

## How 'Warrior coalitions' disrupt Delta water talks

Sacramento Delta water policies were once negotiated across a dinner table at a small Vietnamese restaurant in Oakland. A dozen leaders from agricultural water districts, urban regions and environmental groups would meet regularly, sharing stories about their kids—and later grandkids—before delving into policy.

Today many describe the state of negotiations as a "circular firing squad," with an unprecedented number of lawsuits aimed at the state and federal administrations.

Water policy expert Tim Quinn calls this the result of a breakdown in coalition building that began 20 years ago and is now putting California's agricultural economy at risk.

**Without state leaders driving the difficult and time-consuming collaborative approach, Delta policy regressed into the top-down management style of prior generations, with parties returning to their silos. It set the stage for the takeover of "warrior coalitions," as Quinn describes in a new policy paper that looks back on the 40 years of California water management that swept up his career.**



Water quality expert Tim Quinn speaks into the microphone during a 2015 meeting.

Quinn wrote the paper as a visiting fellow at Stanford University, having retired as the executive director of the Association of California Water Agencies (ACWA) in 2018, after 11 years with the organization. Quinn brokered water deals with the Brown administration on behalf of ACWA agencies, which represent about 90% of the water delivered in California. He had spent the prior two decades in leadership roles at the Metropolitan Water District of Southern California, the powerful agency representing the Los Angeles region.

“War is easy; collaboration is hell,” said Quinn in an interview with *Agri-Pulse*, reciting his mantra to staff at ACWA. “Every silo has hardliners. Every silo has warriors.”

Those driving the collaborative approach “are always irritating somebody powerful” in their silo. As the collaborations grew weaker, they no longer delivered big successes, aside from smaller, localized agreements. This, said Quinn, empowered the warriors within the silos, in both environmental and agricultural groups.

**“The scorched earth, all-or-nothing rhetoric has gotten worse from all sides,” said Jeffrey Mount, an expert on environmental management for the Public Policy Institute of California. “It doesn't matter where you are on these water issues.”**

Mount explained to *Agri-Pulse* the mission of the warrior coalitions is to identify and defeat the villain.

“That has got the priorities in all the wrong places,” he said.

According to Quinn’s paper, water coalitions “try to resolve issues in winner-take-all adversarial arenas, such as the courts, legislatures or regulatory agencies.”

The erosion of trust over time created a vulnerability to external influences as stakeholders were negotiating voluntary agreements (VAs) for Delta outflows.

“I wish that President Trump had not gone to Bakersfield when he did back in February,” said Quinn. “It was just too flagrant for the Newsom administration not to want to strike back.”

Trump was signing the federal biological opinions governing Delta pumping operations, a plan that Quinn—along with many water agency managers and agricultural leaders—argued is more science-based than environmental critics have given it credit for. Gov. Newsom followed up soon after with a lawsuit, triggering further lawsuits and stalling the VAs.

Despite the escalated legal battle, the administration and water agencies remain hopeful.

**“I don't think the VA is necessarily done for,” said Jennifer Pierre, general manager of the State Water Contractors. “There is an opportunity to get back to the table and try to reach an agreement.”**

Part of the VA process was to develop several subgroups. Pierre co-chaired the governance group with Steve Rother, then a regional director for the environmental advocacy group American Rivers. Pierre’s introduction to Rother was “actually quite harsh,” but the two ended up being good friends, she said. Together, they were building a governance structure that allowed for open discussion, learning and making decisions together among the parties. This would alleviate the finger pointing and taking credit from others, allowing instead a shared ownership for the outcome.

“Even if the voluntary agreement somehow disintegrates, we still have this,” said Pierre.

Pierre explained that the governance would build trust in a way that allows the parties to take risks together. Foundational to this are personal relationships and face time, which have been further strained with COVID-19 limiting interactions to Zoom.



Jeffrey Mount, a senior fellow in water policy at PPIC

Yet Pierre, along with Natural Resources Secretary Wade Crowfoot and many others, is optimistic a deal will be reached soon.

Thad Bettner, the general manager for the Glenn-Colusa Irrigation District in the Sacramento Valley, which has been involved in the VAs, told *Agri-Pulse* a signed agreement could come by the end of 2020. The lawsuits heated up in the spring with temporary injunctions related to flow operations, but now management operations are set for the year, allowing space for talks to continue, he explained. The Newsom administration had released its proposed framework for the voluntary agreements in February, but the

litigation and pandemic offered little opportunity to resolve the differences between this and the proposal that stakeholders had submitted a year earlier.

Quinn, who calls himself “the biggest optimist in California,” still worried the Newsom administration may be regressing into the managerial approach of the Brown and Schwarzenegger administrations, which delivered only short-term wins and years of litigation. Newsom vowed to go in a different direction with the Delta tunnels plan, but “he’s doing it the same way that that his predecessor did,” said Quinn, as he explained how the agencies had excluded public involvement in the environmental review until a nearly complete draft was released.

“The Delta folks are mad as hell right now,” he said. “When you’re excluded from the process, then you tend to be dissatisfied with what it does, and you tend to want to fight it.”

A compromise over moving the location of the pump intakes would build trust with fishing groups, Delta farmers and conservation groups, he said. It would also gain broader support for a multi-benefit approach that could bring more water to farmers and the environment, while building climate resiliency for the state.

Environmental organizations involved in the voluntary agreements are now backing away from the process, arguing the VAs were supposed to be completed last year and the recent erosion of trust is cause to reconsider the “imperfect” regulatory path proposed by the State Water Resources Control Board

“Hope, I’m afraid, is growing dim,” said Maurice Hall, associate vice president for the Environmental Defense Fund, in a panel discussion for the ACWA Summer Conference last week. “There are still significant things to be worked out.”

