

## Water commissioner full of hope for new storage and for dairy's future

Matthew Swanson, the California Water Commission's agricultural member, expects water



California Water Commissioner Matthew Swanson (Photo: Brad Hooker)

storage projects to begin construction soon, as the commission looks to allocate more water bond money. Swanson, who runs a major dairy feed provider in Turlock, is also optimistic the industry will defy expectations in adapting to less water availability in the future under a changing climate and more stringent environmental policies.

Speaking in a panel discussion at the annual meeting for the California Creamery Operators Association last week, Swanson shared the

commission's progress in delivering the \$2.7 billion in water storage investments that was approved by voters with the Proposition 1 water bond in 2014. As a funding agency, the commission has "essentially" allocated that money to seven projects that are going to provide more than 2.7 million acre-feet of new storage, he said. Project managers are expected to present their final documents to the commission in January 2022 to move forward with construction.

**"January is going to be a big time," said Swanson. "We do feel confident that these people are going to make it."**

The projects will help to capture more water flows during wet years, as storing water in the form of winter snowpack has become increasingly unreliable due to warmer spring temperatures.

“We have to be flexible. We have to find ways to take advantage of storing water in the wet years,” said Swanson. “From an agriculture perspective, we're going to need to start thinking about making sure we have productivity. ... We're conserving, but conserving is not going to be enough.”

He added that the commission will do everything it can to assist the project managers in getting water storage built.

**“It's ultimately up to them,” he said. “There's an environmental burden, a regulatory burden and a financial burden.”**

Dairy—and agriculture at large—must take a more holistic approach, looking at the overall environmental footprint while working across commodities to balance water supply needs, he said.

Geoffrey Vanden Heuvel, who directs regulatory and economic affairs for the Milk Producers Council and moderated the panel discussion, took issue with the environmental benefit allocations, which have consumed a larger share of the water runoff in recent years. Vanden Heuvel shared a widely felt frustration that environmental concerns have significantly delayed the commission's allocations of Prop. 1 money and questioned the definition of public benefit in the commission's decision process.

**“We have a much broader view of public benefit when it comes to transportation, when it comes to education, when it comes to just about everything else with regards to infrastructure,” said Vanden Heuvel. “Somehow or another, we've got this notion that when it comes to water, the user pays.”**

He reasoned that a child who eats an ice cream cone could be the user, since she is the ultimate consumer and price payer.

“Unless we're willing to just sacrifice a very significant portion of agriculture, we're going to need to broaden out our view of public investment in water infrastructure,” he said, noting that “all the easy projects” have been done and the storage proposals today are expensive and difficult.

Regarding the Sustainable Groundwater Management Act (SGMA), Vanden Heuvel sought to dispel what he saw as a bias against dairy producers for how well they will be able to adapt to reduce pumping.

**One assumption he often sees is that dairies growing forage crops will not be able to compete over water with farmers who have more valuable crops like almonds and pistachios. He said this could be true if groundwater were easier to transfer, particularly for subbasins that are short on water or in critically overdrafted areas under SGMA.**



Geoffrey Vanden Heuvel, director of regulatory and economic affairs, Milk Producers Council

“I don't think we're going to see a huge trading of groundwater occur,” he said. “They're very conscious about keeping what water resources they have in their local area.”

Vanden Heuvel argued permanent crop farmers are more vulnerable than many realize. Tree nut growers have to meet a certain yearly demand to maintain operational costs.

“It's going to be very difficult to maintain that type of agriculture over the long term once these SGMA plans take place,” he said.

Dairy, on the other hand, can fallow one year and grow the next. Vanden Heuvel dairied in Chino nearly four decades with virtually zero water consumption, having bought all of the feed and exported all the manure, and the milking operations took little water. He said California dairies could learn from their Midwest counterparts by building large, multiyear silage piles when water is available.

Swanson believed in the ingenuity of the dairy industry to find such opportunities in the coming years—and even months—ahead. He estimated the Department of Water Resources will finish approving the first round of SGMA plans as early as this fall.

“We're going to start to see the actual implications of what has to happen, meaning how much water we're going to lose in the Central Valley to make this a reality,” said Swanson. “We're going to have to really wrestle with those implications and be smart about what we do.”

While Swanson saw hope in above-ground storage solutions, Ellen Hanak, an economist who directs the Water Policy Center at the Public Policy Institute of California and took part in the discussion, saw opportunity in other types of storage.

“The valley actually has made some big improvements and investment in storage underground,” said Hanak. “There's a lot of energy and excitement about doing more of this across the valley.”

Yet Swanson has learned in his two years as a commissioner that projects take time and to save costs, the funding must come more quickly.

“These projects only get more expensive. I never see things get cheaper,” he said. “Even the projects that have already been improved are already more expensive than the day they started.”

He urged producers to be more involved in these processes and to step up their messaging. One such point to get across to policymakers is that the dairy industry cut water use by 88% over the past 50 years, he said, referencing a 2020 UC Davis study.

“It's going to be important to be active,” said Swanson. “Water is very highly regulated. There's a lot of stakeholders. There's a lot of concerns.”

The industry, he argued, must bring solutions to the table, especially with issues relating to the human right to water and the loss of safe drinking water for disadvantaged communities. Engagement also requires an investment in learning about the state system for allocating water project funding. When the industry is not involved, he said, critical decisions were taken out of its hands.

“I can't stress enough how important it is for us all to get involved in understanding this process and be heard in this process,” said Swanson.

