains tax is not mentioned in the White House document.

But if the legislation doesn't have GOP support because of the way it will be financed, then it could be harder for farm groups and rural advocates to shape the infrastructure provisions.

White House press secretary Jen Psaki confirmed Tuesday that the cost of the president's infrastructure package would be paid for dollar-for-dollar through tax increases instead of adding the cost to the budget deficit, as has been done with successive coronavirus relief proposals.

Biden "believes that we can't afford not to invest in improving our infrastructure," Psaki said Tuesday. "People may have different ideas about how to pay for it. We're open to hearing them."

In April, the White House is planning to propose another massive spending package, this one focused on "human infrastructure" with increased spending for child care, education and health care. That package could include additional tax increases.

Even without seeing a formal draft of the entire tax plan, sources point to Biden's campaign pledges for clues of what might be on the horizon. For example, his tax plans contained proposals to raise more than \$3 trillion in new revenue over 10 years, according to an analysis by the Tax Foundation.

The proposals included rolling back the federal estate tax exemption, now \$11.7 million for 2021, and eliminating the step-up in basis for inherited assets, which could leave heirs facing substantial capital gains taxes. He also has proposed to raise taxes on corporations as well as individuals making more than \$400,000.

If the legislation includes tax increases, Democrats will almost certainly have to move it through Congress using the budget reconciliation process, which means they would need no GOP support for the bill in the Senate as long as all 50 Democrats vote for it.



Rep. Rick Crawford, R-Ark.

"The only way that they (Democrats) see that they can continue to authorize this kind of spending is to include tax increases," Arkansas Rep. Rick Crawford, a senior Republican on the Transportation and Infrastructure and the Agriculture committees, told *Agri-Pulse*.

"And that's where we're gonna have some heartburn, because we don't have a tax problem, we have a spending problem."

Missouri Rep. Sam Graves, the top Republican on Transportation and

Infrastructure, issued a statement last week saying infrastructure spending needs to be targeted and offset by spending cuts elsewhere in the federal budget.

"We need to take a hard look at where the most significant backlogs are and invest in transportation projects that will actually make a difference. We simply cannot afford another Green New Deal disguised as an infrastructure bill," he said.

Senate GOP Whip John Thune of South Dakota suggested Republicans were also unlikely to help pass an infrastructure bill, even if Democrats place the tax increases that pay for it in a separate reconciliation measure. "I don't think our guys are going take the bait on that," he told reporters.

But Rep. Jim Costa, D-Calif., told *Agri-Pulse* that Republicans have long talked about the need for more infrastructure spending without offering ways to pay for it. "Now they're

criticizing us because (the infrastructure package) is going to be paid for, and then they don't want to look for anything that provides pay-fors," Costa said.

Coalitions representing farm groups and other business interests have already formed to fight various tax proposals that could be considered, including changes to the estate tax and stepped-

up basis.

Among their concerns is that if Democrats raise the corporate tax rate — which Biden proposed increasing from 21% to 28% — they also may shrink the 20% qualified business income deduction that is widely used by farms and small businesses, said Patricia Wolff, a senior director for congressional relations with the American Farm Bureau Federation.

The deduction was enacted by the 2017 tax law to reduce small business tax rates in line with the cut to the corporate tax rate. The vast



Rep. Jim Costa, D-Calif. Photo by Joy Philippi.

majority of farms are organized as sole proprietorships, partnerships or S corporations and taxed at individual tax rates, rather than as C corporations.

If there is an increase in the corporate tax rate, "we're concerned that people may also say that non-C corps should also have a rate increase," Wolff said.

Repealing the step-up in basis and applying a 39.6% tax rate to capital gains over \$1 million, as Biden proposed during the campaign, would go a long way toward paying for his infrastructure package. The Tax Foundation estimated those provisions would raise \$470 billion over 10 years. The only proposals in Biden's campaign plan that raise more revenue are an increase in the corporate tax rate (\$1 trillion over 10 years) and imposing Social Security taxes on income over \$400,000 a year (\$820 billion).

Wolff said farm groups will be counting on having allies elsewhere in business when it comes to fighting any proposals like eliminating the step-up in basis or reducing the estate tax exemption.