Lewis Bair, the general manager for Reclamation 108 in the Sacramento Valley, said he was saddened a great deal by Hall’s frustration.

“From a water user’s perspective, we have folks in the environmental community that are litigators that poke at us,” said Bair. “But I don’t think they make up the majority of folks.”

He added that the stakeholders working on the VAs need to have “thick enough skin to still work together in a positive, honest, constructive way.”



Jennifer Pierre, general manager of the State Water Contractors

Quinn pointed out that the Nature Conservancy, which has a reputation for working with agriculture on floodplain restoration and other conservation projects, has also been signaling its withdrawal from the VAs and urging the State Water Board to take the **lead**.

**“If you don’t have the Nature Conservancy interested in your collaborative, you’re doing something wrong,” said Quinn.**

In a 2019 research paper, Mount found that more leadership could come from the State Water Board, but in a different way. The board’s approval of the first phase of its Bay-Delta Water Quality Control Plan in 2018 put it in the position of being the regulatory backstop in case the stakeholders failed to bring them voluntary agreements.

“The board interprets their mandate more narrowly, when the solutions are really more broad,” said Mount.

He explained that, beyond just regulating for flows, the board has the legal authority to pursue a more holistic approach encompassing watershed-scale management. This would include habitat restoration, water quality improvement and management of native species.

Voluntary agreements of this sort would find inspiration in the Sacramento Valley, according to Quinn.

Quinn said leaders here have been driving water issues into a collaborative arena, with a “big tent” open to all interests that is also transparent. One example was in 2014, when the agricultural Glenn-Colusa Water District recognized the need for river restoration projects to benefit a fishery—and acknowledged they were not “environment experts.”

“The more we showed that we were committed to see some of these benefits come about, the more we started to gain partners in that effort,” said Thad Bettner. “You’ve got to do this trust building, and it takes time.”

Quinn recognized that collaborative leadership may be emerging in the San Joaquin Valley as well, with the coalition of water agencies behind the Water Blueprint. Karla Nemeth, who directs the Department of Water Resources, said at the ACWA conference that she has been working closely with the coalition, particularly on coordinating groundwater recharge projects. The coalition has been working expand its tent to include social justice groups representing disadvantaged communities and drinking water issues.

“The San Joaquin Valley needs big thinkers right now,” said Quinn. “But if you don't get governance right, you're going to fail.”

Quinn has also noticed the coalition-building efforts of Thomas Esqueda, a water policy expert at California State University, Fresno.

“What he sees is something that is like the Sacramento Valley,” said Quinn. “A watershed-scale, large geographic area that has a governance mechanism that keeps them communicating and integrating in ways that they never have before.”

At the annual conference for the California Irrigation Institute in January, Esqueda said water issues in California are at a pivotal moment. He said the Sustainable Groundwater Management Act (SGMA) has now split the Central Valley into small tribes, with more than 100 local groundwater agencies fighting each other. Similarly, the governor's new Water Resilience Portfolio proposes more than 100 actions, but is missing an ingredient key to the implementation process, he said.

**“The brutal truth is we really do need to focus on getting some new leadership established and grown and developed around water issues here in the state of California,” he said. “At the end of the day, it's going to come down to people working with people to get stuff done.”**

In a recent policy paper, Esqueda elaborated on the importance of a shared vision for water management, saying leaders who let the courts decide the fate of water “offer no vision, no courage, no leadership—no change.”

Leadership is not likely to come from national politics either. Many are watching the November presidential election to see how the biological opinions and related lawsuits will be resolved, assuming a Democratic president would change the rule. PPIC's Jeffrey Mount, however, said too much emphasis has been put on the federal government and not enough on the state.

“I always chafe at the notion that it matters hugely what happens in the fall during that election,” he said.

Mount pointed out that SGMA had nothing to do with the federal government; that the biological opinions have been disruptive but are no “game changers”; and that the federal government is responsible for just 3% of the total water funding in California—when considering operations, maintenance, infrastructure and ecosystem management. The state government delivers about 12% of the cost, according to Mount, and the rest comes from ratepayers.

Like the State Water Board, federal agencies, which have been supportive of the VAs, are leaving room for the stakeholders to decide the path forward.

Quinn said this will inevitably involve collaboration between farmers, environmentalists and social justice advocates.

**“Get used to the fact that that's how you solve problems in modern California,” he said. “If we try to replay the Development Era, when we built all this wonderful infrastructure and nobody could stop us, it felt good at the time, but that's not the future of California.”**

## Rehashing 2019 debates, Legislature targets the granular form of chlorpyrifos

For the second year in a row, debate has flared up in the Legislature over chlorpyrifos, an insecticide widely used in other states and now banned in California from all uses except under strict regulations for the granular form. Again, the industry is in the awkward position of defending the regulatory process under the Department of Pesticide Regulation (DPR) and explaining the complex science and safety protocols behind those decisions.

In 2019, Los Angeles Senator Maria Elena Durazo, a former labor rights leader, presented two bills aimed at a ban on all forms of chlorpyrifos, arguing the organophosphates class of pesticides can disrupt nervous system receptors and lead to brain damage in children.

In a hearing on Thursday for the Assembly's Environmental Safety and Toxic Materials Committee, Chair Bill Quirk of Hayward apologized to Durazo for having pulled her first bill from committee following negotiations with the



administration and the announcement of the ban by CalEPA Secretary Jared Blumenfeld. The second bill Durazo introduced aimed at banning chlorpyrifos immediately, rather than through CalEPA's phased approach. A separate committee kept it from advancing.