## Lawmakers race to procure N95s for farmworkers during wildfire smoke

California may soon grant farmworkers essential access to the state's stockpile of N95 respirators to distribute when wildfire smoke is hazardous.

While the measure has steadily advanced through the Legislature, some Republican lawmakers remained concerned that granting more access to the stockpile could deplete supplies as the highly contagious delta variant continues to spread across the state. At the same time, the standards board governing California's workplace health and safety agency, Cal/OSHA, last month approved changes to its COVID-19 regulations, which now require all employers to provide N95 masks to workers upon request. Business groups had feared this would lead to a repeat of the mask shortages in 2020.

During a recent Health Committee hearing on Assembly Bill 73, Sen. Richard Pan of Sacramento, who authored the initial measure that inspired the farmworker bill, corrected misconceptions about how an emergency stockpile works.



The California capitol under smoke haze in 2020. (Photo: Brad Hooker)

**“Part of the purpose of the stockpile actually is a buffer to buy time,” said Pan. “It’s so we’re not trying to chase down and having to immediately buy—because of the immediate need—PPE that is either unavailable or just at sky-high prices.”**

Pan's Senate Bill 275 in 2020 required the state health department and the emergency services office to stockpile personal protective equipment (PPE) and for hospitals and nursing facilities to maintain a PPE inventory to cover a 45-day surge in use.

Assemblymember Robert Rivas of Hollister introduced AB 73 to address the enormous strain on N95 masks that carried over into the agriculture sector during the record wildfire season last year.

**“Despite [California] having a first-in-the-nation emergency wildfire smoke standard, many farm and agricultural workers didn't get the workplace protection they needed last year,” said Rivas. “While many of us had the luxury to shelter indoors, our farm and agricultural workers remained outdoors in smoky fields and orchards to pick crops that help feed California and our country.”**

In 2019 Cal/OSHA began requiring employers to distribute N95 masks to outdoor workers when the air quality index reaches a certain threshold and becomes hazardous. A recent study found wildfire smoke to be 10 times more harmful than other sources of air pollution.

Marco Lizarraga, who directs the farmworker group La Cooperativa Campesina de California, said that during the pandemic and wildfires, farmworkers were treated as “a sacrificial labor force.” He explained the health impacts wildfires have posed to workers.

“The inhalation of smoke may bring about pulmonary diseases, cardiovascular illnesses and an exacerbation of asthma,” testified Lizarraga. “Inhalation risks include hazardous materials that might be contained in the emission of ash and soil particles as dust during agricultural activities.”

While agricultural interests have supported the intent of the measure in bolstering access to the stockpile and have not registered any opposition to the bill, they have raised concerns about certain provisions in the language.

**The measure would require Cal/OSHA to deploy regional “strike teams” to enforce the wildfire smoke protections at agricultural workplaces. The California Association of Winegrape Growers (CAWG) argued this should be based on need and not mandated. Rivas later softened the language from “shall” to “may” for deploying the teams.**

The trade group was also concerned the bill could expand Cal/OSHA’s authority and inadvertently create conflicts and confusion with the existing smoke regulation. CAWG also took issue with the PPE advisory committee that would be established under the bill, pointing out that it would not include a representative of agricultural employers, and Rivas later amended the bill to address this issue.



Marco Lizarraga, director of La Cooperativa Campesina de California

In May, the Assembly Appropriations Committee sought to reconcile other conflicts with the measure. Committee amendments struck out the original intention of the bill, which was to create a new stockpile specifically for agricultural workers. This led to instead granting them access to the state’s existing stockpile.

Rivas has also added an urgency clause to the bill, meaning it will be effective immediately, if passed by the Legislature and signed by the governor. The urgency clause requires a 2/3 vote in both houses for passage. AB 73 has already passed the Assembly, and on Monday a Senate committee approved the bill, sending it to the Senate floor.

## **Lundberg Family Farms CEO sees strong future for organic rice**

Grant Lundberg is CEO of Lundberg Family Farms in Richvale, California, which he describes as a vertically integrated consumer packaged goods company. His grandparents started farming rice in Northern California after leaving the Great Plains during the Dust Bowl. In 1969, his father and uncles committed to producing in ways that are now certified organic. Today the company distributes its rice and rice products throughout the country. Lundberg talked with *Agri-Pulse* about how consumer demand and drought are impacting organic rice in California.

## How is your farm faring in these dry times?

We farm in a couple water districts. They've had 25% to 50% reductions in allocations. Of course, being located here in northern California, it is a very rich watershed in the sense that we have the Sierras and the Cascades. The other part is, we have a lot of surface water districts that are, in a sense, recharging. The plant uses water to build the crop, but the water that is on the fields either is percolating back into the soil or going back into the streams and drain systems to go back out into the Bay. And so that cycle is unique and really special. This year we've had constraints. We've done some reductions in planting. We've also offset the reductions in water allocation with some pumping. We usually don't pump here in this area, the last time that happened was in 2015 when there was a drought and we had restrictions.

## As someone who's been farming organically for so long, do you see an increase in people who are conventional growers coming to you to ask about transitioning to organic?

I think the driver for that is market. People aren't going to go to organic unless there's a market for it. The market fluctuates over time. We've been in it, raising organic rice, since 1969 so we've



Grant Lundberg is CEO of Lundberg Family Farms in Richvale, California, a vertically integrated company producing organic rice and rice products.

seen it move all over the place. In general, demand for organic rice is growing, but growers aren't going to go there unless they have a handler that will give them a contract that will say, "yeah, I want to move this." The growers that started with us early, obviously we needed their rice. But even today, there's a lot of growers that are just committed to the organic production philosophy and really understand why that makes sense and why it's a holistic way that they want to embrace. (Other people) may be looking at it more

from an economic standpoint. Either way, we're still going to get the same outcome, we're going to get the product we need, more acres will become organic. And I think that's good for everyone.

