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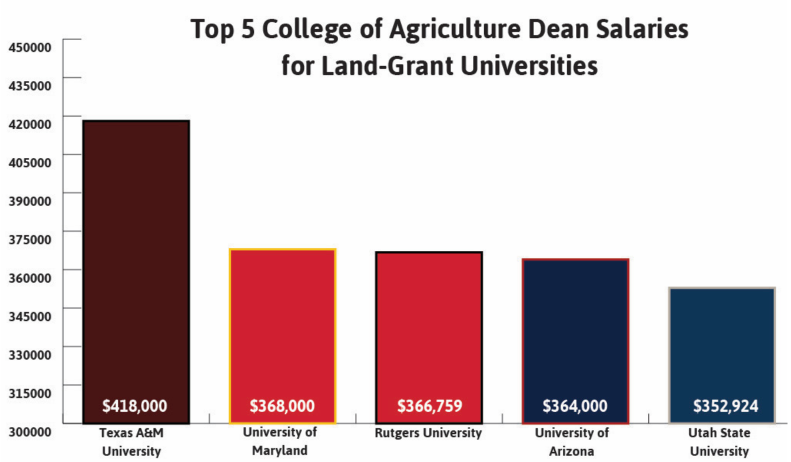
Special salary report: Think you want to be an Ag Dean?

The university administrators charged with educating the next generation of agriculturists earn as much as $418,000 a year, but most earn much less than that and salaries vary widely depending on enrollment, responsibilities, location and other factors.

According to an *Agri-Pulse* analysis of information obtained through online research, university correspondence and Freedom of Information Act requests, deans of agriculture colleges at the nation's land-grant universities are paid an average of more than $250,000 per year after paying for multiple degrees. We did not include additional benefits such as health care, travel, etc. because most of that information was not readily available.

Salaries for ag deans at the historically black land-grants, known as 1890 institutions, average $149,210 a year. Salaries for the larger land grants, established under the 1862 Morrill Act, average $282,895 a year.



Patrick Stover, vice chancellor and dean for agriculture and life sciences at Texas A&M University, is the highest paid at $418,000. At least five others receive more than $350,000 a year (see chart): The University of Maryland's Craig Beyrouty, Robert Goodman at Rutgers University, Shane Burgess at the University of Arizona, Utah State University's Ken White. Oregon State University's Alan Sam's salary is $350,004. The UC Davis dean ranks 9th in our survey.

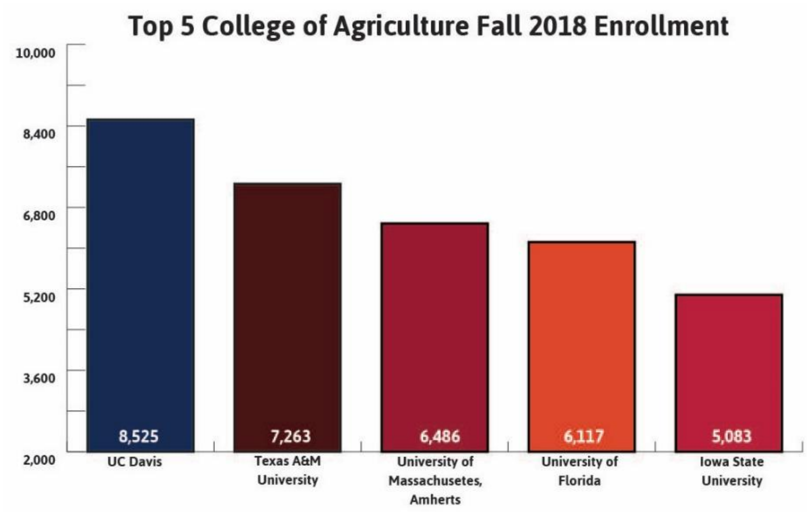
By comparison, Texas A&M's president, Michael Young, has a base salary of $1 million a year under a five-year contract. The school's football coach, Jimbo Fisher, has a 10-year contract worth $75 million, and several of Fisher's assistants make more than $1 million annually. The average Texas A&M professor's salary is $127,000, according to Glassdoor.com.

Individuals who lead some of the nation's top trade associations for agriculture, food and energy also make more than several of the deans. In the Agri-Pulse annual CEO salary report last year, seven CEOs topped $1 million in base compensation and more than a dozen made over $500,000.

The land-grant system and its leadership is considered invaluable to American agriculture. In many cases, the extension system that is commonly under their umbrella is the first line of education to disease and other threats facing production agriculture. They also educate students looking to enter the agricultural workforce, be it as a farmer, agronomist, communicator, or agribusiness executive.

The Morrill Act provided states with land and funds to establish colleges specializing in agriculture, home economics, and mechanic arts. After the Civil War, the federal government was unable to gain cooperation from southern states to allow admittance and enrollment for all students, so the second law was passed in 1890, to provide education facilities, funding, and the admittance of colored students to attend universities, the historically black land-grant universities.

Around the country, an ag dean's salary is typically tied to their job responsibilities. Doug Steele, vice president of food, agriculture, and natural resources at the Association of Public and Land-grant Universities, told *Agri-Pulse* that "there are core principles you see at every college of agriculture, but after that they become very unique." **For example, some deans are responsible for research and extension programs, while others are not.**



Ag dean salaries frequently, but not always, reflect the number of students enrolled in the ag college. Only one school — Texas A&M — falls in the top five of compensation and enrollment. The top school for enrollment — UC Davis — has more than 8,500 students; some other ag schools have fewer than 1,000 enrolled. Texas A&M has 7,263 in its ag school, the nation's second largest.

Cost of living likely plays a factor in some salaries. Maryland's ag school, located in the Washington suburbs, has 1,529 students, fewer than universities such as South Dakota State and New Mexico State, but Beyrouty's salary is the second highest at $368,000.

Aside from varying levels of pay and responsibilities, ag deans can also take a variety of paths to their position, although most rise through the faculty. Once they have a “proven track record as a faculty member,” Steele said, the next step is to become a department head.

