

## Ag groups see chlorpyrifos report as a hopeful sign

Agricultural trade groups are responding with optimism to a much-anticipated report proposing alternatives to the pesticide chlorpyrifos that the Newsom administration released last week.

The 150-page report is the result of a six-month process by a work group, along with extensive public input. The recommendations include near-term nonchemical and synthetic alternatives along with biopesticide products, charting the toxicity of each ingredient. It also offers a five-year action plan aimed at less-toxic alternatives.



Joseph McIntyre of Ag Innovations led a public workshop on chlorpyrifos alternatives in January.

**“This gives us a framework for the expectations of this administration and hopefully will allow agriculture to begin to anticipate some of the shifts and changes that will continue to occur,”** said Ruthann Anderson, president and CEO of the California Association of Pest Control Advisers.

In pursuing alternatives, the Department of Pesticide Regulation (DPR) and CDFA took an approach that would level the playing field among stakeholders. They hired an outside consulting firm, Ag Innovations, to lead a work group composed of industry representatives and pest control advisors, as well as environmental advocates.

Public workshops held in January led some to call the approach “an utter farce” that allowed activists to “lambast farmers with accusations of corporate greed and spraying indiscriminately.” Others worried that elevating the voice of activists overshadowed the hard work and professionalism of the industry in recent years in pursuing safer and more environmentally

sustainable tools and practices. Yet most in agriculture see this as a sign of the times, from both the administration as well as the majority of the state’s population.

**“That's a reality of how we do business in California today,” said Casey Creamer, president and CEO of California Citrus Mutual. “In order to try to move forward, you have to bring those different groups together.”**

He noted one chapter in the report focused on finding a shared language among the opposing parties and called it important for the ag community to better explain the technical and complex language and ideas around crop protection tools.

Creamer was pleased with the report and its findings, many of which the industry has long called for. Among the recommendations is to “reinvest” in UC research and extension for pest management, an area that has been chronically underfunded. While the state has put forward mandates, such as banning chlorpyrifos, it has also pulled away from resources like this, which would help growers with alternatives, he explained. Creamer hoped DPR will continue to streamline the registration process for bringing new products to market while retaining current registrations.



DPR Director Val Dolcini

**“We have to have all the tools in the toolbox to continue to do what we do and provide safe and nutritious food to not just California but the rest of the world,” he said.**

When pesticide registrations are canceled, he added, it can create more costs for farmers as well costs to the environment—through new and more expensive chemistries as well as increased fuel consumption to cover more applications of less-effective products.

It can also create challenges for pest control advisors in offering more complex integrated pest management (IPM) strategies. The report recommends expanding the coursework topics that apply towards PCA certification to include nonchemical alternatives, beneficial insects, soil health and other practices. The provision stems from industry efforts more than a decade ago, which were captured in Assembly Bill 2122, which allows the DPR director to approve such courses.

“These are all really good things, but actually implementing them and being able to make it a reality is something else,” said California Citrus Quality Council President Jim Cranney, a work group member. “In order for us to go to the level of IPM and a biological approach that's been suggested, it's going to take a lot of investment in knowledge, information, science and behavior.”

Pam Marrone, also a work group member, acknowledged a low level of proficiency exists throughout the agriculture industry when it comes to biologicals. Marrone is the CEO and founder of Davis-based Marrone Bio Innovations, which manufactures biopesticides. She was pleased the report recommends biopesticide alternatives to chlorpyrifos, but cautioned they are not one-on-one replacements and must work in concert with other tools. She said the state must invest more in educating the ag community on these.



Marrone Bio Innovations CEO Pam Marrone

The work group members were in broad agreement that UC funding “has been decimated over the years,” she said, and that it should be restored to help growers adopt more holistic approaches to pest management. The administration recognizes this as well.

**“Those are questions that the Legislature, I’m sure, will work on with the governor and with UC in the years to come,” DPR Director Val Dolcini told *Agri-Pulse*.**

Marrone applauded DPR for hiring four new staff members to help streamline new registrations and for looking beyond one pesticide for the alternatives process. Dolcini said the department has in the last two years approved five new biopesticides that support the transition away from chlorpyrifos.

He noted that the report is the first step toward a broader roadmap for safer and more sustainable approaches. A successor work group will deliver this roadmap report in about 18 months. Given the state’s budget crisis due to the pandemic, the cost for the work group, about \$215,000, will come from the DPR fund, which is supported by the mill assessment DPR levies on pesticide sales.

“The really important part of the work group’s efforts over the last five or six months was the conclusion that we can’t really address the larger issues around sustainable pest management in California in this really abbreviated focus on just one tool,” said Dolcini. “It’s going to take time, and it’s going to focus on practices from agriculture to backyard gardening to everything in between.”

## **Attorney general asks court to decide on water rights**

California Attorney General Xavier Becerra on Tuesday filed a lawsuit against the Trump administration over state authority in water rights certifications.

The issue was also recently at the center of debate over a provision within a state budget trailer bill pushing back on the administration’s changes to the Clean Water Act. Moderate Democrats, however, labeled the policy and lawsuit a “water grab” by the State Water Resources Control Board and worried about the impacts on water supplies for agriculture and for disadvantaged communities.

Washington and New York are leading the lawsuit alongside California, with more than a dozen other attorneys general signing on in agreement.

Joined by the National Resources Defense Council, Becerra said in a press conference on Tuesday that the Trump administration is attempting to undermine the Clean Water Act by limiting states' authority over approving or denying water certifications under Section 401 of the act. This grants states the authority to review water quality impacts for federally licensed projects.



Doug Obegi, a senior attorney at NRDC, said Section 401 is “really the only way that the state of California can impose conditions on these 50-year licenses for hydroelectric projects.”

Last month, a federal judge rejected California’s bid for an injunction to block the implementation of the Trump administration’s new Navigable Waters Protection Rule within the act days before it went into effect.

