

Newsom budget update pushes California further toward organic farming, regenerative agriculture

Gov. Gavin Newsom has rarely been directly involved in agricultural policies, with the exception of two areas: CDFA’s Healthy Soils Program (HSP) and restricting the use of conventional pesticides. The May Revision of the governor’s budget proposal reflects those interests.

“\$100 million in healthy soils and soils management—something my wife has been a strong advocate for,” said Newsom during a press conference Friday on the budget.



Before the pandemic, Gov. Gavin Newsom spoke to students about gardening.

Then-Gov. Jerry Brown had proposed \$20 million for HSP when it launched in 2015. Newsom is adding \$70 million to his January budget proposal, while trimming funding to other climate-smart programs created under Brown.

His budget proposals have tended to favor funding HSP over dairy digesters, which the Legislative Analyst’s Office has shown to be the state’s most cost-effective program for reducing greenhouse gas emissions. While funding was cut in January, the May budget proposal provides \$60 million for programs on dairy digesters and a manure methane.

The governor also recognized his wife, First Partner Jennifer Siebel Newsom, for her efforts with CDFA’s new farm-to-school nutrition program, and he thanked billionaire hedge fund manager Kat Taylor for her work on the program’s advisory committee. Taylor is a long-time advocate for organic foods and regenerative agriculture.

Taylor and her husband, former presidential aspirant Tom Steyer, have been among California’s top political donors. Newsom selected Steyer to lead his economic recovery taskforce in 2020, which critics argued lacked transparency and delivered few policy recommendations.

In the first quarter of 2021, Taylor has spent more than \$55,000 lobbying the Legislature on regenerative agriculture and HSP. In January, Newsom again thanked his wife for pushing such “regenerative strategies” in soil management.

“[Taylor’s] an advocate, like many others, and she is a friend of the governor’s and the first partner’s,” said CDFA Secretary Karen Ross during a press call Friday. **“She has been a wonderful partner for me because of her interest on their ranch on climate-smart agriculture.”**

In 2006 Taylor and Steyer purchased an 1,800-acre cattle ranch as “a learning laboratory” for studying and promoting sustainable practices. Dubbed TomKat Ranch, the operation served as the backdrop for Steyer’s video announcing his presidential candidacy in 2019.

The bump in HSP funding comes as CDFA is planning to include the three-year transition to organic farming as a practice covered within the program. Incentives for this transition have also been proposed through a new conservation program introduced Friday. Newsom added \$20 million for the Conservation Agriculture Planning Grant Program, which, along with the transition, would support pollinator habitat, nutrient management, soil health and irrigation water management.



Kat Taylor

Newsom has also doubled down on his proposed overhaul of the pesticide mill assessment, which would penalize farmers who apply stronger, more effective pesticides. A new tiered system based on toxicity would levy higher fees on both conventional and organic pesticides. Groups like California Certified Organic Farmers (CCOF) have supported the measure, while the state’s largest farm groups have heavily opposed it. According to CCOF, less than 4% of California’s agricultural lands are farmed organically, with less than 1% nationwide—numbers the groups hopes to change.

The May Revision maintains the overhaul, despite the Senate rejecting the proposal, and adds \$10 million to launch a statewide system that would notify the public of pesticide applications ahead of time through phone alerts. The budget summary justifies the funding as an investment in protecting Californians from harmful pesticides.

“The notification system will enable residents to take common-sense measures, such as closing windows or avoiding an application site, to further protect themselves and particularly sensitive populations from potential pesticide exposure,” reads the report.

On Friday, CalEPA Secretary Jared Blumenfeld said the proposal—which environmental groups in the San Joaquin Valley have long advocated for—has been “a particular focus of the governor.”

“Community groups are worried about the lack of notification when it comes to sprays,” said Blumenfeld.

In 2020 Newsom weighed in on another local pesticide conflict. Blumenfeld noted then that the governor was responding to concerns from local residents when he directed agencies to maintain strong regulatory enforcement of pesticides around schools during the pandemic, baffling the country agricultural commissioners who had to interpret the guidance.

Two weeks earlier, the activist group Regenerate Ojai sent Newsom a letter asking him to expand pesticide restrictions near schools. Anna Getty, an heiress to the Getty oil fortune, was a member of the group. The Getty family contributed significantly to Newsom’s gubernatorial campaign and seeded the initial money for Newsom to start what has grown into a multimillion-dollar wine and hospitality business.

The four wineries under the corporation’s umbrella, meanwhile, have either shifted to certified organic practices or have significantly reduced pesticide usage. According to tax filings released Tuesday, Newsom and the first partner made \$1.7 million in 2019 due mostly to company assets that were put into a blind trust when he became governor.

While the governor hopes to add more regulatory costs for conventional pesticides, other budget proposals recognize the rising pest pressure farmers are grappling with in California. The administration is proposing to create a reference library for California insects based on DNA barcodes, tagging new and existing specimens from the Central Valley and other agricultural regions.

“We are seeing new invasive pests,” said Ross at a recent Senate budget subcommittee hearing. “We’re seeing them here for longer seasons.”

Applying a similar argument, Blumenfeld framed the mill assessment overhaul as benefiting

May Budget Revision: Sustainable Agriculture

Category	Program	Governor's Budget (in millions)	May Revision (in millions)	Total 2021-22 (in millions)
Healthy, Resilient, and Equitable Food Systems	California Farm to School Incubator Grant Program	\$10	\$20	\$30
	California Nutrition Incentive Program	\$0	\$15	\$15
	Healthy Refrigeration Grant Program	\$0	\$20	\$20
	Senior Farmers Market Nutrition Program	\$0	\$0.5	\$0.5
	Urban Agriculture Program	\$0	\$12	\$12
Climate Smart Agriculture for Sustainability and Resiliency	Agricultural Diesel Engine Replacement & Upgrades (\$363 million over two years)	\$170	\$43	\$213
	Healthy Soils	\$30	\$70	\$100
	Sustainable California Grown Cannabis pilot program	\$0	\$9	\$9
	Livestock Methane Reduction	\$0	\$60	\$60
	Pollinator Habitat Program	\$0	\$30	\$30
	Technical Assistance and Conservation Management Plans	\$0	\$20	\$20
	Transition to Safer, Sustainable Pest Management	\$11.8	\$0	\$11.8
	Incentives for Alternatives to Agricultural Burning in the San Joaquin Valley	\$0	\$150	\$150
	Climate Catalyst Fund	\$50	\$0	\$50
Economic Recovery & High-Road Job Growth	Technical Assistance Program for Underserved Farmers	\$6.7	\$2	\$8.7
	Impact Assessment and Alignment of Regulatory Reporting Requirements for Agriculture	\$6	\$0	\$6
	Fresno-Merced Future of Food Innovation Initiative	\$0	\$30	\$30
	New and Beginning Farmer Training and Farm Manager Apprenticeships Program	\$0	\$10	\$10
Total		\$285	\$491	\$776