"These aren't just farm and ranch issues. these are issues for any small business, any family-held business. That is certainly a much bigger grassroots pool than farmers and ranchers," she said.

Democrats will have little margin for error. Unless a Senate Republican breaks party ranks, Biden won't be able to afford to lose a single Senate Democrat, and Democrats narrowly hold the House, 219-211. One New York Democrat, Rep. Tom Suozzi, announced Tuesday that he won't support a tax package unless it increases or eliminates the \$10,000 cap on deducting state and local taxes (SALT) that was enacted in 2017. "No SALT, no deal. I am not going to support any change in the tax code unless there is a restoration of the SALT deduction," he said.

Repealing or increasing the SALT cap would reduce federal tax revenue and primarily benefit residents of high-income, high-tax regions.

#### Lamb industry hopes for sales rebound after last year's collapse

After last year's lamb market collapse around the biggest sales period of the year, producers are optimistic retail prices will hold steady and market prices will climb this year. But the status of restaurants reopening across the country presents a big question for a protein commonly consumed away from home.

Passover began Saturday and Easter is this Sunday. Sales around the two holidays typically represent 12-14% of total annual lamb retail sales, according to Megan Wortman, executive director of the American Lamb Board.

Lamb retail sales for the four-week period ending April 21, 2020, 2020 were 6.9 million pounds, up from 6.6 million pounds for the same four weeks in 2019, Wortman said, citing data from Information Resources Inc. But while retail sales were slightly higher, restaurant and foodservice sales all but disappeared overnight.

Peter Orwick, executive director of the American Sheep Industry Association (ASI), said the stage was set for a record year in 2020, but now, the industry is working to recover from the

setback caused by COVID-19.

Average percent of adults each week that went out for dinner at a sit-down restaurant or fast food place

"We had market lamb prices at the best levels in a number of years," he told *Agri-Pulse*.

Since August 2020, year-overyear weekly slaughter has

	Pre-Pandemic 2/24/20-3/15/20	Lockdown 3/16/20-5/24/20	Initial Reopening 5/25/20-6/14/20	Summer/Fall 6/15/20-11/29/20	Winter Restrictions 11/30/20-1/31/21	Early Spring 2021 2/1/21-3/14/21
All Adults	59%	16%	23%	35%	32%	37%
Age Group						
Gen Z (18-24)	72%	27%	31%	45%	43%	52%
Millennials (25-40)	65%	23%	31%	43%	44%	48%
Gen X (41-56)	59%	14%	23%	34%	30%	35%
Baby boomers (57-75)	50%	7%	13%	24%	19%	25%

Source: National Restaurant Association, weekly surveys of 1,000 adults conducted by Engine



averaged about 5% lower according to the <u>Livestock Marketing Information Center</u>, a reduction that equals roughly 2,000 head per week. LMIC noted that since the start of 2021, "weekly slaughter is averaging about 2% (around 1,000 head) below the same period last year."

The COVID-19 pandemic and the restaurant shutdowns that followed devastated the lamb industry; Orwick said restaurants typically represent about half of all lamb consumption.

"It really was a double whammy of timing, hitting right at Easter, Passover, Ramadan and then having essentially lost one half of our customers," Orwick added.

Orwick noted the processing companies were the first to feel impacts.

"They were called that week in March and [told], 'if you haven't loaded the truck, don't load.' There were trucks turned away who had lamb destined for customers," he said.

The nation's second-largest lamb processing and fabrication company in the U.S., Mountain States Rosen, filed for Chapter 11 bankruptcy March 19, 2020. The company was owned by Mountain States Lamb Cooperative, which was composed of about 145 lamb producers across the western U.S. JBS USA acquired the facility and certain assets during the bankruptcy auction and plans to convert it to a value-added beef processing operation, an action which prompted

Sen. Mike Lee and several Western Senators to <u>express concerns</u> about "harmful competition" to the Dept. of Justice.

Orwick said a couple of families in Colorado opened a "state of the art" processing plant last September, and another Colorado family opened a plant in January 2021 in San Angelo, Texas, which helped make up for the loss of capacity at MSR.