Some of the proponents of Tuesday’s lawsuit have also been directly involved in the process for voluntary agreements over Delta water flows, though the talks have stalled under separate litigation.

**“This lawsuit is necessary to ensure that the Clean Water Act’s protections can be fully realized,” said State Water Board Chair Joaquin Esquivel in a statement.**

Esquivel has supported the voluntary agreements and delayed the implementation of the first phase of the board’s new Bay-Delta Water Quality Control Plan to allow time for the agreements.

Yet Assemblyman Adam Gray, a moderate Democrat from Merced, told *Agri-Pulse* this lawsuit is another example of a “water grab” by the State Water Board and its staff.

**“There are certain parties that are using the hyper-partisan environment we live in to make this a Trump-versus-California thing,” he said, adding that the board has been expanding its authority over water flows for years.**

Similar arguments were made during floor debates earlier in July over a public resources trailer bill. A provision inserted within the bill allowed the State Water Board to allocate water rights certifications before environmental reviews under the California Environmental Quality Act (CEQA) could be completed, aiming to circumvent the new rule in the Clean Water Act.

Standing against the measure, Senate Republican Leader Shannon Grove of Bakersfield called the policy “just another assault on our water supply for our farmers” that would harm Central Valley jobs as well as food security. Fellow Republican Jim Nielsen of the Sacramento Valley said it was part of continuing trend of granting “more power and authority” to state agencies.

Yet moderate Democrats in agricultural regions voted against the bill as well. Sen. Anna Caballero of Salinas said it would have “a deleterious impact on a major energy producer in my region.” She feared the board would use the measure to stall an effort by the Merced Irrigation District to renew a federal license for its hydropower system.

Sen. Bob Wieckowski of Fremont defended the measure at length. He said the Trump administration’s changes to the Clean Water Act will “drastically roll back” the board’s authority for the next 50 years for this project along with seven more that are also up for renewal.

In a statement to *Agri-Pulse*, Wieckowski said he strongly supported Becerra’s lawsuit.

**“California has fought consistently against the Trump administration’s egregious assault on state protections,” he said. “Today’s lawsuit shows, yet again, that we will not back down.”**



Asm. Adam Gary, D-Merced

Gray, however, argued that the State Water Board failed to follow the law by delaying water rights certifications for projects they didn’t agree with, such as for hydroelectric dams. This led to the federal government stepping in to issue the certifications instead, he explained.

“It’s one thing to make sure that if you’re going to build something – whether it be a reservoir, or a bridge, or a freeway – you understand the environmental impacts,” he said. “It’s another thing to use lawyers and environmental law to just delay

or be anti-growth or don’t allow for any project to be done.”

Doug Obegi of NRDC, however, said the projects have been the ones “gaming the system” by refusing to start the CEQA process and then telling federal agencies the State Water Board has “waived its right to certify because they haven’t done it within this time period, even though the board is bound to comply with state law.”

Gray and other lawmakers have also taken issue with the way in which the state has tried to resolve the issue. Lawmakers “sneaked” the provision into a broad budget package passed under a shortened timeline for the Legislature this year. Becerra’s lawsuit, similarly, puts the decision in the hands of a federal judge, a tactic Gray said is common among environmental advocacy groups.

**“They’ve decided that a better way to protect the environment is to file endless litigation and delay things long enough until they become too expensive and people abandon projects,” he said.**

Echoing widely felt criticism over CEQA, Gray said this tactic is why Californians are struggling with high housing costs, unreliable water supplies for the Central Valley, road congestion and air quality issues. He called the lawsuit pandering under pressure from environmental groups and that the issue should be addressed through a public arena or at the negotiating table among the parties involved, and not in an adversarial setting like the courtroom.

“All sides have got to sit down – environmental stewardship groups, cultural groups, cities, counties, rural communities – and we need to hammer out an agreement,” he said. “At the end of the day, everyone's going to have to give something up and everyone hopefully is going to get some stability and security going forward.”

## **Senate GOP aid package to include more farm assistance**

Senate Republicans are preparing to roll out a \$1 trillion coronavirus relief package that a key senator says will likely include \$20 billion in additional funding for USDA to help compensate farmers for pandemic-related losses.

Iowa Sen. Joni Ernst, a member of the GOP leadership, said the \$20 billion would be provided as additional spending authority for USDA through the Commodity Credit Corp. USDA now has \$14 billion still available to the department under the last major coronavirus relief bill, the CARES Act, enacted in March.

**Ernst said the GOP package also would “allow greater flexibility” for Agriculture Secretary Sonny Perdue to decide how to distribute the money. The latter is an issue likely to put GOP senators at odds with congressional Democrats.**



*Sec. Perdue during a Coronavirus task force meeting led by Vice President Mike Pence.*

It's not clear what additional agricultural spending could be authorized by the bill.

Sen. John Hoeven, who chairs the Agriculture Appropriations Subcommittee, has indicated that the agriculture aid would likely total \$30 billion to \$35 billion, in line with the \$33 billion provided by a \$3 trillion bill, called the HEROES Act, that the Democratic-controlled House passed in May.

USDA needs the CCC authority for other purposes as well, including dispensing payments due to farmers in October under farm bill programs, including the Price Loss Coverage and Agriculture Risk Coverage programs as well as the Conservation Reserve Program.

Senate GOP leaders ignored the HEROES Act, but Majority Leader Mitch McConnell, R-Ky., said Tuesday that he expected to release the GOP bill this week, setting the stage for negotiations with congressional Democrats.

**“That’s a starting place for discussion with the Democrats. Clearly, they have the ability to stop us from passing anything,” McConnell told reporters.**

McConnell acknowledged that the proposal didn't have unified support among Republicans. Sen. Rand Paul, R-Ky., threatened to slow down the bill because of its cost.

