

New questions emerge about CalEPA's plan to cancel chlorpyrifos

The Environmental Protection Agency's recent decision allowing the continued use of chlorpyrifos has emboldened critics of the California Environmental Protection Agency's May proposal to cancel the insecticide's registration.

EPA expressly rejects a key part of California's argument for a prohibition -- that chlorpyrifos harms children's brains. Now, more questions are emerging about how the state agency reached its decision.

Undoubtedly, this is new territory for the state agency. In May, (CalEPA) decided for the first time in its history to cancel a pesticide. Without precedent for such an action, the process has been an evolving one and now goes beyond the original reason, which was about the insecticide chlorpyrifos being dangerous to inhale.



Secretary Karen Ross

In building the case for cancellation of chlorpyrifos, CalEPA's Department of Pesticide Regulation (DPR) has also added food residue as a means for toxic exposure, according to a report obtained by *Agri-Pulse*. DPR sent the document in early July to county agricultural commissioners to solicit comments on the proposed cancellation.

The department reports that one of the reasons it came to the decision for cancellation, rather than further mitigation, was "because the proper use of these products results in residue levels that are associated with (developmental neurotoxic) effects in children and infants." Along with exposure by inhalation, the review process found that food residues were approximately four times what DPR determined to be a safe dose.

The report also determines that in order to mitigate adverse effects at the dose levels DPR has determined as safe, county ag commissioners would have to establish and enforce two setbacks or buffer zones of a quarter mile, “which all have varying distances, durations, and restrictions on who can enter.” The report calls this “exceedingly and logistically complex, and ultimately infeasible.”

Sources close to the process question whether the department added the oral exposure risk in order to shore up its previous decision to label chlorpyrifos as a toxic air contaminant. The administration’s announcement in May preempted the two-year regulatory effort already in motion for chlorpyrifos, which would have determined appropriate mitigation levels through a formal and public review process.

In April, before CalEPA announced the cancellation, the department sent requests for comment to state regulatory agencies and air districts, fulfilling a requirement to consult “on the need for and appropriate degree of control measures for toxic air contaminants,” according to the email. Three of the five agencies contacted are under the same leadership as DPR within CalEPA, the administration that made the decision for cancellation. All supported the decision, except for the Department of Food and Agriculture.



Val Dolcini

In her response, Food and Agriculture Secretary Karen Ross mentions that the state bans on chlorpyrifos going into effect are being decided by state politicians, rather than regulators. The legislatures in Hawaii and New York have voted to ban the insecticide, while Oregon and Connecticut may do the same. One senator in California pitched two bills proposing a ban this year, before pulling them ahead of committee hearings. Ross calls this “a troubling trend that eliminates science and methodology from the complex pesticide regulatory process.”

“Even commodities not affected by this proposal,” she continues, “will raise concerns about the precedent it sets for what has historically been a dependable process of science, risk analysis, and risk mitigation to ensure public health, environmental protection and agricultural productivity.”

Ross poses a number of arguments against the cancellation. The commodities impacted have a combined farmgate value of \$17 billion. DPR has already severely limited use, with annual declines up to 50% in places, and likely more so in 2019. Existing alternatives are “considerably more expensive,” require multiple applications to achieve the same impact and can result in secondary pest outbreaks. She adds that anticipated fallowing of at least 500,000 acres under the Sustainable Groundwater Management Act also “raises concerns of new weed and pest problems.”

Ross points to the costly regulatory environment farmers operate in for California. She cites a 2018 study that documented some growers experiencing a nearly 800% increase in compliance

