

California is likely to add an N95 mask mandate to the state's COVID-19 workplace protections

The governing board that sets the standards for Cal/OSHA will decide Thursday which COVID-19 workplace restrictions can be lifted when Gov. Gavin Newsom reopens California on June 15. Farm groups and business interests are pushing the board to drop the emergency standard.

“California has the highest vaccination rates, lowest case numbers and lowest positivity rates in the world,” said Michael Müller, director of government relations for the California Association of Winegrape Growers (CAWG) at a May hearing for the board. **“Keeping the ETS [emergency temporary standard] in place ignores the efforts of millions of Californians in achieving that success, and importantly, the public health benefits of that success.”**

The board was set to adopt changes to its COVID-19 regulations in May, but delayed the decision in light of new guidance from the Centers for Disease Control (CDC) that fully vaccinated people can resume some activities without wearing masks.

Staff had recommended the board still require masks for all workers and added a requirement to supply unvaccinated workers with N95 respirators. This raised concerns from a number of groups about how an employer would be able to determine who is vaccinated without violating privacy standards.



An N95 mask and gloves. (Photo courtesy Pixabay)

Agricultural and business groups argued the provision would stress N95 supply lines that are just beginning to recover, and that it would also complicate efforts to get masks to farmworkers for

protection against smoke as the state enters another potentially severe wildfire season. In 2019 the standards board passed a regulation requiring employers to supply farmworkers and other employees working outdoors with N95 respirators when smoke from wildfires is present.

Rob Moutrie, a policy advocate for the California Chamber of Commerce, estimated the provision would mean that more than two million workers would be using at least two N95s each week. Farm groups worried demand for the masks would skyrocket in a pattern similar to one at the start of the pandemic, leading to higher costs and scarcity.

“We need to go back to the drawing board here,” said Bryan Little, director of labor affairs for the California Farm Bureau. “The agency and standards board should seriously reconsider the necessity of any COVID-19 standard or any infectious disease standard.”

Little said the regulations would not keep pace with the rapidly evolving situation with vaccinations and declining case rates in California. He pointed to existing regulatory tools the agency already has at hand without the emergency standard.

The initial regulations became immediately outdated the day the board approved them in November, because vaccines were available just weeks later, argued Little. The state has now gone six months without updating the regulations to reflect vaccinations, a concern raised in November as well.

“Because this is a formal regulation, it takes six months to add a comma,” said Miiller. “Employees and employers are taking action today and need clear guidelines today that reflect the current science and data.”



Michael Miiller, CAWG director of government relations

He pointed out that Cal/OSHA staff had testified in 2020 that COVID-19 workplace enforcement actions were already occurring under existing regulations and an emergency standard was not needed.

Farmworker groups, however, saw the pandemic response differently.

“We are where we are with a lower rate because of the protections that were put into place,” said Cynthia Rice, director of litigation for the labor rights group California Rural Legal Assistance. “[The existing regulations] didn't work last year.”

Rice called the emergency standard critical to protecting workers, especially in agriculture. She said industries like this that pay low wages to workers generally have a high incidence of failing to comply with record keeping and reporting requirements.

“To suggest that an employer would not falsify vaccination records in order to avoid the cost of providing masks and social and physical distancing is not a reality in the low-wage worker world,” said Rice. “In agricultural areas, we are finding a lower rate of vaccinations and a continued higher rate of case outbreaks, when compared to California at large and even the nation.”

Miiller shot back that no evidence supports Rice’s assertions, saying his members had been seeing strong vaccination rates among employees. Miiller also pointed out that Santa Cruz County has had more than 16,000 cases and reported that 92% of the known exposure sources came from outside the workplace.

“Many of our employers now have vaccination rates that are higher than the community vaccination rates. Yet the ETS places tighter restrictions on that workplace than the restrictions that exist in the community. This makes no sense,” said Miiller. “If it is true that Cal/OSHA has no available data, then Cal/OSHA has failed to justify the continuing need for the ETS.”

Mitch Steiger, a legislative advocate for the California Labor Federation, AFL-CIO, argued that not having an adequate database of outbreaks and where they occur means the state does not have the information at hand to make a decision like removing the mask mandate. He also questioned the data available on vaccine efficacy.

“Vaccines aren't 100%,” said Steiger. “There could be other variants still coming.”

He said easing the regulations could lead to workers who are immunocompromised being surrounded by people who are unmasked and unvaccinated, raising the risk for a breakthrough case to occur. He called it a fantasy for the CDC to assume unvaccinated people would willingly wear N95 masks without a mandate.

“Those out there who are very intent on not getting the vaccine are the exact same ones who are not going to wear a mask,” he said.

Steiger added that even though the state may have only 50 deaths per day, that is still too many people to lose.