## How did your farm become organic and what are some additional sustainability practices in your operation, beyond what's required for certification?

My grandma and grandpa, my dad and his brothers moved from Nebraska in '37 during the Dust Bowl. They had experienced the degradation that farming practices could cause when coupled with an environmental catastrophe and they saw the importance of farming practices as a way to benefit the environment. They wanted to incorporate the stubble back into the ground, and that was a very differentiating factor for our farm and family all the way to the early 1990s because in California, at that point, all the growers would burn their stubble.

Then the idea of resting the land, leaving it fallow or using other crops like vetch and oats to help continue to build the soil nutrition and health, was important to them and they incorporated that into their farming practice. Then, in the late '60s a local resident came to them and said "Look, we know the way you farm is different from other people, we think you should consider growing organic rice."

They decided that was a really good way to communicate with consumers and tell their story. They felt, and rightly so, that what they were doing on the farm had value. And so in 1969 they started a mill and started selling to food co-ops around the United States that were interested in natural and organic foods. That whole segment of the food industry was just in its infancy.

The other thing that they realized was there was a synchronicity with the environment in the rice culture. They started flooding fields to get the straw to decompose and they noticed there was lots of waterfowl that were attracted to those fields.

On the manufacturing side, as we had to depend more and more on holding rice through the hot months, we had to figure out how to store rice without the use of chemicals. We developed ways that we do sanitation, ways that we use heat, ways that we use (carbon dioxide) for bug control if there's an infestation. All those things combined into our integrated pest management system for grain storage.

We started to build solar at the turn of the century, and so right now about 25% of our electrical needs is generated onsite. Since 2004 we've bought offsets for our power usage. We're a zero waste facility. In our packaging, we're using post-consumer recycled waste and also reducing our use of flexible (plastic) packaging. That's a super challenge for everyone right now, but an important one that we're working on.

**How much of a balancing act has it been to maintain your commitment to sustainability and environmental goals, while also having to make a profit?**

It's worked well for us and that's because our consumers are interested in these issues around resource use and environmental impact. We found a consumer who is willing to pay a premium, in a sense, to get their food grown in a certain way. People who appreciate it are willing to pay the extra. It does cost more and so I think that's a super important equation to master. If a grower can't find a market that appreciates what they're doing, then it's really hard to keep doing it. We had a value-based idea and we lucked out that we found the value-based consumers that we could connect with.

**What do you see on the horizon, as far as either growth in the domestic market or potential for the export market?**

In the pandemic, I think people got really focused on nutrition and health, and I think it reprioritized things for them and organic food is a part of that solution. There is opportunity to kind of grow that awareness with consumers and create new purchases. That may be the biggest opportunity is to get those connections made and get the consumer to understand, "I have a role in this, in the choices I make, and I can make those choices that help drive our approach to changing the climate change direction right now."

## Senators, forest advocates looking to bring back more prescribed burns

Senators from the west have introduced a pair of bills aimed at improving forestlands through increased investment and a return to more frequent use of prescribed burning as a management tool. But forest scientists and forestland advocates say the benefits would reach across the country.

The Outdoor Restoration Partnership Act, sponsored by Democratic Sens. Michael Bennet of Colorado and Oregon's Ron Wyden, calls for the creation of a Treasury Department fund “to reduce uncharacteristic wildfires in the highest risk areas of the United States by carrying out, in accordance with applicable law, restoration and resilience projects.”

Among projects that can increase the health and resilience of forests is prescribed burning, which is called for in the National Prescribed Fire Act, introduced by Wyden with Senate co-sponsors Maria Cantwell, D-Wash., Dianne Feinstein, D-Calif., and Joe Manchin, D-W.V.

**“Fire is actually really ecologically important in many ecosystem types,” says Jessica Miesel, a Michigan State University professor who studies fire ecology.**

Certain plant and animal species depend on fire to maintain their habitat, and Miesel says while the lack of regular fire creates conditions that can lead to catastrophic wildfires in the west, the near elimination of fire in prairie and oak savanna landscapes of the upper Midwest is partly responsible for the reduction in pollinator habitat. In both places, she says carefully planned and managed burns can maintain the health of the ecosystem and reduce the availability of fuel for wildfires, making them less hot and less intense and, therefore, less likely to devastate the forest and nearby development.

Forest and firefighting agencies are very good at putting out fires, but Miesel says now they need “policies that would support managers being able to use fire as a tool.” She says more attention is also being focused on cultural knowledge.

“Many Native communities were very active in deliberately using fire to manage their landscape,” she says, offering as an example the Apostle Islands area of Wisconsin where regular fire helps increase blueberries as a food source. In some places, residents don’t support intentional burns, often because they fear the fire could get out of control. Miesel says funding for outreach and education can help explain how fires are planned, the benefits they offer and the circumstances under which one might be called off before it's set. Federal forest policy could fund such programs.

Philip Higuera, a fire ecologist at the University of Montana, added intentional burns are “not very threatening fire to humans.” In contrast, they can play an important role in protecting homes and other buildings from future wildfires. He says research shows that a deliberate fire today reduces the likelihood of a fire starting, or spreading, for years into the future. Ideally, he would like to see a policy that is “multidimensional, or at least not myopic” in its understanding of what forests need. In particular, he would like a shift away from the emphasis on repressing all fire to “policy that recognizes the need and inevitability of fire.”

