

## Ag groups ask Newsom to delay regulations

A number of industry trade groups are asking Gov. Gavin Newsom to delay new regulations being considered or implemented by state agencies that could impact the food supply chain. They are arguing for the need to protect what is now recognized as critical infrastructure during the coronavirus outbreak.

**“Our members are confronted by labor issues caused by reductions on H-2A processing, supply chain disruptions, concerns among our workers and a host of other challenges created by the COVID-19 crisis,” writes Dave Puglia, president and CEO of the Western Growers Association, in a letter to Newsom and CDFA Secretary Karen Ross on Mar. 20. “This is simply not the time to add to the intense burdens farmers are facing.”**

Western Growers is hoping the administration will delay major regulatory processes to at least 30 days after the governor lifts the state of emergency for California.



Dave Puglia, Western Growers president and CEO

Though Newsom has not set an end date for his executive order requesting residents to shelter-in-place, he has said in press conferences the state expects the number of confirmed coronavirus cases in the state will not begin to peak until mid-May. The emergency order could last until June or longer as the crisis gradually subsides, creating complications for industry groups and farmers wanting to participate in the regulatory processes.

“We want to make sure that we have expertise being focused on any new regulations that impact ag,” said Matthew Allen, who directs legislative affairs for Western Growers. “Right now, that expertise is solely focused on making sure that we have a really strong food supply and meeting the needs of the moment.”

Western Growers joined nearly 40 other groups in another letter on Mar. 25 that more specifically asked for an immediate pause on regulatory proceedings, such as comment periods, that affect food production and that have not already been confirmed by the Office of Administrative Law.

“State agencies like the Air Resources Board (CARB), Regional Water Boards, the Department of Pesticide Regulations, Cal/OSHA and others are continuing to advance complex new regulatory processes unrelated to the national emergency,” the letter reads. “These efforts ignore the significant disruption the state’s residents and businesses are facing at this difficult time.”

**The California Farm Bureau Federation (CFBF) has also been working with the Newsom cabinet on a number of other requests, including postponing proposed increases on water quality and water rights fees from the State Water Resources Control Board.**

CFBF also wants to revise the protocols for Newsom’s order requesting the closing of wineries to instead allow for some continued business, under guidelines like reducing capacity or scheduling appointments. With the new AB 5 law that sets limits on classifying workers as independent contractors, CFBF is hoping for an exemption on services like equipment repair and pesticide applications.

The Farm Bureau is also asking for legislators and the administration to support Assembly Bill 2956, which would relieve farmers of some of the burden for paying overtime wage premiums.

Like its farmers, the industry groups have been stretched thin. They have been engaging with federal lawmakers on a series of economic rescue packages being issued at a record pace and have been translating numerous state and federal safety and labor regulations for farmers, while also educating members on worker safety with the coronavirus and responding to the many issues growers have been facing as the restaurant industry goes dark, as export markets have fluctuated and as grocers have struggled to keep pace with new demand.

In educating the administration on these issues, Allen has been seeing optimistic signs.

**“I would say the conversation has been pretty positive,” he said. “They are actually trying to be as flexible as possible, recognizing that there definitely is a need within ag right now for stability.”**

Allen added that this recognition extends to the entire supply chain and to the need for food security.

Agencies have been receptive to the concerns, individually pushing back timelines on many processes, including for Ag Order 4.0 at the Central Coast Water Board and for clean air requirements on refrigeration units used in trucking at CARB.

Yet the ag groups are worried the deadlines will be moving targets that continually change as the outbreak progresses, requiring the industry to continually readjust. The groups urge the administration to add some stability by postponing all the procedures until one date tied to the shelter in place order.

Though CDFA was not able to comment in time for publication, Secretary Karen Ross, in an earlier [statement](#), did recognize the importance of protecting the food supply chain as a critical infrastructure industry.

“We’ve planned for this, from grower to consumer, to ensure that disruptions are manageable, and that Californians continue to have a safe, reliable and nutritious food supply,” she said. “Rest assured that the harvest continues – as it does every day of the year here in California.”

## **Report: SGMA is leading to ‘marked impacts’ on ag land values**

More buyers and sellers of agricultural lands in the San Joaquin Valley are now realizing the broad effects of the Sustainable Groundwater Management Act and their response is shown in the latest land values, according to a trends report released last week by the California chapter of the American Society of Farm Managers and Rural Appraisers.

The analysis, in print for 30 years now (and [available for purchase online](#)), is based on observational data from appraisers throughout California and is commonly used as an indicator for long-term trends.

The new report for 2019 shows a continued devaluing of land that is dependent on wells for irrigation, while those with strong surface water and senior riparian rights have been increasing in value.

**“The last few years, we’ve been able to see some marked impacts particularly in the southern and central San Joaquin Valley,”** said appraiser **Janie Gatzman, who co-chaired the report committee.** Gatzman noticed a spike in those impacts in mid to late 2019, as groundwater sustainability plans were being made public.



Janie Gatzman, Gatzman Appraisal and co-chair for *2020 Trends in Agricultural Land & Lease Values*

**“Prior to those being published, we had buyers who were pretty savvy about what was going to be the case with SGMA,”** she said. **“But a lot of sellers weren’t on the same page yet.”**

Properties were being listed higher than their market value and buyers were still willing to pay.

The report focuses largely on tree nut crops and wine grapes. While pistachios benefited from high prices, Gatzman was surprised to see the low end of the value range being fairly stable as well.