**The lengthy debates over the bills often pitted an industry epidemiologist against an advocacy group's environmental scientist, with arguments boiling down to technical details within studies performed decades earlier. Farmers also testified on integrated pest management practices and how the ban could hurt them financially.**

Now Durazo is taking aim at the granular formulation of chlorpyrifos. Dow AgroSciences and other registrants had negotiated an exemption for this use in exchange for dropping a lawsuit over the ban last fall. United Farm Workers (UFW), a co-sponsor of the new measure, suggested this agreement was a conspiracy between the industry and the administration, including cabinet members.

**“CDFA Secretary Karen Ross also recommended these products be exempt from cancellation,”** said UFW advocate Miko Chavez in the hearing Thursday. **“The governor's loophole is dangerous, and his secretary as well.”**

Durazo argued that traces of chlorpyrifos could still be brought home and poison children.

“DPR acknowledged that it only considered spray drift and dietary exposures,” she said. “To be clear, DPR did not evaluate the ways that granular chlorpyrifos can harm farmworkers.”

Rather than proposing another ban, Senate Bill 86—a gut-and-amend of one of last year's ban bills—would require DPR to submit directly to the Legislature quarterly use reports on the

granular form. Durazo called it “unacceptable” that DPR’s most recent data on pesticide use is from 2017.

“The DPR director has the discretion whether or not to publish or distribute the summaries,” she said.

Policy advocates for agriculture and Republican assemblymembers took issue with the many assertions about DPR and general farming practices.

**Representing California Citrus Mutual, the Western Plant Health Association and the California Association for Pest Control Advisers, among other trade groups, policy advocate Lauren Noland-Hajick described in detail to the committee the many levels of safety precautions and restrictions for use already required for applying the product. She challenged a number of findings in the bill as well.**

“It doesn't paint the whole picture of what we do here in California or the studies that have gone into, not just granular chlorpyrifos, but all pesticides here in the state,” she said. “Pesticides carry risks. We're not going to get around that point.”

In a memo to CDFA in 2019, DPR explained it did not pursue a cancellation process for granular because the department did not have evidence that granular posed the same concerns as they had for drift and dietary exposure. Noland-Hajick pointed out that state agencies inspect food and waterways for pesticides.

Taylor Roschen of the California Farm Bureau argued the bill would increase the workload for “overburdened” county agriculture commissioners and DPR staff. She said this could lead to invalid reports due to a rushed process and pull funding from other DPR functions.

Roschen explained that to cover these costs, DPR levies a mill tax on pesticide sales, leading to about \$2 million in annual revenue. About half of that money goes to ag commissioners to collect the data and the rest is stretched across multiple functions for data collection, management and analysis, as well as other duties like environmental monitoring, risk assessments and public education.

**“We can't identify a discernible public benefit from the bill that wouldn't result in more significant administrative or financial consequences,” said Roschen.**

Associations for almond, seed and winegrape growers were also opposed, along with the California Chamber of Commerce.

During the debate, Republican Assemblymember Devon Mathis of Visalia keyed in on Noland-Hajick’s other point that DPR requires a field to be vacated for as much as five days after an application.

**“When your house is bugged for termites, you're not going to walk inside of it,” he said. “So why would anybody be out in this field?”**

He asked Durazo for any evidence of the granular form being tracked into a worker’s home, as she had claimed, or other cases of exposure. Tyler Smith, a policy advocate for EarthJustice,

responded that U.S. EPA had found 70 uses of granular that also present risks to farmworkers, even after protective equipment is worn and after 10 days. Mathis called that “scenarios and not actual cases.” Durazo argued that there is no acceptable level of risk for exposure.

Heath Flora, a Republican representing parts of the San Joaquin Valley, drew on his background in agriculture to explain the importance of crop protection tools like chlorpyrifos for almond growers.

**“The industry uses this very sparingly,” he said. “If we take that tool away, it absolutely can be devastating.”**

Committee Chair Quirk, a former climate scientist, reminded the lawmakers that the bill is “simply” about a report.

“I ask you to vote on that and not an imaginary case where we're banning it,” he said.

The committee passed the bill along party lines, advancing it to the Appropriations Committee. Shutdowns related to the pandemic have shrunk the legislative calendar this year. This has led to lawmakers pulling hundreds of lower-priority bills to focus on measures related to the pandemic, economy and racial injustice, and it also means no other committee is likely to debate the measure before it is up for the final floor votes and advances to the governor’s desk.

While DPR was not represented in the hearing or in the 2019 hearings, DPR Director Val Dolcini told *Agri-Pulse* in July that the administration was working with members of the Legislature who were “interested in chlorpyrifos in all of its forms.”

Though the publicly available data is from 2017, Dolcini explained that the granular use has been “very small compared to the other uses” that are now banned in California.

“The issues associated with granular use of chlorpyrifos don't really have the same health impacts that others do,” he said. “But nonetheless, it's something that we're really interested in learning more about.”

Dolcini added that the pesticide use report for the 2018 crop year will be published soon.

“That always lags behind because it takes a while to accumulate the data and then double and triple check it and then synthesize it with our own data,” he said.

A working group that recently presented a report advising DPR on alternatives to chlorpyrifos did not take granular into account. Yet DPR announced Monday three research grant awards totaling more than \$2 million aimed at controlling aggressive ants in citrus and grapes, a problem the granular form of chlorpyrifos has been best suited for tackling. The funding came from \$5.7 million Gov. Newsom allocated within the 2019-20 budget following the CalEPA announcement of the ban.



## Farm, nutrition provisions remain in play as talks on aid bill drag

Major farm groups are working to ensure that a new coronavirus relief package provides more specific directions to the Agriculture Department on how to distribute \$20 billion in additional relief.



*Senate Minority Leader Chuck Schumer*

The request with perhaps the broadest support among farm groups is for a specific requirement for USDA to make payments to ethanol producers.