Senate Republicans led by Agriculture Committee Chairman Pat Roberts, R-Kan., have resisted putting restrictions on how USDA can use its CCC authority. The HEROES Act, by contrast, provided specific directions to USDA on how to use CCC funding, including making a new round of Coronavirus Food Assistance Program payments to farmers.

House Agriculture Committee Chairman Collin Peterson, D-Minn., used a subcommittee hearing Tuesday to reiterate his insistence on restricting how USDA can allocate the funding.



Rep. Collin Peterson, D-Minn.

**“This idea that we’re going to give more money to the CCC, where we are really having no kind of oversight or kind of involvement in it whatsoever, is not a good idea long term, because you’re basically taking the Ag Committee out of this whole situation,” Peterson said.**

Perdue, meanwhile, told farm broadcasters that the department is considering making additional commodities eligible for CFAP and is assessing the needs for a second round of CFAP payments.

**“We’re in the process of evaluating the COVID-19 impacts on the agricultural economy and looking back and lessons learned so far as we consider a second round of CFAP,” he said in a video message to members of the National Association of Farm Broadcasting.**

Perdue said he doesn't believe that farmers will need another round of the Market Facilitation Program in addition to the CFAP payments they will be getting. MFP was created in 2018 and repeated in 2019 to compensate farmers for the loss of exports caused by President Donald Trump's trade wars.

Lawmakers and farm groups continue proposing additional forms of assistance that could be included in a coronavirus relief bill.

The National Association of Wheat Growers sent a [letter to congressional leaders](#) saying the next bill needs to direct USDA to change the way it calculates eligibility for CFAP payments. The payments were limited to commodities that dropped 5% in value between January and April.

USDA earlier this month declined an [appeal from NAWG](#) to expand the types of wheat that are eligible for payments. Hard red winter, soft red winter and white wheat are not eligible for CFAP, while durum and hard red spring wheat are.

In the letter, NAWG urges lawmakers “to include provisions that would require USDA to factor in the actual economic conditions being experienced by growers at a local level.”

**Reps. Darin LaHood, R-Ill., and Jimmy Panetta, D-Calif., introduced a proposed tax credit that produce and produce distributors could claim for uncollected bills as a result of disruptions in restaurants and food service. Fruit and vegetable distributors hold an estimated \$5 billion in uncollected debt.**

## Ag economists warn of looming volatility as coronavirus cases rise

As coronavirus cases rise across the country, ag economists expect producers could face headwinds such as volatility and uncertainty in demand for their products for the remainder of the year and into 2021.

California, Florida, Texas, and New York have the most COVID-19 cases so far, and the nationwide case total has topped 3.76 million cases, according to the Centers for Disease Control and Prevention. More than 140,000 people have died as a result of the disease.

These states, the four most populous in the country, are also taking steps to slow the spread of the virus that will have direct impacts on food and agriculture. States like California have already asked restaurants to close indoor service in counties with spikes in cases, while Texas has limited restaurant capacity to 50%.

**Sean Kennedy, executive vice president of public affairs for the National Restaurant Association, said state and local government mandates have shut down almost 100,000 restaurants.**

John Newton, chief economist at the American Farm Bureau Federation, said even though the number of deaths each day is far lower than what was observed in mid-April, rising cases could affect demand in a variety of ag sectors.

“We saw that in the ethanol industry over the last couple of days. With the spread of COVID-19, the demand for gasoline is likely to fall and that could hit the ethanol industry,” Newton told Minnesota Farm Bureau members recently.



John Newton, Farm Bureau

Newton said food service saw an increase in demand since April but noted that could change if states go back to mandatory stay-at-home orders.

**“Census data shows that food service and drink establishments had retail sales of nearly \$50 billion in June. That’s up sharply from the low we set in April,” Newton stated. He also thought a big question for food service demand will be if schools resume classes in the fall.**

On July 13, California Governor Gavin Newsom ordered indoor restaurants and bars in certain counties with COVID spikes to close; some of those businesses are still allowed to operate outdoor service.

Taylor Roschen, policy advocate for the California Farm Bureau, told *Agri-Pulse* until recently, some restaurants were able to open back up and transition, allowing for fruit and vegetable growers to catch their breath and reevaluate contracts with purchasers.



**“It’s that start-stop nature that makes it even more difficult to be forward-thinking about managing their risk and what they are going to be doing with their commodities,” she said. Producers do not have confidence that the next few days or weeks will see customers coming back consistently, or whether they will just be onetime purchasers, she said.**

With respect to future supply chain disruptions, Newton said things are different today because, he argues, more personal protective equipment is available in meat processing facilities to keep people safe.

**“I think that is going to help to avoid any type of plant closures or at least minimize the risk of any type of plant closures,” Newton said.**

In the dairy sector over the last week, block cheese prices have hit close to record highs. Last week’s average was \$2.83, which is nearly double what the price was a year ago at this time, according to USDA’s Agricultural Marketing Service.



*Marin Bozic, University of Minnesota*

University of Minnesota Assistant Professor Marin Bozic told *Agri-Pulse* the prices are buoyed by a considerable amount of government support coming in as exports increase and restaurants begin to refill their orders. But he has questions on how long that will last.

**“(The government) will run out of the currently authorized funds. And sure, there might be a next stimulus, but I wonder what will be the appetite to continue this very generous support for various ag sectors after the November elections,” he said.**

Bozic also questions how long the rally will be sustainable. Retail growth rates have started to slow in recent weeks, and he expects food service to get sluggish if COVID-19 infection rates continue to go up.

From a risk management standpoint, Bozic says many producers are frustrated with the options currently available to them.

He said premiums for CME options or government programs like Dairy Revenue Protection are quite high, leaving producers with a suite of available —but expensive — risk management tools.