“To me, that said the profitability of that commodity was outweighing the water risk,” she said.

Walnut orchards, meanwhile, fell in value last year, following a low commodity price that began in 2018 with the trade wars. The highest prices paid in the southern San Joaquin Valley peaked at about \$43,000 per acre in 2015 and dipped to \$30,000

last year. The low end of that value range was stable to increasing as well.

Wine grape growers, however, experienced a fairly bad year, and are facing more difficulty in 2020. As the coronavirus outbreak has shuttered tasting rooms across the state and the slowdown in exports continues to add pressure, the premium wine markets are among the hardest hit in California agriculture. Yet the report shows value ranges actually increasing in premium markets in 2019.

**“We're really interested to see if that trend will continue this year,” said Gatzman, “or if the even the premium markets will start showing some softness because of the market difficulties they have.”**

Like SGMA, local groundwater restrictions have also been influencing land values. The Paso Robles region began restricting new wells in 2016. In the previous year, the value range for vineyards peaked at \$35,000 per acre. After the new regulation, the range topped out at \$20,000 and went as low as \$12,000. Since then, values for “vested” land with existing well water access have “inched up” while those without have remained generally stable, according to the report.

Another commodity to watch in 2020 will be almonds. Land values have been steadily increasing for about a decade, with strong prices across the valley last year. The industry anticipates a record crop this year due to the greatest amount of acreage ever being planted. But Gatzman fears the economic slowdown could lead to a depressed commodity price and possibly less demand, which could play out in orchard values.

On the surface water side, the highest values for almond orchards are found in the regions least impacted by the regulatory uncertainty over exporting water from the Sacramento-San Joaquin Delta. Gatzman noted that the valley’s eastern irrigation districts with pre-1914 water supplies tend to have the most stable and highest value orchards.

Irrigated orchards that relied on wells but had a strong supply used to hold a similar rank.

“Since SGMA, they have fallen quite a bit,” said Gatzman. “They're going to be kind of a third round, I think from now on.”

In 2019, land values for orchards on the east side that had district surface water allocations were as high as \$38,000 per acre, while those with no district water were as low as \$16,000 per acre.

Within almond orchards, the report tracks a wide range of factors at play: from riparian rights to pre-1914 rights, wells under SGMA restrictions and any combination of those.

“It's really about water source,” said Gatzman, “and what kind of risks each different water source or combination of water sources carries.”

## **Lack of drivers concerns ag retailers**

Drivers may be in short supply this spring without regulatory relief from the states and federal government, industry groups and some farmers are saying.

With state departments of motor vehicles shutting down across the country in response to COVID-19, ag retailers are worried about being able to hire new drivers, says Richard Gupton, Agricultural Retailers Association senior vice president for public policy and counsel.

**“With these closures, they’re not able to get the proper permit,” a restricted ag Commercial Driver’s License to haul fertilizer and pesticides, Gupton said.**

The Federal Motor Carrier Safety Administration has provided some relief, expanding its March 19 Hours of Service waiver to include feed and fertilizer, and allowing drivers seeking to renew CDL licenses to continue operating this year. FMCSA also has waived medical testing requirements that have been more difficult to meet during the COVID-19 crisis.

The National Grain and Feed Association was pleased with the expansion of HOS relief, but has “asked FMCSA to confirm that grain, oilseeds, pulse crops and feed ingredients are considered a precursor to essential items for the COVID-19 relief effort,” NGFA spokesperson Sarah Gonzalez said. “Unfortunately, FMCSA singled out pet food as ineligible for hours-of-service relief.”

**But Gupton said that when it comes to transportation, “the issue is new hires,” the thousands of seasonal drivers farmers and retail drivers need to get seed, feed and fertilizer to the farm.**



*Richard Gupton, ARA*

ARA is looking for FMCSA to give the states flexibility to temporarily suspend training and testing requirements, including hazardous materials endorsements, until the license offices reopen or the federal Department of Transportation “can implement an acceptable on-line system that meets all necessary federal and state requirements,” ARA CEO Darren Coppock said in the group's March 19 letter to President Donald Trump.

Gupton said ARA also is also floating the possibility of retailers doing their own training and testing without compromising safety standards. In a March 29 letter to state governors, ARA said “agribusinesses could conduct their own training and testing for new-hire drivers and put them to work.”

FMCSA did not respond to requests for comment.

**Relief came from Kentucky over the weekend, in an action that could serve as a model for other states.** The state is allowing farm retail outlets and suppliers, agrochemical businesses, custom harvesters, and livestock feeders to operate vehicles that would normally require a Class B or C commercial driver’s license without first obtaining a limited CDL to haul farm supplies. They would not be required to have a current medical certificate or vision test.

In addition, any hauling would have to take place within 150 miles of the facility where the goods were picked up. In general, drivers cannot transport hazardous materials, except if they are hauling 1,000 gallons or less of diesel fuel, 2,000 gallons or less of anhydrous ammonia, and any amount of solid fertilizer.

Gupton said ARA is sharing Kentucky's action with other states. **“We believe FMCSA and states can adopt this by either an emergency waiver or state Executive Order and legislation should not be required,”** Gupton said. **“If a state deems emergency legislation is required, they can follow the lead of Kentucky.”**

Ben Riensche, whose Blue Diamond Farming Company grows corn and soybeans in Jesup, Iowa, says "regulations may have to be waived" in order to ensure an adequate supply of drivers.