Source: State of California, May Budget Revision 2021-2022 Sustainable Agriculture

farmers, since climate change “will likely bring new and different pest pressures.” Revenues generated from the increased tax would drive research and extension programs for integrated pest management.

This summer the Department of Pesticide Regulation will be launching a process to develop and adopt statewide regulations for the notification system. The Western Agricultural Processors Association fears the effort will simply fund more anti-farming activism.

“Coupled with the massive increase in the pesticide mill tax, it is clear this administration is targeting pesticide use in California,” reads a statement from the group representing nut hullers and processors.

As UN calls for cutting methane emissions, California trims back funding

Under Gov. Jerry Brown’s administration, California began offering grants to incentivize projects for reducing livestock methane emissions. Gov. Gavin Newsom has steadily decreased that funding, with no support offered in the governor’s initial budget proposal for the coming fiscal year. **Instead, the two programs on dairy digesters and alternative manure management would be replaced by a new low-interest loan program.**

Both the administration and Democratic state senators are now proposing to restore a portion of the prior funding, but at a level well below the Brown administration investments. Industry groups have applauded the new funding but called it far short of the amount needed to meet state air quality goals for 2030.

This follows a recent report by the United Nations Environment Programme that calls cutting methane pollution critical for keeping global warming below the threshold agreed to by world



A dairy digester

leaders.

Michael Boccadoro, the executive director of the Agricultural Energy Consumers Association, told a Senate budget subcommittee last week that CDFA’s Dairy Digester Research and Development Program is the state’s most productive greenhouse gas reduction program overall.

An annual report analyzing the state’s investments of cap-and-trade revenues finds the program costs just \$9 per ton of emissions removed. It is followed by a wetlands watershed and restoration program, at \$37 per ton. CDFA’s

Alternative Manure Management Program (AMMP), meanwhile, costs \$60 per ton, and a new program aimed at improving energy efficiency and installing solar panels in farmworker housing was the most expensive, at \$860 per ton.

Part of the challenge has been that cap-and-trade funding is anticipated to decline as the market sees fewer carbon credits purchases from polluters. To resolve this, the Senate agriculture plan calls for just \$10 million to come from the Greenhouse Gas Reduction Fund and another \$50 million from the state’s taxpayer fund.

Boccardo called that a good start.

“But it falls far short of the need and demand for this program in the short term,” he said.

Brown had allocated \$99 million for those programs in his last two years in office. Newsom had initially proposed just \$20 million in his 2020-2021 budget, which was later cut entirely due to economic uncertainty surrounding the pandemic. In February CDFR Secretary Karen Ross said she hoped the Biden administration would make up for the state’s cuts to the methane programs.

“We are at a point of maturation in these programs that hard decisions have to be made with the scarce dollars that we have,” explained Ross.

Now the May Revision of the administration’s budget proposes \$60 million, but entirely from the taxpayer fund, owing to an expected cash infusion of \$100 billion this year. Yet the funding is likely to be a one-time expense, adding further uncertainty to the programs' future.

In 2016 Brown signed into law Senate Bill 1383, which set a goal of reducing short-lived pollutants by 40% of 2013 levels by 2030. Since that time, the state has slashed manure methane emissions by 25%.

“Methane emission reductions—both on the dairy side as well as the [food] waste side—are a large chunk [of the overall pollutants]: about a third of the expected emission reductions needed to meet the state's 2030 goals,” said Ross Brown, who focuses on climate policies for the nonpartisan Legislative Analyst’s Office, during the Senate hearing.



Michael Boccardo, executive director of the Agricultural Energy Consumers Association

In a press call Friday on the May Revision, Secretary Ross said dairy families “have really stepped up and shown leadership” in reducing emissions. Dairy digesters have been converting the methane into renewable energy while also removing criteria pollutants in the air and mitigating water quality impacts, explained Ross.

AMMP has helped more than 235 small-scale producers to convert nutrient-rich manure into compost and other products. According to the California Climate and Agriculture Network, the dairy and livestock producers sought more than \$54 million in AMMP grant funding last year, far exceeding available funding.

The dairy digester program, however, has been facing increasing opposition from environmental groups. The Senate’s plan focuses exclusively on AMMP, as do legislative proposals for climate bonds on the November 2022 ballot.

During the hearing, a policy advocate for the Leadership Counsel for Justice and Accountability argued that subsidies for digesters “perpetuate and exacerbate local pollution in communities near dairies and further entrench natural gas infrastructure at a time when the state must be shifting to zero emissions energy.”

Food safety, pests and changing tastes constrict California lettuce sector

California farmers grow the vast majority of lettuce for the country, though in recent years the number of acres planted has declined and the salad staple has dropped from consistently the number 2 crop in California (by value) at the start of the century to number 5 in 2018 and 2019.

Changing consumer taste, increased costs for labor and food safety programs, and the limited amount of field work that can be automated have contributed to decreased lettuce production in recent years. California growers planted 106,000 acres of lettuce in 2016 and about 80,000 acres in 2018, 2019 and 2020 (though 2020 growing decisions were impacted by the pandemic). The next largest lettuce-growing state is Arizona, which is also seeing a decline. After growing 39,500 acres in 2017, the total decreased by about a thousand acres annually until 2020, when the plantings dropped to 34,000 (again, likely due in part to the pandemic).