“If we had 50 people a day dying from wildfires, I don't think we would say, ‘Well, that's a pretty good number,’” he said. “We've just gotten used to these really staggering death tolls.”



Bryan Little, California Farm Bureau director of employment policy

He urged the board to maintain partitions and physical distancing along with masking.

The board will also be considering whether to make the emergency standard a permanent regulation, to the objections of the industry.

“I'm worried that the light at the end of the tunnel is this ETS, which is an oncoming train,” said Miiller.

Board members saw the slow pace of the board’s regulatory process, as Miiller had pointed out, was enough reason to consider a long-term proposal.

“We've got to look at a permanent standard,” said Chris Laszcz-Davis, the management representative on the board. “I don't think that when the next pandemic, the next novel virus shows up, we want to go through this exercise again.”

Others argued against “rolling back” any of the worker protections.

“We don't want to get stupid,” said Board Chair David Thomas. “We just want to hang in there and do the things that we know will protect us and protect those around us.”

California’s air quality czar charts a new path toward inclusivity

The Senate Rules Committee debated several of Gov. Gavin Newsom’s appointments to the Air Resources Board (CARB) during a hearing last week. While each of the appointees garnered broad support, lawmakers raised general concerns about gaps in the board’s oversight that have led to rising regulatory costs for communities of color as well as low-income and rural communities.

Acting Board Chair Liane Randolph, who previously served as a commissioner on the California Public Utilities Commission, began by emphasizing her priorities for environmental justice and engaging regularly with affected communities. This follows outcry from environmental groups last year against Randolph’s predecessor, Mary Nichols, over concerns CARB overlooked these communities in its policies. This, in turn, led the Biden administration to drop Nichols from consideration as U.S. EPA secretary.

“CARB has been growing over the years in terms of its ability to work with environmental justice communities, but we still absolutely have a long way to go,” said Randolph. “I’m hoping that at the end of the day, even if we don't agree on everything, they do feel heard and feel that they have fully participated in the process.”

Republican Sen. Shannon Grove of Bakersfield steered the conversation toward the burdens that CARB’s regulations have presented to the farmers, oil producers and rural communities in her San Joaquin Valley district.

Grove pointed out that it takes her nearly six hours to drive across her district, comparing it to one densely populated Senate district in Los Angeles that covers just 26 blocks. She felt CARB’s regulations on vehicle miles traveled unfairly penalize farming communities, which often cannot afford electric vehicles.

Grove also pushed back on farmers having to continually replace expensive equipment—after just four years in some cases—to meet CARB’s evolving air quality mandates.

“Putting the Central Valley out of business from growing food not only affects the food supply here in California, but the food supply for the world,” said Grove. “We are trying everything we can to help



An electric charging station. (Photo courtesy Pixabay)

meet the climate goals that are set forth.”

She saw Dr. Tania Pacheco-Werner, another new board appointee, as “somebody who's going to look at things from both sides of the spectrum, and not be an activist on the board.” When CARB was debating a ban on all open burning in the San Joaquin Valley, Pacheco-Werner pushed back on calls for more monitoring of illegal burns, arguing those resources should instead be put toward investing in tools to help farmers find alternatives to burning.

“One-size-fits-all doesn't work,” said Pacheco-Werner at the hearing Wednesday. “I appreciate that the Central Valley is much different than the Bay Area.”

The Senate Rules Committee also approved the reappointment of Dr. John Balmes, who was among the members leading the charge on the burn ban.

Balmes has led CARB’s efforts with the AB 617 community emissions reduction program and hoped to continue to “reduce hotspots of pollution that negatively impact the health of low-income communities of color” if reappointed. AB 617 has raised controversy in Fresno County after several environmental advocates in the local steering committee pushed the state toward expanding a pesticide air monitoring network and removing incentives grants for dairies from the reduction plan. AB 617 has grown to include 15 communities across the state, with several more under consideration, though funding has been in flux as the cap-and-trade revenues seeding the program have become unreliable as the market matures.



CARB Chair Liane Randolph

Balmes, who studies the respiratory effects of ambient air pollutants, said he has been doing research in the San Joaquin Valley for 20 years.

“While I'm trying to learn about the health effects of air pollution, I've also learned a lot about the economy of the San Joaquin Valley, both Fresno and Kern County,” said Balmes. “I'm a proponent of environmental justice, but I also don't want to break the California economy.”

Balmes later shared that he felt reinvigorated by Randolph’s more inclusive leadership and her drive to build consensus among board members, a departure from Nichols.

“Because [Nichols] was such a well-established leader in the field, we did tend to fall in line maybe more often than not,” said Balmes.

Board appointee Davina Hurt harkened back to her youth growing up alongside Texas farms in a rural community outside of Dallas and an epidemic of asthma rates in the region, which drives what she sees as a “need to do things differently.”