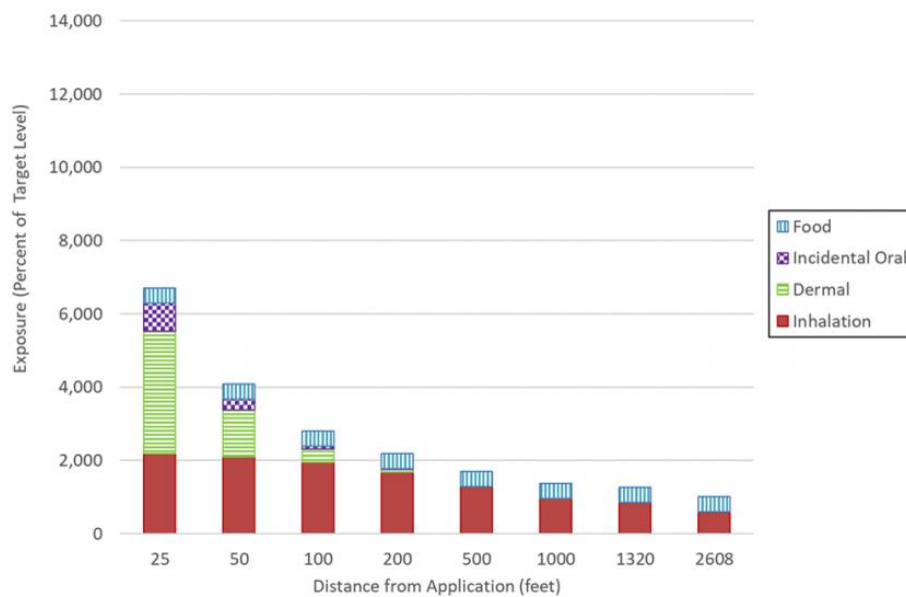
costs over the decade. Ross shares that CDFA is working on an economic analysis to estimate the impact of cancelling the products, which is expected by the end of July.

Along with Ross' arguments, the DPR website lists dozens of previous risk assessments for chlorpyrifos going back to 1984.

Val Dolcini responded to Ross' letter less than a week after he assumed the role of acting director for DPR, following the resignation of Teresa Marks. Dolcini counters that Ross' comments "generally do not pertain" to DPR's request for comment, which specifically had asked for consultation on the hazardous dose levels for exposure – a medical determination outside of CDFA's scientific resources.

Dolcini also states that the current mitigation measures "do not reduce exposure to chlorpyrifos" to below the level DPR is recommending as safe. On the economic impact to farmers, Dolcini points to the \$5.7 million the governor has allocated in the budget for researching alternatives and writes that he "looks forward to reviewing CDFA's economic analysis when it is completed."

Chart: Estimated exposure to children



Questioning the process

For such measures as cancelling a pesticide, DPR is required to present its findings for "peer review" to the Scientific Review Panel (SRP). All but one of the nine members on the panel are experts in public health or medicine, the chair being a researcher in atmospheric science at UC Davis. SRP is also housed in the California Air Resources Board, within CalEPA. SRP members are appointed by the CalEPA secretary.

Former DPR Director Brian Leahy recently told *Agri-Pulse* that SRP has had a problem with “activist scientists,” particularly when it comes to reviewing studies.

“There are epidemiological studies, which point to something sometimes. But there's not very good protocol around them,” said Leahy. “And people can really use them to come up with the conclusion they want to see. It’s hard to defend against the statements.”

He added: “We saw that in chlorpyrifos.” Leahy was director when SRP reviewed DPR’s latest findings on chlorpyrifos.

The SRP met in July 2018 to finalize its letter on recommended actions for DPR. They added missing words to the draft document, rearranged the order of some points and tightened up the language. Yet Dr. Beate Ritz of UCLA wanted to be careful about the phrasing of one key sentence. It related to what causes the neurodevelopmental effects associated with chlorpyrifos exposure. The language seemed to her to say the cause came from small detections of what’s known as acetylcholinesterase inhibition.

“It might be, but we don’t know,” she emphasized. “It could be something else.”

The chair of the panel, Dr. Cort Anastasio, suggested they instead write that the developmental effects “may or may not be causally related to acetylcholinesterase inhibition.”

The letter the chair ultimately submitted refers to “previous assessments,” however, and brushes over the connection: “Developmental neurotoxicity effects have been demonstrated to occur at levels substantially below the level that causes (acetylcholinesterase inhibition), an endpoint that was used in previous assessments of chlorpyrifos toxicity.”

While a technical point, it is one that the U.S. Environmental Protection Agency cited in its decision last week to not revoke tolerances for chlorpyrifos, in response to a petition. EPA scientists had not found evidence of “potential adverse effects” from the low level of cholinesterase inhibition from chlorpyrifos.

Following the EPA announcement, a longtime industry advocate who was not authorized to speak on the topic told *Agri-Pulse*:

“It is disappointing that the State of California appears to be taking a completely political, rather than a science-based, decision regarding chlorpyrifos. The U.S. EPA and every other regulatory authority in the world regulates chlorpyrifos based on cholinesterase inhibition – the most sensitive endpoint, especially for children. When that is done, there remain many safe uses of chlorpyrifos for both agriculture and the protection of public health.”