“Our particular acreage on iceberg lettuce and romaine lettuce has been going down slightly every year,” said Steve Brazeel of SunTerra Produce, which grows lettuce in the Salinas Valley on the Central California coast and in the desert region of the Imperial Valley. He said as consumers turn more toward more exotic leafy greens, he’s planted melons on some of those lettuce acres. But he adds that while overall acreage is down, lettuce production per acre is up. After a recent visit to fields in Salinas, Brazeel said the crop looks terrific. Unfortunately, demand does not.

“Things don’t look great for leafy greens this summer,” he said, “as far as the market’s concerned.” He attributes that in part to the very gradual reopening of restaurants and other food service settings.

Dollar value of lettuce and spinach* crops in California 2000-2020

*USDA data on spinach is incomplete

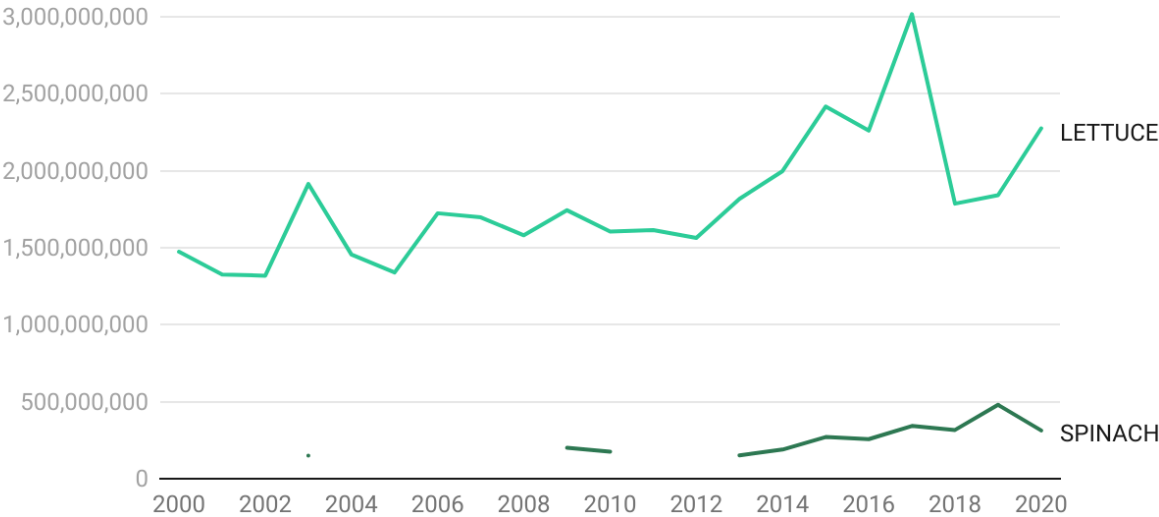


Chart: Amy Mayer • Source: USDA NASS • Created with Datawrapper

“I wish I had better news,” Dan Sutton, general manager of Pismo Oceano Vegetable Exchange, said about his outlook for leafy greens this year. But with plenty of supply, prices are trending “a little lower” than he’d like.

Food-borne illness outbreaks in romaine lettuce and spinach that were large enough to attract widespread consumer attention and even a warning against eating romaine in Nov. 2019, have prompted heightened attention to every possible source of contamination.

Sutton, who also chairs the California Leafy Greens Marketing Association (LGMA), says determining where to plant which crops now includes an evaluation of food safety risks. **“Putting that thought at the very first step of where we’re choosing to plant leafy greens is a significant part of our food safety” program, he said. He employs two people focused full time on food safety.**

The LGMA is a membership organization that obliges its members to comply with specific, audit-able food safety practices. Industry leaders organized it in response to an illness outbreak linked to spinach in 2006.

“The industry was looking for a way to quickly put in common food safety practices that were standardized,” said Tim York, LGMA CEO. He said even with implementation of buffer zones between leafy greens fields and animal operations and other measures such as pre-harvest testing, the risk remains. A recent FDA report about a 2020 outbreak of E. coli linked to the Salinas Valley noted the pathogen “appears to be a reasonably foreseeable hazard in the California Central Coast leafy greens growing region,” which York said “put the industry on notice that we should know that it’s there.” That has redoubled interest in doing everything possible to protect crops from it, though York said how a specific farm addresses the concern depends on several factors including the number of food safety personnel on staff, how the farm has evolved from a food safety standpoint and how readily the farm will be able to implement any changes.

As an example, he described one large operation that invested \$1 million into pre-harvest pathogen testing for all of its crops. “That’s quite an expensive proposition,” he said, recognizing the cost would make it impossible for many farms.

Norm Groot, executive director of the Monterey County Farm Bureau, said improving food safety from the field is a “very iterative” process. “As new science and new research comes to light, then that obviously makes for some necessary changes.”

Brazeel said as SunTerra rolled out additional food safety precautions, it did so across all crops and incorporated the costs as just another part of doing business. Now, food safety permeates the operation and the attention “creates more conscientious team members all along the way.”

Another challenge for California’s Salinas Valley lettuce growers is a plant virus spread by a tiny insect call the



Romaine lettuce

western flower thrips. It can carry impatiens necrotic spot virus (INSV), which at its worst late in the season can cause so much damage in a field that an entire lettuce crop is plowed under. So far, it has not been a major problem farther south on the coast nor in the Imperial Valley.

USDA Agricultural Research Service entomologist Daniel Hasegawa says public and private sector researchers are looking for ways to confer resistance to the bug in lettuce. He says while there are some pesticides that can quell it, not all are labeled for use on leafy greens in California. Even when chemicals are used, it can be very tricky to apply enough deep into the hearts of lettuce plants to be effective.

He said weed management including on areas adjacent to crop fields is very important to minimize the thrips population. Collaborations with railroads and the state transportation department aim to reduce thrips-friendly plants on non-ag land and growers are doing plenty of experimenting on their own, too.

“They’re at a point where they’re willing to try a lot of different things themselves,” Hasegawa said.

Disease outbreaks and increased food safety measures add cost and now Walmart has announced it will only source produce from suppliers that “adopt integrated pest management practices, as verified by a third-party, by 2025” and will be “encouraging fresh produce suppliers to phase out use of chlorpyrifos and nitroguanidine neonicotinoids pesticides.” These corporate sustainability goals could mean more costly changes on the horizon for growers.