At a Senate Energy and Natural Resources Committee hearing on “Forest Management, Forest Products, and Carbon” in May, Jennifer Cover of the Wood Products Council suggested mass timber — a construction material that replaces concrete and steel with layers of wood — also



could contribute to healthier and more fire-resistant forests. In her written testimony, Cover said mass timber encourages forest thinning and other restoration efforts that “keep forests healthy and reduce the risk of wildfire.”

And Mary Mitsos, president and CEO of the National Forest Foundation, submitted written testimony that said “the challenge of reducing losses from high-severity fire is huge.” But she echoed the importance of both thinning and prescribed burns.



A helicopter leaving a prescribed burn after helping ignite it. Photo: Jessica Miesel

Right now, “the southeast is the leader for implementing prescribed fire,” says Robyn Whitney, policy director at the National Association of State Foresters, because there is community buy-in and much of the forest land is privately owned, which reduces the red tape.

Whitney says the National Prescribed Fire Act and the Outdoor Restoration Partnership Act would help forest management agencies and private forest owners make better

use of the Good Neighbor Authority established in the 2014 farm bill (and expanded in 2018), which makes it easier for management decisions to stretch across natural boundaries rather than jurisdictional ones “so that threats like wildfire, insect disease (and) infestations can be dealt with at the landscape-scale.” The 2018 omnibus spending bill also had “a handful of forest management provisions that helped expedite wildfire risk reduction projects,” he added.

Whitney says the Outdoor Restoration Partnership Act’s potential to move through reconciliation is part of the reason he’s hopeful it will pass. The bill also has widespread support across the industry and throughout the country. “You can’t really say no to wildfire resiliency,” says Natalie Alex of the American Forest Foundation, which supports small-scale forest owners. She says the climate component in the administration’s infrastructure goals also ties back to better forest management.

Outgoing Forest Service Chief Vicki Christiansen, testifying before the Senate Appropriations Committee in April, also pointed to the American Jobs Act as having the potential to help improve forest management, including wildfire resiliency. In written testimony, she said the proposed Climate Conservation Corps would allow the Forest Service to “deliver forest and watershed health and resilience, carbon sequestration, wildfire risk reduction” and other benefits.

## House spending bills promote climate, environmental enforcement

House spending bills for fiscal 2022 are making climate action a priority both at home and abroad while also ramping up spending for enforcement of environmental regulations. Agricultural research also would get a significant boost, but far less than what President Joe Biden proposed in his FY22 budget.

Programs aimed at promoting small-scale and local agriculture also are priorities for funding in the bills.

Ahead of the July 4 break, the House Appropriations Committee approved the first of its FY22 funding bills, including Agriculture, which funds the Agriculture Department and Food and Drug Administration; Interior-Environment, which funds the Interior Department and Environmental Protection Agency; and State-Foreign Operations, which funds the U.S. Agency for International Development, which handles international food assistance and agricultural development programs.



President Joe Biden

The full House will consider the bills later. The House spending bills will have to be reconciled with what the Senate eventually produces, but since both chambers are under Democratic control this year, the House priorities have a better chance of surviving the legislative process. The 2022 budget year starts Oct. 1.

### Here are some of the highlights of the FY22 bills:

#### AG RESEARCH

This is one area where the committee agreed to provide significant funding increases but at lower levels than the White House wants. USDA would get \$3.4 billion for research, a \$321 million increase over FY21. USDA's in-house research work led by the Agricultural Research Service would get a \$145 million increase to \$1.64 billion, \$212 million less than Biden wanted.

The National Institute of Food and Agriculture, which funds research through colleges and universities and other outside entities, would get a \$69 million increase in FY22 to \$992.6 million, an amount that is \$317 million less than Biden wanted.

The Agriculture and Food Research Initiative, part of NIFA, is a competitive grants program that targets six research areas, including plant and animal health, food safety, agricultural systems and natural resources. It would get a \$15 million increase to \$450 million for 2022, well under the \$700 million Biden requested.

A small NIFA program that is important to small-scale agriculture — Sustainable Agriculture Research and Education, or SARE — would get a \$10 million increase to \$50 million in FY22.

## AG LENDING

Funding for direct farm ownership loans would be increased by \$300 million to \$2.8 billion in FY22. The bill provides \$3.5 billion for guaranteed ownership loans, a \$200 million increase over FY21.

Direct and guaranteed operating loans would be funded at \$1.6 billion and \$2.1 billion, the same amounts as FY21.

## BIOFUELS



Rep. Chellie Pingree, D-Maine

**The committee report that accompanies the Interior-Environment spending bill prods EPA to act on a request to make renewable diesel and renewable jet fuel produced from canola oil through a hydrotreatment process eligible for the Renewable Fuel Standard.**

Republicans on the Appropriations Committee were unsuccessful in redirecting the \$25 million that is in the Interior-Environment bill for electric vehicles. **Rep. Ashley Hinson, R-Iowa, proposed to have the money transferred to clean water grants, saying that "\$25 million is a lot of money so bureaucrats can drive fancy cars."** **Rep. Chellie Pingree, D-Maine,**

**defended the EV funding. "This does not mean everyone in government will drive a Tesla," she said.**

## CHLORPYRIFOS

The Interior-Environment bill report provides support for a 9th U.S. Circuit Court of Appeals ruling that ordered EPA to revoke or modify tolerances for the insecticide chlorpyrifos.