While 2020 may have been hard on the industry, things are starting to look up. Sales are improving, but sheep producers hope more restaurants reopen and retail sales stay strong.



Peter Orwick, ASIA

Over the last year, the National Restaurant Association has tracked people eating at restaurants each week. From February to mid-March of 2020, 59% of adults went out for dinner each week at sit-down restaurants; that number dropped below 20% during the lockdown, according to NRA.

The number slowly increased to 35% during the summer and fall and was approaching 37% as spring approached, the association said.

Before the pandemic, Wortman said the lamb industry was thriving in fine-dining segments and venues such as cruise ships.

"It's going to be a harder recovery, and we've seen the devastation of so many fine-dining restaurants closing for good," Wortman noted. "It's really going to put more pressure on our industry to get innovative about finding new customers in the foodservice segment."

New market opportunities for lamb include places like "fast-casual" restaurants or university dining systems, she said.

Moving forward, Wortman also thinks consumers are willing to spend more time learning how to cook higher-end protein meals than before the COVID-19 pandemic, and hopes lamb could be worked into some family meal rotations.

"When you've not been able to dine out and spend your dollars with fine dining, I think consumer willingness to spend a little bit more on some really high-quality proteins and experiment and try new things has increased," she said.

### Experts say crop insurance program reflects climate change, new innovations

The debate over climate policy usually includes some discussion about whether the U.S. crop insurance system should be changed to either incentivize more conservation or better address weather threats. Yet two experts say this public-private partnership is already reflecting changes in climate and new innovations in agriculture, with the potential for more targeted improvements to come.

Thomas Worth, chief actuary for USDA's Risk Management Agency, spoke on a panel about crop insurance and climate change at the *Agri-Pulse* Ag and Food Policy Summit March 24, where he said climate change is among many factors driving crop losses.

"At the same time, farmers are not sitting still," he said. "There's improvement in agronomics and ag technology that's decreasing risk, whether it's cover crops, reduced tillage, or, especially, biotech."

As an example, he said the droughts of 1988 and 2012 were similar, yet the crop insurance claims in 2012 were much lower, "indicating that the varieties of corn and soybeans planted were not the same as what was planted back in 1988."

Worth said in response to changes in farming conditions, including some brought on by changing climate, RMA shortened the number of years it uses to calculate risk, now basing comparisons on a rolling 20-year yield average instead of more than 40 years of yield history.

"This allows premium rates to respond more quickly to changes in risk and better reflect the evolving conditions," he said. RMA also reviews weather and climate data, Worth said, to make sure key dates in the crop insurance calendar, such as the earliest planting date that allows for coverage, remain appropriate.

"We look at weather data and agronomics and see if that date needs to be moved in light of any potential changes," he said. Because farmers have to adapt to those changes, Worth recognizes that crop insurance will also need to adjust.

But Tara Smith, executive vice president at Michael Torrey Associates, emphasized that actuarial soundness — meaning that indemnities don't exceed premiums over the long term — remains fundamental. Her firm represents the Crop Insurance and Reinsurance Bureau.



Tara Smith. CIRB

"It really is at the crux of any climate solution that involves crop insurance," she said, which doesn't mean the system is hostile to farmers making climate adaptations. Rather, she said at the summit, for farmers to see reduced premiums from their use of a new conservation practice, for example, there has to be data that shows "that practice also reduces the underlying risk associated with growing the crop."

When that data exists, the farmers (or their representative, such as a company or commodity group) can present it to the RMA for potential inclusion in the crop insurance program. That's how Monsanto got approval for premium discounts, known as the "biotech yield endorsement," for farmers planting Bt corn, which reduced insect damages and helped the crop withstand drought conditions.

Worth offered a more recent example from the rice industry, which presented data and analysis showing "that with careful use of water and flooding at certain key times you can reduce water usage," he said, and achieve similar yields. The RMA amended its rules to approve <u>intermittent irrigation</u> for rice.

"I like that example because it shows how farmers can help guide and influence the program to reflect what they're doing," Worth said. He added that because low yields can result in higher premiums and less coverage, "farmers are highly motivated to take measures to mitigate that risk."