“When I hear the word ‘encourage’ from someone like Walmart,” Sutton said, “my ears hear something more than encouragement.”

Who will be part of the next generation of California farmers?

In the 2017 Census of Agriculture, the average age of California farmers was 59, slightly higher than the national figure, and the total number of farms in the state had dropped to about 70,500 from 87,900 in 1997. Although California is home to large farms, the majority have fewer than 1,000 acres and generate less than \$100,000 in sales. The Census of Agriculture will be taken again next year and may reflect changes from additional challenges such as increased labor costs, water scarcity and environmental regulations.

Two of the earliest hurdles for new farmers are accessing land and capital. “With each passing year it gets harder and harder to find good farmland,” said Shermain Hardesty, a retired UC Davis extension economist who worked with small farms.

She said new farmers often fall into one of three categories: recent college graduates, immigrants and former farmworkers, and people looking for a second (or third) career. Some rely on savings while others benefit from new farmer loan programs (some examples below). Over the years, she said the number of people interested in starting farms “hasn’t really changed.”

These short profiles feature some of California’s next generation of farmers.



Sebastian Guillen, organic produce, Santa Maria

Sebastian Guillen, organic produce, Santa Maria

The only two jobs Sebastian Guillen has ever done are farm work and coaching baseball. The sport took him to Iowa, but throughout high school and college, he spent his summers in the field.

“I just knew that eventually I was going to come back home,” he said. Now he’s managing most of the vegetables on the organic farm he operates with his dad in Santa Maria. They grow berries and other produce for Coke Farms, an organic

distributor in San Juan Bautista. Now in his second year working full time on the farm, Guillen has added additional crops so he has something to harvest every month. “For May, I had celery and I’ll probably have some baby bok choy.” He also grows broccoli, cabbage and peppers.

The farm was Guillen’s father’s dream, and he started it half a decade ago with a loan from a local bank that supports small farms. It’s now 80 acres and Guillen says his generation – he has two brothers – will likely run it someday. But they’ll each have to find a niche, as he’s trying to do with vegetables. The biggest challenge he’s facing right now is finding more organic land to rent.

“I don’t have anywhere to go after what I have (rented),” he said. Another challenge has been learning the financial aspects of the business, which he wasn’t exposed to as a summer worker.

So far, he hasn’t tapped USDA or other beginning farmer programs, but he’s keeping his eyes open.

“If a program will help me out in some way, shape or form,” he said, “my dad will probably want me to do it.”

Adrian Bravo, organic produce, Salinas

If all goes as currently planned, Adrian Bravo will start leasing land for his own farm in October. He’s currently working two jobs in quality assurance to save money while he completes a farmer education course through the Agriculture and Land-Based Training Association (ALBA). But he says he threw away his work boots a few times as a young adult, thinking he didn’t want to do manual labor. He tried being a tax advisor, a dispatcher and other desk jobs, but “agriculture always seemed to find a way back to me.”

His uncles and grandfather faced a lot of challenges farming in Mexico. “My grandpa, he tells me to get away from farming, to go do something else.”

But ultimately the combination of working with his hands, seeing brightly colored plants growing, staying in the Salinas Valley and being part of the next generation of organic farmers in California won him over. When he finishes the farmer education course in October, he hopes to start his own farm business. ALBA offers subsidized leases for land and equipment with the expectation that after five years farmers will establish themselves and be able to rent land at market rates. Through his work doing quality assurance for Coke Farms, Bravo has grown aware of the need for people in their 20s, like him, to prepare to fill gaps that older organic farmers will leave as they retire.

“They’re looking for that next wave of farmers to come in,” he said. His experience at Coke and his degree in business from California State University Monterey Bay have also given him the background to consider starting a cross-border distribution business to help Mexican growers reach bigger markets and keep U.S. customers fulfilled year-round. He knows that agriculture south of the border is different than it is for him.

“Most of my family is in Mexico,” he said, “they farm to live.”

He’s farming to help others, feed his community and nurture a long-term dream. “I want to be a dragonfruit farmer,” he said.

Jennifer Beretta, dairy, Santa Rosa

At California State University, Chico, Sonoma County Farm Bureau president Jennifer Beretta learned the ins and outs of operating an organic dairy. The timing was perfect because her father had recently bought out her grandfather and transitioned the family operation to organic. In 2010,



Jennifer Beretta, dairy, Santa Rosa

Beretta returned to the farm full time. At first, she used a young, beginning and small farms loan from American Ag Credit (ACC) to start her own beef herd. Ultimately, she joined the dairy operation, though she said she has recommended the AAC program to others. Today, as the assistant herdsman, one of her jobs is keeping up with the organic paperwork. She also feeds calves, moves irrigation lines, handles artificial insemination and makes daily decisions about the 300 cows they milk.

Beretta says growing up she watched her dad’s involvement with Farm



Adrian Bravo, organic produce, Salinas

Bureau and saw how the organization advocated for agriculture. In high school, a speech and debate exercise about genetic modification helped solidify her desire to promote farming.

“I knew that I really wanted to be involved in making sure that agriculture had a voice in our county.” She became the president of the county board this year and says the challenges are many.

“I feel like every month there’s some new thing that we’re trying to make sure at least our county, right here, doesn’t regulate us on,” she said.

She’s open to programs that offer new opportunities, such as CDFA’s Alternative Manure Management Program, which recently funded automatic scrapers and a separator that generate compost her dairy can use for bedding. Beretta says she’s also learned how important it is to say yes—to a legislator visiting the farm, for example or to joining a meeting or organization. She would like to someday have her own milking facility. But for now, as she and her brother contemplate the future not only of their home farm but of the dairy in Marin County that their uncles operate, she’s grateful her father has been open about succession planning.

“I’m very fortunate that I have a dad that talks to us about that.”

Pedro Cárdenas, produce, Santa Maria

When Pedro Cárdenas was born in 1996, his father built a roadside stand to sell his strawberries and called it Little Pete’s Farms after his son. “I was the baby then,” Cárdenas said, but by the time he was 7 years old, he was greeting customers and running the register. “I learned simple math that way.”