"The Committee accepts the findings from numerous studies establishing the link between the use of chlorpyrifos and brain damage in children. The Agency is expected to meet its obligations to protect human health and the environment." the report says.

## CLIMATE

Various USDA programs and offices would get \$347.4 million for climate-related work. According to the committee's bill report, the funding will go to "new investments across USDA to focus on climate change research and assessment; measurement and monitoring; greenhouse gas emissions mitigation; carbon sequestration; and clean energy technologies."

**The State-Foreign Ops bill designates \$1.6 billion for the UN's Green Climate Fund, \$350 million more than Biden requested. The Obama administration initially pledged \$3 billion to the fund, which is designed to help people become more resilient to extreme weather and rising seas, but the Trump administration declined to put money into the initiative.**

The bill report also directs USAID and the State Department to “include reforestation and grasslands restoration in the design and planning of environmental and food security activities” overseas.

## **CONSERVATION**

The Agriculture bill fully funds USDA conservation programs at the levels mandated by the 2018 farm bill while increasing funding for staffing and other operations at the Natural Resources Conservation Service.

**NRCS’ conservation operations would be funded at \$894.7 million, including nearly \$760 million for conservation technical assistance, according to an analysis by the National Sustainable Agriculture Coalition.**

In FY21, NRCS got \$832.7 million for conservation operations, including \$734 million for technical assistance.

## **ENVIRONMENTAL ENFORCEMENT**

EPA’s environmental programs would be funded at \$3.4 billion under the House bill, a \$603 million increase from FY21 and just \$63 million below what Biden requested. Those programs include EPA’s regulatory enforcement work as well as “geographic” programs that fund initiatives to clean up and curb pollution in the Chesapeake Bay, Great Lakes and other areas.

**Some \$142 million would be earmarked for a new “environmental justice” program that is intended in part to ensure that the agency considers the impact on minority communities when issuing permits and taking other measures.** The bill report directs EPA to develop a definition for “disproportionately exposed communities” and incorporate the definition into its environmental work. Concentrated animal feeding operations have in the past been accused of harming poor communities.

The Interior Department’s Fish and Wildlife Service would get \$1.9 billion, a \$301 million increase over FY21.

## **LOCAL FOOD/ORGANIC**

In addition to the increase for the SARE research program, there is higher funding for other programs that would benefit local agriculture and organic agriculture.

**Funding for local food production through USDA Rural Development would be increased by \$25 million to \$100 million, enough to support \$2 billion in loans. There is an additional \$1 million set aside for local food hubs and \$2 million for small meatpacking apprenticeships.**

The Local Agriculture Market Program, a collection of initiatives, would be funded at \$21.4 million to go with \$100 million in coronavirus assistance provided by Congress in December and \$50 million in additional funding that will be available in FY22.

**The Farmers Market Nutrition Program, which is funded through the Women, Infants and Children nutrition assistance program, would be increased by \$9 million to \$30 million. Funding for the National Organic Program, which oversees organic food standards, would be increased by \$2 million to \$20.3 million.**

## INTERNATIONAL AG

USAID would get \$1.1 billion, the amount authorized by the Global Food Security Act, for agricultural development. The bill report encourages USAID to expand its Feed the Future initiative to additional countries. The program is currently operating in 12 target countries.

## INTERNATIONAL FOOD AID

USDA's flagship food donation program, Food for Peace, would get \$1.74 billion in FY22, the same amount as in FY21. Funding for the McGovern-Dole school feeding program would be increased \$15 million to \$245 million.

## Bayer scientists tout glyphosate's safety, efficacy as EU continues regulatory process

Scientists with global ag input giant Bayer say the facts are on their side as the future of glyphosate use in Europe is under review.

Bayer scientists on Tuesday discussed a June draft report from regulators in four European Union countries that concluded the chemical meets the EU approval criteria for renewed registration. They also underscored the company's belief that the product offers a level of effectiveness that isn't available in its alternatives.



Glyphosate, the active ingredient in Roundup, is approved through Dec. 15, 2022, in Europe. Following up on the draft report issued by France, Sweden, Hungary and the Netherlands, the European Food Safety Authority (EFSA) and European Chemicals Agency (ECHA) will launch consultations this September.

Responding to a question from one listener, Bayer EU regulatory lead Kristian Kather said Bayer believes there is no good substitute for glyphosate and that the product “should not be discarded lightly.”

**Many alternatives “are not more environmentally friendly,” he said, offering a familiar defense of the most widely used herbicide in the world — that its control of weeds allows farmers to employ no-till or reduced-till systems.**

The EU's four-nation Assessment Group on Glyphosate “said they see all conditions fulfilled for approval,” Kather said, noting the AGG concluded the chemical does not need to be classified as a germ cell mutagen or as carcinogenic or a reproductive toxicant.

On the issue of the chemical’s effect on biodiversity, which has been raised as a concern by numerous environmental groups, Kather said Bayer “concluded that we have sufficient data to

prove that there is very little, if any concern” but added the company is “also certainly aware that these biodiversity concerns need to be taken seriously.”

**“We are clearly advocating for a very conscious and targeted application of glyphosate,” Kather said, with other speakers also mentioning the importance of targeted applications — that is, only spraying weeds.**

Bayer’s Bill Reeves noted that glyphosate allows farmers to control weeds without tillage. “You don't have to turn over the soil, you can leave it in place, erosion has decreased, greenhouse gas emissions are decreased. **Currently, Europe lags the rest of the world in conservation agriculture. Removing glyphosate as an option ensures they will stay there.**”

The AGG did conclude that “the risk assessment for aquatic organisms needs to be revised to take into account the updated concentrations for surface water and sediment and additional toxicity data.”