“At the department head level, you start managing the budgets and the personnel within that department,” preparing them for the next step. In many cases, that means moving to an associate dean role.

“Most of our colleges of agriculture might have an associate dean for extension, one for research, and one for teaching,” he said. A good job in this role would likely qualify someone to be considered as a potential dean.

But there are also those who take unconventional paths to their positions. Cathann Kress, vice president for ag admission and dean of the food, agricultural, and environmental sciences college at The Ohio State University, had stops at USDA and the Department of Defense on her career path.

"I can’t say that throughout my entire career that I had the aspiration to be a dean, but certainly I think as my career evolved ... and I became familiar with the role that the dean played and everything else, absolutely it became one of my aspirations," she told *Agri-Pulse*.

Depending on how willing to relocate a candidate might be could hinder opportunities available for dean positions, Steele said. Some deans have moved multiple times.

“If you are not geographically mobile," he said, "you might not have the same opportunity as someone who is willing to get experience at one institution and move to another one.”

After Wendy Wintersteen moved from ag dean to president of Iowa State University, Daniel Robison took over her old job after about seven years at West Virginia University and 15 years at North Carolina State University.

“A majority of our deans don’t move specifically for the salary increase; they move for the responsibilities of the position and new opportunities,” Steele said.

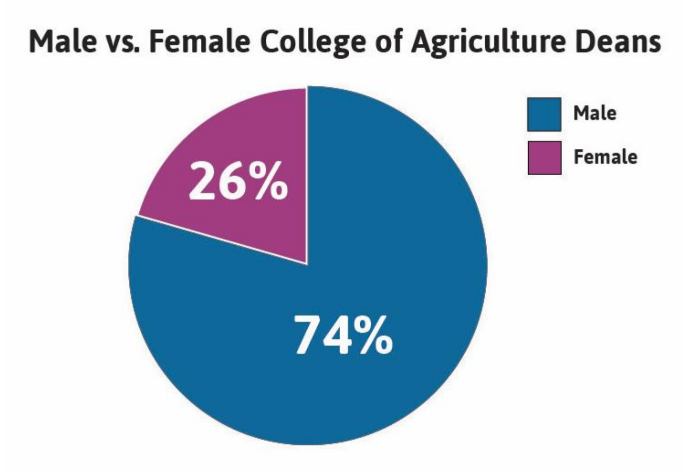
In fact, former University of Georgia ag dean Gale Buchanan told *Agri-Pulse*, if money is your motivation, "you are probably in the wrong business."

"Most people who want to be deans really want to make a contribution," he said. "I don’t know a lot of people who want to become deans just to increase their salary.”

Women make up 26% of the ag deans, and that share is likely to grow, Kress said, due in part to seeing "far more gender parity in our students, in our junior faculty," which she says broadens the pool of viable candidates for leadership roles within ag departments.

"**We see a tremendous number of women entering and being in the field," she said. "I think we will see more and more women not only in our college deans but I think we will see in the leadership across our whole system."**

Among all land-grants, a female dean earns more than her male counterpart - $281,159 for women versus $256,024 for men - but that average is skewed by the fact that the lower-paid deans at the smaller 1890 institutions are predominantly male. For the 1862 land-grants, there is virtually no pay gap. The male dean earns $283,490 on average compared to $281,159 for the female dean.



Information from some schools was not publicly available; a few sources were not responsive.

Tuskegee University in Alabama was granted 25,000 acres of land by the federal government under the Morrill Act of 1890 but, 12 years later the school decided to go private. As such, the university declined to release salary data.

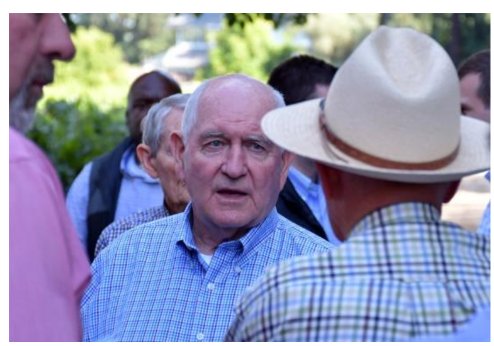
Cornell University is the designated land-grant university for New York, but it is also a private institution, so the reported salary only reflects the state appropriated funds and not the full amount.

Penn State University cited exemptions from disclosure laws under state statute and declined to provide salary information to *Agri-Pulse*. Delaware State University declined to release salary data, and staff at Prairie View A&M University and Central State University did not respond to requests for information. Insufficient information was available for the University of Alaska and West Virginia University.

For a complete list of the salaries, enrollment, and responsibilities of the ag deans of the land grant universities in the U.S., click here.

Perdue reaches out to California farmers on USMCA, trade aid

During a two-day tour of Northern California last week, USDA Secretary Sonny Perdue promoted the congressional approval of the U.S.-Mexico-Canada Agreement and fielded questions from farmers at three town halls meetings, alongside several California congressmen


Ag Secretary Sonny Perdue

Perdue's last discussion took place on the edge of the Bogle Winery vineyard, just outside of Sacramento. With a cool delta breeze and chirping birds, Perdue and Representatives Doug LaMalfa and John Garamendi were in good spirits, which was immediately interrupted by questions posed by frustrated local farmers.

"We would like the final knife to be put into the tunnel," said cherry and pear grower Christopher Lee, referring to the Twin Tunnel project Governor Gavin Newsom has downgraded to a single tunnel.

Going down the list, **Lee then said that immigration reform is "mandatory for our continued survival" and he pushed Perdue to get tough on China over unfair trade practices,** which he had seen first-hand when his Chinese distributor stole his group's wine label, applying it to bulk wine from Australia.

Perdue said he would pass the message along to the administration, adding that part of his job is also to work together with the other federal agencies on these issues. As an example, he said USDA is collaborating with the Bureau of Reclamation, Fish and Wildlife and other agencies on updating the biological opinions to support more water for farmers. Relative to the Endangered Species Act, the opinions determine how much flow the Central Valley Project diverts from agricultural districts to ecosystems in the Sacramento-San Joaquin River Delta

On China, Perdue shared Lee's frustrations, saying the U.S. has been "getting jerked around" for too long.