Assistant Administrator Alexandra Dunn also writes in the EPA decision that the agency has not seen the five new studies that DPR cites in its chlorpyrifos assessment. Dunn notes that DPR is using these studies as “the main source of information” for its new assessment on oral exposure from food residue. She said EPA will evaluate the data and whether it provides strong support for DPR’s conclusion that neurodevelopmental effects occur at this level of cholinesterase inhibition.

Dunn also points to a 2017 chlorpyrifos drift incident in Kern County involving 50 people. She writes that EPA found this and most incidents were “due to accidents and misuse.” But the agency “does not believe” that “there exists a widespread and commonly recognized practice of misusing chlorpyrifos.”

Agencies pledge to streamline biotech regs, but timing unclear

All three of the federal agencies charged with regulating bioengineered plants and animals are looking at ways of streamlining regulations and smoothing the path to commercialization for gene-edited traits.



L to R: Fan-Li Chou, Laura Epstein, and Mike Mendelsohn address the Farm Foundation forum.

However, the Trump administration will have to hurry to finish overhauling the regulatory process well before January 2021, when a new president could be taking office if President Donald Trump isn't reelected. Otherwise a new administration could do what the Trump administration did with revisions released by USDA and FDA in the final days of Barack Obama's presidency: Scrap them and start over.

The Agriculture Department is the furthest along in the process. A [proposed rule](#) issued in June to rewrite regulations for biotech crop traits would exempt modified plants from regulation if they could be produced through conventional breeding

techniques. The public comment period on the proposal ends Aug. 5, but the department is under pressure to allow for additional time. The proposed rule replaces an Obama-era proposal the industry considered too onerous.

Fan-Li Chou, biology coordinator in USDA's Office of Pest Management Policy, said at a Farm Foundation forum on Tuesday that the department should be on track to finalize the regulatory changes in mid-2020.

The Food and Drug Administration and Environmental Protection Agency also are considering updating guidances and regulations, but it's less clear when they will finalize the changes they are considering.

FDA, which oversees the safety of bioengineered animals, has not backed off its insistence on regulating them under its animal drug authority, a process that many in the industry feel is discouraging the development of livestock with improved traits.

However, the agency plans to revise some draft guidance originally released in the waning days of the Obama administration in early 2017. FDA wants to further streamline the review process, eliminate confusing jargon and address some concerns that have been raised with the agency, said Laura Epstein, a senior policy adviser in FDA's Center for Veterinary Medicine. The agency is seeking to clarify the risk-based approach it is taking to regulating animals, she said.

An [action plan](#) released by FDA last October called for releasing the new draft guidance some time in 2019.

“I feel like we really want to do this right and be able to do some outreach, get outside the Beltway and talk to people, and that type of thing does take time,” she said.

One issue being addressed is FDA’s request for data on multiple generations of animals. “If you’re talking about cattle or swine it might be more difficult. We are going to try to be flexible in our data requirements but otherwise find ways to meet the safety and effectiveness standards,” she said.

EPA, which regulates biotech plants that produce their own pesticides, such as corn and cotton plants that are toxic to insect pests, is taking a two-track approach to making its review process more efficient.

The agency plans to rewrite its regulations as USDA is doing, to ease regulations for products considered low risk. But that’s a slow process by design because it requires developing a proposed rule and fielding and addressing public comments before putting it into final form.

So, EPA in the meantime is considering a faster review process for a “limited set” of pest-resistant crop traits, known as plant-incorporated protectants, or PIPs, that are developed through gene editing, according to Mike Mendelsohn, chief of EPA’s Emerging Technology Branch in the EPA’s Biopesticides and Pollution Prevention Division, part of the agency’s Office of Pesticide Programs.

All he would say about timing is that the agency would have more information to release “in the coming months.”

All of the agencies are under pressure from the White House to reduce barriers to the development and commercialization of biotech plants and animals. [An executive order](#) released by the White House in June gave the agencies six months to “identify relevant regulations and guidance documents” that can be made more efficient and then “take the steps appropriate and necessary to accomplish such streamlining.”

The agencies also were told to “use existing statutory authority, as appropriate, to exempt low-risk products of agricultural biotechnology from undue regulation.” The executive order also has deadlines for agencies to develop plans for outreach to U.S. consumers and international trading partners.

Grain companies continue to be concerned that exports could be disrupted if other countries reject shipments that contain gene-edited products. The National Grain and Feed Association is among the groups asking USDA to extend the comment period on the proposed revisions to its Part 340 biotech regulations.

USDA’s revisions would allow companies to decide on their own whether their crop modifications would be subject to USDA regulation, and NGFA worries that could create problems for exports if the companies aren’t required to disclose such products when they are put on the market.

