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How did California agriculture fair in the Legislature this year?

California lawmakers kicked off 2019 with more than 2,000 bills pummeling into print and ended the year with a dramatic 3 a.m. rally on Saturday. The session was delayed in part from a woman tossing a substance appearing to be blood onto the Senate floor while screaming "That's for the dead babies."

In many ways, it was one for the record books.

The new giga-majority Democratic dominance over the Legislature also created an unprecedented playing field, disrupting the traditional negotiation process for amending bills.

"I've never seen anything like this in 20 years," said Jim Houston, administrator of the California Farm Bureau Federation. "Generally, we go in and maybe get a half a loaf, maybe a quarter... This year, there was no give and take."

Now that the dust has settled in Sacramento, here are a few takeaways from a look back on one of the state's most active legislative years.

The headliners and what's next

A handful of major bills have consumed much of the attention throughout the year. When it comes to agriculture, Senate Bill 1 would have been one of the more impactful in recent years. It proposes codifying federal environmental protections into California law. The bill also carried the legislative might that comes with the Senate President Pro Tempore as author.



Senate President Pro Tempore Toni Atkins, D-San Diego

"When the Pro Tem's bill comes up," said Louie Brown, an attorney representing ag groups for Kahn, Soares and Conway, "it's hard to stop a bill of that nature."

San Diego Senator Toni Atkins had appeared that night to be leaning toward the safer bet of shelving her measure as a two-year bill. SB 1 does lend itself to being broken down into several smaller bills individually tackling clean water, clean air, labor and health issues.

A narrower Trump resistance bill, <u>AB 454</u>, focused specifically on enshrining the Migratory Bird Treaty Act into California law and, after an exemption for agriculture, it successfully passed the Legislature and is currently awaiting the governor's signature.

On Saturday, hours after the Legislature had passed SB 1, Governor Gavin Newsom pledged to veto the bill.

The window may have closed for SB 1. If it is brought back and passed next year and if Trump is not reelected in November, Atkins would again be pushing through what she's considered her most challenging legislation. But this time it would be enacted in early 2021, while two weeks later a new president would be sworn in, rendering the measure obsolete.

Houston said in the debates around SB 1 and the bills on pesticides, "science has now been appropriated by the politics." He added that the current approach to policymaking needs "to find a way to have an objective discussion about science." Houston assumed the issues at play in the Trump resistance bill will likely continue as policy discussions next year.

Days before SB 1 passed, the Legislature had also swept headlines across the country when it approved Assembly Bill 5. Once signed into law, the labor bill is expected to have a significant impact on independent agricultural truckers, many of whom will be reclassified as standard employees. There will be



Owner-operator truckers protest AB 5 at the capitol.

at least one referendum, as well as ballot initiatives, follow-up bills, new arguments in <u>an</u> <u>ongoing lawsuit</u> and plenty of new legal action to follow once Newsom adds his signature.

"I fully expect that there will be more bills trying to better clarify (the initial Dynamex court decision) moving forward next year," said Brown. "We'll just have to do what we can to be at the table to try to get those owner operators included and any other elements of the industry that might have been left out."

Pesticide bans

Throughout the legislative session, the ag industry watched carefully as four bills proposing bans on pesticides sprouted up and disappeared.

Senator Maria Elena Durazo of Los Angeles led the most contentious and emotional battle. Her bill, SB 458, proposed an immediate ban on the insecticide chlorpyrifos. The bill would buy time

for the California Environmental Protection Agency to proceed with its two-year regulatory review process. The <u>first committee hearing</u> for the bill focused heavily on the science, pitting an epidemiologist specializing in autism against an epidemiologist formerly with Dow Chemical. Durazo reiterated throughout her debates that chlorpyrifos was a "child brain-damaging pesticide." The argument continually swayed urban lawmakers, as well as Central Valley Senator Melissa Hurtado of Sanger, who beat out a Republican for her seat in November.

Yet Durazo's bill was outdone by Governor Newsom, when his administration <u>announced the</u> <u>cancellation</u> of chlorpyrifos in May. SB 458 quietly died two weeks later in the Senate

Appropriations Committee. Durazo, however, had strong thoughts on the measure. She resurrected the ban the following month by cannibalizing another bill, SB 86, refining it to act as insurance backing up the administration's efforts. In July, Durazo pulled that bill ahead of a committee vote, announcing that it would be a two-year bill.

Yet it is unlikely for the bill to return. By the time it could be enacted in 2021, the administration's cancellation process will be close to completed.

Another pesticide ban was pulled that same day. Also a "<u>gut-and-amend</u>," this bill proposed a ban on the use of glyphosate on state property. Its previous version specifically targeted schools for the ban. The author, Assemblymember Al Muratsuchi of Torrance pulled the bill, AB 916, before its first hearing on the expanded scope, promising a return as a two-year bill.