But beyond regulatory requirements, the availability of drivers and other employees is almost certain to be affected by the continued spread of the coronavirus that causes COVID-19.

**“Every day the pandemic develops, there are more instances of workers not being on the job,” Riensche says.**

He offers as an example a worker told by their spouse not to come home if they've been “out in the world,” as he put it. The impacts of the virus could be “devastating” if you have a family workforce and someone gets COVID-19, he says.

Riensche said some of his older workers have expressed concern about being in close quarters with other people.



*Ben Riensche, Blue Diamond Farming Company*

**The outbreak also may cause changes in planting decisions, Riensche said.** Corn needs more inputs than soybeans, so “if labor becomes an issue, it’s going to be easier to shift corn into soybeans.” The current oil war between Saudi Arabia and Russia and the plummeting demand for ethanol also has reduced demand for corn, he says. (Despite that, USDA's latest planting intentions report showed an increase of more than 7 million acres for corn, surprising analysts.)

More generally, Riensche says folks in rural areas are “a lot less spooked” by coronavirus.

“Rural people think they’re more isolated,” Riensche says. “I think most rural people don’t think they have the exposure risk.”

“I just don’t see it as being as impactful as places like New York City,” Riensche says. “Fresh air and wide spaces are going to play in our favor.”

## **State Dept. action calms, but does not eliminate, H-2A concerns**

A recent State Department move is expected to speed approval of farmworkers seeking to enter the country, but observers of the process are still keeping a watchful eye on many parts of the H-2A visa program.

Last week, the department announced that local consulates would be allowed to waive interviews for H-2A applicants with no potential red flags on their applications. Farm groups had previously

expressed concern that an interview requirement would grind the process to a halt after consulates began teleworking in response to COVID-19.

Chuck Conner, president and CEO of the National Council of Farmer Cooperatives, said the Ag Workforce Coalition — which counts NCFC among its dozen members — is now offering itself up to be “caseworkers” of sorts as producers try to navigate the approval process.



Chuck Conner, NCFC

**“On a number of fronts, I feel very positive,” Conner said in assessing the current H-2A approval situation. “I believe we are poised to be in a position to help those farmers and growers out there that are running into difficulty, and let’s hope and pray that there are no ~~difficulties~~ difficulties, and this is seamless. But we’re there in the event that it’s not.”**

Conner says NCFC is watching to see how the process of expediting approvals will work, especially since some of the very officials issuing the approvals are themselves teleworking. As a good chunk of the American workforce is learning, the process is not always smooth.

**“We also know just from our own experiences,” Conner added. “I mean, I tried to have a staff meeting yesterday. There were glitches. There’s going to be glitches here.”**

Jonathan Sarager, a director of federal government affairs with the Western Growers Association, said the State Department directive allowed for consulates to waive the interviews and expedite the approvals, but it didn’t order them to do so. Even still, he said the Monterrey consulate in northeast Mexico is processing applications, and many growers are working to route their applications through that facility as a result.

The new framework comes at a critical time for producers looking for the seasonal help H-2A workers provide in April and May fieldwork.

**“We feel like we’re getting hit from all sides,” Sarager said. “We want to do our part in making sure that this virus doesn’t spread. At the same time, we have a challenge of continuing to be able to harvest.”**

While Monterrey is up and running, some consulates are in countries where movement is far more restricted. South Africa, for example, is under a police-enforced lockdown prohibiting any nonessential movement.

There’s also the question of a potential extension of visas for H-2A workers already in the U.S. Allison Crittendon, a director of congressional relations for the American Farm Bureau Federation, said there’s no indication the departments of Agriculture and Labor have relaxed the existing regulations on that front, but the two departments have said it’s a move they would consider.

Crittendon said timely processing and arrival of workers is still a paramount issue, as is a potential lengthening the period that workers already in the country can stay. But so far, the

recent actions appear to be addressing the primary concern of workers not being able to be cleared in the first place.

“Even last week I was hearing reports of workers being able to get their visas processed and across the border,” she said, pointing to one anecdotal report of a farmer getting new H-2A workers approved the same day as the State Department’s announcement. “So, I think it’s been implemented and is in action. Of course, time will tell. ... Until we get through, I think we’ll be holding our breath.”

## **Concerned about COVID-19? Still no need to overbuy food & supplies**

The risk of being a victim of COVID-19 is scary, it’s unnerving and in some cases, it’s life threatening. But grocers and other food retailers across the country want you to know: They have your backs.

“The initial rush of consumers wanting to overbuy obviously impacted the supply chain right off the back, once this started to escalate. You saw some shelves being cleared out,” says Dave Heylen, Vice President of Communications for the California Grocers Association. **“Yet, there is no need for consumers to overbuy. We have been told up and down the line that there is plentiful food.”**

Heylen pointed out that manufacturing plants are working overtime to produce food products, but challenges remain in the distribution system.

“The challenge is that, as an industry, we’ve become so efficient in our distribution system. The system works perfect when everything is normal. But when there is an onrush of goods like we experienced, either wholesalers or companies large enough to have their own distribution centers have not been able to replenish quickly enough,” said Heylen.



Dave Heylen, Vice President of Communications for the California Grocers Association

Unlike years where there has been a wildfire or a disaster in one part of the country, COVID-19 is nationwide.