In addition, the AGG said, “Based on the available ecotoxicological information [on] glyphosate, the current classification, ‘Toxic to aquatic life with long-lasting effects’ should be retained.”

“The information provided on birds, bees, non-target arthropods, soil organisms and non-target plants is considered sufficient to fulfill the data requirements and assess the risk related to the intended uses,” the AGG said. “Some points of clarification have been identified, to be delivered during the commenting period, to further justify the reliability of some studies.”

Despite the positive language in the AGG report, some EU member states could take a different approach, the Bayer scientists said. **For example, Germany is considering phasing out the use of glyphosate. The German cabinet approved draft legislation in February to end its use by 2024, but Kather said EU countries can decide after the EU process is completed whether they want to ban the substance.**

“If we can provide proof that there is no safety issue, and there is good efficacy, there shouldn't be any reason” for a phaseout, he said.

## **Farm equipment dealers struggle to keep lots stocked amid supply chain troubles**

At the beginning of March, Bryce Meehan put in an order for more Titan implements to sell to farmers who are eager to upgrade their operations. But with manufacturers struggling to keep up with demand, it took until June 18 before the equipment was loaded on a truck to be shipped to his Arizona dealership.

**Meehan, the sales manager at Team Tractor Ranch Co. in Phoenix, said various implements used to take five to six weeks to be shipped; "Now we are talking anywhere between 18-22 weeks depending on the size of the order," he said.**

He expects to wait six weeks for another order of pallet forks and at least 18 weeks for posthole diggers and box blades. Right now, he's selling 75 to 85 tractors every month, but to keep up with the demand, he’s done a lot of planning and already started buying inventory for March of next year.

**“It’s been absolutely amazing, but at the same time, one of the hardest things to compete and combat just in implement supply of any sort,” Meehan told *Agri-Pulse*. “Anything that you want, you have to know that you’re going to be waiting.”**

The high demand for farm equipment and issues in the supply chain have made it hard for dealers across the nation to keep their lots stocked. Orders for new equipment from several companies are taking months to fill and prices for used equipment have gone up.

**“We’re looking at agricultural equipment sales trending upward,” said Ernie Goss, an economist at Creighton University. “Farmers are buying it now. The question is, can you get it?”**

According to the Association of Equipment Manufacturers report, 136,227 tractors were sold from the beginning of this year through May, a 26% increase from the same months last year.



Scott Harris, Case IH

Sales of combines increased 13% to 1,774 over the period.

According to Goss, there are many reasons farmers would decide to buy equipment right now. Federal Reserve interest rates are at a record low, which means that borrowing costs are low, and many farmers appear to have more spending money than in previous years. The Department of Agriculture's Economic Research Service reports farm-level average net cash income jumped from \$38,000 in 2019 to \$48,500 in 2020.

The age and limitations of their current equipment also persuade farmers to invest in new machinery.

**“Sometimes it becomes much more effective to just buy a new piece of equipment, which is going to be more productive, and in the long run, it’s going to add to the farm productivity,” Goss said.**

The heightened interest in agricultural equipment, including tractors, combines or attachments, has placed added strain on a supply chain that is currently dealing with other challenges. Scott Harris, vice president for Case IH North America, said the company has been unable to get a consistent supply of parts like semiconductors, tires and wiring harnesses.

**“We operate in a global supply chain, so how the supply chain and how other countries are being impacted have a material impact on our supply to our plants,” he told *Agri-Pulse*. “As the pandemic has worked its way and ebbs and flows and peaks and valleys across different countries, it changes where we’re seeing stress in the supply chain.”**

The challenge is that many of these disruptions are hard to predict. Wallace Wiggins, the global vice president of supply management and logistics at John Deere, said they crop up suddenly and usually don’t last long. The majority are just temporary roadblocks for manufacturers.

**“We work really closely with manufacturing to make sure if the part, the supply part is a driver, we arrange production around that,” Wiggins said.** “When it's not, we continue on with production as usual. So, we've been doing reasonably well with these random and sporadic disruptions.”

Curt Blades, the senior vice president of agricultural services and forestry for the Association of Equipment Manufacturers, said **most manufacturers are seeing shortages of four key ingredients: semiconductors, steel, labor and transportation.**

Market growth for semiconductors worldwide is expected to more than double in growth from 6.8% in 2020 to 19.7% in 2021, according to World Semiconductor Trade Statistics. This growth, however, came after sales of chips in the automotive industry dramatically shrank in March and April 2020. It will take time for the market to adjust to the drastic shift in consumption.



Wallace Wiggins, John Deere

Tractors have become increasingly computerized in recent years, so microchips have become an essential part of their systems. Along with tech companies and automobile manufacturers, companies specializing in agricultural equipment are struggling to keep the production of vehicles consistent with demand.

The shortage in semiconductors has garnered the interest of several lawmakers and even President Joe Biden himself. Sens. John Cornyn, R-Texas, and Mark Warner, D-Va., and Reps. Doris Matsui, D-Calif., and Michael McCaul, R-Texas, introduced the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act, which was enacted into law as part of the National Defense Authorization Act in Fiscal Year 2021. The bill authorizes several incentives for semiconductor manufacturing but still requires funding.

The Biden White House included \$50 billion for semiconductor manufacturing and research as a part of the administration's American Jobs Plan. U.S. Commerce Secretary Gina Raimondo stressed these measures after speaking with representatives of various companies at the Summit on Semiconductor and Supply Chain Resilience on April 12, which Biden attended as well.