**“Call anyone in the dairy sector and they couldn’t really tell you whether it is more likely that they’ll end up with a \$10 milk or \$24 milk price six months from now,” Bozic said.**

He noted the level of uncertainty is extremely high. Bozic said the U.S. could either emerge from the pandemic quickly or be stuck in a “pandemic induced recession” that takes on a life of its own.

**“As more and more Americans struggle to keep paying bills, we could be again in a very low-price environment that is dramatically lower than what the futures price indicates,” he said.**

Newton also noted that crops that went into the ground this year and will be harvested this fall have seen demand take a significant hit due to the coronavirus.

"The value of those crops has fallen by billions of dollars, and with lawmakers considering this next coronavirus relief package, I think it is important to acknowledge the impact of the coronavirus on our new crop commodities," Newton said.

## **US faces tough new WTO fight with China on wheat, rice subsidies**

The U.S. and China are set to go head to head at the World Trade Organization in Geneva next week in a brewing battle over Chinese wheat and rice subsidies, and neither side is showing any sign of backing down.

**The U.S. is already threatening new tariffs to punish China for failing to cut its subsidies for farmers while China is proclaiming that it has met the demands for reform spelled out by a WTO dispute panel ruling that neither country appealed.**

China, in a recent communique to the WTO, states that its subsidy changes "are consistent with the recommendations and rulings" from the dispute panel. The U.S., in a separate communique, stresses that "China has failed to implement the recommendations" of the same panel.

The rub, according to WTO watchers, is that both countries may be right in their assertions. China has indeed implemented reforms in the way it calculates support prices that provide a floor level for its wheat and rice farmers. The problem is that those reforms aren't expected to stop the Chinese government from pushing prices above international market levels.

**"We don't think they've fixed this," one government source tells *Agri-Pulse*. "We think they've just shuffled the deck chairs."**

A bottom-line assessment is that China's reforms won't be effective to limit its wheat and rice support. It would likely be a good argument for economists, but it may not be what is required for the WTO, says David Orden, a professor at Virginia Tech University's Department of Agricultural and Applied Economics.

**"They are just rearranging the deck chairs, but it looks like they are within their legal entitlements to do the rearranging," said Orden, who has been following this case in the WTO since the U.S. first filed a suit against China's farm subsidies in 2016, during the waning days of the Obama administration.**

At the heart of the suit is the way China calculates the artificial price floors for wheat and rice. A major part of the equation is the amount of production in the country that's eligible for government support through commodity purchases, and it also represents the biggest part of the U.S. win that was announced on Feb. 28, 2019.

China argued it only needed to count the amount of wheat and rice it physically purchased in 2012 through 2015 as eligible production. If that were the case, then China's supports would technically be under its international subsidy limit. But the U.S. argued that the eligible production amount was vastly bigger, encompassing 80% of the national harvest.

The WTO dispute panel agreed and the U.S. chalked it up as a win, giving China until June 30 to comply with the ruling.

**But the panel left an opening in its lengthy 2019 ruling for flexibility in how China complied — a flexibility that China grasped, Orden said. The Chinese are proposing to set new limits on how much wheat and rice that the government could purchase from farmers.**

The amount of wheat and rice China will buy from domestic farmers in 2020 “shall be fixed each year and the amount of production that is eligible to receive the minimum procurement price shall be limited to the maximum procurement amount,” the country said in a June statement to the WTO.

The proposed limits essentially allow China to claim its price-support activity conforms with WTO requirements even though China buys far less, making the caps virtually meaningless, Orden said.

China has set the procurement limit for wheat at 37.3 million metric tons per year. That’s well above the average 19.4 million tons in China’s average yearly purchases during 2012 through 2015, but also far less than the roughly 100 million tons of actual production that is technically eligible for government procurement.



*David Orden, Virginia Tech*

If China is forced to calculate its floor prices using the 100-million-ton figure, it would not be in compliance.

**“That’s the sleight of hand,” said Orden. “By announcing these limits China is saying it is now in compliance. The limit is more than the expected procurement, so it’s not going to have any real effect on what they procure.”**

It’s still uncertain if the WTO will accept China’s new argument that it has lowered its subsidization by setting the procurement limits. China says it is acting on a 1999 precedent set by WTO appeals court judges in a completely different case involving South Korean beef subsidies.

But the U.S. is determined to forcefully argue against it, government officials tell *Agri-Pulse*.

**“We have a game plan,” said one U.S. official, although the fight is expected to be long and drawn out.**

Still, the U.S. is already threatening retaliation, requesting permission from the WTO to hit China with “countermeasures” worth \$1.3 billion.

The outcome will be enormously important to U.S. wheat and rice farmers affected by what they see as Chinese overproduction that is spurred on by subsidies.

**“We do not think that the policy changes they announced ... put the (Chinese) government in compliance with their WTO obligations yet, and the resulting supply pressure on U.S. wheat prices continues to cost our farmers hundreds of millions of dollars each year,” U.S. Wheat Associates spokesman Steve Mercer told *Agri-Pulse*.**

## **New initiatives will pay farmers to keep carbon in the ground**

Bayer will begin paying farmers for carbon-conserving practices under a new program being rolled out this fall.

The company announced Tuesday that its Carbon Initiative will initially include about 500 farmers in Brazil and 700 in the U.S., and will involve “rewarding” those farmers “for generating carbon credits by adopting climate-smart practices — such as no-till farming and the use of cover crops — designed to help agriculture reduce its carbon footprint and greenhouse gas (GHG) emissions.”

**Bayer said its initiative “is the result of years of work validating a science-based approach and methodology” and is the latest action taken by the company to meet “sustainability commitments specifically aimed at reducing field GHG emission by 30% in 2030.”**

“Farmers are passionate environmentalists and stewards of the lands they farm,” said Brett Begemann, chief operating officer of Bayer’s Crop Science division. “If anyone has a vested interest in battling climate change, it’s farmers, and we are committed to developing new business models like this unique Carbon Initiative to help them in that fight.”