“Our members just want to be able to move what a farmer grows and sell it on a world market. I think that’s what the farmer wants,” said Bobby Frederick, NGFA’s director of legislative affairs and public policy. “We need the tools (new crop traits), but we absolutely need the markets.”

USDA estimates the proposed rule would save developers an average of \$3.6 million in compliance costs on a single genetically engineered plant, so long as the trait doesn’t fall under the purview of FDA or EPA as well. If either or both of those agencies have an oversight role, the savings would average just \$730,000.

China’s grain quotas may not be a US victory after all

By the end of the year, China is finally expected to implement the quotas for corn, wheat and rice as it agreed to do about 20 years ago, but it may not be a cause for celebration for American farmers.

It’s been more than two years since the U.S. Trade Representative filed a suit in the World Trade Organization against China, claiming the country never properly implemented the tariff rate quotas it agreed to for corn, wheat and rice.

The U.S. recently won that case and China declined to appeal, handing U.S. farmers and exporters an apparent victory — but maybe not if the U.S.-China trade war continues to rage. China is levying a 25% tariff on U.S. corn, wheat and rice in retaliation for U.S. tariffs.

“We could have a situation where we actually make this damn TRQ work and it benefits our competitors as long as those tariffs are in place,” said a U.S. grain industry source, who spoke to *Agri-Pulse* on condition of anonymity.

The tariff rate quotas China agreed to when it joined the World Trade Organization in 2001 don’t specify which country would benefit, but it was always generally assumed that the U.S. would benefit the most by selling millions of tons more grain to the Chinese.

China agreed to a 9.64-million-metric-ton quota for wheat, a 7.2-million-metric-ton quota for corn, a 2.66-million-metric-ton quota for long grain rice and a 2.66-million-metric-ton quota for short and medium grain rice when it joined the WTO.

But China’s “opaque and unpredictable management of the TRQs” violated the countries promises and effectively shut out U.S. grains, the USTR charged when it filed a complaint with the WTO in September 2016.

“China’s failure to comply with WTO rules means that traders are not able to enjoy full access to China’s tariff-rate quotas,” the USTR said at the time. “Despite lower global prices that favor the importation of grains into China, the TRQs for each commodity persistently do not fill.”

The win this year at the WTO was supposed to fix the system and allow U.S. grains to flow into China through the TRQs. That may no longer be the case, U.S. government and industry officials worry.

China has already shown it's not as dependent on U.S. crops as many had hoped, buying Ukrainian corn, Canadian wheat, Dutch pork and Brazilian soybeans in larger quantities since the trade war has progressed over the past year. Even U.S. exports of crops like walnuts, oranges, almonds, cherries, apples and peaches have suffered.

China has been diversifying its agricultural suppliers as the Trump administration ratcheted up the trade war, telling farmers here they have to rely less on China and sell more of their commodities to the European Union, the bloc of countries that's already in a separate trade battle with the U.S. over steel, aluminum and potentially auto tariffs.

USTR and USDA officials have promised the corn, wheat and rice sectors that they will be closely monitoring China in the months to come to make sure it's living up to its WTO pledges. But unless the tariffs come down, it will be difficult to get in the quotas, says U.S. Wheat Associates Regional Vice President Jeff Coey, who leads the group's efforts in China from an office in Hong Kong.



Jeff Coey, U.S. Wheat Associates

“With quota, (Chinese) buyers can import whatever origin is wanted, but usually buyers will opt to avoid the punitive duty, hence the lack of business for U.S. origins,” Coey told *Agri-Pulse* in written correspondence. **“Our wheat is good, but not good enough to justify a 25% premium. Besides which, the imposition of the tariff sends messages from the government that importing U.S. products is not encouraged.”**

Just the fact that there are tariffs creates a “chilling effect” for business, he said, but that hasn't dissuaded

USW from maintaining contacts in the country and reaching out to new millers to market U.S. wheat.

Frustratingly, U.S. wheat is sought after in China because of its reputation for quality, especially when compared to domestic grain, Coey said.

“Due to years of trade and technical servicing by USW, all major users of wheat in China are familiar with the advantages of U.S. wheat, especially” hard and soft spring wheats, he said. “U.S. wheat maintains a strong reputation in China among mills who seek to produce specialty flour, such as for bread and cake.”

It's not just the wheat farmers who have been frustrated. The USDA estimates that if China had set up the TRQs as it was supposed to, the U.S. would have likely shipped an additional \$3.5 billion worth of grain in 2015 alone.