The AGree Economic and Environmental Risk Coalition is proposing to commercialize crop insurance products intended to remove disincentives to growers to implement conservation practices. The first product, developed with privately sourced data, would provide farmers with an incentive not to apply fertilizer in the fall, thereby reducing emissions of nitrous oxide, a greenhouse gas. If inclement weather subsequently prevented the farmer from making a spring fertilizer application, the farmer would be insured against potential yield reductions.

The first product, possibly an insurance policy endorsement, is for growers who don't apply nitrogen fertilizer in the fall. It could be approved as soon as April by the Federal Crop Insurance Corp. board, the USDA arm that oversees new crop insurance approvals, said AGree Executive Director Deb Atwood. She declined to disclose details about the product, citing FCIC disclosure restrictions.

Another example is cover crops. Worth cited research showing how much yield increased in a certain county when farmers adopted cover crops. They're used for soil health and have gained a lot of attention for their conservation benefits. But he said those advantages also mean they reduce the risk of yield loss. It's that yield protection that means farmers "get better insurance coverage at a lower price."

As both private and public-sector research continues to evaluate conservation practices, RMA may get more data to use in evaluating future proposed changes to the crop insurance program, while maintaining its integrity.

"I would certainly like to see a future where we're leveraging those sorts of endorsements and incentives" to make the crop insurance program even stronger, Smith said.

### A 'right-to-repair' conversation with a John Deere exec

Luke Gakstatter has no problem with a farmer turning a wrench. But reaching for the laptop might be a different story.

"We absolutely support a customer's right to repair equipment," Gakstatter, John Deere's senior vice president for aftermarket and customer support, said in an interview with *Agri-Pulse*. "Where we draw the line is, we don't support the customer's ability to modify embedded software on equipment."

As farm equipment involves more and more technology, some producers have expressed frustration over repairs that involve tools outside of what they might have in their onboard toolbox. Some have even expressed concern that their downtime might even be elongated by a wait for a company-certified technician.

The issue also has the attention of more than 30 states, according to <u>The Repair Association</u>. Farm groups have also adopted policies on right to repair; the National Farmers Union policy book supports "fair repair and right to repair legislation that would allow farmers and independent mechanics access to diagnostic software, information, and other tools in order to repair modern equipment."

An American Farm Bureau Federation spokesperson said that organization's policy "calls for mechanisms that allow farmers to repair their equipment in a timely fashion with minimal downtime and without unreasonably expensive tools or diagnostic equipment." The policy does not, however, "seek access to proprietary coding or the ability to reprogram computers on the equipment."

As for Gakstatter, he said the company has focused its efforts on educating what John Deere does — and does not — support, something that he tells *Agri-Pulse* has led to good discussions with industry and lawmakers.

This conversation has been lightly edited for clarity and brevity.



Luke Gakstatter, John Deere

Q: A lot of times when people hear the right to repair conversation, they immediately think 'This is equipment company 'X' trying to get me to take my equipment to their authorized dealer to pay exorbitant amounts of money for repairs.' What does that definition of right to repair get right? And what does it get wrong?

A: First and foremost, we have continued to make all the information — parts and publications — available for our customers to acquire on their own. That has and will continue to be made available. Second, the industry put forth a couple of years back some statements of commitment, and actions that (original equipment manufacturers) would take to support right to repair, and I'm super proud to say that John Deere meets all of those commitments. And then third, just to make it even easier, and to make sure that there's not any confusion, we've created a page on our website where a customer can go and see what our position is on it. And more importantly, on that one page, understand all the tools, publications, and even diagnostic tools that are available to them that can help repair their equipment.

## Q: You mentioned that you support the consumer's right to repair but not to modify software. In your mind — and in John Deere's mind — where does software stop and hardware start? And vice versa?

A: There are really three important things that we have great concerns about allowing modification to embedded software to occur on John Deere products. First and foremost, by allowing that, we could be jeopardizing the operator's safety or other's safety around that equipment. Second, I think there would be significant concerns in allowing modification of that software due to emission regulations and what are the environmental impacts. And then third, I think the integrity of the product long term without really understanding if that product was being operated within the design parameters for which it was created. So those are the reasons why we have concerns about the right to modify and again, continue to support the right to repair.