Government, industry and nongovernmental organizations all have been placing more emphasis in recent years on the use of soil, specifically in agriculture, in the fight against climate change.

**Last year, Indigo launched its Terraton initiative, designed to sequester 1 trillion tons of carbon dioxide from the atmosphere into soils. The company planned to pay farmers \$15-20/ton of carbon sequestered for using practices like no-till and planting cover crops.**

Syngenta recently announced plans to invest \$2 billion in sustainable agriculture by 2025, which includes working toward carbon-neutral agriculture.

House Democrats have proposed a bill that includes conservation incentives to keep carbon in the soil. And Democratic Presidential Candidate Joe Biden released an environmental plan that pledges financial assistance to farmers who adopt climate-friendly farming practices.

“Incentivizing farmers to embrace no-till, precision nitrogen use or cover crops helps further sequester carbon into the soil, reduce fossil fuel usage and reduce greenhouse gases,” Bayer said.

“While today farmers get rewarded solely for their food, feed and fiber production, those participating in the Bayer Carbon Initiative will have the opportunity to be rewarded for their best farm management practices and other sustainability efforts as well.”

The initial, 2020-21 season will see U.S. and Brazilian farmers receiving help to implement climate-smart agricultural practices. “Bayer will acquire the carbon removals created by those

practices at transparent prices,” the company said. “The company is also collaborating with partners such as Embrapa in Brazil to build a viable carbon market for farmers.”

Bayer plans to expand the program in the U.S. and Brazil and move into other parts of the world “with tailored approaches that will allow growers to choose what climate-smart practices and implementation works best for them.”

Growers enrolled in the initiative will receive compensation at a flat rate per acre enrolled in the program. A grower can enroll as little as 10 acres or as many eligible acres in the program as they wish and they are compensated by the acre, not by the estimated amount of carbon sequestered. To receive their compensation, growers will use their existing Bayer PLUS Rewards account (or create one if they aren’t already enrolled) and will be able to redeem their rewards for cash. Further details on the structure will be made available soon, a company spokesperson told *Agri-Pulse*.



Lisa Safarian

In Europe, Bayer plans to explore how its approach “could be adapted as part of the European Green Deal. In Asia-Pacific, our goal is to help increase productivity for smallholder farmers as well as reduce methane emissions from rice farming.”

**“We know that growers in the U.S. are not only good stewards of their land, but also shrewd businessmen, too,”** said Lisa Safarian, President of Bayer Crop Science, North America. “That’s why this initiative is so exciting — enabling farmers to realize additional financial benefit from carbon-smart farming practices such as the use of cover crops or no-till agriculture.”

## **New Rabobank report finds steady consumption of table grapes**

A new report from Rabobank found that consumption of table grapes has stabilized through the duration of the COVID-19 pandemic, despite the extra costs that go into social distancing and changes in labor practices.

The report, written by senior analysts for fresh produce David Magaña and Roland Fumasi, found that retail fresh produce sales in the U.S. since from mid-March to May have grown, when compared to the same months in previous years. May and June produce sales stabilized at “higher-than-normal levels.”

“The table grape industry expects to take advantage of strong retail fresh produce sales in the U.S. and healthy snacking trends amid pandemic consumption patterns,” Magaña said.

The report estimated that in 2020 California produced 106.5 million 19-pound boxes of grapes, which was “slightly higher” than last year’s production but fell 8% from two years ago.

The report also stated that blended prices were expected to be up from previous years at the beginning of the season and “higher than the observed prices two years ago during the second half of the season.”

Grape consumption per capita has remained at about 8 pounds per year for the last 15 years and volume has increased with population growth rates. However, the analysts note that overall fruit quality has improved considerably, as premium cultivars have been constantly developed and introduced, boosting the nominal farmgate value of US production at a compound annual growth rate of about 8% over the last decade. They expect these trends to continue but noted that water availability and labor cost will restrain acreage growth, along with an “increasingly challenging regulatory environment.”

“The industry is adapting with innovation and product differentiation to take advantage of the unique growing conditions,” the report stated. “Adopting higher- yield, higher-quality cultivars (selectively bred plant varieties) has been an important piece in making production more input-efficient.”

**However, these challenges will also be present in other growing regions like Mexico, Peru and Chile. All of these regions are facing differing levels of water availability and being impacted by COVID-19 at differing rates.**

Currently, Chile stands at the top for table grape exports and is poised to maintain that status in the upcoming year. Peru and Mexico will also play a role in world markets, with Mexico being a prime candidate to send grapes to the U.S. during late spring and Peru being expected to ship to the U.S., the European Union and Asia in the late fall and early winter.

They expect overseas competition to continue, particularly from Peruvian imports at the end of California’s season. US table grape imports from Peru have increased at a compound annual growth rate of over 20% during the recent decade. Over the last two seasons, Peru has overtaken California’s spot as the second major exporter of table grapes in the world, ranking behind Chile.

The report also found that social distancing and transportation costs have made it more expensive to grow and market table grapes, but says that these practices are important to “maintain uninterrupted operations.”

## **Daines, Bullock in tight race for Montana Senate seat**

Montana GOP Sen. Steve Daines is struggling to lock up a second term in a race that could shift the policy focus of a major farm-state seat and help determine control of the Senate.

Daines is running neck and neck in recent polls with the state’s popular governor, Steve Bullock, who entered the race in March after ending a brief run for the Democratic presidential nomination.

Bullock has been a strong critic of President Donald Trump’s trade war with China, citing its impact on U.S. farmers, and calls climate change “one of the defining issues of our time.”