There have been recent positive signs for the on-again, off-again talks to end the U.S.-China trade war, but China has brought in new muscle (Commerce Minister Zhong Shan) for the renewed negotiations that have so far only been a long-distance, over-the-phone conversations since Presidents Donald Trump and Xi Jinping met in June.

The latest telephone negotiations last week, went well, Trump said, but neither the U.S. or Chinese governments held press conferences or released descriptions of the talks — not even to announce that progress was being made.



USTR Robert Lighthizer

“They had a very good talk. We'll see what happens,” Trump said about the call between USTR Robert Lighthizer, Treasury Secretary Steven Mnuchin and their Chinese counterparts, Vice-Premier Liu He and Zhong.

According to White House National Economic Council Director Larry Kudlow, Lighthizer and other Trump administration officials are set to travel to China next week for face-to-face talks.

But Chinese tariffs remain firmly in place on virtually all U.S. crops, choking trade with the U.S., and Chinese officials are already warning that the U.S. better be willing to give as well as take during the rekindled talks.

“There will never be an agreement where the U.S. is the sole winner; the agreement must be mutually beneficial,” said Zhang Xiaoqiang, vice chairman of the Beijing-based China Center for International Economic Exchanges. Zhang was quoted in an article Saturday by [China Daily](#), a government-run outlet.

Meanwhile, U.S. wheat farmers just want a fair shake at supplying Chinese millers who want the American-made grain.

“We are concerned that Chinese customers are learning to make do without us,” USW’s Coey said. “However, unlike more steady and loyal markets, China has only ever offered us an opportunistic crack at a sliver of their market ... We are hoping that business will bounce back if we return to normal tariff treatment, and can again go toe to toe with other imported origins.”

Ag banks and lending institutions strong despite farm economy

Agricultural banks and farm lending institutions are optimistic about the long-term future of the farm economy, but lenders are currently in get-by mode with farmers who are struggling financially due to low commodity prices, adverse weather and ongoing trade tensions.

“Banks active in agriculture are overall healthy,” executive vice president of rural banking for Rabo AgriFinance, Curt Hudnutt told *Agri-Pulse*. Hudnutt said the reason most banks are healthy today is because of the Dodd-Frank Wall Street Reform and Consumer Protection Act requiring banks to increase their capitalization. Passed in 2010, the law was designed to protect consumers and prevent a repeat of the 2008 Wall Street failures.

Hudnutt said banks will start becoming concerned about their farm borrowers if commodity prices don't rebound significantly. Row-crop prices have been on the decline since 2013.

“Anything that has a large concentration of row-crop production is going to be under more stress now than other (areas),” he noted.

In Elkhart, Kan., Heartland Tri-State Bank's president and CEO, Shan Hanes, said crop prices are the top concern right now.

“We have dealt with prices really not reaching a break-even point,” Hanes said. “That is one of the things we monitor closely for our producers as we try to know their break even and what they need to get out of that crop.”

He said his bank tries to give farmers some room, but farmers still must burn through working capital, losing liquidity each year. Even though they may be making their debt payments and servicing the long-term notes, they still have less cash on hand each year.

“At some point, that is going to flip over and we can’t have that,” Hanes said.

Small rural banks heavily depend on the success of farmers because they maintain the economic vitality of the town.



Dave Coggins, Investors
Community Bank

Hudnutt said banks handling livestock loans are relatively strong, but banks in the dairy sector have been weak the last 3 to 4 years.

Dairy operations make up 80% of Dave Coggins' ag portfolio at Investors Community Bank in Manitowoc, Wis., where he is the executive vice president and chief banking officer.

He said the aging demographic in the dairy sector and industry is an ongoing concern as producers continue to exit the business.

“If there’s not a good succession plan and you’ve been fighting five years of challenging milk prices, some have said now is the time,” Coggins said. He said some producers are quitting the dairy business in order to preserve their retirement savings.

From 2017 to 2018, 6.5% of dairy farms in America closed operations, according to a USDA National Agricultural Statistics Service [report](#) released in March. Wisconsin saw the biggest decline.

The recent prolonged dip in the farm economy has taken its toll on many aspects of the industry, but rural bankers say they are aware of the risks involved with financing producers in production agriculture.

“We know there is this core group of ag banks that are dedicated to keeping the economic vitality of their communities going strong,” James Chessen, chief economist at the America Bankers Association, told *Agri-Pulse*.