Today, with a degree in ag business from Chico State, he’s in the business full time and working to expand it. He figured out how to adjust planting and harvesting so strawberries could be available year-round and he expanded other produce offerings so the stand no longer closes in winter.



Pedro Cárdenas, produce, Santa Maria

“Let’s try to grow a little bit of everything,” he decided. “Why not?” Now in addition to four types of berries, the stand offers many tomato varieties, herbs, squash, peppers, chilis, broccoli, cauliflower, cabbage and lettuces. “It’s our goal to be like a one-stop place,” he said. Some crops don’t do well. His chili peppers succumbed to pests. But he says whatever happens, he learns something. “(I’ve) always got my notebook with me.”

By the time he was a young teen, Cárdenas knew he wanted to farm and his dad has supported him, and taught him, all along the way. His father emigrated from Mexico when he was young, became a citizen and was farming on his own by the age of 23. In time, he launched two additional businesses, offering irrigation supplies and services. Now that the son has come back

to farm full time, he says his father is able to focus more on other enterprises and leave Little Pete's to... Little Pete.



**Kimberly Clauss Jorritsma,
dairy, Hilmar**

Kimberly Clauss Jorritsma and her two sisters operate the dairies that make up the Clauss family's portion of Hilmar Cheese, which their dad helped found in 1984.

Jorritsma manages an operation that milks more than 3300 cows. The biggest challenge, she says, is finding and keeping the 50 or so employees she relies on.

Kimberly Clauss Jorritsma, dairy, Hilmar

Jorritsma returned to the farm in 1999 after earning a degree from Cal Poly San Louis Obispo and working in Washington, D.C. She considered a career in lobbying, but instead decided to take advantage of her dad's forward thinking on farm succession.

"He didn't really know that all three of us would end up on the dairies," she said, but "he set it up in a way to give us opportunities."

Her dad was in the first class of the California Ag Leadership Program, and Jorritsma was in the 29th.

She has served on the National Dairy Board and the Merced County Farm Bureau and is currently on the board of American Ag Credit and the Dairy Council of California (where she is a past chairwoman).

While often she's been the only woman in the room, she says that's never been a disadvantage.

"I've always felt very welcomed," she said. But over time, what's become more challenging is being any kind of farmer in California, which she says "hasn't been a very ag-friendly state."

She has a solar farm and is part of a group exploring CDFA's Dairy Digester Research and Development Program, which helps fund the design and implementation of systems to capture methane from manure lagoons and repurpose it for renewable energy or biofuel. With water and labor in short supply, she says producing cheese is a lot cheaper in other places. Then again, California has relatively easy access to export markets and over time robotics could reduce her dependence on human labor. But, "for the investment right now," she said, "I don't see (robotics) being worth it."

The next generation could take over from Jorritsma and her sisters. She likes the idea of that, but also knows "it could be challenging here in another 20 years."

Charlie and Carrie Peltzer, pumpkins, wine grapes, agri-tainment, Temecula

The land where Charlie Peltzer's family grew oranges became part of the Happiest Place on Earth when his grandfather sold 20 acres in 1950 to a buyer for Walt Disney. But these days, Charlie and his wife, Carrie, offer families a different kind of entertainment.

“We started more of an agri-tainment” business, Carrie Peltzer said, with a pumpkin patch, pony rides, petting farm and pig races.

But 25 years ago, when they first sub-leased land from Charlie's father in Orange County, they had to start with the basics: water, sewer, electricity. “It was a wing and a prayer,” Charlie said. They had a too-big mortgage on their home and borrowed some money from Carrie's parents, too. The first 10 years were a struggle, Carrie said. Then in 2006, they moved to Temecula where they manage about 25 acres, with a focus on offering a “day in the country.”



Charlie and Carrie Peltzer, pumpkins, wine grapes, agri-tainment, Temecula

“We’re just trying to do something a little different,” Carrie said.

They planted grapes in 2007 and they’ve been American Ag Credit borrowers for years now, including to finance the winery they added in 2016. The tasting room décor includes the 1926 tractor Charlie's great-grandfather bought new. They hope eventually to grow Christmas trees, like Charlie's father. Despite the focus on entertainment, they prefer traditional to trendy—there's not a bounce house in sight.

Charlie said they wanted to keep things “more agricultural related.” The Peltzers have two sons, a teen and a young adult.

“They’ve both been very, very involved since they could walk,” Carrie said, adding one or both of them may someday take over the multifaceted business. Which is not to say that the parents are ready for that yet.

“We’re definitely not done building,” Carrie said.

Private gathering produces beef industry marching orders

A recent closed-door meeting of beef producers may have yielded the rarest of all things in the industry: unity.

In a sector known for its infighting and public mudslinging, six groups were able to produce a list of action items that will be circulated among their own organizations for refinement and future consideration. Those in the room for the conversation tell *Agri-Pulse* a frank, honest dialogue ensued about issues facing the industry, something that has been elusive.

“It was refreshing because there was no great amount of trust between the different parties going into the meeting, but after we spent a day talking with each other ... we’re all just ranchers,” Brett Crosby, who attended the meeting for the U.S. Cattlemen’s Association, said in an interview.

“We all just want to survive and make a living, and just because we have different opinions on what will help us survive doesn’t really change the fact that having ranching and cattle in common makes us all very much alike,” he added.

The group left Phoenix on May 10 after a wide-ranging chat on issues ranging from price transparency and concentration in the packing sector to enforcement of the Packers and Stockyards Act and increasing processing capacity across the county. In an industry known for its fiercely independent cowboys, Capitol Hill lawmakers and staffers have grown frustrated at the simultaneous calls for reform and lack of consensus on how to achieve it.

The industry is facing the aftermath of a pair of so-called “black swan” events, occurrences that sent shock waves through all corners of the beef value chain — a 2019 fire at a Kansas packing plant and the reverberations throughout 2020 of the COVID-19 pandemic. Both had highly disparate impacts on cash cattle prices, but producers argued — especially in the wake of the virus — that packers did not feel a similar monetary impact and called for greater market transparency as the spread between what producers were paid and what consumers were charged grew.