"Your example is just the tip of the iceberg of what we have put up with for a number of years," he said. "They're not a developing country anymore."

Yolo County Supervisor Don Saylor

He said President Donald Trump is determined to get them to "play fairly." Perdue acknowledged the painful impacts on the almond industry and offered the Market Facilitation Program as a temporary relief.

When *Agri-Pulse* asked about concerns the MFP may provide little benefit to California farmers, **Perdue said the USDA "will try to reach everyone."** He advised farmers to check in with local Farm Service Agency offices to set up direct payment accounts. He said the latest MFP round has also expanded the definition of adjusted gross income to include those who derive 75% of their income from farming.

Nut grower Bob Amarell urged the administration to instead open up trade and "turn the farmer loose." He noted that about 70% of walnut production and 60% of almond production are exported.

Perdue responded that ratifying USMCA is the critical first step in restoring trade.

"If we can't get that ratified, China, Japan and everyone else in the world is going to say, 'If you can't do business with your nextdoor neighbors, how can you do business with us?'" he said.

Switching the conversation to research funding, Pam Marrone, CEO of Marrone Bio Innovations, said that funding for UC Cooperative Extension is down to the same level from 30 years ago. Perdue responded that on the federal level, grant research funding was actually higher this year and urged Marrone to instead push the state for more funding.

The federal-state divide came up again over a state bill that proposed a ban on the herbicide glyphosate.

“These things are better done nationally, where your producers could be equal to everyone else,” he said. “Those things could put your producers at a disadvantage.”

Perdue said the administration wants “a level playing field” for all farmers.

One tool to help level the playing field is rural broadband. Yolo County Supervisor Don Saylor said the USDA’s efforts on broadband “haven’t reached us yet.” Perdue replied that more funding and outreach efforts are underway.

Representative John Garamendi, also onstage, stepped in to add: “We’ve got a problem with the definition of rural.” He said large parts of rural California abut metropolitan areas, including Yolo County, and are not considered rural, leading them to lose out on federal grants to “our friends in the Midwest, who think it’s just fine.”

Rep. John Garamendi, D-Calif., speaks as Sec. Perdue looks on.

Perdue countered, saying the USDA advocated to include in the Farm Bill a standard definition of rural that expands the range to include populations of up to 75,000.

Poking fun, Garamendi called it part of the “ABC law”: anywhere but California.

Five questions for California’s expert on farm water

As the executive director of the California Farm Water Coalition, Mike Wade educates the public and policymakers on how California’s greatest water issues are all intertwined.

“You can't pull on one string without it affecting all the others,” he emphasized in a recent interview.

The nonprofit organization takes a collaborative approach to finding “regulations that work and are not job killers,” he said. With California agriculture leading in healthcare, wages, working conditions and environmental safety, Wade wants to ensure that food production stays in California.

Wade spoke with *Agri-Pulse* about the policy choices a century ago that led to the Sustainable Groundwater Management Act (SGMA) today, as well at the latest progress on the Voluntary Settlement Agreements for the Bay-Delta Plan and an innovative new project for the San Joaquin Valley.

1. **How worried should farmers be about SGMA?**

Well, we've relied on groundwater for many years in California. We've actually been where we are now about 100 years ago – maybe not to the extent that we are now but we had groundwater overdraft and we had farmland that was in jeopardy of going out of production. A lot of that led to building the federal and the state water projects that had been conceived years earlier.


Mike Wade

Particularly, the Central Valley Project was built to provide surface water supplies to the Sacramento Valley and the San Joaquin Valley. In parts of the San Joaquin Valley, it was delivering surface water to help offset groundwater overdraft, and it was successful. It turned around the overdraft that was occurring and farmers were able to stay in business and stay productive and grow.

Over the subsequent decades, we've seen a shift in water supply and water policy management. Surface water supplies to a great extent have been reallocated to serve environmental purposes that were not envisioned when the Central Valley Project was built. The end result has been both the state and the federal projects have been able to deliver less and less water. It's been less reliable, and farmers returned to their groundwater use. The lack of surface water and the growth in the industry contributed to groundwater overdraft again.

Arguably, there's been more groundwater overdraft in recent years than in previous years. If we look at the time period from around 1988 to 2002, according to the Public Policy Institute of California, we were overdrafting about 1.3 million acre-feet a year. From 2003 to 2017, that jumped to 2.4 million acre-feet a year. The largest share of that jump occurred after the 2008 and 2009 delta smelt and salmon biological opinions (governing the Central Valley Project).

It was a further reduction in surface supplies. It was a combination of drought years. It was a variety of effects that drove people back to pumping more groundwater. Even in the earlier years, the 1.3 million acre-feet a year wasn't sustainable and 2.4 certainly isn't sustainable. In 2014, in the middle of that, we got the Sustainable Groundwater Management Act. That act requires groundwater basins in California to be in balance throughout a five-year cycle. Some years, there's going to be overdraft; other years, there's going to be recharge. Overall, they have to be in balance over a five-year cycle.

Public water agencies – irrigation and water districts – have been looking from 2014 to January of 2020 into developing GSAs, or groundwater sustainability agencies. Those agencies have been developing the groundwater sustainability plans that their regions have to abide by to achieve this groundwater balance. There are a lot of different regions in the state, some more impacted than others, some that are probably already able to meet their goals. Others are going to have an extremely difficult time meeting those goals. We're going to see a significant amount of land fallowing overall in the state as a result of reducing groundwater reliance.

2. **How do you feel the awareness around the groundwater plans?**

Early on, the awareness was just not there. People were thinking it's a problem that will resolve itself, that there might be some minor adjustments that need to be made and people will go forward and continue to farm as they had in the past.

That's not really what's going to happen. There are some areas that are looking at restricting pumping to as little as a third of an acre-foot per acre per year. If you're growing a crop that takes two or three acre-feet per acre per year, you are not going to be farming all the acreage you're accustomed to. You'll be consolidating. You'll be farming fewer acres with the remaining water. You'll be more reliant potentially on water purchases, if it's available.