Over 1,700 banks across the country specialize in agricultural lending, according to the ABA.

Chessen said ag lending has been increasing as net farm income has [declined](#) over the last five years. Agricultural lending increased 5.3% in 2018 to \$108 billion, according to an April ABA [report](#) on farm bank performance.



Todd Van Hoose, Farm Credit Council

The trend is continuing. The second quarter of this year saw the fastest growth in the volume of non-real estate farm loans since 2011, according to the [Federal Reserve Bank of Kansas City](#). A driving factor in the quarter's 11% increase was the growth in loans over \$1 million.

The Farm Credit System, which accounts for 45% of ag lending in the U.S., is seeing the same financial conditions among its borrowers as commercial banks are.

“We’re trying to get people through this the best way we can,” said Todd Van Hoose, president and CEO of the Farm Credit Council.

Several indicators such as working capital, balance sheets, and net cash income show farmers are in a tough spot right now, Van Hoose said. Working capital has been on a steady decline since 2013 even as net cash farm income has dropped from \$124.5 billion that year to the \$84.5 billion forecast for this year.

He pointed to tough commodity prices, problems in the dairy sector, difficulty with weather and natural disasters as contributing factors as to why farmers are having a difficult time this year.

Hemp growers, processors seek better regulatory framework

When it comes to food or “health” products containing cannabidiol, commonly known as CBD, the federal government is not keeping up with the marketplace, where sales of CBD products topped \$500 million in 2018.

FDA has responded by [promising](#) to speed up its process for developing regulations on CBD, which can be extracted from industrial hemp, legalized last year in the 2018 farm bill. Amy Abernethy, principal deputy commissioner and acting chief information officer at FDA, said her agency would report on its progress in late summer or early fall.

FDA’s process will include poring over more than 4,000 [comments](#) received through July 16 on the question of just how FDA should regulate CBD to provide a degree of certainty to farmers and food, drug and feed manufacturers, all of whom have a keen interest in hemp.

“There is no doubt this industry is booming. However, hemp will only become economically viable to American farmers and ranchers in the United States, if a well-defined regulatory framework for its products is developed,” the National Association of State Departments of Agriculture said in its [comments](#).

As *Agri-Pulse* [reported](#) last week, all but a handful of states have passed laws to set up state programs for hemp cultivation. One of those that has, Vermont, said in comments that it has received 200 applications to grow more than 2,000 acres of hemp in the state. Hemp “is critical

to our state, as our primary agricultural business, dairy, decreased significantly in the same time period,” Anson Tebbetts, secretary of the state’s Agriculture, Food and Markets Agency, said in [comments](#).



Research will be key to the continued commercialization of hemp, the American Veterinary Medical Association said. AVMA [noted](#) it is now illegal to use a product in feed for a food-producing animal “for which the scientific evidence of appropriate withdrawal times — time between when a substance can be fed to a food-producing animal and when the animal is milked or slaughtered — has not been established.”

Therefore, AVMA said, “research needs to be conducted and withdrawal times must be determined before cannabis and cannabis-derived compounds (including CBD) can be incorporated into a feed intended for livestock.”

But research has been complicated by limitations on the transport of industrial hemp in interstate commerce, the University of California System [said](#), asking FDA to issue “clarification or guidance ... regarding the ability of researchers to obtain products containing hemp-derived CBD from a variety of sources, including via interstate commerce.”

The Hoban Law Group, which represents cannabis companies, [said](#) federal laws “have long stifled sensible research into cannabis-derived compounds.”

The Center for Science in the Public Interest [said](#) FDA should temporarily decide that CBD and THC, the psychoactive compound in cannabis, are not “generally recognized as safe” in foods while FDA evaluates how to regulate them as food additives. **“The GRAS process offers an opportunity for FDA review,” CSPI said. “As the agency did with partially hydrogenated oils (artificial trans fat), FDA should issue a tentative determination that neither CBD nor THC is GRAS for use in food, and provide the cannabis industry with a specified period of time, such as 2-3 years, for comment and to submit data to the docket before finalizing that determination. As with trans fat, products could continue to be sold during that time.”**

The test under federal law for GRAS status is whether there is consensus among knowledgeable experts that a particular substance for a particular use is “reasonably certain to do no harm.” CSPI emphasized the risk of allowing unfettered marketing of cannabis products, saying there are “major safety hazards related to cannabis edibles, specifically, include variable levels of THC, CBD, and other cannabinoids; aflatoxins; chemical residues; high levels of pesticide residues; heavy metals; and dangerous pathogens.”