The Department of Agriculture looked into the matter and produced a July 2020 report that called for legislative attention to address price volatility in the industry but stopped short of identifying any packer wrongdoing stemming from either the plant fire or the pandemic.

In addition to USCA, members representing the American Farm Bureau Federation, National Cattlemen’s Beef Association, National Farmers Union, R-CALF USA, and the Livestock Marketing Association were also in attendance. The meeting was called at the request of LMA, which represents not necessarily livestock producers, but rather the local auction markets where thousands of the nation’s beef cattle are sold.

“What was really unique, and in some ways pretty historic, was the groups that don’t necessarily always agree to work together being willing to put things aside, sit down in one room and have a good, constructive conversation,” LMA’s Chelsea Good told *Agri-Pulse*.

Among the action items stemming from the meeting are expedited renewal of USDA’s Livestock Mandatory Reporting (LMR) — currently set to expire in September — as well as the creation of a contract library and equal treatment of formula and cash transactions, developing new local and regional processing capacity, and calling for an update from the Department of Justice on an investigation into the so-called “big four” beef packers.

The latter point got a boost from Capitol Hill Monday when a bicameral group of 16 Republicans called on DOJ to “request that DOJ provide Congress updates on any investigations or ongoing vigilance.” **The letter, led by Sen. John Thune and Rep. Dusty Johnson of South Dakota, said there have been “no public results from the investigation” since DOJ sent civil investigative demands to meatpackers nearly a year ago and “there is no information to even suggest whether the investigation has concluded or is still ongoing.”**

Such an update from DOJ would be highly unusual for an agency that rarely comments on ongoing investigations outside of the context of court filings. But Sen. Chuck Grassley, an Iowa

Republican who signed the letter and is the top GOP member on the Senate Judiciary Committee, said it's time for an update.



Colin Woodall, NCBA

“They ought to be able to give us some general comment without getting too specific,” Grassley told reporters Tuesday. “We don’t know what they’ll tell us, but it doesn’t hurt for us to ask, and after a year, I think I want to know what’s going on.”

NCBA cheered the letter, with head lobbyist Ethan Lane saying in a statement the group hopes the Capitol Hill outreach “will be met at DOJ with the urgency it warrants, and we hope to see results from the Attorney General soon.” Colin Woodall, the organization’s CEO tells *Agri-Pulse* DOJ has spoken to “a lot of our members at many different levels within the

chain” throughout last summer, fall and winter.

“So, we know that the Department of Justice has been acting on this,” he said. “That’s why we just want it to get concluded so we can all take the next steps and know what they found.” DOJ did not respond to an *Agri-Pulse* inquiry.

Notably absent from the conversation and corresponding joint statement was representation from the nation’s beef packers. While the initial plan was to keep this chat at the producer level — organizational staff for the involved groups was not included — some said they weren’t opposed to bringing processors into the conversation once some finer points were worked out.

For its part, the North American Meat Institute says it is willing to work with the producer groups “to ensure proposed changes to the beef markets do not have unintended consequences for producers and consumers,” a spokesperson said. The group also argued a chief concern currently facing beef packers — issues in the stability of its labor supply — would also “challenge new small and medium-sized facilities entering the market.”

“Meat and poultry companies are utilizing capacity to the best of their abilities with COVID protocol constraints still in place and despite significant labor challenges that existed prior to — and have been exacerbated by — COVID,” the spokesperson noted.

The groups will now take the points discussed at the meeting back to their respective organizations for further discussion and refining of individual policy points. For AFBF, the current action items already fit within existing organization policy, according to Zippy Duvall, the group’s president and an attendee of the meeting.

In the event the groups are able to reach consensus before LMR reauthorization this fall, that could serve as a potential legislative vehicle for some of the changes. But that would require uniform support from an industry that struggles to provide it, and a timely reauthorization is going to be paramount, sources tell *Agri-Pulse*.

“That’s a piece that could carry something; I think that’s to be discovered,” Duvall said. “The way that meeting went the other day, I think all the parties were willing to have that conversation and continue it.”

Keeping consensus will also require the groups to stick to areas of agreement, something that could prove difficult with hot-button issues like checkoff reform and country-of-origin labeling on the sidelines of the discussion. Woodall said the group is “going to do everything we can to achieve all three” action items, including moving some or all of them by legislative means.



Zippy Duvall, AFBF

“This isn’t going to completely fix the issue. I think it goes a long way in helping us, but we still haven’t found that silver bullet,” he said.

“I don’t know what the silver bullet is, we’re going to continue to look for it, but we still haven’t found that one (solution) that completely changes everything, but all of these help us ... hopefully take some of that leverage away from the packers and return it to the producers.”

The group did not set a date for a follow-up meeting, but USCA’s Crosby hopes to see one happen.

“We absolutely have to go forward. Even though we came up with some action items, there’s still a lot left to cover in terms of concerns,” he said. “We want to put structure around the action items that we outlined, but we also want to address the rest of those concerns.”

Innovators selected for Global Harvest Automation Initiative

Specialty crop growers have long struggled with finding available workers, but the industry is working to rapidly solve their ag labor woes through innovation and automation. This week, Western Growers selected 13 innovators for the inaugural cohort of its Global Harvest Automation Initiative (GHAI), a project that aims to automate 50% of specialty crop harvest within 10 years by accelerating the commercialization of harvest automation innovations.

The companies chosen for the cohort all specialize in agricultural robotics, mechanization and automation and will receive exclusive resources to help them launch and scale, including:

- Mentoring (mentor support from leading ag and tech companies, including feedback on product offerings, strategy and go-to-market options);
- Field Trials (facilitation of field trials with growers); and
- Case Studies (success of field trials will be published as case studies which will be available to growers).
- Most importantly, the cohort will receive systems integration to integrate industry-standard components (called technology stack) into their product roadmap so their robots can get into fields and markets faster.

“Most harvest startups build the entire technology stack themselves — from imaging and artificial intelligence to robotic end-effectors and automated movement up and down the fields. Western Growers’ Global Harvest Automation Initiative will now build this technology stack for them,” said Walt Duflock, vice president of innovation at Western Growers. “The innovators in this cohort are both startups and established companies that

will get help integrating with industry-standard tractors, robot arms and sensors, which can commoditize up to 60–80% of the startup’s technology stack.”