**“This is a unique situation in that the whole country is impacted at the same time,” adds Heylen, limiting the ability to move goods from a resource rich area to another. “When stores are getting cleared out in the early morning, there simply aren’t enough trucks to bring in more orders and restock,” he adds.**

However, he says the system is catching up, but not at 100%. “You are still going to see some items in very limited supply or maybe not in supply at all. But the other key is that there is not



shortage. It's more of a distribution challenge. It's about getting restocked and getting those products to the store.

In order to drive the point home that overbuying isn't necessary, the California Grocers Association developed a new web site, <https://enoughforallca.com/> that has several resources like [Ten Tips for Safe Shopping during the COVID-19 virus](#). Their tag line is "Please Buy Smart. Don't Overfill Your Cart" and there's a hashtag: #Enough4All

**In addition to trying to stay stocked on a 24/7 basis, grocers and retailers are struggling with crafting unique guidelines for both consumers and employees.**

Heylen says CGA sent out a list of best practices but in-store protocols are "company by company, in addition to the standard food safety protocol they follow."



At this 7-11 store in Virginia, a sheet of plastic separates employees from customers. Photo: Bill Tomson.

**However, he says most retailers are stepping up safety measures.**

"So, you'll see things like x's on the floor in an attempt to space out consumers in checkout lines. Grocery carts are about 3 feet long, so we've been recommending a 2-cart distance between people," Heylen says. "Some retailers have put up plexiglass splash guards between cashiers and customers to encourage spacing. You'll see more hand sanitizers out and available." In addition, many stores are carving out special shopping hours for the elderly and other high-risk shoppers

Employee safety and availability is another concern, especially with schools shut down. Some workers simply don't have childcare and have to take care of their families.

All of the major chains and independents are looking for workers, Heylen says.

**"We really have to credit the front-line workers who still come to work every day. They have a great attitude and understand the important role they play."**

Some grocery chains are upping pay and benefits to keep employees incentivized. For example, Iowa-based Hy-Vee, Inc. is giving a front-line employee appreciation bonus to all of its part-time and full-time store employees. The employees will receive a 10% bonus on all their hours worked from March 16 to April 12. The bonuses are a \$10 million commitment to employees and will be paid out on April 17.

On Tuesday, the nation's largest grocer, Walmart, issued new guideline for workers including taking temperatures as employees report to work and asking health screening questions.

“Any associate with a temperature of 100.0 degrees will be paid for reporting to work and asked to return home and seek medical treatment if necessary. The associate will not be able to return to work until they are fever-free for at least three days. Our COVID-19 emergency leave policy allows associates to stay home if they have any COVID-19 related symptoms, concerns, illness or are quarantined – knowing that their jobs will be protected,” noted John Furner, President & CEO, Walmart U.S. and Kath McLay, President & CEO, Sam’s Club in a statement. In addition, the company is also making masks and gloves available for employees who want to wear them.

## **As consumers hunker down, produce sales of all types surge**

During the first week of March, the produce industry watched sales stay pretty much in line with prior year – even as shoppers started to stock up on non-edible items like toilet paper in the wake of the growing COVID-19 pandemic. But by the second week, fresh produce purchases started to increase slightly, followed by a 33.9% increase the week ending March 15, noted Anne-Marie Roerink, President, 210 Analytics.

Her firm, along with IRI and the Produce Marketing Association (PMA), partnered up to understand how produce sales would be impacted by more people working from home, cooking more often and staying away from all but take-out restaurants. In general, Roerink found that fresh, frozen and canned produce continued to move at unprecedented volumes, making it difficult for some suppliers, distributors and grocers to catch up.

For the week ending March 22, IRI showed vegetables up 39.2% —adding \$227 million versus the comparable week in 2019. Fruits gained 21.1% over the week of March 22, which translated into an additional \$116 million.

Sales increases extended across fresh produce items. In absolute dollars, the biggest fresh produce winners for the week of March 22 were once more potatoes that gained \$61 million, or +114.7% over the comparable week in 2019, according to IRI data.

Berries were second, with a gain of \$28 million, or 23.5%. Onions closed out the top three, with gains of \$27 million, up 68.6%. Others that gained big were lettuce, apples, tomatoes, tangerines, bananas, oranges and carrots. Several retailers remarked that items with longer shelf life as well as packaged items moved faster, perhaps due to consumer safety perceptions.

Fresh fruit sales saw a slightly bigger uptick during the week of March 22 than the week prior — no doubt to address the many more at-home consumption occasions, from more -home breakfasts, lunches and dinners to snacking and smoothies, Roerink noted. On the fruit side, berries generated 22% of fruit sales, yet grew 23.5%. Similarly, apples generated more than 15% of all fruit sales and grew 28%.



Anne-Marie Roerink

Top 10 in weekly sales	Sales increase for the week ending 3/1/2020	Sales increase for the week ending 3/8/2020	Sales increase for the week ending 3/15/2020	Sales increase for the week ending 3/22/2020	Weekly sales for week ending 3/22/2020
<b>Fresh fruit</b>	-1.7%	+1.5%	+27.3%	21.1%	\$670M
<b>Berries</b>	+5.0%	+10.0%	+31.8%	23.5%	\$147M
<b>Apples</b>	-5.3%	-3.1%	+36.9%	28.0%	\$101M
<b>Bananas</b>	+2.3%	+5.4%	+24.9%	22.8%	\$75M
<b>Grapes</b>	-8.9%	-10.1%	+7.2%	4.4%	\$63M
<b>Tangerines</b>	-6.2%	-2.9%	+34.6%	36.0%	\$63M
<b>Avocados</b>	+3.1%	+6.1%	+27.4%	21.1%	\$53M
<b>Oranges</b>	-5.6%	+6.2%	+60.9%	58.4%	\$37M
<b>Melons</b>	+1.1%	+1.3%	+10.7%	-1.5%	\$30M
<b>Lemons</b>	-10.9%	-6.3%	+33.8%	42.9%	\$19M
<b>Pineapple</b>	-8.0%	-1.4%	+16.9%	3.8%	\$15M