The point on software is a great question. And when we look at it today, a very small percentage of our repairs actually require a software update. We're continuing to make the software update process even easier for our customers than it has been in the past. But I think holding up the software piece of this as a reason that John Deere isn't complying with right to repair, which some have done, I think is not an accurate portrayal of how we believe we've supported a customer's right to repair equipment.

### Q: We've seen a number of state legislatures take up this issue. What has been John Deere's company response to that? And what have those legislative attempts looked like?

A: As we've gone out and engaged in a number of states where legislation has come up, our number-one objective has been to educate. And it's been really interesting to sit down with state lawmakers and be able to explain our story and talk about the tools that we're making available for our customers, clearly delineate between the right to repair and the right to modify embedded software.

# Q: Obviously, we're not going to be putting less software in machinery anytime soon. How do you as an equipment company plan to address this issue going forward with producers and third-party repair technicians to potentially solve or come to some semblance of resolution here?

A: You're right, our products are using more technology than they have in the past, and it's probably fair to say that in the future, our products are going to continue to rely on technology to add value for customers. You think about some of the tools that we rely on today, such as being able to give customers real-time alerts about what's happening on their equipment that allows them in some cases to avoid a downtime failure, or if there is a failure to understand what that is and allow that customer, if they so choose to, to repair it and really automate that process. For some customers today, they can go online and actually see their equipment and see, if it throws one of these alerts, how they monitor and manage that can really help them utilize that technology to their benefit and lower their total cost of ownership and increase their uptime.

Another important tool that we have and will continue to make available is something that we call Customer Service Advisor. It is our top-of-the-line diagnostic tool that we make available to our dealer technicians where they actually hook up to a machine and understand what the issues are and the best way to solve those issues. And that's something that we make available today for customers if they so choose.

## Q: I understand the usage of the remote diagnostics your company offers went up quite a bit during the pandemic. But are there limitations to the ability of a technician to connect to a broken-down producer given potential connectivity issues?

A: There are some limitations that are out there. But the reality is, the remote diagnostic tools that you speak of have been a huge win for John Deere customers and John Deere dealers. And you're absolutely right that the events of the last 12 months, with the pandemic, have allowed customers to embrace that even more than we saw pre-pandemic. Maybe just to offer a great example of how that can work today is if a customer has an issue and they're out in the field, they can then connect with their dealer. The dealer, if the customer wants them to, has the ability to remote in to see what's happening on that machine, offer them, 'here's something you can do to keep yourself up and running.' Or in some cases, if there is a failure, the dealer can actually understand what the failure is and work with that customer to get them back up and running much quicker than we would have seen in the past.

### Q: Where do you see this issue going? And what do you all see ahead of you in terms of potential solutions?

A: I'm not sure I'm very good at predicting the future, but I can tell you that from a John Deere perspective, we are going to continue to do everything we can to make the tools, the information, the diagnostics available for customers to support, maintain, repair their equipment. We are going to continue to make sure we're telling the story and delineating between right to repair and

the right to modify so that people understand clearly that John Deere does support the right to repair.

Q: I have to imagine there's a pretty fine line between providing additional diagnostic assistance to an owner or a third-party repair technician and also protecting your company's intellectual property.

A: Yeah, you're absolutely right. And that is a fine line, but we're comfortable with what we provide today, in terms of our publications, and even this remote diagnostic tool, we're comfortable that we can protect our intellectual property yet give all the diagnostic tools and information and help people repair their equipment

#### Q: So, a farmer can still do their own oil change?

A: Absolutely, absolutely. And it does not require a Customer Service Advisor to do your own oil change and a number of basic maintenance and repair items. They don't require that level of diagnostic software to do so.