Sen. Maria Elena Durazo, D-Los Angeles

Houston attributed the momentum behind AB 916 to the media attention around the glyphosate lawsuit earlier in the year.

A bill proposing a statewide ban on second-generation rodenticides, meanwhile, floated longer into the legislative year. Exemptions were made for agriculture and other industries. Perhaps under the heavy opposition of pharmaceutical companies, however, Assemblymember Richard Bloom of Santa Monica pulled the bill in August and later promised to return to the measure in January.

Water and climate funding

On the heels of the failed Proposition 3 water bond last year, freshman Senator Melissa Hurtado took up the cause to fund Central Valley water infrastructure. Her Senate Bill 559 would have dedicated \$400 million to fixing the Friant-Kern Canal, which has long been suffering severely reduced capacity due to subsidence.

Through several hearings, Hurtado had fought off arguments that the federal government should be paying for the fix. Surprising many, the bill even came out its first Appropriations Committee with the full \$400 million-proposal intact. Yet the second one doomed it.

SB 559 never made it out of Assembly Appropriations, likely due to its large price tag, <u>according</u> to California Citrus Mutual. Assemblymember Devon Mathis of Visalia, a co-author on the bill, <u>said the move</u> was simply "freshman hazing."

Also in the area of water funding was a bill that would have set up a bond for the 2020 ballot. The \$4 billion-measure proposed in <u>SB 45</u> would have allocated \$190 million for protecting agricultural lands from climate risks. Boosting the priorities set by CDFA and the Newsom administration, the money would have supported small- and mid-sized farms with grants promoting soil health and water use efficiency practices. About half of those funds would have gone towards restoring ag lands to natural conservation areas.

The proposal encompassed a broad range of climate-related issues, with a title that attempted to capture it all: The Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act.

SB 45 was brought before a hearing in April and never moved again until August, when the bill took new amendments. Then the Rules Committee on September 10 placed it in a position for rapid ascension. Perhaps lost in the last-minute push for SB 1, the co-authors never brought the bill up for a floor vote.

Nevertheless, a nearly identical ballot initiative filed with the attorney general's office lives on. The Legislative Analyst's Office <u>has reviewed the proposal</u>, which is almost double the amount proposed in SB 45, at \$7.9 billion. Despite that hefty sum, the initiative would add just \$10 million more for agricultural programs.

Along similar lines, <u>AB 409</u> proposed \$2 million for climate adaptation tools, resources and trainings to help farmers and ranchers adapt to climate change. It died in Appropriations.

With the Sustainable Groundwater Management Act starting to take effect in January, Houston expects to see more lobbying activity in Sacramento from the local entities impacted by the new restrictions.



Senator Ben Allen, D-Santa Monica, was an author on the SB 45 bond and SB 54 on plastic waste.

Housing

While the housing crisis consumed much of the energy in both houses early in the year, AB 1783 presented a seemingly innocuous proposal to streamline the approval process for farmworker housing.

Yet, <u>as *Agri-Pulse* reported</u> in August, the bill would roll back existing funds for farmworker housing by adding a provision that excludes H-2A guest workers and would require farmers to hand over the keys to a third party. Despite heavy opposition from ag groups like the California Farm Bureau Federation and the Western Growers Association, the bill passed several committees and eventually both houses, with the author, Assemblymember Robert Rivas of Hollister, falling back on a provision that the program would be completely voluntary. The bill is awaiting the governor's signature.

Reducing plastic packaging

SB 54 and its counterpart AB 1080 did not come up for a floor vote on the last day of the Legislature, despite signals that Newsom was prepared to sign them. The bills would have mandated a 75% reduction in single-use plastics by 2030 through recycling, composting and alternative sourcing.

California Citrus Mutual (CCM) <u>notes</u> the authors added more than 200 amendments during the last week. The final-hour revisions, along with logistical challenges for implementing the measures, likely contributed to the bills' demise, writes CCM Director of Government Affairs Alyssa Houtby.

The bills are expected to return in January, however, and Louie Brown is hopeful he can work with the authors and the governor's office to exempt the on-farm packaging used to move raw materials from the field to processing. He said that type of packaging is already highly recyclable and is never intended to reach the consumer.

Safe drinking water

In the first half of the legislative session, ag groups <u>stood behind</u> a bill to establish the Safe and Affordable Drinking Water Fund. The measure proposed a revenue stream through fertilizer fees and a water fee of less than a dollar per month spread across all Californians.

The issue was a top priority for the governor and the legislature. By partnering on the bill, the industry was able to negotiate a cap on the rising fees the State Water Resources Control Board has <u>levied onto farmers</u> to pay for drinking water cleanup and staffing costs.