**“We need to address climate change in a way that empowers and invests in farmers to be part of the solution — not blames them for the problem,” Bullock wrote in response to questions from *Agri-Pulse*.**

“We can start by funding research into how our producers can adapt to our changing climate, increase crop yields, and protect their bottom line. We also need the USDA to stop burying their own research on climate change and how it affects our producers.”

Agriculture is the largest industry in Montana, which ranks 6th nationally in beef cattle production and 3rd in wheat production, but outdoors and environmental issues are also important to the state’s voters as well.

And Daines, who gets good marks from the Montana Farm Bureau and Montana Grain Growers Association, has edged to the center on some environmental issues over the past year while also trying to retain his conservative base.

Despite opposition from cattle and sheep producers, Daines recently helped lead an effort in the Senate to pass the Great American Outdoors Act, which would permanently fund the Land and Water Conservation Fund, which helps pay for acquisition of new public lands. The livestock groups say the permanent funding would give the federal agencies free rein to acquire private lands.

Both Daines and Bullock believe Congress should reimpose country-of-origin labeling requirements for beef and pork, a major issue for many independent cattle producers on the northern Plains.



Sen. Steve Daines, R-Mont.

Montana is a reliably Republican state in presidential races — Trump carried the state by 20 points in 2016 — but the state’s two Senate seats have swung between the two parties.

“We’re a pretty conservative state,” John Youngberg, executive vice president for the Montana Farm Bureau Federation, told *Agri-Pulse*. “We’ve had a conservative Senate and House here in Montana for a number of years. But having said that, we tend to wander astray at the top of the ticket.”

### **The stakes in the race go beyond**

**Montana: Republicans control the Senate by three seats, 53-47, and Daines is one of more than half a dozen vulnerable GOP incumbents.**

The Cook Political Report rates the Montana race as a toss-up, while Inside Elections and Larry Sabato’s Crystal Ball both rate it as leaning Republican, indicating that they consider Daines a small favorite.

A University of Montana poll conducted June 16-17 showed Bullock leading 47% to 43%. A more recent poll, conducted July 9-10 by Public Policy Polling, a Democratic firm, had Bullock up 46% to 44%. But another poll, conducted by Civiqs-Daily Kos from July 11-13, showed Daines leading, 49% to 47%.

Bullock had raised over \$10 million for the race by July 18. According to the Center for Responsive Politics. Daines had raised nearly \$12 million.

Daines has drawn the support of President Donald Trump, who tweeted on June 5: “No Contest. Steve blows him away. So important for Montana. I’ll be there to help Steve win big!!!” It’s still unclear when Trump plans to visit Montana to campaign for Daines, who votes with Trump's position 86% of the time. By comparison, Sen. Jon Tester, the state’s Democratic senator, is in line with Trump on just 31% of votes, according to an analysis by FiveThirtyEight.

As his reelection race neared, Daines improved his voting score with the League of Conservation Voters by his support for the LWCF and votes on such issues as protecting the ability of a president to protect lands under the Antiquities Act. LCV gave Daines a score of 29% in 2019, up from 14% in 2018 and zero in 2017.

Daines' campaign and Capitol Hill offices did not respond to *Agri-Pulse* inquiries. The Bozeman Daily Chronicle reported in 2019 that Daines does believe in climate change, but that “to suggest that it’s human-caused is not a sound scientific conclusion.” He also has been critical of proposals like the Green New Deal or a carbon tax to address it. In 2012, he signed the No Climate Tax Pledge.

Daines angered some Montana Republicans on an important state issue by co-sponsoring the Confederated Salish-Kootenai Tribes water compact, an effort to solve conflicts over the 1855 Hellgate Treaty that gives the tribes claim to in-stream water rights outside of the Flathead Indian Reservation. The compact also would give the tribes rights to specific waterways on and off the reservation and pays \$1.9 billion for settlements and to fund the Flathead Indian Irrigation Project.



Montana Gov. Steve Bullock (Photo: Gage Skidmore)

The Montana Farm Bureau and the Montana Farmers Union both support the compact, but some Republican leaders say it threatens property and water rights.

**“There’s some loud naysayers on the Republican side that are not happy with him for that,” the Farm Bureau’s Youngberg told *Agri-Pulse*. “That's going to play, particularly in the Republican camps, on how folks are going to perceive Senator Daines.”**

Daines risks angering a different set of voters when it comes to Trump’s nomination of William Perry Pendley, who has been a past advocate for federal government to sell public lands in the West, as director of the Bureau of Land Management. Environmental groups strongly oppose the nomination, and on Monday, Bullock filed a lawsuit intended to block Pendley from serving as director until the agency until the Senate confirms his nomination.

A poll conducted by the Center for Western Priorities in June found 87% of Montana voters said that public lands, parks and wildlife issues were either very important or somewhat important to



them in deciding their candidate. The poll also showed most Montana respondents view climate change as an important issue for a candidate to speak about. They were asked to rate messages by candidates from a scale of 0 to 10 with 10 being highest. The message about climate change earned a 7.1.

Daines has not publicly spoken about Pendley's nomination, but he is a member of the Energy and Natural Resources Committee, which will vote on the nomination.

Bullock previously worked as a consumer protection, small business, and labor lawyer, before being elected Attorney General in 2008. He has since been elected governor twice and has gained some praise for his handling of COVID-19 in Montana.

**“If you compare our state with our neighboring states, he drastically flattened the curve on coronavirus, basically crushed it,” Walter Schweitzer, the president of the Montana Farmers Union, told *Agri-Pulse*.**

Bullock told *Agri-Pulse* that he supports mandatory country-of-origin labeling for beef and pork products, expansion of rural broadband, opening up new avenues for local beef processors, the CSKT Water Compact and actions that “enforce and strengthen state and federal antitrust laws in the agriculture sector.”

Representatives from both the Montana Farm Bureau and the Montana Grain Growers Association said that, while they will not endorse either candidate at the present time, Daines has been very engaged with them working on issues like trade, the 2018 farm bill and disaster relief.