What we've seen is that that water districts are working on plans not only to improve their ability to capture and recharge stormwater and floodwaters when they are available, but also finding more flexible ways to transfer water within their district and potentially with users who may be in the district but outside of a GSA. What they call "white areas" are most at risk. Those are the areas that will be reliant on the flexibility that is being built into some of these plans to capture and redeliver water.

3. **Farmers already work in a complex regulatory environment in California. How realistic is it for them to figure out the economics, legalities and science around recharge projects and water trading?**

It is complex. But there are a lot of really smart people working on developing new recharge basins and on the rules governing GSAs.

There will be a point in time where you have to be up to speed on it. You're not going to just get up in the morning and discover that the water supply is being cut by 60% or more. The GSAs have been working on outreach to get people educated. Some may be out there who are just ignoring it and they're going to find out that they can't pump water like they have in the past. Others are going into it with their eyes open and understanding they're going to have to make some changes.

There's potentially a million acres that could be retired. With the maximum flexibility with transfers and with new recharge projects and water sharing, PPIC has said that the fallowing could be limited to perhaps 535,000 acres. It'll be somewhere around there without any additional projects or federal relief on delivering water through the federal water project or state relief through the State Water Project.

This all fits together in making it work for our industry and for urban users as well.

4. **On that note, how have the negotiations over the Voluntary Settlement Agreements been progressing?**

The voluntary agreements have support from the governor. He's taking the lead. Natural Resources Agency Secretary) Wade Crowfoot and (CalEPA Secretary) Jared Blumenfeld have been spokesmen on behalf of the administration and have been out supporting the Voluntary Agreements.

They would put $687 million into a fund that would construct ecosystem restoration projects and pay for some of the activities needed to make this work. There's a commitment to 300,000 acre-feet of water or so of new flows going into our rivers to support the ecosystem project.

This isn't just a paper plan. There's some real effort going into making that work.

It's part of the governor's vision for water supply resiliency, which is having the flexibility moving forward to limit the negative impacts on agriculture and urban users and still have the outcomes on environmental restoration that we want.

Over the last 10 years, we've put a lot of water down the rivers, we've limited what we've delivered to farms and there's been a lot of Bay-Delta outflow. And we've had little, if anything, to show for it.

Rather than complying with regulations for regulation's sake, the voluntary agreements shift us to a process that's geared towards success and adaptive management to make sure what we're doing is working, rather than just turning a crank to meet some regulatory requirement.

5. **What else should farmers know?**

Well, there is one more new effort underway and it's called the San Joaquin Valley Blueprint.

The blueprint tries to get its arms around all the things we're talking about, particularly the water imbalance in the San Joaquin Valley and the regulatory and structural ways to offset what potentially is going to be a million acres of land retirement. The Blueprint looks at the federal-state relationship on operating the State Water Project and the federal Central Valley Project and how those work together. It's looking at improving conveyance, whether it's structural improvements in some of our canals or regulatory improvements on how and where we're allowed to deliver water. It looks at new storage, north of the delta and south of the delta.

Combining all of these efforts potentially would limit land retirement to maybe half of the PPIC's rosiest picture. That's maybe 250,000 acres as opposed to 535,000.

US and China are talking again, but for how long?

U.S. and Chinese officials are already talking again, albeit long distance, to negotiate an end to a prolonged trade war. But farmers are losing patience as exports continue to suffer.

“They're speaking very much on the phone, but they're also meeting,” President Donald Trump told reporters this week when he was asked about the promised resumption of talks. “Yeah, it's essentially already begun. It actually began before our meeting.”

It’s a good sign, farm group representatives tell *Agri-Pulse*, but many are skeptical after the on-again, off-again negotiations over the past year that have gotten producers’ hopes up before only to dash them later.

“The Chinese trade deal is kind of like a yo-yo,” says Joel Nelsen, strategic adviser and a past president of California Citrus Mutual. “One day we’re up. Another day we’re down.”

The latest breakdown in talks between the two countries was a little less than a month ago. Trump, after a meeting with Chinese President Xi Jinping Saturday in Japan, announced he was postponing any new tariffs on China and that China agreed to immediately begin buying U.S. farm products.

Trump is putting a lot of emphasis on his personal negotiating skills and highlighting his strong personal relationship with Xi, while stressing that he expects the U.S. to get a better deal than China in the talks.

“We really had a great meeting yesterday,” Trump said Sunday during a trip to South Korea after leaving Japan. “And I like President Xi a lot. I consider him a friend.”

Joel Nelsen, California Citrus Mutual

Then on Monday, taking a question about when new face-to-face meetings between the negotiators would actually resume, Trump raised the bar for success, saying a deal “has to be better for us than for them because they had such a big advantage for so many years.”

Trump and U.S. Trade Representative Robert Lighthizer didn’t get a deal to lift the Chinese tariffs that have slashed U.S. agricultural exports over the past year, but Trump did say he was preparing to give Xi a list of the farm commodities to be purchased.

“China is going to start … spending money, even during the negotiation, to our farmers, our great farmers in the Midwest …” Trump said this weekend. “And China is going to be buying a tremendous amount of food and agricultural product, and they're going to start that very soon, almost immediately. We're going to give them lists of things that we'd like them to buy.”

But farmers are growing weary of the promises and lack of trade, especially as they deal with difficult planting conditions and low prices.

“We have been waiting at the altar several times on some of these promises and statements,” an Iowa ag industry source told *Agri-Pulse*. “Getting a bit old and I think fatigue is setting in.”

Mark Albertson, director of strategic market development for the Illinois Soybean Association, said he was disappointed a war-ending deal wasn’t reached this weekend, but still eager for a resolution.

“At this point, we’re looking at a continuation of the perfect storm and here in Illinois we still have a lot of acres that are not planted,” said Albertson. “In a typical year that would cause prices to go higher, but this is anything but a typical year and at the moment the price is still in the basement.”

Still, the Trump administration is hoping that the promise that China will deliver on buying a “tremendous amount” of farm commodities will appeal to the Midwest “patriot” farmers who generally supported him in the 2016 election.