Newsom also appointed Los Angeles lawyer Gideon Kracov, who served on the local air quality board overseeing some of California’s largest ports.

Rangeland advisers worried about drought classification as some California ranchers begin culling herds

California ranchers knew months ago they were in for another dry year, and as drought grips most of the state, how a particular area's conditions are labeled by the U.S. Drought Monitor could be a factor in whether, or how well, some ranches survive.

Dan Macon, a livestock and natural resources adviser with U.C. Cooperative Extension in Placer, Nevada, Sutter and Yuba counties, says there is “a lot of frustration beginning to build with the drought monitor’s inability to really understand on the ground conditions in California.”

He says the state is very different from most of the country, and the categories the mapmakers use to distinguish the degrees of drought aren’t adequate in his area.

“If you look at the U.S. drought monitor maps, the foothills — and much of California — are in D3,” he said, which is the second-to-driest category. “And yet this year is much worse than 2014 and 2015, when we were in D4.”

One reason the classification is so important is that the USDA Livestock Disaster Program bases payments in part on the drought monitor rating. The difference between D3 and D4 could, in certain circumstances, reduce a rancher’s eligibility by one month’s worth of payments. Beyond California, this year’s drought is affecting much of the southwest and northern Great Plains. South Dakota Republican Sen. John Thune sponsored legislation to improve the accuracy of soil moisture and snowpack data for the Upper Missouri River basin, which passed as part of the year-end spending bill in December.

In a statement to *Agri-Pulse*, Thune said because USDA’s disaster relief programs are critical for producers’ recovery from drought, he will “continue pressing the department to ensure its agencies carefully coordinate and fully utilize all available drought-related data when administering these programs.”

Leslie Roche, a U.C. Davis extension specialist in rangeland science and management, said over the past few years, she and colleagues have been “building stronger relationships with the drought monitor authors,” including by helping gather more data from extension agents in California.

“It is incredibly amazing how much information they take in and process on a weekly basis,” she said,



Red Angus cows on the Settrini Ranch in Monterey County. (Photo: Celeste Settrini)

but ultimately there is a human behind those severity labels and that can mean “pretty subjective decisions.”

Nevada, Utah, Arizona, New Mexico, Colorado and North Dakota have significant D4 areas, while the drought monitor says nationwide 43% of the country is in drought, affecting 75.3 million acres of crops.

Before ranchers start thinking about any possible disaster payments, though, they are doing their best to get through this season. For Ryan Mahoney, who has cattle and sheep in the Montezuma Hills between Sacramento and San Francisco, that means selling. He says a road across Solano County that separates his northern and southern pastures is serving as a de facto dividing line.

“Our ground south of Highway 12, we’re depopulating the cows 80%,” he said, while north of that line there was a little more rain and he’s only selling off 20-30%. Because sheep are smaller, they’re easier to move and don’t require as much food and water. “They’re able to dig and pick and get more seeds and different things,” he said, and he can also turn them out to graze on failed grain crops. But the market for sheep is strong, so selling them makes good business sense right now.

With the cattle, he’s worried not only about low sale prices and the capital gains he’ll owe, but the impact into next year. **“The real hurt of this drought is going to be next year, financially,” he said. He’s the fifth generation at Emigh Livestock, though, and he says the family has prepared for drought. “We’ve been aggressive in acquiring irrigated pasture,” he said, and even with the need to sell this year, he said his grandfather taught him to “be patient, don’t react drastically but move forward strongly.”**

In late winter and early spring, when already they knew it would be a dry year, Mahoney said his grandfather said “over his entire life, the Montezuma Hills have never failed him.” And then almost no spring rain came. Mahoney says, typically “it’ll tend to be green until June 1. This year we were turning brown April 10 and we were completely out of feed May 1.” His grandfather, who will be 93 in August, said it’s the driest he’s seen in his lifetime. Despite the headwinds, Mahoney is confident the ranch will survive.



Rancher Celeste Settrini.

Conditions are slightly better in Monterey County, thanks to the coastal fog and cooler temperatures, said rancher Celeste Settrini, who runs a cow-calf operation with her brother. Over the past eight years or so, she said they’ve shifted to smaller cows and bred for lower weight calves, which reduces the feed demand and has been one strategy to prepare for dry conditions. They also rotationally graze their animals, maintaining some fallow ground that can be used in

years like this one. Still, they kept back heifers from the sale barn and culled some of their older, bigger cows to further reduce foraging. Settrini said they'll also be buying hay.

“It’s going to be a tough year in the sense that hay is going to be a lot more expensive, too,” she said, as suppliers in the Central Valley may have to buy water. Settrini knows she’s in a better situation than many California ranchers this year, especially those who can’t afford to buy hay.