Also in play as negotiations continue on the larger package are Democratic demands for expanded domestic food aid, including a temporary increase in Supplemental Nutrition Assistance Program benefits. According to one key Republican, the biggest snag may be how long the benefit increase is in effect and whether it's tied to restrictions on SNAP work requirements.

**Meanwhile, the top Democrat on the Senate Agriculture Committee, Debbie Stabenow of Michigan, is building support for a plan to help food banks and food processors respond the pandemic. She has added several cosponsors to her Food Supply Protection Act, including Alaska Republican Lisa Murkowski.**

The legislation, which already was cosponsored by every other member of the Ag Committee as well as Minority Leader Charles Schumer, D-N.Y., includes aid to food banks to add cold storage and other upgrades. Food companies could get grants, loans, and loan guarantees to upgrade machinery, add temporary cold storage and buy personal protective equipment.

**It was still not clear as of Tuesday when and if congressional Democrats would reach a deal with the White House on the broader aid package, although both sides have motivation to reach a deal.** Congress is scheduled to start a monthlong recess after this week, and lawmakers facing tough reelection races would like to get home to campaign with a new aid bill to talk about. Also, a special federal unemployment benefit of \$600 a week expired last Friday.

Schumer suggested at midday Tuesday that the negotiations were moving along although there was little public evidence that a deal was in the works. **"We're making some progress on certain issues, moving closer together,"** he told reporters. **"I think there is a desire to get something done as soon as we can."**

Senate Majority Leader Mitch McConnell, R-Ky., acknowledged that Republicans remained divided among themselves. "I think I've made it very clear for some time now, if you're looking a total consensus among Republican senators you're not going to find it," he told reporters. He also appeared open to supporting the unemployment extension, knowing that other Republicans would vote against the final package. He indicated he would back whatever deal the White House reaches with Democrats "even if I have some problems with certain parts of it."

The big issues in the talks, such as extending the \$600 unemployment benefit and the amount of aid for states and schools, have little to do with agriculture, but Democrats support efforts to limit USDA's flexibility in designing the next round of coronavirus relief to farmers.

**The Senate GOP proposal includes a \$20 billion direct appropriation to USDA for aid that would be available to both producers and processors. The proposal also would make eligible producers of livestock and poultry that were "depopulated due to insufficient processing access and growers who produce livestock or poultry under a contract for another entity."**

The American Farm Bureau Federation believes that the \$20 billion appropriation is sufficient, given that USDA has another \$14 billion available in its Commodity Credit Corp. account, but supports the ethanol industry's effort to specify that ethanol would be eligible for payments.

**"We believe flexibility will be key as we head into fall and the election season so that the secretary can be nimble in response to producer needs,"** said AFBF's Andrew Walmsley. "Hopefully, with these additional resources, we can see a program that meets the needs of all of agriculture. With that being said, we would like to see biofuel producers explicitly eligible for assistance."

**Authors of the Senate provision argue that including "processors" as eligible entities is enough to ensure that ethanol producers qualify for payments, but Sen. Chuck Grassley, R-Iowa, told reporters Tuesday that the lack of specificity would lead to pressure on Agriculture Secretary Sonny Perdue to expand the aid to other processors outside the ethanol industry.**

It will be difficult to convince Perdue to make payments to ethanol producers "not because he doesn't want to help ethanol but there's other segments of agricultural processing that could follow on and want help," Grassley said, mentioning corn and soybean processors specifically. **Perdue doesn't appear to be "unsympathetic to the need to help ethanol, but he seems to be in a quandary," Grassley said.**

The National Cotton Council, meanwhile, wants more specific language in the final bill to ensure that aid can go to cotton producers, merchandisers, and textile manufacturers.

**The United Fresh Produce Association is pushing for money to address worker safety, which could be provided through grants, loans, and other programs "that can be used for these infrastructure investments for our critical workforce,"** said Robert Guenther, senior vice president of public policy for United Fresh.

The National Pork Producers Council is lobbying congressional leaders to include provisions of a bill, called the RELIEF for Producers Act, that includes compensation for euthanized and donated hogs, additional funding for animal health surveillance and laboratories, and expanded statutory authority for use of CCC funds during a pandemic-driven national emergency.

Arkansas Sen. John Boozman, who is in line to become the top Republican on the Senate Agriculture Committee next year, said Perdue needs the flexibility the GOP proposal would provide him because the needs in agriculture could change in coming months. But Boozman said the highest priority is getting the additional \$20 billion to USDA.

“Right now we’re working to get everybody on board in the dollars that we’ve got,” he said. Many agribusiness groups and food processors are also supporting McConnell’s efforts to include provisions in the aid protections to protect employers from coronavirus-related lawsuits.



*Sen. John Boozman, R-Ark.*

**A letter to congressional leaders signed by United Fresh, the National Chicken Council, the International Dairy Foods Association and other groups says Congress needs to protect “businesses that have taken necessary precautions to protect their employees and customers while serving the country during the crisis.”**

Meanwhile, a 15% increase in SNAP benefits that Democrats are demanding is viewed by some Republicans as a potential tradeoff on issues such as unemployment benefits.

Boozman said one issue is how long a benefit increase would last — he suggested a year might be long enough. Another issue is whether Democrats would insist on blocking SNAP work requirements from ever being tightened. Still, he said that many Republicans are open to increasing nutrition assistance. **“We don’t want people going hungry,” he said.**

## **New bill seeks bans on insecticides, paraquat**

A new bill would ban two widely used classes of pesticides and allow citizens to petition the Environmental Protection Agency for designations of pesticides as “dangerous,” which could lead to suspension of their registrations.