Thirty-seven state attorneys general also [highlighted](#) health risks. “Currently, companies are creating a myriad of cannabinoid products largely unburdened by any oversight or testing requirements,” they said. “The inherent complexity of cannabinoids, combined with the danger of hazardous additives, raises serious public health concerns that absent some rules or regulations, unscrupulous companies will be able to distribute products that include illegal cannabinoid combinations or have dangerous additives.”

News Briefs:

Punitive in \$2B Roundup verdict likely to be slashed. A California state court judge said she is “inclined” to significantly reduce a jury award given to an elderly couple who alleged that exposure to Roundup caused their non-Hodgkin lymphoma. Alva and Alberta Pilliod won a \$2 billion-plus verdict from an Alameda County Superior Court in May, but on review of post-trial motions, Superior Court Judge Winifred Smith said she would reduce the \$2 billion in punitive damages to an amount 2-4 times the amount of the compensatory damages, which are now \$55 million but could also be reduced. The punitive damages award would still be about \$220 million, which looks like the maximum the Pilliods could receive. The case, however, is far from over as Bayer, which owns Roundup-maker Monsanto, will appeal the verdict. In her tentative ruling, Smith said she found “substantial evidence to support the jury’s findings that Roundup was a substantial factor” in causing both Pilliods’ cancers and that Roundup was defectively designed. She also said, quoting a previous court ruling in a separate Roundup case, “the degree of reprehensibility is sufficient to support a substantial award of punitive damages. The evidence supported a finding that Monsanto ‘continuously sought to influence the scientific literature to prevent its internal concerns from reaching the public.’” Monsanto/Bayer is facing more than 13,000 such cases nationwide, and has brought in new legal talent to advise on its efforts.

Experts pitch technology, awareness as food waste opportunities. The Biotechnology Innovation Organization (BIO), the American Seed Association, and Innovature brought together a panel of experts Tuesday to talk about the issues surrounding food waste and what consumers and industry members can do to combat this issue. Forty percent of food in the United States goes uneaten each year. According to Doug Cole, senior manager of marketing and biotech affairs of Simplot, the produce industry wastes approximately 65% of its product. Of that 65%, 20% rots on the vine or is “not pretty enough to pick,” 15% is wasted in distribution or packaging, and 30% is wasted by consumers either by letting it “rot in their refrigerators or mistaking ugly brown spot as being rotted and tossing it in the trash.” Panelists said things like genetic engineering and better awareness of food waste among consumers and policymakers would be helpful. “For us, it is really important to have a grower trait and a consumer trait.” Cole said of Simplot's approach. A grower trait would be to help the produce last longer after ripening or creating a cultivar that ripens at the same time for a more efficient harvest. For consumers, trains could include preventing produce from browning and bruising or becoming vulnerable to rotting or molding, preventing the consumer from throwing out the food so quickly. Monica McBride of the World Wildlife Fund also discussed a need to explore new markets for produce. She used cucumbers as an example; A way to reduce cucumber waste is to make pickles with them. But this can pose a problem because unpicked cucumber might not be the right size or are too ugly to use. Leftovers can be made into relish but, “there is only so much demand for relish,” said McBride.

Farm Hands:

Steve Lutz will leave the Produce Marketing Association on August 2 to start his own communications and marketing company. Lutz has served as the vice president of PMA’s U.S. and Canada for the past year. Before that, he served as the vice president of marketing at CMI Orchards based out of Wenatchee, Wash. He also served as the executive vice president at

Nielsen Perishables Group, and was the president and CEO of the Washington Apple Commission. He was at the commission from 1992 to 2000.

President **Donald Trump** designated **Glen Smith** to serve as chairman and CEO of the Farm Credit Administration. Smith succeeds **Dallas Tonsager**, who died in office in May. Smith previously served as a member of the FCA board and served on the board of directors of the Farm Credit System Insurance Corporation. The designation was effective July 17. Smith is a native of Southwest Iowa, where he and his wife operate a diversified farm. He is founder and co-owner of Smith Land Service Co., an agricultural service company that specializes in farm management, land appraisal, and farmland brokerage.