Source: IRI, Total US, MULO, week ending March 1, 8, 15 and 22, 2020

### Fresh vegetables

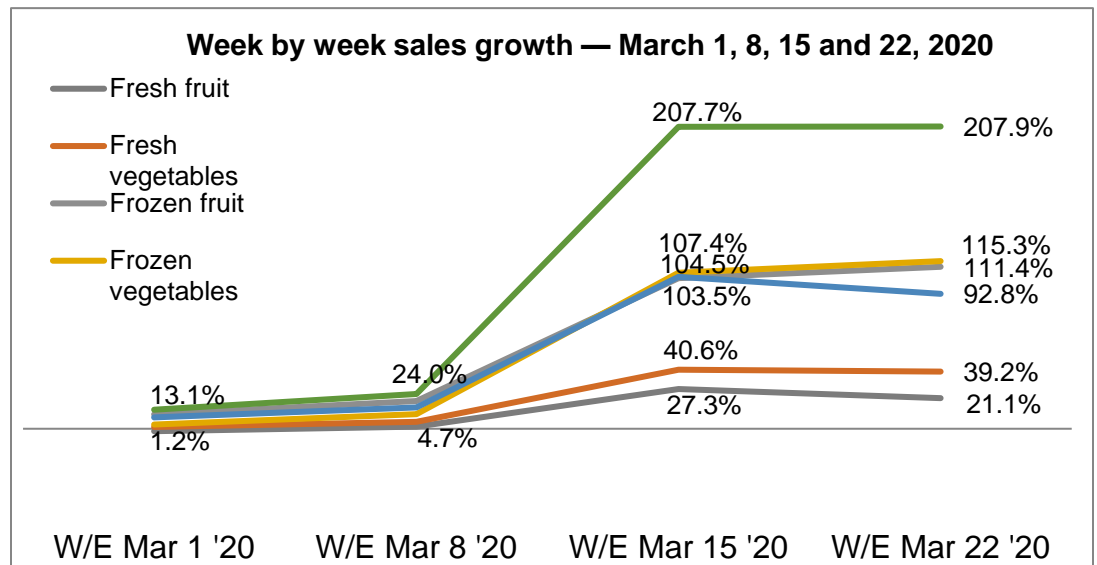
On the fresh vegetable side, shoppers are stocking up on items with longer shelf life, in particular, Roerink said. Beyond potatoes, other impressive growth categories were onions, carrots and squash.

Top 10 in weekly sales	Sales increase for the week ending 3/1/2020	Sales increase for the week ending 3/8/2020	Sales increase for the week ending 3/15/2020	Sales increase for the week ending 3/22/2020	Weekly sales for week ending 3/22/2020
<b>Fresh vegetables</b>	+1.2%	+4.7%	+40.6%	+39.2%	\$807M
<b>Lettuce</b>	+3.1%	+5.2%	+29.1%	+16.3%	\$173M
<b>Potatoes</b>	+0.3%	+6.4%	+71.6%	+114.7%	\$114M
<b>Tomatoes</b>	+9.5%	+15.4%	+43.2%	+34.0%	\$87M
<b>Onions</b>	-1.5%	+3.1%	+59.2%	+68.6%	\$65M
<b>Peppers</b>	-3.1%	+1.5%	+37.3%	+32.9%	\$52M
<b>Carrots</b>	-2.8%	-0.8%	+40.6%	+51.8%	\$38M
<b>Mushrooms</b>	+3.0%	+6.4%	+35.0%	+31.4%	\$29M
<b>Broccoli</b>	-2.3%	+2.0%	+33.5%	+29.2%	\$26M
<b>Cucumber</b>	+5.7%	+11.3%	+32.4%	+19.9%	\$24M
<b>Squash</b>	-3.5%	+1.3%	+43.5%	+40.1%	\$23M

Source: IRI, Total US, MULO, week ending March 1, 8, 15 and 22, 2020

Consumers were buying fresh produce at a rapid rate, but also seemed to be in stock up mode, Roerink points out. Canned vegetables saw the highest percentage gains, at 207.9%, followed by frozen vegetables and frozen fruit.

Consumers continued to split their produce dollar three ways during the week of March 22. Fresh produce generates the bulk of total produce sales during regular times and it still does today,” said Jonna Parker, Team Lead, Fresh for IRI.



Source: IRI, Total US, MULO, week ending March 1, 8, 15 and 22, 2020

However, she said “consumers

remained in a stock-up mindset the week of March 22 and that drove high interest in frozen and shelf-stable fruit and vegetables. The share of total cross-store produce sales for shelf-stable, for instance, is up from 10% during 2019 to 19% during the week ending March 22, 2020.”

**In part, these spikes can be attributed to the combination of panic buying and freezer stocking. “We are finding that among consumers who stocking up, the top goal is having a two-week supply,” said Parker.**

With many restaurants closed around the country, IRI found that for the week of March 22, 56% of consumers ate more meals at home versus at/from a restaurant.