The next summit between top U.S.-China negotiators hasn’t been set yet, and the Trump administration isn’t saying yet which ag commodities will be on the list for China to buy.

Soybeans are a safe bet for further Chinese purchases, but Iowa Soybean Association Director of Market Development Grant Kimberley says China has a long way to go before it fulfills previous promises.

Grant Kimberley, Iowa Soybean Association

“China has to purchase or ship another 11.843 (million metric tons) in order to just get to the level they committed to during the first round of trade truce negotiations,” he told *Agri-Pulse*. “The marketing year ends on August 31.”

And Kimberly questioned China’s ability to buy much more because the country has a lot less hogs to feed these days because of the rapid spread of African Swine Fever.

California farmers who have come to depend on exports to China are not expecting to have their products on the list that will be given to China. The country has already been buying soybeans, pork, sorghum and cotton during the trade war. Some of those purchases have been simply good will gestures from China and most all have been made by giant government-run importers like COFCO.

A U.S. meat industry official confirmed that the Chinese government is effectively importing the pork it needs from the U.S. and not charging itself tariffs. That’s not the case for specialty crops like walnuts, pistachios, pears and almonds. California growers mostly depend on much smaller, privately-run Chinese companies to buy their products.

When asked if she expected walnuts to be on Trump’s list, Pamela Graviet, the senior international marketing director for the California Walnut Board and Commission, replied: “Probably not.”

China now levies a 65% tariff on in-shell walnuts and a 60% tariff on walnut kernels, and that has cut U.S. exports by more than 50%. U.S. exports of almonds, which have a 50% tariff (up from 10% before the trade war started), have dropped by more than 30%.

Meanwhile, in other parts of the world, the European Union has completed yet another massive trade agreement. This one, with the four South American countries that comprise the pact called MERCOSUR, is the largest ever.

Tomas Baert, the head of the trade and agriculture section at the European Union Delegation to the United States, said Wednesday the pact will slash about $4.5 billion in tariffs between the EU and MERCOSUR (Brazil, Argentina, Uruguay and Paraguay) after it's implemented.

Baert, who lauded the new pact as a model of international openness, also took a dig at the U.S.: "What I'm witnessing here in Washington is an administration that is pulling out of trade agreements, like the (Trans-Pacific Partnership) or that is renegotiating previous agreements … like (the North American Free Trade Agreement)."

USDA shoring up, expanding whole farm insurance

An insurance policy created to help diversified operations, specialty crop growers and small farms better manage their risk has slipped in popularity over the past two years, but advocates say a series of changes USDA is making in the program could reverse the decline.

Some 2,216 Whole Farm Revenue Protection policies have been sold this year, down from its peak sales year of 2,836 plans in 2017. Some 2,537 policies were sold in 2018.

In select states, the decline has been even more pronounced. Just 55 policies were sold in Montana this year, down from 140 in 2017, and there were similarly sharp drops in the Dakotas. In Tennessee, sales dropped from 54 to 19 over the two years.

There are different theories for the decline, but the National Sustainable Agriculture Coalition, one of the program's leading champions, believes the drop is due to rules that have hurt farmers who have had one or two poor yields. The 2018 farm bill directed USDA to consider a number of modifications to the program, including ways to soften the impact of disasters on WFRP coverage levels, and the Federal Crop Insurance Corp. board last month approved several rule changes.

Doug Crabtree, an organic farmer in north central Montana, says he buys WFRP coverage because traditional revenue insurance policies aren't available for many of the crops he grows such as black lentils and purple barley. But because of a devastating drought in 2017 - he lost 90% of his expected revenue — his WFRP coverage has dropped significantly.

WFRP policies allow producers to insure a portion of their revenue based on the average that they have received for the previous five years.

He still bought a policy this year despite the reduced coverage, but he’s only insured for roughly $400,000 of his $1 million in projected revenue, he said.


USDA Chief Economist Rob Johansson

“Right now, under the rules as they are currently written if you have even one disaster year … it drastically reduces the effective safety net, or the amount of your revenue that you can insure,” he said.

He went on, “Pretty much everything about the whole farm works well for us but this one idea that there is no way under the current rules to smooth out or to take away the impact of a disaster year if it hits within” the five-year period.

Among the rules changes the FCIC board approved is a tweak to drop the lowest revenue year from a producers’ five-year history. Another change would limit how much a farmers’ revenue history could fall in any one year to 60%. A third change made to how coverage levels are calculated would mean that revenue for the latest year could not fall more than 10% from the previous year.

Finally, starting in 2020, disaster payments will no longer be counted in a farm's revenue for purpose of calculating potential indemnities.