Introduced so late in the congressional session in an election year, the bill would seem to have a steep uphill climb to eventual passage in this Congress. Chief sponsor Tom Udall, D-N.M., however, said he is following the path laid out by late senator Frank Lautenberg, a Democrat of New Jersey, who introduced tough legislation in 2013 to reauthorize the Toxic Substances Control Act, thus bringing the chemical industry to the table.

**“It really galvanized things and we were able to move forward from there,” Udall, who is not seeking a third term in the November elections, said. Lautenberg’s rewrite of TSCA, taken up by Udall after Lautenberg’s death in 2013, cleared both chambers with only one dissenting vote and was signed into law by then-President Barack Obama in 2016.**

“The first thing you need is a strong bill,” Udall said, but cautioned, “Mind you, we’re at the beginning of the process. We have had numerous discussions with senators about what’s happening.”

The bill has three co-sponsors in the Senate: Democrats Elizabeth Warren of Massachusetts, Cory Booker of New Jersey, and Independent Bernie Sanders of Vermont. It also is being introduced in the House by Rep. Joe Neguse, D-Colo.



Sen. Tom Udall, D-N.M.

The Center for Biological Diversity, Farmworker Justice, and the Michael J. Fox Foundation endorsed the bill.

“The legislation would end industry’s abuse of the emergency exemption and conditional-registration provisions of” the Federal Insecticide, Fungicide, and Rodenticide Act, the groups said in a news release. “The new legislation would close loopholes in the law that allowed for ‘emergency’ approvals of pesticides year after year and ‘conditional’ approvals of pesticides even when industry failed to provide scientific documentation of their safety.”

CropLife America spoke out against the legislation, with President and CEO Chris Novak saying that “pesticides play an important role in protecting public health.”

**“Legislation seeking to ban individual chemistries undermines the work of the [EPA] career scientists and tears at the fabric of a law that has served our nation well for more than 70 years,” he said, adding that CLA “looks forward to working with members of Congress as these issues are debated.”**

FIFRA, which Novak said, “has guided the regulation of pesticides since 1947,” has been amended “many times but continues to balance the risks and benefits of every pesticide on the market today.” Novak said.

**The classes of pesticide targeted for bans include organophosphates such as active ingredients diazinon and chlorpyrifos. Corteva Agriscience is ending production of the latter but EPA is continuing to work on renewing its registration, due to expire in 2022.**

Supporters of the bill highlighted the ban on chlorpyrifos, which environmental and farmworker groups have been trying to ban for years.

“The Protect America’s Children from Toxic Pesticides Act recognizes that children, farmworkers, and consumers deserve better and puts an end to the use of chlorpyrifos and other nerve agents in our food,” said Teresa Romero, president of the United Farm Workers.

In announcing the bill, Udall said organophosphate insecticides “are designed to target the neurological system and have been linked to neurodevelopmental damage in children” and neonics “have contributed to pollinator collapse around the world (the European Union and Canada have significantly restricted or banned their use to protect pollinators and other wildlife) and have recently been shown to cause developmental defects, heart deformations, and muscle tremors in unborn children.”

**CropLife said "over 350 non-politically appointed EPA employee scientists focus full-time on regulating pesticides. These scientists are globally recognized experts in pesticide risk assessment with years of experience understanding potential impacts to people and the environment, including both classes of chemistry in question within the bill."**

Neonic manufacturers Bayer and Syngenta have defended their products as safe to bees if properly applied. Neonics are widely used as seed coatings.

**"The loss of neonicotinoids would only hurt farmers and not help bees,"** Bayer said in a statement. "We know more about neonicotinoids and honey bees than any other pesticide, and science clearly tells us these products are not responsible for colony decline. Neonicotinoids are critical tools used in modern integrated pest management programs because they are effective, require less treatment, and have a more favorable human safety and environmental profile than the older products they replaced."



*Chris Novak, CropLife America*

The bill also would ban the herbicide paraquat, for which EPA has instituted new requirements for "closed-loop" systems in order to prevent poisonings. "Science has shown that chronic exposure to paraquat increases risk of developing Parkinson's disease by 200% to 600%," according to a release from Udall and Neguse.

**Last October, EPA said in a human health risk assessment that "after comprehensive review of the relevant studies," it concluded that "the weight of evidence was insufficient to link paraquat exposure from pesticidal use of U.S.-registered products to [Parkinson's disease] in humans."**

The Center for Biological Diversity, however, said at the time that EPA's analysis "discounted considerable evidence that paraquat has been shown to more than double the risk of developing Parkinson's disease in farmworkers and others suffering occupational exposure."

**The bill also seeks to end "abuse of emergency exemptions" used by EPA to allow application of pesticides not allowed under their registrations. It says EPA "shall not grant an emergency exemption ... for the same active ingredient or pesticide product in the same location for more than 2 years in any 10-year period."** EPA approved more than 100 such exemptions last year, according to its database on the subject.

## **USDA targets organic fraud in new proposal**

USDA's Agricultural Marketing Service is proposing a rule to strengthen oversight and enforcement of the organic supply chain, particularly imports

In a proposal to be published in Wednesday's Federal Register, AMS says it is increasing the number of unannounced inspections, beefing up fraud prevention procedures, and increasing data reporting requirements.

Organic fraud has been an issue with imports for years, and the industry, which hit \$55 billion in sales last year, has been working with USDA to combat the problem.

**"We've been very closely involved in the development of this rule," said Organic Trade Association spokesperson Maggie McNeil, pointing to a statement saying "several proposed requirements are the outcome of the [OTA's] priorities, and successful legislative work in the 2018 Farm Bill, such as closing the loophole on uncertified handlers by requiring certification and mandating electronic certificates for all imports."**

“Organic agriculture is one of the fastest growing sectors in the food market,” USDA Undersecretary for Marketing and Regulatory Programs Greg Ibach said. “As the organic market has grown, organic supply chains have become more complex. Stronger market oversight is needed to protect farmers and consumers who choose the organic option.”