Macon, the extension agent in the foothills, said ranchers trying to feed their way out of drought often find it’s only a way to “lose money more quickly.”

In Settrini’s work doing marketing for cattle barns, she’s seen a lot of livestock coming through from farmers and ranchers who will try to cut their losses with whatever price they can get now. But then they’ll have to start rebuilding their herds if things improve next year.

Settrini said she and her brother want to avoid that. They stand firm on the size of their herd, which is about 200 mother cows. When times are good, she often receives unsolicited advice to buy more, “but we’ve never really done that,” she said, because “we just kind of plan for a rainy day, I guess, or a not rainy day.”

This year, that’s the investment that’s paying off.

Cracks widen in European farm support for EU’s Farm to Fork

The U.S. Department of Agriculture has been saying for months that the European Union’s Farm-to-Fork plan to overhaul farming and food production in the 27-country bloc would be disastrous for farmers and raise food prices for consumers.

But now, the chorus of concerns from European farmers is growing louder.

It’s been about a year since the European Union unveiled its Farm to Fork and Biodiversity Strategy programs – two components of its overall Green Deal – and cracks are widening in farmer support for the scheme as they seek assurances that the strategy won’t put them out of business.

“We ... do not have a single doubt that the Farm to Fork strategy with its targets will have a considerable impact on the whole agricultural value chain, from farmers to our food systems and to consumers throughout the Union,” some of the largest farm and food organizations in Europe said in a recent public statement. “But most probably not the ones initially hoped for or expected.”



European Commission offices.

The EU is proposing to cut the use of pesticides on farms and antimicrobials in medicated feed by 50% while also reducing fertilizer usage by 20% by 2030.

European grain farmers, chicken producers, cattle ranchers, and fertilizer and feed manufacturers are all desperate for evidence that the EU government is going to help protect them as it implements Farm to Fork, but producers are growing increasingly frustrated.

At the very least, groups like the farm and co-op organization COPA-COGECA, argue, the European Commission needs to follow through on promises to produce an impact statement similar to what the USDA's Economic Research Service produced in the form of a study in November 2020.

“In the face of the challenges posed to our food security, this neglect on the part of the commission is both incomprehensible and unacceptable,” the group and many others said in a recent open letter – one of several, expressing a growing frustration with the EC, the EU's governing arm. “Why has the U.S. government already conducted a study on our own flagship policy?”

The American Farm Bureau Federation keeps in touch with COPA-COGECA, and the European group has very real and logical concerns, says David Salmonsens, a senior director for congressional relations for AFBF.

“I think they'd like to know how this is going to work for normal production agriculture in Europe,” Salmonsens told *Agri-Pulse*. “It doesn't seem like an unreasonable request.”



David Salmonsens, Farm Bureau

And the ERS impact study – the kind of study European farmers want done on their side of the Atlantic – is troubling.

European agricultural production would decline by as much as 4% and food prices would rise by as much as 60% as a result of Farm to Fork and the Biodiversity Strategy, according to the ERS economists, who evaluated multiple scenarios.

The European Commission was due to release an impact assessment in September, but it was never issued, COPA-COGECA Secretary General Pekka Pesonen told *Agri-Pulse*.

Perhaps even more worrisome is the impact the programs would have on some of the poorest nations if they followed suit and adopted the European overhauls, the analysis concludes. **Global production could drop as much as 11%.**

EU farm groups like Europe's Association of Poultry Producers (AVEC) are just plain critical of some of the basic foundations of Farm to Fork.

The strategy, AVEC says, comes from an unrealistic urban perspective of farming and, at its core, is based on the “basic tenet that meat is not sustainable and is harmful to the environment and human health.”

AVEC, like other groups, is straining to get the European Commission to heed its concerns.

“Livestock has been – and still is – blamed for many evils,” says AVEC Secretary General Birthe Steenberg. “We may not be perfect, but it is only fair to highlight the numerous measures already taken and the substantial progress made by all in our sector. ... It is crucial to make our voice heard, because we want to be part of the current process which will determine the future, and because we wish to make ourselves available to share our

knowledge and experience with policy-makers, during the ongoing discussions on (Farm to Fork).”

The accusation that policy-makers do not understand what they are regulating is becoming more common, and groups like the European Compound Feed Manufacturers’ Federation (FEFAC) and COCERAL, the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats and animal feed, say their members are being pushed too far under Farm to Fork, a part of the EU’s larger Green Deal.

Farmers have already reduced pesticide use drastically over the past 50 years, but Farm to Fork would require another 50% reduction over the next 10 years, according to a an open letter published Friday by FEFAC, the European Fresh Produce Association and other members of the European Agri-Food Chain Roundtable on Plant Protection.