Parker said it’s important to remember that universities and schools are closed, which means many students moved back home. In Florida, for instance, 350,000 students live on campus. Consider their added three meals per day plus snacks at home — that is one million more meals consumed at home per day, for Florida students alone.

Next, consider the people working from home and all the elementary and high school students being at home. That means many more breakfast, snack and lunch occasions that moved to at-home.

“We found that among households with kids, 69% have kids staying home from school or daycares versus 38% the week prior and 47% are doing fewer activities and sports,” said Parker.

In addition, Parker said consumers are looking to boost their nutritional intake and build their immune systems.

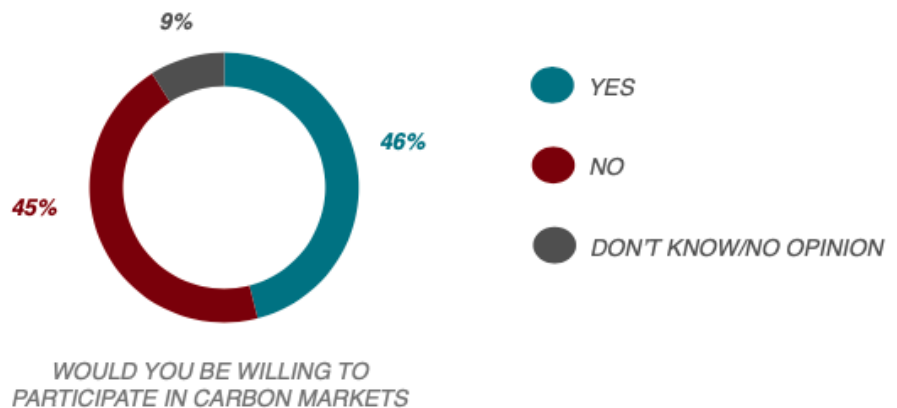
**“From their buying patterns, it certainly appears produce matters during times of crisis. These are all drivers of increased everyday demand of the grocery channel versus foodservice.”**

## Agri-Pulse Poll: Farmers back carbon markets, but divided on climate

Nearly one in every two American farmers would be interested in being paid to help reduce climate change, even though the climate issue is a relatively low priority and producers aren't necessarily worried about its impact on their operations, according to the latest *Agri-Pulse* poll of U.S. producers.

**Interest in carbon markets crosses party lines and is especially strong among younger farmers,** according to the Aimpoint Research survey of 600 farmers and ranchers nationwide. The poll, conducted between Feb. 19 and March 13, also found that large majorities of farmers already have undertaken many practices that conserve carbon in the soil, reduce the use of pesticides and other inputs, or curb runoff of pollutants that can foul streams and lakes.

Some 46% of those polled answered “yes,” when asked whether they would be willing to “participate in carbon markets, where you are paid to implement certain practices on your farm in exchange for reducing greenhouse gases.” Forty-five percent said they would not participate in carbon markets. The remaining said they didn't know or had no opinion.



Age makes a difference: Some 54% the farmers under the age of 45 said they would take part in carbon markets, compared to 38% of those over 65 and 50% of those between ages 55 and 64.

Some 43% of parties who identify as Republican or who lean Republican said they would participate in carbon markets, compared to 54% of Democrats and 49% of independents.

Efforts to create national carbon credit trading foundered a decade ago when the Obama administration was unable to persuade Congress to establish a cap-and-trade system that would have forced polluters to slash greenhouse gas emissions or to buy credits that would have been generated by farmers and other sectors.

But private efforts to develop carbon markets have been gathering momentum recently because of commitments made by corporations to voluntarily reduce greenhouse gas emissions.

Bruce Knight, a former undersecretary for USDA's conservation programs in the George W. Bush administration, said he is seeing a generational change in attitudes toward climate issue and carbon markets.

**There is “genuine interest among farmers in this, especially under the age of 50. There is a generational change in attitude,” he said.**

He also said “the last 10 years worth of weather makes it difficult to deny that something is going on” in the climate.

Knight operates a consulting firm and is helping develop the Ecosystem Services Market Consortium, a national effort to develop a nationwide credit trading system for farm practices that reduce greenhouse gas emissions and improve water quality.

Climate change isn't a pressing issue for the vast majority of farmers, though more than 40% of older farmers believe that growing conditions on their farms have been altered by climate change.

The farmers were asked to rate the importance to them of twelve issues on a scale of one to 10; the issues included facilitating U.S. agricultural exports, protecting against terrorism, reducing the federal deficit, repairing U.S. infrastructure, stopping illegal immigration and protecting gun rights as well as addressing climate change.

**Climate change came in dead last in priority with an average score of 5.01, a small increase of 4.89 since the fall of 2018. The top issue for farmers this year was selling more U.S. farm products overseas, with a score of 8.85.**

There was a sharp partisan divide on the climate issue: Some 62% of Democratic or Democratic-leaning farmers ranked the issue between 8 to 10, compared to 13% of GOP farmers and 29% of independents.

Roger Johnson, the recently retired president of the National Farmers Union and a former Democratic agriculture commissioner in North Dakota, said terms matter when it comes to the issue.

Farmers have often been more willing to call themselves conservationists than environmentalists and they tend to associate the term “climate change” with environmentalism and carbon markets with conservation. “We farmers, and most others as well, prefer the latter” term, he said in an email after reviewing the poll results.