*USDA Undersecretary Greg Ibach*

“The absence of direct enforcement authority over some entities in the organic supply chain, in combination with price premiums for organic products, presents the opportunity and incentive for organic fraud, which has been discovered in the organic sector by both the National Organic Program (NOP) and organic stakeholders,” the proposal says.

**Examples cited in the proposal include the sentencing last year in Iowa of five people for their role in an organic grain fraud ring. “The lead defendant pled guilty to defrauding customers in a scheme involving at least \$142 million in nonorganic grains sold as organic,” the proposal says. “The lead defendant sold fraudulent grain to customers over a period of seven years, claiming the product was organically grown in Nebraska and Missouri.’**

In February, a federal grand jury indicted a person in South Dakota “for allegedly selling \$71 million of nonorganic grains and oilseeds falsely labeled organic over five years,” according to the proposed rule. “The fraud ring spanned multiple states.”

The NOP revoked their organic certificates, but the parties involved “established new brokerage firms to continue their fraud,” AMS said. “Under the current organic regulations, these brokerages did not require organic certification; the NOP had no oversight of their activities. This proposed rule would require the certification and oversight of brokers like those involved in this case,” allowing the NOP to identify and prevent the fraud.

The proposed rule “would require the certification of some types of currently uncertified entities,” such as grain elevators, AMS said. “Organic certification would subject these entities to regular, systematic oversight from accredited certifying agents and allow the NOP to monitor these entities’ activities through on-site investigations, ensuring faster detection and prevention of millions of dollars in organic fraud.”

Annual benefits of the rule would exceed \$80 million, far surpassing estimated costs of between \$7.2 and \$7.3 million according to AMS. Over 15 years, that translates to between \$765 million-\$1 billion in benefits and \$65 million-\$88 million in costs.

OTA President Laura Batcha thanked USDA for endorsing OTA’s Organic Fraud Prevention Solutions program. “This historic rulemaking by USDA will do much to protect organic from fraud through tougher enforcement and oversight, as our program helps organic companies put into place on-the-ground systems to deter and prevent fraud,” she said.



*Laura Batcha, Organic Trade Assoc.*

The association’s program “is based on buyer responsibility and supplier verification,” OTA said. Fifty-five organic businesses have enrolled in the Organic Fraud Prevention Solutions, and have been using the association’s Organic Fraud Prevention Guide to prepare for the training and help detect and deter fraud.”

Once published in the Federal Register, interested parties will have 60 days to comment. OTA has posted a summary of the proposal.

## **Dairy farms getting bigger as economies of scale drive consolidation**

The size of the average dairy farm is growing as consolidation drives greater concentration of production across many different regions with significant dairy production.

A USDA study found that the midpoint size of dairy herds in the U.S. has grown from 80 cows in 1987 to 1,300 cows in 2017, a trend that demonstrates a steady pace of consolidation which “far exceeds the pace of consolidation seen in most of U.S. agriculture.”

**The study by USDA's Economic Research Service states that by 2017, nearly 2,000 of the 54,599 farms with milk cows had herds of at least 1,000 cows. On the other end of the spectrum, 30,373 of these farms had herds ranging from 10 to 199 cows, but the number of these small commercial dairies has fallen from 47,873 in 2007, and from 146,685 in 1987.**



“There are powerful cost incentives behind farm consolidation,” the report states. “Larger dairy farms have substantially lower costs of production, on average, than smaller farms. The cost advantage appears to extend across a wide range of larger sizes, on farms with 2,000 cows realizing lower costs than farms with 1,000 cows, which in turn realize lower costs than farms with 500 cows.”

In particular, farms may choose to incorporate for tax purposes. That way, they can limit the amount of liability they may face or transfer the farm between generations. Nearly half of dairy farms with at least 1,000 cows have registered as limited liability corporations, the report stated.

**In 2018, California led the nation in the number of dairy cows with 1.734 million. Wisconsin and Idaho followed with 1.274 million and 609,000, respectively.**

The decline in small commercial dairy farms is mostly concentrated in Minnesota, New York, Pennsylvania and Wisconsin, but also is occurring in several states in the Northeast and Midwest, the report says. These states have traditionally had smaller operations that relied on family labor, grazing in pastures and combining milk and feed production on the farm. There were 35,153 dairy farms in these states, but only 20% of the farms in these states had herds of 1,000 cows or more.

The report states that between 2002 and 2019, the number of licensed dairy herds fell by more than 50%. This rate of decline accelerated between 2018 and 2019, despite a growth in milk production.

While more farms have consolidated and grown larger herds, many of these farms are still relatively small family businesses.

**“While a dairy farm with \$15 million in sales counts as a very large farm, it is not a particularly large business, as there are tens of thousands of U.S. businesses with higher sales,” the report stated.**

**Over 90% of farms with 1,000 to 1,999 cows were family farms, as well as almost 88% farms with 2,000 or more cows.** The Economic Research Service defines a family farm as being more than half owned by the principal operator and people related to the operator.