“In order to deliver on the ambitious Green Deal objectives, any proposed combination of policy measures needs to balance trade-offs without leaving anyone in the food supply chain behind – especially in the aftermath of COVID-19,” the groups said. “This means that the policy options under consideration need to be science-based and premised on solid data. This is too important an issue for there not to be a full assessment of the potential consequences.”

At a minimum, farm groups like COPA-COGECA, AVEC, the European Livestock Voice, Euroseeds, and others want to know that the government will support farmers and ranchers through the Common Agricultural Policy (CAP) to help defer the costs of getting greener under Farm to Fork.

“Farm groups want the EU to support the transition to more sustainable production with market-based investments,” said Pesonen.

COPA-COGECA announced on Friday that it was “extremely disappointed” after it failed to get an acceptable deal from the European Parliament, Commission and Council.

“European negotiators must urgently get their act together and assume their responsibility to reach a compromise that safeguards both the economic and environmental performance of the farming sector,” COPA-COGECA said in a statement as it also fired off a letter to European President Ursula Von der Leyen. “This failure was foreseeable due to the weakness and poor understanding of the Agriculture Commissioner regarding the reality of farming in Europe.”

JBS targeted in cybersecurity attack, claims 'significant progress' Tuesday

The U.S. wing of Brazilian meatpacker JBS said Tuesday evening it has made "significant progress" in addressing a cyberattack that hit its North American and Australian operations on Sunday and expects the "vast majority" of its facilities to be operational Wednesday.

The company announced Monday it discovered it had been the subject of an "organized cybersecurity attack" that hit its systems on Sunday, May 30. JBS said after discovering the attack, it immediately shut down its servers, notified the authorities, and alerted its IT team to the breach. JBS confirmed that its South American servers were not affected. On Tuesday, JBS USA CEO Andre Nogueira issued a statement outlining the company's progress and offered a prospective resuming period.

“Our systems are coming back online and we are not sparing any resources to fight this threat,” he said. “We have cybersecurity plans in place to address these types of issues and we are successfully executing those plans. Given the progress our IT professionals and plant teams have made in the last 24 hours, the vast majority of our beef, pork, poultry and prepared foods plants will be operational tomorrow.”

The scope and impact of the attack is not yet known. According to media reports, the shutdown forced about 7,000 workers in its Australian processing facilities to halt work. Its 47 Australian facilities have not resumed operating. On Tuesday, JBS also canceled shifts and turned away livestock haulers at its large U.S. and Canadian meatpacking plants. Bloomberg, citing a source with the United Food and Commercial Workers International Union, reported Tuesday the hack had taken all of the company's U.S. processing offline. USDA's estimated daily livestock slaughter report showed drops in processing of about 27,000 cattle and about 95,000 hogs Tuesday from the prior week's figures.

On Tuesday, White House deputy press secretary Karine Jean-Pierre said the company had been in touch with the Biden administration on Sunday and said it was the victim of a ransomware attack and a ransom demand "came from a criminal organization likely based in Russia."

"USDA has reached out to several major meat processors in the United States to ensure they are aware of the situation," she said. "We're assessing any impacts on supply, and the President has directed the administration to determine what we can do to mitigate any impacts as they may become necessary."



USDA figures show thousands fewer cattle were processed on Tuesday than an average day.

She said the FBI and the Cybersecurity and Infrastructure Security Agency were both working on the issue and the White House "is engaging directly with the Russian government on this matter."

Nogueira expressed his gratitude and thanks to "the White House, the U.S. Federal Bureau of Investigation, the U.S. Department of Agriculture, and the Australian and Canadian governments for their assistance over the last two days."

In a statement, UFCW President Marc Perrone said the union was "pleased JBS is working around the clock to resolve this."

Perrone added the union urges "JBS to ensure that all of its meatpacking workers receive their contractually guaranteed pay as these plant shutdowns continue. UFCW is calling on JBS to work with state and federal leaders to help get JBS meatpacking workers back on the job as soon as possible so these essential workers can continue to keep our country's food supply fully operational and secure as this pandemic continues."

JBS is one of the so-called "big four" beef packers and represents just about a quarter of the nation's beef processing capacity. According to the company, JBS has "65 production facilities, 44 prepared foods facilities, six feedlots, six live hog operations and eight transportation terminals with operations in 28 U.S. states, Canada, Puerto Rico, Mexico, Europe, Australia and New Zealand." Those facilities employ more than 100,000 people and have the ability to process

more than 200,000 cattle, 500,000 hogs, 45 million chickens, and 80,000 combined lambs, sheep, goats and veal calves per week.

The company's processing system is largely reliant on its computer systems for recordkeeping, regulatory reports, sorting livestock, and many other aspects of meat processing.

Operations will remain on pause until the extent of the attack is understood, according to JBS Australia. Brent Eastwood, JBS Australia's CEO, was unable to say how long they expect this will be.