Heath Tarbert, chairman of the U.S. Commodity Futures Trading Commission, announced new appointments to positions in his office. **Jaime Klima** will serve as chief of staff and chief operating officer. Before this appointment, Klima served at the U.S. Securities and Exchange Commission as chief counsel in the Office of the Chair. **Charlie Thornton** has been appointed to serve as counselor to the chairman, **Thomas Benison** will serve as chief negotiator for international agreements, and **Matthew Daigler**, **Daniel Grimm**, and **Andrew Ridenour** will serve as senior counsel to the chairman. **Chelsea Pizzola** has been tapped to serve as deputy chief of staff and counsel to the chairman, **Melissa Benedict** will serve as executive assistant, and **Anna Rosenberg** will serve as special assistant to the chairman and legislative specialist.

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has made a few leadership changes. **Mark Davidson** has been hired to serve as an associate administrator, filling the position previously held by **Mike Gregoire**, who retired earlier this year. Davidson previously served as deputy administrator for Marketing and Regulatory Programs Business Services. **Bernadette Juarez** will be the deputy administrator for Biotechnology Regulatory Services, succeeding **Mike Firko**, who is retiring at the end of the month. Juarez has been serving as the deputy administrator for Animal Care since early 2016, after earlier service as the director of APHIS Investigative and Enforcement Services and before that as an attorney with USDA's Office of the General Counsel. **Jack Shere** will become an associate administrator, filling the position previously held by **Mary Bohman**, who left the agency earlier this year. Bohman previously served as administrator for ERS. Shere has been serving as deputy administrator for Veterinary Services (VS) and Chief Veterinary Officer (CVO) since early 2016. **Burke Healey**, currently the VS associate deputy administrator, will succeed Shere as the VS deputy administrator and CVO. **Rosemary Sifford**, currently the VS associate deputy administrator for Strategy and Policy (S&P), will succeed Healey as the VS associate administrator. **Sarah Tomlinson**, currently the VS executive director for S&P, will succeed Sifford as VS associate deputy administrator for S&P. **Thomas McKenna**, currently director for District One of VS Field Operations (FiOps), will be a new FiOps executive director. He will also serve as the FiOps acting associate deputy administrator while APHIS recruits for a permanent successor to **Brian McCluskey**, who recently left the Agency.



Joseph Balagtas

Joseph Balagtas has been selected to serve as the new senior economist, with a focus on agricultural and food policy, to the Council of Economic Advisers (CEA) in Washington, D.C. Balagtas is an associate professor of agricultural economics at Purdue University. His appointment will begin on Aug. 1, and he will also have a partial appointment working with the USDA's Office of the Chief Economist conducting economic analysis on similar policies. Balagtas holds a Ph.D. in agricultural economics from the University of California, Davis, an M.S. in agricultural economics from Iowa State University and a B.A. in economics from Miami University.



Max Moncaster

The National Association of State Departments of Agriculture (NASDA) has hired **Max Moncaster** to serve as associate director of public policy, leading NASDA's international trade, domestic marketing, and natural resources policy issues. Moncaster comes to NASDA from the National Cattlemen's Beef Association (NCBA), where he served as the director of policy communications. NASDA also promoted **Sara Arsenault** to manager of public policy. She previously served as manager of program development and partnerships. Arsenault will lead NASDA's engagement on animal agriculture issues. **Amanda Culp** has

been promoted to director of communications and events, leading the execution of the NASDA Annual Meeting, Winter Policy Conference, and other events. Culp has served as director of communications for six years and has been employed by NASDA for over eight years. **Molly Quirk** is also being promoted from office manager to manager of partnerships and finance.

The office of the U.S. Trade Representative has hired **Trey Forsyth** to serve as special assistant to the Chief Agricultural Negotiator. Forsyth comes to USTR from Land O'Lakes, where he served as a government relations specialist.

Ryann DuRant is the new press secretary for Secretary of Agriculture **Sonny Perdue**. She hails from South Carolina, and comes to the department after nearly eight years on the Hill, most recently working for Sen. **John Cornyn**, R-Texas, as his press secretary during his tenure as Majority Whip. Ryann graduated with honors from Wake Forest University, where she was a presidential scholar and received a bachelor's degree in communications.

Samantha Swing is a legislative assistant covering the environmental protection and public lands and natural resources portfolio for Sen. **Catherine Cortez Masto**, D-Nev. She most recently worked for the American Association for Justice as its press secretary.



Ryann DuRant

Settling into retirement is **Terry Barr**. Barr retired as senior economist at CoBank at the end of June. He joined CoBank in May 2009 and spent 25 years with the National Council of Farmer Cooperatives where he served as the organization's chief economist. Before that, he served 14 years at the U.S. Department of Agriculture serving as the director of economic analysis and chairman of the World Agricultural Outlook Board.

Best regards,

Sara Wyant

Editor

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