**“I’ve long felt the key is to get the incentives lined up so farmers are compensated for doing what we as society want done,” he said. “So, I’m not surprised by the results. Leaders should accept the science and work to provide incentives.”**

**A telling age divide emerged on the question of whether farmers are being personally affected by climate change. Older producers were more likely than younger to say that it had affected growing conditions where they farm**

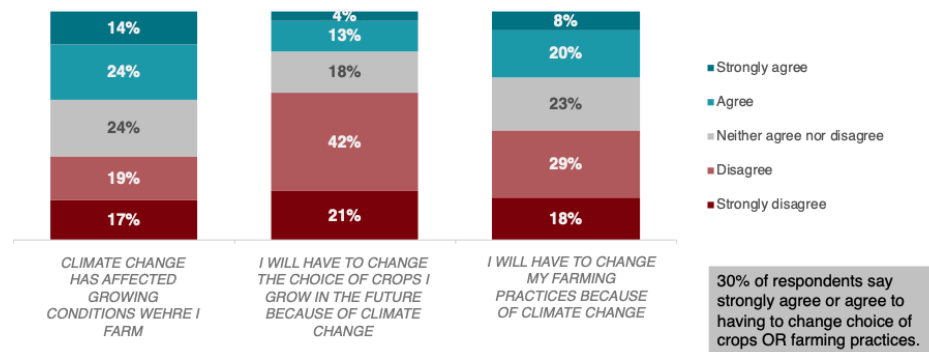
Overall, 38% of farmers overall and 45% of producers between from ages 55 to 64 said their farm had been affected by climate change, compared to 27% of farmers under 44 years of age.

Some 41% of farmers over 65 said they had been affected climate change as well as 31 percent of farmers between ages 45 and 54.

But only a fraction of farmers overall believe they will have to change their choice of crops or alter their farming practices to deal with climate change, which scientists say will result in some regions being drier and hotter and others being wetter and warmer than they are now.

Some 28% of the farmers polled said they would probably have to change farming practices because of climate change and only 14% said crop choices would have to be altered.

**38% of farmers believe that climate change has affected growing conditions, but only 30% believe they will have to do anything about it.**



**That’s probably because farmers**

**believe that improvements in crop traits will make it possible for them to keep growing the same mix of commodities they do now, said Knight, a former lobbyist for the National Corn Growers Association.**

New corn varieties have already been made more drought tolerant through both conventional breeding techniques as well as genetic engineering.

“You may change what you select for the traits of the corn or soybeans, but you probably don’t change the planting decisions because of climate anytime in the near future,” Knight said.

Moreover, farmers already are switching to no-till farming and other resource-conserving practices, according to the poll, which tracks with data reported elsewhere:

- 77% said they had implemented new conservation practices.
- 73% said they were using no-till.
- 65% have invested in precision agriculture techniques that allow nutrients and pesticides to be applied according to need.
- 64% have reduced energy use.
- 60% are applying fewer pesticides.
- 48% have cut back on fertilizer usage.
- 45% have reduced irrigation.

The remaining Democratic presidential candidates, former Vice President Joe Biden and Vermont Sen. Bernie Sanders, are both pledging to make climate change a major priority of their respective potential administrations. The front-running Biden promises to "ensure our agricultural sector is the first in the world to achieve net-zero emissions, and that our farmers earn income as we meet this milestone." Among other things, he would put more money into the Conservation Stewardship Program that pays farmers for soil and water-conserving practices.

Meanwhile, the Agriculture Department under President Donald Trump's administration in February proposed cutting agriculture's environmental footprint in half by 2050, and Agriculture Secretary Sonny Perdue suggested carbon markets could encourage farmers to reduce greenhouse gas emissions. If reducing carbon emissions "is a social goal and social priority there, then let’s put a price over carbon emissions, and I think you can really see farmers show out in their carbon sequestration efforts," Perdue told reporters.

Debbie Reed, executive director of the Ecosystem Services Market Consortium, says **getting more farmers interested in addressing climate change will require showing producers how they can help address the problem rather than blaming them for it. “Finger-pointing is not helpful, not warranted, and just plain wrongheaded,” she said.**

But she thinks that the growing interest of corporations in reducing the carbon intensity of their supply chain already is trickling down to farms.

“When companies first started looking at their own footprints and taking actions, it largely did not touch or require engagement or discussions with ag sector. It was mostly internal and not related” to the farmer, she said.

But then when companies started to look at their indirect footprints (that process and what brought them there is a longer conversation ... and food and beverage companies had to look at ag, there was this dawning realization that ag has a pretty big footprint that largely had not been addressed.”

## **News Briefs**

**Bayer is settling a Roundup lawsuit over labeling.** Bayer will pay more than \$39 million and alter its labeling of some Roundup products to settle a class-action consumer fraud lawsuit. The company agreed to remove from its labeling on consumer grass and weedkiller products the statement that glyphosate, the active ingredient in Roundup, “targets an enzyme found in plants but not in people or pets,” in favor of one “akin to ‘Glyphosate works by targeting an enzyme that is essential for plant growth,’” according to the settlement. The plaintiffs alleged the labeling was false and deceptive because the enzyme at issue is found in people and pets. “This enzyme, in beneficial bacteria, is critical to the health and wellbeing of humans and other mammals, including their immune system, digestion, allergies, metabolism, and brain function,” said the original complaint in Missouri federal court. The labeling settlement comes as Bayer works to resolve more than 13,000 lawsuits blaming exposure to glyphosate for cancer in users. The company denies glyphosate causes cancer.