The cybersecurity attack, which comes on the heels of similarly disruptive cyberattacks on large companies, is predicted to "delay certain transactions with customers and suppliers" according to the statement put out by JBS.

While the extent of the hack is still under investigation, the company said there is no evidence that customer, supplier, or employee data has been breached.

New corporate disclosure rules might impact US farms

The Securities and Exchange Commission is considering new climate disclosure rules for corporations that could have far-reaching implications for U.S. farmers, depending on how stringent the regulations turn out to be.

The regulations are expected to be a key part of President Joe Biden's "whole-of-government" approach to tackling climate change, and the SEC's new Biden-appointed chairman, Gary Gensler, has made clear to Congress that the rules will be a top priority for the commission.

"There is significant and growing investor interest in climate disclosures, and many companies already publish information about how climate risks affect their business," Gensler said in a written response to questions posed by senators ahead of his confirmation.

The SEC is currently taking comment from investors and others on a series of questions about how extensive the new disclosure requirements should be. One key question for the commission is whether companies should be required to report the greenhouse gas emissions in their supply chains, known as Scope 3 emissions in climate policy parlance.

Agricultural emissions are a large part of those supply chain emissions when it comes to food, beverage and apparel manufacturers as well as large retailers like Walmart and Target. Walmart has committed to slash its supply chain emissions by a billion tons of carbon dioxide equivalent, with agriculture accounting for as much as 300 million tons of that.



Debbie Reed, ESMC

Other companies also have made commitments to reduce their supply chain emissions, but SEC disclosure rules could "put more pressure to do it quite quickly, and for companies who haven't started doing it, to do it," said Debbie Reed, executive director of the Ecosystem Services Market Consortium.

ESMC is developing a market for climate and ecosystem credits that farmers can earn and sell to corporations that need to reduce their greenhouse gas emissions and otherwise mitigate their environmental impact.

Reed said the financial and legal risks that would come from new disclosure requirements also will increase pressure on companies to ensure the quality of their carbon offsets.

“These are uncertain times. We’re all trying to do our best, but with the regulatory factor, we’ve got to get much better, much faster,” she said.

The commission is also seeking comments on what information related to climate risks can be quantified and measured, whether there should be different reporting standards for different industries, and how "the absence or presence of robust carbon markets" may be affecting companies' analysis of the risks and costs associated with climate change.

Republicans have raised concerns about the SEC’s plans and have joined business groups in trying to limit the scope of the requirements, citing the long-standing legal position that SEC reporting requirements should only cover information that is “material” to a “reasonable” investor.

“The SEC has historically administered the federal securities law on a bipartisan basis, but there are some who want the SEC to stray from its tradition of bipartisanship by using its regulatory powers to advance a liberal social and cultural agenda on issues from climate change to racial inequality,” Sen. Pat Toomey, R-Pa., said during Gensler’s confirmation hearing.

Toomey said, “security laws are not the appropriate vehicle to regulate the climate, nor to correct racial injustice, nor to intimidate companies regarding political spending.”

The U.S. Chamber of Commerce wants the SEC to stick to a definition of materiality the Supreme Court laid out in a 1976 ruling. That would limit the reporting requirement to information that a “reasonable investor would want to know,” said Evan Williams, director of the Chamber’s Center for Capital Markets Competitiveness.

A real estate firm soliciting investments for land in a floodplain would easily fit that standard of materiality for information that should be reported, he said. “That’s something that your investors would probably want to know and is financially material,” he said.

Gensler has repeatedly cited the Supreme Court definition when pressed on the issue, while also saying the SEC has the legal authority to bring some “consistency and comparability” to the disclosure that already is taking place internationally.



Gary Gensler, SEC

“Our companies are also trying to raise money overseas and operate overseas, and there is a bit of an alphabet soup of different approaches to this,” he told the House Financial Services Committee.

Williams said it remains to be seen how much information the SEC will require, including the extent to which it demands disclosure of emissions in corporate supply chains.

Existing corporate reporting on Scope 3 emissions varies widely; some companies voluntarily report such emissions through a nonprofit group, CDP, formerly the Carbon Disclosure Project.

For example, food giant ConAgra Brands Inc. estimated in its 2020 CDP report its emissions from agriculture and forestry (which includes the paper used for packaging) were nearly 3 million tons. ConAgra said it is reducing those emissions in part by expanding its product lines to “include more plant-based options and have analyzed sales trends for climate-beneficial food products.”

Rodolfo Araujo, a senior managing director of Washington-based FTI Consulting who advises food companies and others on how to address issues around climate change and other environmental and social concerns, said **the push from regulators on climate matters is going to create new legal issues for companies and potentially prompt “investors to act more aggressively” with companies.**

He noted a Dutch court recently ordered oil giant Royal Dutch Shell to slash its greenhouse gas emissions by 45%. The ruling came in a lawsuit filed by an environmental group.