Here are the innovation companies selected to receive hands-on support for all aspects of their businesses for rapid scaling:

- **Advanced Farm Technologies:** provides advanced farming tools, such as automated strawberry harvesting robots, for harvesting services
- **Antobot:** builds a team of small intelligent agriculture robots with advanced computer vision and robotics technology
- **Augean Robotics:** helps solve the labor problem facing farmers by making autonomous collaborative robots
- **Earth Rover:** makes field robots that automate scouting, harvesting and weeding, and provides farmers with per-plant data from seed to gate
- **FarmWise:** designs driverless tractors that use machine learning and computer vision, rather than herbicides, to eradicate weeds from farmers' fields
- **FFRobotics:** develops a reliable, robust harvesting platform emulating human-hand picking process for efficient, cost-effective and bruise-free fruit harvesting
- **Muddy Machines:** builds a new generation of field robots that help growers manage labor-intensive crops by conducting fieldwork
- **Oxbo International Corporation:** designs, manufactures and distributes innovative harvesting equipment and related products
- **Ramsay Highlander:** manufactures specialized harvesting aids for the vegetable growing industry
- **Ripe Robotics:** builds and manages fruit-picking robots
- **Robotics Plus:** enables sustainable growth of the horticultural and fiber industries through robotics and automation
- **SPUDNIK Equipment Company LLC:** manufactures potato harvesting and handling equipment
- **Strio AI:** automates labor-intensive tasks for specialty growers, starting with runner cutting for strawberries

Resources and detailed information about the GHAI can be found on the [WG Center for Innovation & Technology](#) webpage here.

News Briefs:

CDFA seeking public comment on draft RFP for new Conservation Agriculture Planning Grants. The CDFA has developed a [draft request for proposals for its Conservation Agriculture Planning Grants program and is seeking public comment.](#) Though funds have not yet been allocated for the program, CDFA hopes to offer these grants as part of its Climate Smart Agriculture Program. It would be the first time CDFA has offered grants for climate mitigation and adaptation planning. According to the draft proposal, public and non-profit groups could apply for up to \$250,000, which could be used to reimburse farm operations up to \$20,000 each for expenses related to drawing up a climate smart plan. Priority (25% of funds) will be designated for plans that help socially disadvantaged farmers and ranchers. Secondary emphasis will be on proposals to assist farms up to 500 acres. Most proposals will develop plans for existing NRCS conservation programs such as nutrient management, integrated pest management, soil health or energy and irrigation management. A Conservation Plan Supporting Organic Transition, another existing NRCS option, is also eligible. CDFA is asking for detailed expense proposals for Carbon Farm Plans as those do not have a corresponding NRCS program but would potentially be eligible for the new planning grants. While federal programs do include funding for planning, it’s often not enough. “We have heard from stakeholders that there is

generally the need for more planning on farms and ranches when it comes to climate change mitigation and adaptation,” CDFA’s Amrith Gunasekara told *Agri-Pulse* in an email. The public comment period is open through June 15.

Judge wants some questions answered at Roundup hearing. A federal judge has posed some pointed questions for a hearing Wednesday where he will consider whether to grant preliminary approval to a Bayer-proposed settlement for a so-called “futures class” of plaintiffs who contract non-Hodgkin lymphoma. “Why is it in the interest of the class to agree in advance to the admission in future trials of the conclusions of a court-appointed independent science panel, given how well the trials have been going for plaintiffs without such a panel?” U.S. District Judge Vince Chhabria asked in one of the questions he filed Tuesday and wants to be addressed in the Wednesday hearing, scheduled to start at 10 a.m. PST. The hearing comes less than a week after a federal appeals court upheld a \$25 million verdict for plaintiff Edwin Hardeman. In a crucial part of the ruling, the court found that Hardeman’s state-law tort claims were not pre-empted by the Federal Insecticide, Fungicide, and Rodenticide Act. Chhabria addressed that issue, as well, asking whether the proposed settlement clearly states that even if the Supreme Court rules in the future that Bayer is correct on preemption, class members would still be able to opt out and sue for compensatory damages. Counsel for the class, which has yet to be certified, proposed \$2 billion for people who were exposed to Roundup as of Feb. 3. Attorneys for the plaintiff class claim it will “save lives” and result in “unprecedented benefits,” including more than \$1.3 billion in compensation, a \$210 million medical monitoring program, free legal services, and funding for research into new treatments for NHL. “The class plan is intended to be one part of a holistic solution designed to provide further closure to the Monsanto Roundup litigation,” Bayer said when it announced the agreement Feb. 3. But there has been strong opposition to the proposal from other lawyers and Public Justice, a nongovernmental organization, who note the proposal would not allow class members who “opt out” of the agreement after a stipulated four-year litigation delay to sue for punitive damages. In addition, “Any class member who opts out at the back end and files their own case against Monsanto must stipulate to the admissibility of the findings of a ‘Science Panel’ that ... is likely to issue a finding” that Roundup does not cause NHL, “a finding that it will be difficult to effectively rebut,” Public Justice said in its brief.

USDA buys fish, fruit, nuts and more for food assistance programs. As part of its ongoing efforts to address food insecurity resulting from the pandemic, USDA announced it will purchase up to \$159.4 million in domestically produced seafood, fruits, legumes, and nuts for distribution to a variety of domestic food assistance programs, including charitable institutions. The largest amount was approved for pistachios (\$40 million), followed by Alaskan Pollock (\$20 million; chickpeas and dry peas (\$10 million each); salmon (\$8.9 million) and prepared peaches (\$8 million). These purchases are being made utilizing funds under the authority of Section 32 of the Agricultural Adjustment Act. “The impacts of COVID-19 reverberated from our farms to our oceans,” said Agriculture Secretary Tom Vilsack. USDA pointed out that inventories of these selected commodities are in high oversupply due to a decrease in demand because of the COVID-19 pandemic and disruption in the supply chain, as restaurants and other outlets closed during the pandemic. This is the largest purchase of U.S. raised seafood by the USDA to date. Within a few days of approval, USDA’s Food and Nutrition Service will offer these commodities to their networks. Orders should be received during the first week of June with solicitations being issued mid-June and awards occurring near the end of the month. Deliveries should start to occur by mid-August. Solicitations will be available electronically through the Web-Based Supply Chain Management (WBSCM) system and on the Agricultural Marketing Service's website at www.ams.usda.gov/selling-food. The full list of USDA purchases is here.