“We have one Democratic senator and one Republican senator,” Lola Raska, the executive vice president for the Montana Grain Growers Association, told *Agri-Pulse*. “They're both very engaged on agriculture, so it really has worked to our benefit.”

The Montana Farmers Union's Schweitzer said that some producers in the state are frustrated by Trump's trade wars and didn't feel properly represented by Daines in trade agreements.

“We have three major agreements, and, in those agreements, nothing was favorable for the Montana family farms,” Schweitzer said. “And yet there were things that were put in there for technology. ... Does it help me as a family farm?”

Youngberg said that while agriculture is the largest industry in the state, he has started to see more of the population migrate into urban areas and more redistricting happening around those areas. But Youngberg still believes that this year's election will come down to the wire.

**“I think it's going to be extremely close,” Youngberg said. “We've had some close races before that have been decided by a pretty small percentage of the vote. Any given year, you could have somebody that does a landslide victory that you don't understand, and the next year they could lose and you don't understand that either.”**

## News Briefs:

**Bayer, BASF, Corteva seek en banc review of dicamba decision.** Bayer, Corteva and BASF all have filed motions in the Ninth Circuit Court of Appeals seeking *en banc* rehearing of a [June 3 decision](#) vacating registrations of Xtendimax, FeXapan and Engenia for use on soybeans and cotton. The decision generated widespread confusion in the farm community and a flurry of court filings after the Environmental Protection Agency issued a June 8 cancellation order that allowed continued use of products already in the hands of growers and applicators until July 31. Ultimately, the court rejected a specific request by the environmental petitioners to enforce its order and stop dicamba use, as well as a motion by BASF to stay its ruling. In the new filings, the companies argue the court did not defer to the agency's expertise.

Both BASF and Corteva also contend rehearing is necessary because they were not aware the case involved their herbicides. Bayer also argued that the petition filed by the plaintiffs missed the 60-day deadline for filing by 11 days. George Kimbrell, lead counsel for the petitioners, said the groups are reviewing the filings, and added, "The court's decision is fully supported by the record and law. We are confident the court will reject the intervenors' latest efforts to avoid accountability for their unlawful approval and the harm their products have caused farmers." Because of the size of the Ninth Circuit, an *en banc* court consists of 11 judges.

**New report looks at potential pathogens moving from poultry operations to orchards.** A newly published study provides evidence that dust and bioaerosols moved from a commercial poultry operation a short distance downwind into an almond orchard and altered the microbiome recovered from the leaves. Over a 2-year period, drag swabs of orchard soil surface and air, soil, and almond leaf samples were collected in an almond orchard adjacent to (35 m from the first row of trees) and downwind from a poultry operation with 60,000 layers and in two almond orchards (controls) that were surrounded by other orchards. On average, the amount of dry solids on leaves collected from trees closest to the poultry operation was more than 2-fold greater than from trees 120 m into the orchard or from any of the trees in the control orchards. Members of the family *Staphylococcaceae*—often associated with poultry—were, on average, significantly more abundant in the phyllosphere of trees closest to the poultry operation (10% of relative abundance) than in trees 120 m into the orchard (1.7% relative abundance) or from any of the trees in control orchards (0.41% relative abundance). *Salmonella* was never detected from any of the 529 air, soil, and drag swab samples. Access to the poultry operation to test manure and litter samples was not granted, and thus, it was not possible to determine if there was any *Salmonella* associated with these birds. The report notes that "required setback distances from the edge of concentrated animal feeding operations (e.g., >1,000 cattle or >82,000 poultry layers) to leafy green plantings were increased in 2018 from 120 m (400 ft) to 370 m (1,200 ft) for California and Arizona leafy greens growers." The study, which was published in the peer-reviewed American Society for Microbiology Journal, was conducted by several researchers: Christopher G. Theofel, Thomas R. Williams, Eduardo Gutierrez, Gordon R. Davidson, Michele Jay-Russell, Linda J. Harris, and editor Donald W. Schaffner.

**Court upholds IID rights to Colorado River water.** A three-judge panel has ruled that farmers do not have special privilege to water for irrigation use, handing a victory to the Imperial Irrigation District in a long-standing legal battle with farmer Michael Abatti. The court ruled the IID's "purposes and powers extend beyond irrigation ... and it is obligated to provide equitable service to all beneficial users." Abatti, the court said, was "essentially arguing that farmers have a right to receive the amounts of water that they have historically used to irrigate their crops."

This argument is contrary to both the case law regarding irrigation districts and their users, and the principle of reasonable use.”

Abatti, as previously covered in *Agri-Pulse*, has had a lengthy tussle with IID on the subject, stating in court filings that the district “has no power to take away a vested water right created under the laws of this state.” In a statement, Norma Galindo, IID board president, celebrated the ruling. “This is a historic decision by the Court of Appeals whose ruling affirms IID’s position that it (IID) is the water rights holder for Imperial Valley and that there is no privileged class of water users; and that, furthermore, agricultural water users have the same rights to service that all other water users do,” she said.

**RMA adjusts its 2021 Livestock Gross Margin insurance plan.** USDA's Risk Management Agency (RMA) will be adding premium subsidies and moving premium due dates in 2021 for its Livestock Gross Margin insurance program for cattle and swine, the agency announced Monday. “These changes build upon RMA’s continued effort to make livestock policies more affordable and accessible for livestock producers,” RMA Administrator Martin Barbre said in a release. “We are working to ensure that these improvements can be implemented by the July 21 sales period so producers can take advantage of these changes as soon as possible.” The cattle subsidy will range from 1% with no deductible to 50% with a deductible of \$70, while the swine subsidy will range from 1% with no deductible to 50% with a deductible of \$12 or greater. In past years, the program did not have premium subsidies for cattle and swine. Premium due dates for cattle are moving to the end of the endorsement period, the release said. Producers looking to learn more about these changes or join the Livestock Gross Margin insurance program should contact get in touch with their local private insurance agents.