## **News Briefs:**

**California representatives ask USDA to help walnut industry.** A bipartisan group of nine California representatives is urging USDA to “utilize all purchasing authorities” to help the walnut industry. In the [letter](#), Reps. Josh Harder, Jim Costa, John Garamendi, TJ Cox, Jerry McNerny, Salud Carbajal, Doug LaMalfa, Jimmy Panetta and Devin Nunes ask USDA to consider using section 32 of the Agricultural Act of 1954, which allows the Agricultural Marketing Service to purchase U.S. agricultural products and provide them to USDA’s Food and Nutrition Service programs. In addition, the congressmen mentioned the Food Purchase and Distribution Program, which purchases commodities that have been “unfairly targeted” in trade retaliation. “The COVID-19 pandemic has come on top of an already difficult time for our 4,500 California walnut producers who have, and continue, to suffer from the effects of retaliatory tariffs in India, Turkey and China,” the letter states. “From tariff actions alone, what was a \$1.5 billion industry just two years ago, has declined by more than 41 percent to \$878.8 million.” According to the letter, prices have been near or below 0.65 cents per pound, and COVID-19 has led to excess inventories of nearly 90,000 tons, which will be joined in September by an estimated record crop of 700,000 tons. The California Walnut Board says that farm gate losses from COVID-19 will be near \$300 million, but “are evolving and eroding quickly.” “Walnut growers are being pinched on all sides — they’re up against tariffs from other countries, falling demand, and general chaos in food markets,” said Harder. “We have USDA programs designed for use in emergencies just like this — the secretary should use them right away to help our walnut farmers.”

**CDFA awards \$544,000 for control of tomato leafminer.** CDFA [announced Monday](#) that it has awarded more than \$544,000 to control a costly tomato pest. Project leader Dr. Brian Hogg, of USDA, and collaborators will receive funding for “proactive classical biological control of *Tuta absoluta* in California” for research to be conducted over the next three years. The grant came as a part of the Proactive Integrated Pest Management Solutions grant program, which provides funding to identify and control exotic pests. The program is uniquely focused on *T. absoluta*, a pest larva that damages tomato plants by boring into leaves, stems and fruits. The bug originated in South America, but has since caused severe crop losses in parts of Europe, Asia and Africa. The pest, also known as tomato leafminer, is predicted to soon arrive in California, a state known for its \$1.2 billion dollar tomato industry. The CDFA funding will go toward



providing California producers with accessible biological solutions for managing an invasion with minimal damage, according to the release.

**Farm bankruptcies up in the last year, but down in the last six months.** Farm bankruptcies have increased 8% over the last 12 months, but filings have slowed over the last 6 months as the COVID-19 pandemic disrupted the U.S. economy, a new American Farm Bureau Federation [Market Intel report](#) says. The U.S. saw 580 new farm bankruptcy filings from June 2019 to June 2020. However, 284 Chapter 12 bankruptcy cases were filed from January to June 2020, which amounts to 10 fewer than at the same time in 2019. A Farm Bureau [press release](#) indicates the \$6.8 billion in CFAP payments given to producers has played a role in the slowdown in bankruptcies. “The bankruptcy numbers don’t tell the whole story,” AFBF Chief Economist John Newton said. “The fact that the bankruptcy process is now virtual probably contributed to a decline in numbers. CARES Act assistance was also a bandage that slowed the bleeding on many farms, but those protections will soon expire. Without more help, we could expect to see filings begin to rise again.” The Midwest saw the most bankruptcies with a total of 296 filings, while the Southeast and Northwest followed with 122 and 46, respectively. At the state level, Wisconsin led with 69 filings and Nebraska followed with 38. Georgia and Minnesota each had 36 filings.

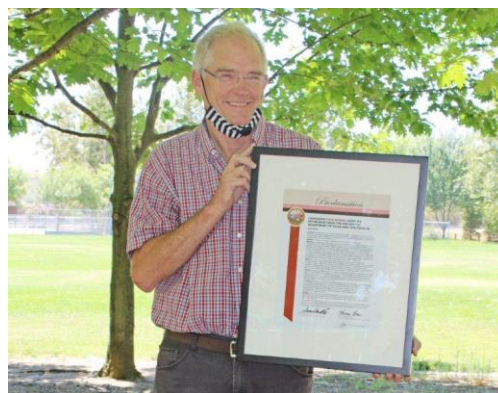
**California organizations receive almost \$3 million in healthy soil project funding.** CDFA announced Sunday that it has distributed nearly \$3 million in grant requests to 20 Healthy Soils Program demonstration projects. The Healthy Soils Program works to fund “on-farm demonstration projects that collect data, showcase conservation management practices that mitigate GHG emissions and increase soil health and promote widespread adoption of conservation management practices throughout the state.” Of the 20 funding recipients, the UC Davis Department of Land, Air and Water Resources received the most, drawing \$249,999. The UC Division of Agriculture and Natural Resources and the Cal Poly Corporation followed with \$249,996.95 and 249,407, respectively. UC Regents received \$249,055.91. “Soil health is key to agricultural productivity and food security, and capturing atmospheric carbon and storing it in the soil is an opportunity for long-term carbon storage, in addition to reducing GHG emissions,” CDFA Secretary Karen Ross said in a [release](#). “These demonstration projects help get the word out to the farming community that these practices do work. These science-based projects will help improve the quantification benefits of carbon sequestration on the land.”

## **Farm Hands West: Woods retires from CDFA**

After 35 years at the Californian Department of Food and Agriculture, **Dale Woods** is retiring from the agency. Woods served in the Plant Health and Pest Protection Services Division and the Inspection Services Division. He ended his career as the environmental program manager of the Fertilizing Materials Inspection Program and Organic Input Material Program.

AgBiome has hired **Jason Kuhlemeier** as vice president of marketing. Most recently, Kuhlemeier served as the specialty crop market manager at BASF. Before that, he worked as a project and product manager for Bayer Environmental Science and Bayer Crop Science.

Stater Bros. Markets have promoted **Bertha Luna** to the position of regional vice president retail operations. Luna has been with Stater Bros. for over 20 years and 32 years of experience in the retail grocery industry. She first began her career in 1988 as a courtesy clerk at Lucky Stores. She joined Stater Bros. in 1999 during the acquisition of Albertson's and Lucky Stores.