Farm Hands West: Antle returns to family business

Brian Antle, fourth generation family member, has returned to Tanimura and Antle as the new executive vice president of sales. In 2017, Antle became the president of PlantTape, helping launch the new transplanting system across the U.S. Before that, he was the vice president of harvest operations at Tanimura and Antle.



Brian Antle

Fall Creek Farm & Nursery, Inc. has brought on **Denis Koh** as the new chief financial officer. He brings more than 20 years of experience in sales and operations management, and previously held leadership positions at Underwriters Laboratories, Vestas, Aretae and FarEastone.

The Produce Marketing Association hired **Iván Correa** to be the country representative in Chile. He previously served as a sales manager at Mayr-Malnhof Packaging in Santiago, Chile.

The National Coalition for Food and Agricultural Research has tapped **Laura Wood Peterson** to be the new executive director. She succeeds **Tom Van Arsdall**, who has retired after two decades at the helm. Peterson currently runs her own consulting firm, Laura Wood Peterson Consulting. Before that, she worked for Indigo Ag in its government affairs division.

After 38 years with Bayer and the Monsanto Company, **Brett Begemann** has announced he will retire as chief operating officer for crop science. **Rodrigo Santos** has been tapped to succeed Begemann, effective June 8. **Mauricio Rodrigues**, currently head of finance for crop science, Latin America, will replace Santos as the new head of crop science's commercial operations for Latin America.

Jess McCarron left the Senate Ag Committee where she served as Sen. **Debbie Stabenow**'s, D-Mich., press secretary for the last four and a half years. **Patrick Delaney** has taken over McCarron's communication responsibilities in the interim.

Antoine de Saint-Affrique has been appointed to be the new chief executive officer of Danone, effective Sept. 15. He succeeds the joint interim leadership of **Véronique Penchienati-Bosetta** and **Shane Grant**. Saint-Affrique comes to Danone from Barry Callebaut, a global chocolate maker and cocoa processor, where he has been CEO since 2015.

John Dardis joined Dairy Management Inc., as the executive vice president of global sustainability strategy, science and industry. Dardis most recently was the senior vice president of public policy and sustainability at Glanbia. He also served as the first secretary of agriculture and food at the Embassy of Ireland.



Laura Wood Peterson



John Dardis

The U.S. Wheat Associates has promoted **Michael Anderson** to market analyst. Anderson had been the assistant director of the West Coast office since July 2018. He succeeds **Claire Hutchins**, who left the association. Before joining USW, Anderson was the international marketing program coordinator for the Food Export Association.

Mike DeCamp has been named the president and CEO of CoverCress Inc., a company aiming to commercialize the nation's first "cash cover crop." DeCamp served the last year as the chief operating officer. DeCamp succeeds **Jerry Steiner**, CoverCress co-founder, who will now serve as executive chairman of the board. **Cameron Ator** joins CoverCress as the new chief commercial officer. He brings 30 years of experience to the position, most recently working for Bayer Crop Science.

Jake Westlin has been promoted to senior director of policy and communications at the National Association of Wheat Growers. He joined NAWG in 2019 as the government relations representative. Earlier in his career, Westlin was a legislative correspondent and legislative aide to former Sen. Heidi Heitkamp, D-N.D.

Tim Monahan is the new staff director of the House Administration Committee. He replaces **Jen Daulby**, who has taken a new job with the Consumer Brands Association as the senior vice president of government affairs.

Maggie Stith now serves as the sustainability, stakeholder and government relations manager for Valent USA. She was previously the sustainability and external relations manager. She has also served as the senior regional director at the National FFA Foundation.

Reana Kovalcik has joined the American Forest Climate Working Group as a communications adviser. Kovalcik previously worked for National Sustainable Agriculture Coalition and was Councilmember Elissa Silverman's, I-D.C., communication director.

The U.S. Grains Council (USGC) has elevated **Marlyn Montenegro** to office manager in the organization's Latin America office. Montenegro previously was the administrative assistant in the same office.



Michael Anderson

David Townsend has been promoted to assistant director of member engagement at American Farm Bureau. He joined AFBF in 2019 and before that served as the National FFA President.



Marlyn Montenegro

Ag Growth International Inc. has added **Mike Frank** as a new director on the board. He has spent his 33-year career working in leadership positions for Nutrien and Monsanto. Most recently, he was CEO of Nutrien Ag Solutions.

The American Feed Industry Association has elected **Mike Schuster**, Laidig Systems, as the new chairman of the board of directors. Schuster succeeds **Scott Druker**, Church & Dwight Company, who will now transition to chair the Institute for Feed and Education and Research's board of trustees for a one-year term. **Dean Warras** of Phibro Animal Health Corporation was tapped to be chair-elect and will succeed Schuster as chair in May 2022. The board also elected the following individuals to serve three-year terms: **John Akridge**, MFA Incorporated; **Scott Anderson**, California Pellet Mill; **Gerry Daignault**, The Maschoffs LLC; **Frank Goode**, ILC Resources; **C. Ross Hamilton**, Darling Ingredients Inc.; **Scott Lovin**, Ag

Partners LLC; **Lisa Norton**, BioZyme Incorporated; **Brian Rittgers**, Micronutrients USA LLC; **Gisele Santos Bin**, BASF Corporation; **Leigh Ann Sayen**, The Peterson Company; **Kevin S**

Jim Clendenen, founder of Au Bon Climat winery, passed away at the age of 68. He graduated from the University of California, Santa Barbara with a pre-law degree. But one month after graduation he stayed in Burgundy and Champagne which convinced him to attempt a career in wine rather than continue on to law school. Known for his larger-than-life personality, Clendenen was an award-winning winemaker located in the Santa Maria, Calif., area.

Best regards,

Sara Wyant
Editor

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