Disclosure of facts such as those involving a company's greenhouse gas emissions can arm its critics with information they can use to demand changes in how the firm operates.

“I'm not a legal expert, but I would say that the moment that you begin to put ... a price on any kind of problem, you just open another way that some groups can just come after you,” he said.

He said companies have no choice but to address the broad range of issues around sustainability, including greenhouse gas emissions, if they want to keep their markets. “If you're not a sustainable company 5, 10, 15 years from now, your license to operate is gone.”

News Briefs:

GAO report on ag import inspections finds APHIS and CBP need to update their plans. The federal agencies responsible for inspecting agricultural imports at national ports of entry lack sufficient staff and training, in part because of the COVID-19 pandemic, and have failed to document progress on their own strategic plan. These are among the findings of a Government Accountability Office report on imported agriculture inspections, released Tuesday. USDA’s Animal and Plant Health Inspection Service (APHIS) develops the standards for port inspections, which aim to reduce the risk of pests and pathogens entering the country and infecting crops or livestock. The Department of Homeland Security’s Customs and Border Patrol (CBP) employs most of the people who conduct the inspections. The two agencies have a joint task force that wrote a 2014-2019 strategic plan, which the GAO report calls “outdated.” While the two agencies collaborated on the strategic plan, the report found officials from each one had different assessments of their progress. And GAO said that lack of progress reports makes it difficult to determine the plan's success. It recommends the leaders of CBP and APHIS include plans for periodic progress reports when they update the strategic plan. The pandemic impacted training of new hires, contributing to CBP's reporting it did not have enough fully trained employees to conduct agricultural inspections. The drop in passenger traffic during COVID-19 lockdowns diminished the impact of these training delays, and APHIS has now developed some

virtual trainings. New hires who will work with canines will still be able to receive certain training only in-person. The Department of Interior's Fish and Wildlife Service cooperates on agricultural import inspections when wildlife is detected, and the GAO report found improved communication between FWS and CBP would help when those collaborations are needed.

Farm labor law passes Colorado Senate. A proposed Colorado labor law, which includes sections on overtime pay and the use of hand-weeding, has passed the Colorado Senate and will be heard by the House State, Civic, Military & Veterans Affairs Committee June 3. The Agricultural Worker's Rights bill would require overtime pay for farm employees working over 40 hours per week or 12 hours a day, but ag groups including the Colorado Fruit and Vegetable Growers Association "worked very hard with Senate leadership, the Colorado Department of Labor & Employment (CDLE) and the Colorado Department of Agriculture" to persuade SB21-87 proponents to accept meaningful amendments." Among them: The overtime issue and others such as shade and break requirements, and the amount of water provided to workers would be decided in rulemaking by CDLE. "SB21-087 in its original form would have made it impossible for most produce growers to stay afloat. We are thankful for the amendments passed in the Senate and hope the House will make further amendments to make this bill workable for growers." said Bruce Talbott, co-owner/operator of Talbott's Mountain Gold and president of CFVGA. While some aspects of the bill have been amended to account for growers' concerns, the proposed law still restricts the use of hand-weeding, affording exemptions only to existing organic farms. Some conventional farmers use hand-weeding when they grow produce, using plastic or mulching systems that aim to minimize chemical use and conserve water. These systems will be eliminated if the hand-weeding ban is signed into law. CFVGA is calling on representatives to amend the law to send the specifics on hand-weeding to a CDLE rulemaking process as well. A similar farmworker overtime law recently passed in Washington and another is being considered in Maine. California has had overtime protections for farmworkers since 2019 and a ban on hand-weeding with some exemptions since 2004. Amber Strohauser from Strohauser Farms told CFVGA that twenty years ago Weld County, where her family farms, had 64 potato growers. However, labor costs, which have risen 40% in the last decade, have pushed farmers to sell their land or switch to less labor-intensive crops. Today, Strohauser Farms is the only remaining potato grower in Weld County.

Producer outlook declines in May. A survey of ag producer sentiment in May reveals the lowest overall reading since September 2020 and declines in several areas, but farmers and ranchers expect farmland values to rise over the next five years. The Ag Economy Barometer, produced by Purdue University and the CME Group, showed a sharp decline of 20 points, to a reading of 158, according to the survey, conducted in May. That number was 156 in September. Overall, there has been a stark decline in the outlook for U.S. agriculture, with only 27% of respondents expecting good times in the next five years. This is the lowest reading in the history of the survey. Purdue's James Mintert pointed to "the potential for changing tax rules and rising input costs" as "primary drivers" for the month's results. Concerns about potential tax changes remained strong heading into May, with 78% of producers reporting being very concerned that tax policy changes will make passing their farm on to the next generation more difficult and 83% predicting that capital gains tax rates will rise over the next five years. Meanwhile, 71% are very concerned that the step-up in cost basis for inherited estates will be eliminated. Apart from the steady fear of tax policy and the rising construction costs, two-thirds of producers expect farmland values to rise over the next five years. Further, two-thirds of corn and soybean growers said they expected cash rental rates in their home areas to rise above 2021's rates next year. The Ag Economy Barometer uses survey responses from 400 U.S. ag producers and was conducted from May 10-14.