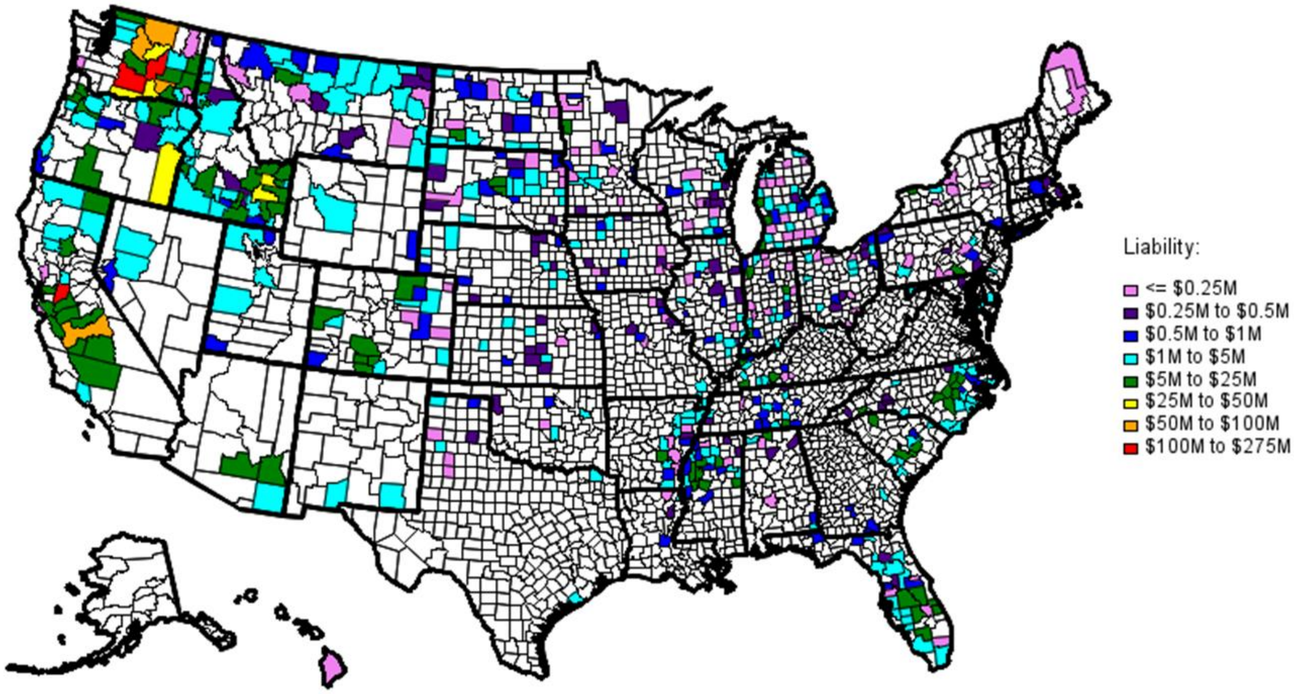
Rob Johansson, USDA’s chief economist and chairman of the FCIC board, said FCIC agreed to loosen limits for insuring livestock and nursery revenue. Under current rules, farms are ineligible for WFRP if they have more than $1 million in revenue from livestock or nursery production or if more than 35% of their revenue is from those sources. Under the new rules, farms can insure up to $2 million in revenue from those sources, and operations will still be eligible for WFRP even if that revenue exceeds the insurable limit.

Other changes for 2020: If there is another round of Market Facilitation Program payments next year those won't be counted in a farm's revenue either. This year, they will be. And farms will be allowed to collect indemnities from both WFRP and the Noninsured Crop Disaster Assistance Program, or NAP.

The net effect of the modifications in how farm revenue is calculated after disasters will make WFRP more similar to other forms of crop insurance, according to NSAC.

“The bad years were catching up with lots of producers and renewing a WFRP policy left them grossly underinsured and it was no longer worth the cost to farmers who had major drought (or wet) years recently,” said Ferd Hoefner, senior strategic adviser for NSAC.

Whole Farm Revenue Protection Liabilities in 2018



Another theory about the drop in WFRP policies is that some producers are finding traditional revenue protection policies that meet their needs. Recent improvements, for example, have allowed policies for organic production to more closely reflect organic prices, said Tara Smith, vice president of federal affairs for the Crop Insurance and Reinsurance Bureau Inc.

“I hope it (the decline in WFRP policies) is because folks are finding things that work better for them. Certainly, USDA has worked to do some streamlining of whole farm and make some improvements there as well,” she said.

Participation in the program is still twice what it was in 2015, the program's first year, when 1,128 WFRP policies were sold. The program's total liability grew from $1.15 billion in 2015 to $2.84 billion in 2017 before falling back to $2.14 billion this year. WFRP was authorized by the 2014 farm bill to combine and build on two programs known Adjusted Gross Revenue and Adjusted Gross Revenue-Lite.

A few states continue to see growth in WFRP participation, including California and Florida. Some 191 policies were sold in California this year, up from 172 in 2017. The number of policies in Florida has risen from 77 in 2017 to 125. Washington state remains the top market for WFRP, with 769 policies, compared to 804 two years ago.

NSAC still has concerns about the program despite the changes FCIC approved. The group doesn’t think there are enough agents in many parts of the country who promote the policies to producers. The Senate’s version of the 2018 farm bill included special incentives for marketing WFRP policies, but the provision was dropped from the legislation during negotiations with the House.

Separate from the changes in calculating WFRP coverage, the FCIC board also made industrial hemp eligible for the insurance program starting in 2020, a requirement of a provision that Senate Majority Leader Mitch McConnell wrote into a supplemental appropriations bill enacted in June.

There are some limitations for including hemp in WFRP policies, however. The product will be required to have a contract for the hemp, and the crop will have to be grown under state or federal plans.

Alt-meat sales rise on new flavors, profiles, ingredients

As grills across the country are fired up for Independence Day celebrations tomorrow, a growing number of patties being cooked will be of the plant-based variety.


Anne-Marie Roerink

"The products have become unbelievably more available more quickly than I would have ever expected," said Will Sawyer, CoBank's leading animal protein economist.

Across all "meat" sector sales by U.S. grocers last year, meat alternatives sales approached $1 billion, market analyst Anne-Marie Roerink estimates.

For the alternatives, she says, "there is a lot of energy, media coverage and intrigue in the marketplace, but … we have to keep in mind that the sales base is small." In fact, she adds, "we also see more appetite for blended items (meat and plant-based, such as mushroom burgers) than pure plant-based alternatives."

But, she points out, the volume remains a thin slice of a $90 billion market for the total sales from grocers' fresh and frozen meat and deli departments.

Looking broadly across all U.S. grocery outlets and food services, "plant-based meats are … about 1%, maybe a little less, of the entire meat market in the United States," says Matt Ball, spokesman for the Good Food Institute, which promotes plant-based food innovations.

Yet the market race is on despite the limited volume, and a herd of giant food companies and countless startups are galloping into the alt meats market.

The very visible early players include California-based Beyond Meat, which began 10 years ago and focused on grocery store products, and now has several alt-meat products such as sausages and taco crumbles. It enhanced the flavor of its lead product, the Beyond Burger, this spring and launched its first stock offering two months ago at $25 per share. Its sales have been soaring and so has its stock value, now over $170.