**“These conversations crystallize the need for the American Jobs Plan’s \$50 billion investment to ensure that the government has the ability to monitor supply chain issues and the remit and tools to address them,” Raimondo said in a statement. “Passing funding for the CHIPS Act must be a priority, and I am encouraged by the bipartisan group of U.S. Senators who are working to get this done.”**

Acquiring steel has also been an issue for manufacturers, with shortages of the material leading to less supply and a surge in prices.

**According to a June 16 SteelBenchmarker report, the world export price of steel hot-rolled band was \$1,091 per metric ton. It broke the most recent high of \$773, recorded on Feb. 4, 2011, but is still \$22 short of breaking the record high of \$1,113 per ton from July 28, 2008.**



To ramp up production of farm equipment to adequately meet demand, equipment companies also need a sufficient supply of workers. Harris said that CASE IH has been struggling to find skilled and unskilled labor — whether that be mechanics, diesel mechanics, welders or some factory line workers — for a while.

**“It’s going to continue to be a challenge, particularly as we work to change line rates for people and shifts in order to meet production demand,” he said.**

The final struggle that equipment companies currently face is getting materials to the factories and equipment to the dealerships. But transportation, whether by ocean freight, airfreight or trucking, is something companies have to compete for within the industry and outside of it.

**“Because of the increased demand and the fact that when things do finally come loose or break loose, there’s a strong desire across all industries fighting for the same logistical space,”** Harris said. “There’s just an incredibly high demand and it’s really difficult to receive cost increases as a result. It’s just congestion in the system.”

When combined with the heightened demand, these issues create a complex situation where equipment companies struggle to get enough implements to dealerships on time to sell to the increased number of buyers.

John Cox, owner and general manager of Cox Tractor Co. in Kingsport, Tenn., says that while sales have been good so far this year, he’s “basically selling from an empty wagon” at this point.

**“Our volume of business is still decent,” he told *Agri-Pulse*. “We’ve had a pretty good first six months, but we have nothing to sell for the second six months and not much hope of getting anything.”**

Cox says he hasn’t seen a situation like this since he began working as manager of the company, which sells tractors from Mahindra and New Holland Agriculture, in 1978.

Wiggins said the situation has forced John Deere to adapt. For example, the company has increased its company truck fleet to give extra transport capacity when necessary. He believes that these changes will be beneficial as the company moves into the future.

**“We have been tasked to think differently, to do differently and to act with speed and empowerment that maybe heretofore hasn’t been present in the Deere DNA,” he said. “That’s a really, really good thing because No. 1, it’s actually working well — we believe — for us, but No. 2, it sets the tone for the type of business Deere wants to be as we move into the future.”**

## **News Briefs:**

**NRCS: Western drought assistance deadline nears.** The Department of Agriculture’s Natural Resources Conservation Service is offering more than \$41.8 million in funds meant to soften the blow of drought in California, Colorado, Oregon and Arizona. But sign up ends soon: July 12. The money is available through the Environmental Quality Incentives Program Conservation Incentive Contracts, a program aiming to help producers and tribes “alleviate the immediate impacts of drought and other natural resource challenges on working lands,” NRCS noted in a release. “We are excited to be one of the pilot states receiving additional funds to

support our farmers, ranchers, and forest landowners in drought resiliency,” Carlos Suarez, NRCS state conservationist in California, said in a statement. “Our technical staff stands ready to help you with a personalized approach to address your greatest conservation needs this summer, and preparing for the long-term.” Created in the 2018 farm bill, EQIP CIC funds are five-year contracts. In California, the program will focus on practices such as “forest management plans, tree/shrub establishment, brush management, prescribed grazing, pasture and hay planting, wildlife habitat, livestock watering systems, and cover crops,” NRCS noted. According to the agency, the program will have six priority areas: cropland in the San Joaquin Valley; cropland statewide; cropland in the Klamath Basin; statewide range and pasture; statewide forest; and statewide tribal cropland, range, pasture and forest. Suarez said producers should “contact your nearest NRCS office to apply for assistance to address drought, wildfire, climate smart agriculture, and pollinators.”

**Switzerland rejects synthetic pesticide ban.** After much debate between anti-pesticide campaigners and farm groups, 60% of Swiss voters rejected two initiatives aiming to make Switzerland pesticide-free. One initiative proposed an outright ban on the private and commercial use of synthetic pesticides and food imports produced using them, which would have been implemented within 10 years. The other measure would have made government subsidies available only to farms that did not regularly use antibiotics on their livestock and only fed their animals fodder produced on their own farms. Voter turnout was high, with around 60% voter participation in most areas. Only one out of 26 districts voted in favor of the proposals. A Swiss producer group and the Swiss government argued the measures would have resulted in lower food yields and higher food prices. As an alternative, the government and parliament proposed a legal project that would aim to “reduce by 50% the risks associated with synthetic pesticides by 2027,” according to Swissinfo.ch. The Swiss Chocolate Manufacturers Association also opposed the bans, saying the restrictions would violate international trade laws, increase prices, and reduce production capacity and jobs. “This is a reasonable and pragmatic decision which guarantees the future of our agriculture and the country's food security,” said Swiss President Guy Parmelin, per France24.