#### **News Briefs:**

**USDA restricts more produce operations under PACA.** USDA imposed sanctions on five produce businesses for failing to meet contractual obligations to the sellers of produce they purchased and failing to pay reparation awards issued under the Perishable Agricultural Commodities Act (PACA). These sanctions include suspending the businesses' PACA licenses and barring the principal operators of the businesses from engaging in PACA-licensed business or other activities without approval from USDA. By issuing these penalties, USDA continues to enforce the prompt and full payment for produce while protecting the rights of sellers and buyers in the marketplace. The following businesses and individuals are currently restricted from operating in the produce industry, according to USDA:

- Urban Fresh Produce Inc., operating out of San Diego, Calif., for failing to pay a \$15,460 award in favor of a California seller. As of the issuance date of the reparation order, Mirna Gutierrez was listed as the officer, director and/or major stockholder of the business.
- Sunrise Produce Inc., operating out of Jessup, Md., for failing to pay a \$13,414 award in favor of a Pennsylvania seller. As of the issuance date of the reparation order, Huinil Emergildo, Ramirez Aurelio, Araceli Ortiz and Liliana Cortez were listed as the officers, directors and/or major stockholders of the business.
- PFI Express Inc., operating out of Valley Stream, N.Y., for failing to pay a \$25,014 award in favor of a Hawaii seller. As of the issuance date of the reparation order, Romilda Silva was listed as the officer, director and/or major stockholder of the business.
- Temple Turmeric Inc., doing business as Temple Beverages, operating out of Brooklyn, N.Y., for failing to pay a \$21,416 award in favor of a California seller. As of the issuance date of the reparation order, Daniel Sullivan was listed as the officer, director and major stockholder of the business.
- Eli Gonzalez Distributors Inc., operating out of Pharr, Texas, for failing to pay a \$4,800 award in favor of a Texas seller. As of the issuance date of the reparation order, Elida Garcia Villegas was listed as the officer, director and/or major stockholder of the business.

NRCS looking for conservation innovation proposals. USDA's Natural Resources Conservation Service (NRCS) will make up to \$1 million available to fund innovative technologies related to soil health, carbon sequestration, pollinator and wildlife habitat, water quality and other priorities this year. Through April 23, the agency is accepting proposals for Conservation Innovation Grants (CIG) to help support the adoption and evaluation of innovative conservation approaches on agricultural, forest lands and oak woodlands.

"The scope of this year's CIG is much broader than last year's and is not limited to on-farm trials," says Carlos Suarez, State Conservationist for NRCS in California. "NRCS will invest up to \$1 million for on-farm trials, field demonstrations and pilot projects in 2021."

CIG funds on-farm trials, field demonstrations and pilot projects to develop and/or demonstrate innovative conservation approaches and technologies that have been sufficiently studied, have a likelihood of success, but haven't been widely adopted.

CIG funds can be used by partners to help compensate producers for risks associated with applying new conservation practices and approaches. Field trials and demonstrations also require evaluation of environmental, financial, and social impacts resulting from implementation of conservation approaches through CIG at the farm or field level.

Detailed information on the types of proposals NRCS is seeking can be found in the USDA NRCS CA CIG FY21 Notice of Funding Opportunity on the <u>Grants.gov link</u>

Bill would postpone ELD enforcement. A bipartisan Senate bill would require the Department of Transportation to take a look at the impact hours of service and electronic logging device regulations would have on the agriculture industry. The Modernizing Agricultural Transportation Act would create a working group of DOT, Department of Agriculture, and ag and transportation industry officials to focus on guidelines to reform existing HOS and ELD language on the trucking of farm goods. The ag industry has expressed concern about existing language, especially for truckers hauling live animals that would be unable to pull over or rest without presenting an animal welfare risk. Appropriations riders have kept the ELD language from being enforced on ag truckers since it was rolled out, and the industry has sought broader legislative relief ever since. Sen. John Hoeven, a North Dakota Republican and the top GOP member of the Senate Ag Appropriations Subcommittee, said the bill "builds on our efforts, establishing a process to address unnecessary burdens under these regulations and advance reforms based on the input of agriculture producers, while also ensuring roadway safety is maintained." Sen. Michael Bennet, D-Colo., is the bill's lead Democrat. In a statement, he said "it is important that we maintain safe roads while also recognizing the unique flexibility needed to move Colorado's agricultural products to markets." In addition to Hoeven and Bennet, the legislation is cosponsored by Sens. Steve Daines, R-Mont., Tina Smith, D-Minn., Mike Rounds, R-S.D., Mike Crapo, R-Idaho, James Risch, R-Idaho, Joni Ernst, R-Iowa, Mike Braun, R-Ind., and Roger Marshall, R-Kan. The bill also has the backing of several ag industry groups, including the National Cattlemen's Beef Association and National Pork Producers Council.