## **Farm Hands West: Puglia added to the Ag Policy Advisory Committee**

Western Growers CEO **Dave Puglia** has been selected to serve on the Agricultural Policy Advisory Committee to advise the Agriculture Department and U.S. Trade Representative **Robert Lighthizer** on policies related to new and existing trade agreements. California Citrus Mutual President and CEO **Casey Creamer** has been selected for the fruits and vegetables technical advisory committee, along with trade directors **Caroline Stringer** of the California Fresh Fruit Association and **Jodi Devaurs** of the California Table Grape Commission. Almond Alliance President **Elaine Trevino** and Wine Institute CEO **Robert Koch** already reside on the Agricultural Policy Advisory Committee.

Governor **Gavin Newsom** has appointed **Eric Hirata** to director of the Department of Alcoholic Beverage Control. Hirata has been chief deputy director since 2017. Earlier in his career, Hirata was assigned to the Department’s Special Operations Unit in both Southern and Northern California and was promoted to supervising agent and supervising agent in charge in the San Francisco District Office. Hirata also served as the Program Manager for the Department’s Grant Unit. In 2009, he was promoted to Deputy Division Chief in the Northern Division Office where he assumed responsibility for the Department’s district offices throughout Northern California.

**Austin Martin** has been tapped as the new chief operating officer at Kalera, a technology-driven vertical farming company. Martin brings two decades of executive experience in both large public and private companies, including Target, Aldi, Delek US, and Shamrock Foods.

**Angela Lopez-Avalos** has joined Cecelia Packing in sales. Lopez-Avalos brings more than 24 years of experience in the produce industry, and most recently worked at Fowler Packing for the last 11 years. She has also worked at Ballantine Produce and Gerawan Farming.

U.S. Secretary of Agriculture **Sonny Perdue** has announced the appointment and reappointment of 24 industry representatives to the Fruit and Vegetable Industry Advisory Committee (FVIAC). The new appointments are as follows: **Julie Masser Ballay**, Sterman Masser Inc.; **Troy Bland**, Bland Farms, LLC; **David Einsteadig**, Mastronardi Produce-USA, Inc.; **Lisa Ford**, Publix Supermarkets; **George Hamner**, Indian River Exchange Packers, Inc.; **Cindy Jewell**, California Giant, Inc.; **Paul Lightfoot**, BrightFarms, Inc.; **Kay Riley**, Snake River Produce Co., LLC; **David Sherrod**, Southeast Produce Council Inc; **Karla Stockli**, California Fig Advisory Board; **Paul Teague**, Teague Produce and Consulting Services; and **David Zapf**, Naturipe Value-Added Foods, LLC. For a complete listing of the appointments click [here](#).

**Veronica Wong** has joined the Department of Agriculture's Office of Research, Education, and Economics as the new chief of staff. Wong previously worked in the Office of Congressional Relations where she served as director.

The National Association of State Departments of Agriculture has brought on **Rebecca Barnett** as the new manager of public policy. Before joining NASDA, Barnett served in the office of U.S. Representative John Carter and the California State Assembly. She also recently completed her Master of Agribusiness from Texas A&M University. Barnett's first day on the job was Monday.



*Rebecca Barnett*

**George Pastrana** has been tapped as the new president, CEO, and board member of Living Greens Farm, one of the largest vertical, indoor aeroponic farms in the United States. Prior to joining LGF, Pastrana was President and COO of Dogfish Head Brewery in Milton, DE. He will be based out of Minneapolis.

**Gary Moore** has been sworn in as president of the National Association of Counties (NACo). Moore has been active in NACo since 2012 and previously served as chair of NACo's Transportation Policy Steering Committee and its Environment, Energy and Land Use Policy Steering Committee. Moore is the judge/executive of Boone County, Ky., a position he has served in since 1998.

**Tom Hayes**, former Tyson Foods and ConAgra exec, has joined Ocean Spray as the new president and CEO. Hayes previously was CEO of Tyson Foods and chief supply chain officer at Hillshire Brands and Sara Lee.

Land O'Lakes hired **Heather Malenshek** as the organization's chief marketing officer, effective September 8. Before Land O'Lakes, Malenshek most recently ran her own consultancy and also worked at Harley-Davidson Motor Company where she served as chief marketing officer. She was recognized in 2018 and 2019 by Forbes as one of the world's most influential CMOs.

Vytelle and GrowSafe Systems have combined their companies with the aim of accelerating genetic advances in bovine biotechnology. **Kerryann Kocher** has been named Vytelle's new CEO. She brings decades of experience in animal health, feed ingredients, and protein production to the company.

**Virgilio Barrera** has taken a new job as the director of government and public affairs for LafargeHolcim. He previously was the legislative director for Sen. **Martin Heinrich**, D-N.M.

Omaha Steaks Chairman **Alan Simon** passed away from natural causes at the age of 85. After graduating college, Simon joined the family business, which was founded in 1917 as a butcher shop in Omaha, later becoming one of America's largest marketers of beef. Simon and his two brothers were the fourth generation to lead Omaha Steaks. He is credited with creating special packaging to allow large shipments of steaks, transforming the meat shipping industry.

**Richard "Dick" Allen Symms** died July 13 at the age of 84. Symms was a leader in the Idaho and Northwest fruit industries. He led Symms Fruit Ranch and Ste. Chapelle Winery, growing both companies to become the one of the largest in the fruit and wine industries. The Symms family in the mid-1990s sold Ste. Chapelle Winery, but continues to own and operate Symms Fruit Ranch.

**Best regards,**

**Sara Wyant**  
**Editor**

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