Dean Banks

**Matt Lohr**, who has served as the only appointed chief of USDA's Natural Resources Conservation Service during the Trump administration, is leaving USDA to head back home to his farming operation. Lohr was named **NRCS chief** in December 2018. Prior to his appointment, Leonard Jordan served as acting chief in the early days of the Trump administration. Lohr is a former Virginia ag commissioner and national FFA officer. To read more on Lohr's departure, click [here](#). **Kevin Norton**, currently the associate chief of NRCS, will become acting chief upon Lohr's departure.

**Dean Banks** has been promoted to chief executive of Tyson Foods, effective Oct. 3. He succeeds **Noel White**, a 37-year veteran of Tyson who held the CEO job for about two years. White will become an executive vice chairman on Tyson's board. Banks joined Tyson's board in 2017 and became its president last December. He will retain the title of president after the transition. Before joining Tyson Foods, Banks was a project lead and on the leadership team at X, a business unit of Alphabet Inc. Before joining Alphabet, Banks was a managing partner of SEED Ventures, a group that invested in and developed early stage health care technologies.



Dean Banks

Rep. **Chris Jacobs**, R- N.Y., and Rep. **Troy Balderson**, R-Ohio, have been added to the House Agriculture Committee. To read more on Jacobs and Balderson, click [here](#).

The Food and Agriculture Section of the Biotechnology Innovation Organization (BIO) has announced the election of its new board leadership. **Sylvia Wulf**, CEO of AquaBounty Technologies, and **Brian Brazeau**, president of Novozymes North America, were elected as the new Chair and Vice Chair. **Phil Miller** of Bayer is the outgoing chair of the board. **Elena Rice**, chief science officer and head of Research & Development for Genus PLC, is a new member of the board.

**Victoria Rivas** is the new legislative director for the office of Rep. **Pete Aguilar**, D-Calif. She covers the portfolio of taxation, transportation, and public works. She previously was a legislative assistant for Rep. **Lucille Roybal-Allard**, D-Calif.

The National Rural Electric Cooperative Association has hired **Jana Adams** as executive director of Touchstone Energy Cooperatives. Adams most recently served as senior vice president overseeing business operations and marketing strategies at the American Wind Energy Association. In this new role, Adams will help 720 electric cooperatives better engage and serve their members.

**Benjamin Houlton** has been chosen as the new Ronald P. Lynch Dean of the College of Agriculture and Life Sciences at Cornell University. Houlton most recently was the director of the John Muir Institute of the Environment and professor of global environmental studies at UC Davis. Houlton has served on the UC Davis faculty since 2007, teaching global environmental studies. In 2017, he was appointed to the University of California Global Climate Leadership Council, charged with implementing greenhouse gas reduction plans for the university to achieve carbon neutrality systemwide by 2025. In 2018, Houlton also served as founding co-chair of the California Collaborative for Climate Change Solutions, a public-private partnership connecting leaders in academia, business, finance and philanthropy with policymakers. Houlton succeeds **Kathryn Boor**, who will become dean of the Graduate School and vice provost for graduate education Oct. 1.

The U.S. Apple Association has promoted **Jessa Allen** to vice president of membership and events and **Tracy Grondine** to vice president of communications. Allen joined USApple in 2013 as director of membership and events. Grondine joined USApple in 2018 as director of consumer health and media relations.

**Ben Noble** has joined the Foundation for Food and Agriculture Research's (FFAR) board of directors. Noble is currently the executive vice president and chief operating officer at Riceland Foods. He joined the company as vice president of marketing and strategy in September 2017 and added the role of vice president of sales in August 2018. He was appointed to his current position at Riceland Foods in April 2020.

Fair Trade USA has promoted **Nathalie Marin-Gest** to the organization's leadership group and now leads its producer services team. Marin-Gest previously led the produce and floral team, which is now the fresh goods team. **Jesse Appelman** is succeeding Marin-Gest as the leader for the fresh goods team. Appelman joined Fair Trade USA six years ago.

**Pete Spanedda** has been named senior vice president of sales at HP Hood LLC, a producer of dairy products and non-dairy alternatives. Spanedda joined HP Hood in 2004 as director of sales and was later promoted to vice president of sales. He succeeds **Jim Walsh**, executive vice president of sales, who retired from the company after 20 years.

**Charles McElligott** has retired from Rabo AgriFinance after a 40-year career in the agriculture industry. He was working as the northwest regional managing director, a position he has held for the past decade. **Nathan Thomsen** took over McElligott's role on Aug 1. He most recently worked as the company's eastern territory general manager, a role now held by **Jan Pieter "JP" van Oosten**.

**John Leroy (Jack) Woolf Jr.** passed away on July 28 at the age of 102. After attending Woodbury Business College in Los Angeles, Woolf joined Anderson Clayton Company in Los Angeles as a cotton merchandiser. In the spring of 1941, Woolf signed up for the Army. He was a member of the 204th Anti-Aircraft Battalion and landed on Omaha Beach on D-Day. After

returning home from the war, he returned to his position with Anderson Clayton Company. In 1947, he was sent to Mendota to partner with Giffen Inc., a successful west side farming operation. Woolf bought some land from Giffen in 1974 and started Woolf Farming Company, which he and his wife Bernice grew into a successful farming business in the Valley. Woolf was among the first to plant almonds and pistachios in Fresno County. He was involved with the National Cotton Council, the Westlands Water District Board of Directors, The University of Santa Clara Board of Regents, and many other organizations. He helped establish the graduate agribusiness program at Santa Clara University and received an honorary doctoral degree from Fresno State.

**Best regards,**

**Sara Wyant  
Editor**

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