Beyond is shipping its products to major grocery and restaurant chains throughout the country and elsewhere: Tim Hortons announced in June it will offer Beyond products in its breakfast sandwiches at 4,000 locations in Canada. Beyond will begin distributing its burgers in Europe next year under an operating agreement with Zandbergen, a Dutch meat company.

Impossible Foods, also California based, started marketing its Impossible Burger at 59 Burger King outlets around St. Louis, Mo., just three months ago, and now it's scrambling to keep up with orders as Burger King tries to supply all of its outlets with the burger by year's end. Impossible isolated an iron-containing molecule in plants and animals called heme and added it to burgers to ensure a meat flavor.

Farmers Restaurant Group (FRG), an early adopter, gives high marks to the Impossible Burger, and uses the same burger stock for its plant-based meatloaf option as well in its seven North Dakota Farmers Union-owned locations in the Washington, D.C., area and Pennsylvania. Dan Simons, co-owner and manager, says FRG operations started ordering Impossible Burger stock in late 2017 and now uses about 1,000 pounds a month for patties and meatloaf. Customers pay about a $2 premium per serving for both Impossible products, and Simons reports the products are ordered by the full spectrum of consumers: vegans to those wanting to reduce meat consumption for health reasons to devoted carnivores who are just curious.

"For any of these categories of folks, for whatever their motivation [to choose Impossible]," he says, "the vast majority have a very favorable response."

Major meat companies are wading eagerly into alt-meat.

Nestlé, the world's biggest food company, began supplying its own Incredible Burger in April to McDonald's outlets in Germany and to other European customers. Not to be bested in the U.S. by the Impossible Burger, its Sweet Earth affiliate has already showcased its upcoming Awesome Burger at a California food show.

Brazil-based JBS, the world's biggest meat company, announced it will begin selling its alt-burger in Brazil under its Seara products line. The patties will be made with soy, wheat, garlic, onions and beetroot. Tyson Foods, a poultry, beef and pork processor, expects to market a new line of chicken-mimic nuggets and blended meat-plant burgers, meatballs, etc., under a new Raised & Rooted label and its existing Aidells brand. Perdue, meanwhile, announced in June a new Chicken Plus line, using a blend of chicken and "cauliflower, chickpeas, and plant protein to create the next generation of frozen chicken nuggets, tenders and patties," especially for flexitarian customers.

Spam-maker Hormel Foods, another leading processed meats firm, announced it'll soon market a vegan burger-like pizza topping and other plant-based meat alternatives. Maple Leaf Foods of Canada announced in April it's building a 230,000-square-foot plant in Shelbyville, Ind., to give Beyond Meat a run with its own plant-based Lightlife Burger and other alt-meat items.

The international giants "are getting into the fray," Sawyer says. "They've got the bandwidth; they've got the R&D budgets and, most importantly, they've got the relationships with the grocery stores and the food service companies to … make the supply chain work."

Amid that rush to meat alternatives, Ball observes: “When I count the press releases I’ve seen in the first six months of the year, they’ve been very geared to food services. So, the growth in the industry … is going to be in the fast food restaurants” and other food services generally, he predicts.


Will Sawyer, CoBank

Beyond Burgers are sold at Carl’s Jr. Restaurants and TGI Fridays, for example, and A&Ws in Canada. And KFC jumped into the plant-based meats game in the UK in June with a non-meat chicken burger for its London customers.

McDonald’s, though already serving Nestlé’s Incredible Burgers in Europe, hasn’t put a plant-based patty on its U.S. menu. Sawyer says, however, that if popularity of those product keeps growing, “I don’t think any fast food chain is going to stay on the sidelines.”

On the other hand, Sawyer offers two reality checks:

“There does have to be a certain level of income for these kinds of products to make sense.” China's top 1% of earners is 14 million people, for example, and rising incomes there suggest market potential. But much of the Earth’s people are still looking to introduce a little meat into their diets, not to avoid meats.

Also, Sawyer says ground beef, pork, and poultry combined are “a fraction of the animal protein industry.” And even though chicken alternatives are also now hitting the market, “when we talk about the alternatives world today, it’s pretty much ground beef, and it’s staying in the ground world.”

So to say alt-meat sales are soaring “is an exaggeration,” Sawyer opines. “It’s not like they’re selling alternative salmon … T-bones … chicken breasts,” he says.

Meanwhile, in terms of best nutrition per dollar, he says, the new meat/plant-blended products from Tyson, Perdue and others may fare well, especially competing with lean ground poultry choices, which the U.S. market “has been growing by mid- to high-single digits for years now.” By now, readers may be wondering, so what’s up with production of cultured meat — those masses of meat animal muscle to be grown in tanks?

There are huge investments by Bill Gates, Cargill, Tyson Foods and others in growing meat muscle *sans* animal that way, and researchers in the U.S. and abroad are making progress. But, Ball summarizes: “They’re all still doing production at bench scale,” and the developers face long regulatory approval processes before Americans will throw such meat on the grill.

News Briefs:

Independence Day cookout costs about the same as last year. You shouldn’t have to pinch too many pennies shopping for your Independence Day cookout this year. The average cost for a party of ten only rose 11 cents compared to last year, according to an annual survey by the American Farm Bureau Federation. A cookout including hot dogs, cheeseburgers, pork spareribs, potato salad, baked beans, lemonade and watermelon costs $52.80, or $5.28 per person. Compared to AFBF's survey last year, ground beef, watermelon, hot dogs, baked beans and hamburger bun prices were higher this year. Potato salad, spareribs, American cheese, and lemonade prices were lower. "Strong consumer demand for beef and growth in U.S. meat production has led to higher ground beef prices but lower pork sparerib prices for the 4th of July," AFBF Chief Economist John Newton said. Newton added consumers should also see lower cheese prices due to record-high milk and increased cheese production for 2019. AFBF also started tracking the average cost of 1.5 quarts of vanilla ice cream this year. When including ice cream, total cookout costs are $56.38, which still are under $6 per person. Some 114 AFBF members in 34 states served as "volunteer shoppers" to check retail prices for July 4th cookout foods at local grocery stores. The year-to-year direction of this survey tracks closely with the federal government's Consumer Price Index report for food at home. Both surveys remain relatively flat compared to last year.