Farm Hands West: ABC announces new board of directors

The Almond Board of California (ABC) released election results for the Board of Directors positions whose terms of office begin August 1, 2021. As a governing body for the industry, the ABC Board of Directors is comprised of five handler and five grower representatives who set policy and recommend budgets in several major areas, including production research, public relations and advertising, nutrition research, statistical reporting, quality control and food safety.

The names of the following nominees have been submitted to the U.S. Secretary of Agriculture for selection: Independent Grower: Member Position One (one-year term): **Paul Ewing**, Los Banos; Alternate Position One: **Brandon Rebiero**, Modesto; Member Position Three (three-year term): **Joe Gardiner**, Earlimart; Alternate Position Three: **Chris Bettencourt**, Westley. Independent Handler: Member Position Two (three-year term): **Bob Silveira**, Williams; Alternate Position Two: **Dexter Long**, Ballico; Member Position Three (one-year term): **Darren Rigg**, Le Grand; Alternate Position Three: **Chad DeRose**, McFarland. Cooperative Grower: Member Position Two (three-year term): **Christine Gemperle**, Ceres; Alternate Position Two: **Kent Stenderup**, Bakersfield. In addition, **Lisa Giannini**, Hickman, has been named to fill the Cooperative Grower Alternate Position One role.

Dan Flynn, who founded the UC Davis Olive Center at the Robert Mondavi Institute for Wine and Food Science in 2008 and has led the organization for 13 years, recently received the California Olive Oil Council's highest honor, the Pioneer Award.

Flynn expressed appreciation for receiving the award and for the council's support for the center, noting that the Olive Center has built a network between the university and industry. "Networks thrive even when members exit," he said. "The Olive Center will remain strong when I leave."

Flynn stepped down as the Olive Center's executive director at the end of May. His successor, **Javier Fernandez Salvador**, arrived June 1.



Dan Flynn

By a voice vote in the U.S. Senate, **Eric Lander** was confirmed to become head of the White House Office of Science and Technology Policy. Lander, president and founding director of the Broad Institute of the Massachusetts Institute of Technology and Harvard University was the last member of President Joe Biden's cabinet nominees to be confirmed. During President Barack Obama's time in the Oval Office, Lander served as co-chair of the Presidential Council of Advisors on Science and Technology.

Libby Schneider has moved on to a new opportunity at the Democratic National Committee. She will be the new deputy political director of campaign readiness. Schneider previously served as the national rural political director at the DNC. She also worked as a legislative assistant to former Sen. **Heidi Heitkamp**, D-N.D.

A pair of new legislative assistants will handle key portfolios for Rep. **Greg Stanton**, D-Ariz. **Morgan Guilbeau** will cover ag issues, among other things, for the office. She has been with Stanton's office since 2019 and was most recently a legislative correspondent. **Blaine Boyd** will handle immigration and judiciary issues in the office. Boyd previously served as a legal fellow for Sen. **Ben Cardin**, D-Md. He also served on First Lady Michelle Obama's senior staff at the White House.

Sen. **Jeff Merkley**, D-Ore., has brought on **Daphne McCurdy** as his new foreign policy adviser. She will handle the portfolio for international affairs and veteran affairs. McCurdy previously worked at the Center for Strategic and International Studies as a senior associate. McCurdy also has experience working at the U.S. Agency for International Development.

The National FFA Organization and the National FFA Foundation has tapped **Scott Stump** as the new chief executive officer of both organizations. Stump, who will take over on June 21, lives in Colorado on a small ranch with his wife and three children. He received his bachelor's in agricultural education from Purdue University and his MBA from Western Governors University. He began his career working as an agriculture teacher in Indiana for two years and then worked for the National FFA Organization, where he managed the national officer team and the National FFA Convention and Expo. He is currently working for Advance CTE and before that worked in the Department of Education during the Trump administration.



Scott Stump, National FFA

Denaë Benson is new to the staff of the Senate Indian Affairs Committee. She's now a staff assistant for the Republican staff and previously interned for Rep. **Don Young**, R-Alaska.

Cordelia Kellie is now the special assistant for rural affairs for Sen. **Lisa Murkowski**, R-Alaska. Kellie received her master's in rural development from the University of Alaska-Fairbanks.

Best regards,

Sara Wyant
Editor

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