**Vietnam confirms first H5N8 avian flu outbreak.** Vietnam has confirmed the first outbreak of the H5N8 highly pathogenic avian influenza virus in its northern province of Quang Ninh. On July 1, the virus was found in samples from a chicken farm located in the province’s Ha Long City, where 200 chickens were found dead last month. In March, the World Health Organization urged the Vietnamese government to be vigilant of H5N8 human infection, as the H5N6 virus, a similar strain of the virus, spread throughout their poultry. At that time, Dr. Pawin Padungtod, the senior technical coordinator at The Food and Agriculture Organization of the United Nations, Vietnam, told WHO their avian influenza vaccines should prevent the H5N8 disease in poultry. The Vietnamese authorities said they had taken steps to avoid further spread of the virus. The H5N8 virus kills poultry and can infect humans without causing them to become symptomatic. However, WHO has said the likelihood of human-to-human spread remains low at this time. Outbreaks of highly pathogenic avian influenza are rare in the United States since a major outbreak in 2015. The most recent detection was in South Carolina in 2020.

**Ag Economy Barometer declines for second month in a row.** The Purdue University/CME Group Ag Economy Barometer was down again in June, as farmers were feeling less optimistic about the state of their current and future production operations due to rising input costs. James Mintert, the barometer’s principal investigator and the director of Purdue University’s Center for Commercial Agriculture, said, “Farmers expect their input costs to rise much more rapidly in the year ahead than they have over the last decade, contributing to their concerns about their farm finances and financial future.” Since peaking in April, the Farm Financial Performance Index, which asks farmers about their financial performance this year

compared to last year, has dropped steadily, falling 42 points since April. This bleak outlook was reflected in the Farm Capital Investment Index, which declined by 11 points, marking the lowest investment index reading since May 2020. Most of the decline can be attributed to the 61% of producers who reported plans to reduce the construction of new farm buildings or grain bins. Comparably, 44% of respondents said they would reduce their machinery purchases, whereas 45% planned to hold their machinery purchases constant. A main area of concern for producers is the rapidly rising cost of production associated with consumer and farm input price inflation. The survey found 30% of farmers expecting farm input prices to increase 8% or more over the next year and 21% who expect input prices to increase by less than 2%. For reference, the average rise over the last ten years has been 1.8%. In comparison, just 17% of respondents expect consumer prices to rise by 8% or more over the next year. Concerns about a labor shortage could also be contributing to producers' outlook, as 66% of respondents said they had "some" or "a lot of difficulty" in hiring adequate labor. Only three of 10 producers reported experiencing difficulties in 2020. Expectations for farmland value also dipped nine points, but the index was still at the third highest value recorded for farmland prices since data collection started in 2015. Finally, in June 47% of corn-soybean producers said they expect cash rental rates to rise in the coming year, which is a slight dip from May, when two-thirds of respondents expected rates to rise in the coming year. The *Ag Economy Barometer* is calculated using the telephone responses of 400 agricultural producers. To read the full report, go to <https://purdue.ag/agbarometer>.

## Farm Hands West: Edwards tapped to lead Oregon Forest and Industries Council

Former state legislator, **Chris Edwards**, has been tapped by the Oregon Forest and Industries Council to be the group's next president. Edwards served 10 years in the Oregon Legislature and was the chairman of the Senate Environment and Natural Resources Committee and co-chairman of the Joint Committee on Ways and Means Subcommittee on Natural Resources. He replaces **Kristina McNitt**, who announced she is retiring after nine years of leading OFIC.

**Lauren Van Ness** has been named director of sales for Memento Mori, a Napa Valley winery. Van Ness comes to Memento Mori from ACME Fine Wines where she served as the general manager.

**Ashley Antoskiewicz** has joined John Deere's public relations team as the new manager of federal affairs located in the D.C. office. Antoskiewicz comes to John Deere from the office of Illinois Congressman **Darin LaHood**, R-Ill., where she served as legislative director since 2015, and deputy chief of staff since 2020.



Ashley Antoskiewicz

**Jan Ahlen** now serves as the vice president of utility research and policy at the National Rural Utilities Cooperative Finance Corporation. He most recently served as the director of energy solutions at the National Rural Electric Cooperative Association and before that was with the National Farmers Union where he was a government relations representative.

CNH Industrial has appointed **Scott Moran** as chief business system officer and **Kelly Tolbert** as chief diversity and inclusion, sustainability and transformation officer. Moran joins CNH Industrial from Next Level Partners, where he was a principal. Tolbert joins CNH Industrial from

Stellantis, where she most recently served as Vice President of Global Talent, Leadership & Learning and Global HRBP for HR.

**Felicia Wu** has been appointed by the World Health Organization to sit on its Foodborne Disease Epidemiology Reference Group (FERG). Wu is a professor at Michigan State University in the departments of Food Science and Human Nutrition and Agricultural, Food and Resource Economics. FERG is a group of food safety and public health researchers working to determine the human burden of disease caused by common food contaminants, as well as update data on foodborne diseases. Wu previously worked as a resource adviser for WHO FERG from 2007-2015, which was commissioned to estimate global foodborne diseases caused by arsenic.

The World Food Prize Foundation has hired **Natalie Bidner** as the new program manager of international dialogues. Bidner previously worked as a graduate teaching assistant at Iowa State University. In 2020, she graduated with a master's in political science and international relations. Bidner replaces **Amy Bettle**, who left the organization in May to pursue other interests.



Felicia Wu

**Chris Drake** has joined FLM Harvest as the new vice president of management consulting. Drake spent the last 10 years with Elanco in various global marketing roles.

**Ben Thomas** has joined the board of directors of Leading Harvest. Thomas is the senior policy director for agriculture at the Environmental Defense Fund.

**Best regards,**

**Sara Wyant**  
**Editor**

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