**CDFA is extending window for methane reduction grants.** With the COVID-19 crisis, CDFA is now taking applications for another 30 days for its Dairy Digester Research and Development Program and Alternative Manure Management Program. The programs are funded with \$34 million from cap-and-trade funds. Dairy and livestock operators now have until April 27 to apply and should visit the [CDFA website](#) for additional information about the programs and grant requirements.



## Farm Hands West: Cremers joins the Wine Institute

**Noelle Cremers** has joined the Wine Institute as director of environmental and regulatory affairs. She previously worked for the California Farm Bureau Federation as director of natural resources and commodities.



Noelle Cremers

**Tess Dunham** has joined Kahn, Soares & Conway, LLP (KSC) as a partner. Dunham has spent the past 20 years specializing in legal and regulatory issues related to state and federal water quality laws. She has represented agriculture, private industry and some of California's largest cities, counties and public agencies in front of state administrative agencies as well as state and federal courts at all levels.

The Kern County Farm Bureau has tapped **Colleen Taber** to serve as the new administrator. Taber most recently worked as regional manager of the FARMS Leadership Program. She replaces **Ariana Joven**, who left the organization to work in government affairs for The Wonderful Co.

The Sites Project Authority Board of Directors has selected **Jerry Brown** as executive director for Sites Reservoir. Brown previously served as general manager of Contra Costa Water District where he oversaw the operations and management. He also oversaw development of the first Los Vaqueros Reservoir expansion in 2012. He has been working closely with Bay Area water agencies, refuge managers and Central Valley water users to develop the second expansion of Los Vaqueros.

**Kirsten Hillman** has been appointed as Canada's Ambassador to the United States. Hillman has served as Canada's acting envoy to the U.S. since August 2019. Before that, she served as deputy ambassador in Washington from August 2017 to August 2019. Before joining the Embassy, Hillman was the assistant deputy minister of the Trade Agreements and Negotiations Branch at Global Affairs Canada, overseeing all of Canada's trade policy and trade negotiations.



Kirsten Hillman

**Alma Crumm Golden** has been sworn in as USAID's assistant administrator for global health. A trained pediatrician, Golden has worked in private pediatrics, indigent health services, academic medicine, public health, healthcare administration, and health policy. She served as the director of pediatric services for the maternal and child health program at the University of Texas Medical Branch in Galveston.

**Kelly Ann Shaw** has joined Hogan Lovells as a new partner. Shaw comes to the firm after serving at the White House as the president's deputy assistant for international economic affairs and deputy director of the National Economic Council. She was a senior adviser to the president on matters of international economic policy, including trade, investment, development, global economics, energy and the environment. In these roles, Shaw worked on negotiations and

agreements, including the U.S.-Mexico-Canada Agreement (USMCA) and the China "phase one" agreement.

**Doug Edge** has signed on with Aimpoint Research as the new senior vice president of business solutions for Aimpoint Farm Reach Vision. He previously was the vice president of new business development at Farm Journal.

**Atashi Mukherjee Bell** has joined the Biotechnology Innovation Organization as the new director of scientific and regulatory affairs, industrial and environmental. She previously was the global regulatory specialist for BASF.

USDA's Animal and Plant Health Inspection Service has appointed **Kathy Simmons**, chief veterinarian of the National Cattlemen's Beef Association, to the National Animal Disease Preparedness and Response Program's (NADPRP) consultation board. NADPRP was created by the 2018 Farm Bill to fund projects that will help prevent animal pests and diseases from entering and spreading in the U.S.



*Atashi Mukherjee Bell*

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Locus Agricultural Solutions has brought on **Grant Aldridge** as the new CEO. Aldridge will take over from acting CEO Paul Zorner, who will now focus exclusively on his role as the company's Chief Agronomist. Aldridge was previously vice president of agricultural operations for Arcadia Biosciences.

**Jed Dearborn** has left the Hill where he served as senior counsel to Sen. **Lisa Murkowski**, R-Alaska, for the Committee on Energy and Natural Resources. He has joined Cassidy & Associates as senior vice president working with clients on energy and natural resource policy.

**Tiffany Haverly** has joined the House Energy and Commerce Committee as the new minority communications director under Rep. **Greg Walden**, R-Ore. She previously was the director of public affairs at Pharmaceutical Research and Manufacturers of America.

**Loren Naldoza** has been promoted to legislative aide from correspondent for Sen. **Jeff Merkley**, D-Ore., covering the portfolio for telecommunications and commerce.

The former CEO of Informa Economics, **Bruce Scherr**, passed away Sunday after suffering a heart attack. As a divisional vice president at Data Resources Inc. from 1974 to 1979, the agricultural economist developed and utilized the first commercially available econometric model for U.S. agriculture — a fully interactive forecasting tool designed to provide problem-solving information. This breakthrough led to advisory roles with numerous government agencies, including the President’s Council of Economic Advisers and the National Aeronautics and Space Administration. Dr. Scherr received his bachelor's degree from Rutgers University and his master's and doctorate degrees from Purdue University, all in agricultural economics. A celebration of life service will be held in the fall. Family has requested that, in lieu of flowers, contributions be sent to St. Jude’s Hospital in Memphis, Tenn.



*Bruce Scherr*

**Best regards,**

**Sara Wyant  
Editor**

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