Lawmakers explore state of the wine industry. The Assembly and Senate held a joint hearing on wine and the California wine industry, looking at market trends and the industry's future. As the fourth largest wine producer in the world, California has a vested interest in maintaining and supporting the industry. The hearing focused on programs/education and research and included panels of growers and researchers to discuss the challenges and opportunities facing wine growers and marketers. When looking at the younger demographic, many wineries are finding it is crucial to focus on their social media presence. They are offering more personalized experiences for those touring, while maintaining highly sustainable practices - of high interest to the millennial generation. To improve sustainable practices, growers discussed implementation of advanced science through genome editing research to limit the amount of pesticides applied and the need for more research on precision farming. "In the last couple of years, I think labor has surpassed the issue of water as the key issue in the technical side of wine making, and we are addressing that as well through automation and mechanization," said David Block of UC Davis. One of the biggest concerns about the future is the heavy tariffs affecting the wine industry as a result of the ongoing trade dispute between the U.S. and China and other countries like India. Effective June 1, China added another 15% tariff on U.S. wine imports to their country. The additional 15% tariff is on top of a previous 15% tariff increase implemented in April 2018 and another 10% increase in September 2018. Mention was made that upon the completion of Brexit, it will help the wine industry be able to negotiate directly with Britain regarding trade, rather than the EU. Additional concerns focused on finding labor, training employees in order to handle newer technologies and the need for high-speed internet to conduct business and keep records.

Farm Hands: Rabo promotes Jelacich to lead California territory

Rabo AgriFinance named **Jill Jelacich** general manager of the company's new territory focused only on California's food, agriculture, renewable energy, and wine sectors. Jelacich previously served as the director of food and agribusiness at Rabobank, N.A. She is a graduate of the California Ag Lending Institute and served on the Ag Lending Society Board of Directors.

California Governor **Gavin Newsom** announced the appointments to the state's Department of Water Resources, Department of Fish and Wildlife, and Department of Food and Agriculture. **Karla Nemeth** has been reappointed to serve as director of the California Department of Water Resources (CDWR), where she has served since 2018. She previously served as the deputy secretary for water policy at the California Natural Resources Agency from

2014 to 2018. **Cindy Messer** was reappointed to chief deputy director of CDWR, where she has served since 2017. She previously served as the assistant chief deputy director from 2016-2017 and was the deputy executive officer of planning at the Delta Stewardship Council from 2012 to 2016. **Charlton Bonham** has been reappointed to director of the California Department of Fish and Wildlife (CDFW), where he has served since 2011. Bonham was the California director and senior attorney for Trout Unlimited from 2000 to 2010. **Valerie Termini** has been tapped to serve as the chief deputy director of CDFW. Termini has been executive director of the California Fish and Game Commission since 2016 and acting chief deputy director at CDFW since 2018.

Governor Newsom also reappointed **Jennifer Lester** and **Rachael O'Brien** to the California Department of Food and Agriculture (CDFA), where they both have served since 2018. Lester was reappointed to undersecretary and O'Brien to deputy secretary for legislative affairs. **Arturo Barajas** was appointed to serve as the deputy secretary at the CDFA. He previously was serving as the legislative aide in the office of assembly for member **Joaquin Arambula** since 2016. CDFA deputy secretary for administration and finance Kevin Masuhara, who was appointed by CDFA Secretary Karen Ross, will also continue in his current role. To see the original announcement click here.

Karen Ross, California Department of Food & Agriculture (CDFA) Secretary, has appointed the initial board for the California Cattle Council. The Council was designed and authorized to carry out research on cattle production and beef nutrition, and to develop consumer or other educational programs. The members include: **Jesse Larios**, Imperial County; **Mike Smith**, Fresno County; **William Brandenberg**, Imperial County; **David Daley**, Butte County; **Jacob Parnell**, Sacramento County; **Julie Morris**, San Benito County; **Cody Nicholson-Stratton**, Humboldt County; **Jennifer Beretta**, Sonoma County; **Tyler Ribiero**, Tulare County; **Sarah Mora**, Humboldt County.

Renaissance Food Group of Rancho Cordova, Calif., brings on **Nancy Johnston** to serve as vice president of produce procurement. She brings over 30 years of experience and previously served as the senior sales manager for Sysco Corp.

Naturipe Farms hired **Glenn Daniels** as director of business development for value-added fresh. Daniels spent the past 18 years working for Earthbound Farm, San Juan Bautista, Calif., most recently as the vice president of customer development—East. Before that he served 12 years with Dole Fresh Vegetables.

Del Rey Avocado hired **Brent Portell** as operations manager for the new facility opening up in Vista, Calif. Portell previously served as Green Thumb Produce Inc. for the past 11 years most recently serving as the general manager of the wholesaler.

David Nelley joins Apeel Sciences as vice president of domestic buyer relations. Nelley comes to Apeel from The Oppenheimer Group where he served since 2001 most recently as vice president of global exports.

Chad Rupe has been appointed by President **Donald Trump** to serve as the administrator of Rural Utilities Service at the U.S. Department of Agriculture. With over 15 years of experience in commercial and community banking, he's most recently served as the Wyoming Rural Development director.

Alex Vargo is the new legislative assistant for Sen. **Mitt Romney**, R-Utah. He previously served as the legislative director for Rep. Ted Budd, R-N.C.

Jack Lincoln has left the office of Rep. **Doug LaMalfa**, R-Calif., where he served as the legislative director, to head back home to Northern California. **John Veale** has taken over legislative director duties and the agriculture portfolio has been handed over to **Kathleen Devlin**.

Joseph Melo is the new staff assistant for Rep. **Jerry McNerney**, D-Calif. He previously served as an intern in McNerney's office.

The Biotechnology Innovation Organization promotes **Stephanie Batchelor** to vice president of BIO's industrial and environmental section. Batchelor has been with BIO since 2008 where she started as director of state and international policy. She most recently served as the industrial and environmental section's managing director.

Best regards,

Sara Wyant

Editor