### Farm Hands West: California native takes USDA job

Oscar Gonzales is coming back to the Department of Agriculture. On Monday, President Joe Biden appointed Gonzales as USDA's assistant secretary for administration. Gonzales held several roles under Ag Secretary Tom Vilsack during the Obama administration including deputy secretary for administration and deputy chief of staff for operations and senior advisor on immigration reform. Gonzales also spent time as California's Farm Service Agency executive

director and was most recently vice president for government relations, western states, for Goldman Sachs.



Oscar Gonzales, USDA

Gov. Gavin Newsom has made appointments to the California Fish and Game Commission. Reappointed is Jacqueline Hostler-Carmesin and Samantha Murray. Hostler-Carmesin has served on the board since 2013 and has been CEO at Cher-Ae Heights Indian Community of the Trinidad Rancheria since 2010. She also was the director of transportation and land-use planning from 2007 to 2009. Murray has served on the commission since 2019. She serves on the faculty and is the executive director of the Master of Advanced Studies

Program in Marine Biodiversity and Conservation at Scripps Institution of Oceanography at the University of California, San Diego. She is also principal at Samantha Murray Consulting. Newly appointed to the commission is **Erika Zavaleta**. She is a professor at the University of California, Santa Cruz in the Ecology and Evolutionary Biology Department, where she has worked since 2016. She was also a professor in the Environmental Studies Department from 2003 to 2016.

Driscoll's has added **Giannella Alvarez** and **Graciela Monteagudo** to the company's board of directors. Alvarez has over 35 years of experience and is the former CEO and director of the board at Beanitos. She was group president and CEO for Barilla Americas and president and CEO of organic food startups, such as Harmless Harvest. Monteagudo most recently served as

president and CEO of LALA U.S., a Hispanic dairy company owned by Grupo LALA. In her 30-year career, she has served as senior vice president and business unit head for Sam's Club in Mexico, and president, Americas and global marketing for Mead Johnson Nutrition Americas.

Grimmway Farms has hired **David Bright** as the new vice president of marketing. He most recently was vice president of sales administration and analysis for Dole Food Company, where he had been for 25 years.

**Thomas Parks** is joining Finsbury Glover Hering as an associate director on the food and ag team. Parks currently serves as the senior manager of communications at the Corn Refiners Association & Plant Based Products Council.



Julie Borlaug

**Julie Borlaug**, granddaughter of Norman Borlaug, has joined the World Food Prize Foundation Council of Advisers. Borlaug is president of the Borlaug Foundation and vice president of external relations for Inari.

The National Association of State Departments of Agriculture hired **Joe Reardon** to be its director of food safety programs. He is currently the assistant commissioner for consumer protection for the North Carolina Department of Agriculture and Consumer Services and has 28 years of experience in various regulatory positions. He'll join NASDA July 1.

The White House on Monday announced members of its Environmental Justice Advisory Council, including a pair of members with ag connections. **Andrea Delgado**, the government affairs director of the United Farm Workers-affiliated UFW Foundation and co-founder of GreenLatinos, and **Hli Xyooj**, director of program strategy at the Hmong American Partnership, were both named to the council. A complete roster can be found on the <u>White House website</u>.

**Hannah Stern** has been promoted to legislative assistant in Rep. **Scott Peters'**, D-Calif., office. She handles the portfolio for labor and employment, transportation and public works, and science and technology. She previously served as a scheduler and legislative aide in Peters' office.

**Robert "Bobby" Bianco**, a longtime board member for the California Table Grape Commission and California Grape and Tree Fruit League, died earlier this month at 78. Bianco and his brother built and maintained Anthony Vineyards for more than 50 years. He was also president of the California Desert Grape Administrative Committee and served as chair and director of American AgCredit Bank for 15 years.

#### Best regards,

#### Sara Wyant Editor

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