But levying new taxes was already a toxic issue for legislators in swing districts. The eventual compromise, signed into law through <u>SB 200</u>, tapped into the General Fund and, in a controversial twist, from the Greenhouse Gas Reduction Fund.

The laws to come in 2020

The governor has plenty more ag-related bills to consider ahead of the October 13 deadline.

"It's not over yet," cautioned Brown. "We're waiting to see how governor Newsom reacts to this large number of bills that are on his desk."

Included in the bills are measures to:

- <u>Ban fur sales</u> (Newsom has already signed <u>a ban on fur trapping</u>),
- <u>Create a California rural development agency</u> and a CDFA economist to report on impacts from the Sustainable Groundwater Management Act,
- Establish CDFA as the USDA liaison for regulating industrial hemp in California,
- Add the CDFA secretary to the California Broadband Council,
- Add smog checks for diesel trucks,
- Penalize employers who withhold an immigrant's legal documents "to enslave victims,"
- Streamline a program offering incentives for farmers to flood fields in winter,

- <u>Deploy stream gages</u> to better monitor water flows and fish populations,
- Better protect wild and domestic horses from slaughter,
- Grant alligator farmers another year to sell products,
- Boost glass recycling, with support from the Wine Institute,
- Help California comply with the federal milk marketing order,
- <u>Reduce fuels</u> for wildfire prevention, which now exempts growers from trimming back orchards near power lines,
- And allow the harvest and consumption of roadkill.

Six questions for FSA Director Connie Conway

The acronyms are always hard. Connie Conway had to learn the policy terms as a Tulare County supervisor and then more as an assemblymember. In her first month as a "federale," she has been deluged with acronyms.



Conway heads the California branch of the USDA Farm Service Agency, a political appointment by President Donald Trump. Having lived in Bakersfield, Tulare and Fresno, the role is a continuation of her deep relationship with California farming and ranching.

"You can't avoid agriculture – even if you wanted to – if you've lived where I live," she said.

In the Assembly, Conway represented the San Joaquin Valley for six years. At the FSA, she replaces Aubrey Bettencourt, the former head of the <u>California Water</u> <u>Alliance</u>. California Representative Devon Nunes has held the position as well.

Conway spoke with *Agri-Pulse* recently about the latest rollout of the Market Facilitation Program payments, about the regulatory push towards consolidation and about her first month in the role.

1. How has your background at the Legislature prepared you for this position?

Agricultural is often the victim of legislative malfeasance. They'll say they're just trying to do the right things for the right people. But sometimes the legislation does harm to the very people they say they're trying to help.

This move for me is an exciting one. I see it as a way to give back to all of those who have supported me in the past and to be able to serve agriculture in a different role that combines both policy and action.

Our goal is to keep farmers farming. But I've noticed that as I've gone around to visit some of the offices, a lot of the workers for this agency have little signs up in their cubbies that say, "Do right and feed everyone." I like that.

2. What are your priorities for the role?

The agency mostly reacts to the Farm Bill, which usually happens every five years. But with tariff issues, we're now putting out programs to help the farmers that might be impacted by those trade issues. And for the first time, we're helping some farmers with different agricultural products than we have in the past.

3. In the Assembly, you voted against the Sustainable Groundwater Management Act. How does your role now intersect with water issues?

One of the things that's always a mystery to me when you're talking about water is that there's a segment of the population that does not like above-ground storage. But in order to replenish the aquifer that gets used, if you don't have water to put in it, you can't refurbish it.

To watch wonderful water – a gift from heaven in our snowpack – roll out to the sea, with no benefit – not only to agriculture, but to cities and counties and disadvantaged communities – to me, that's a sin. There is enough water if we were just able to capture it and do the right thing.

Any problem can be solved, if you're dealing with people that sincerely want to solve the problem. So, I come with a degree of skepticism because of my experience as an elected official.

I had a dear friend of mine tell me one time, "You know, Connie, you live your life by a set of morals and guidelines, and you blindly assume that the rest of the world shares them. Well, I'm here to tell you they don't."

4. How have agricultural policies changed over your time in elected offices?

In my time in the legislature, I was death by a thousand paper cuts. It's this little regulation here, and that little regulation over there. It seems almost like a cohesive effort to eliminate agricultural businesses in California.

What used to sadden me the most was that some of the people who come up with these great ideas have never even been to a farming operation.

As we roll out some of these tariff programs, even from a year ago, many of the dairies are gone.

I used to hear a lot of my colleagues on the far left in Sacramento talk about factory farms and corporate farming. One day, I was pretty upset about that and I said to the assemblymember, "With all due respect, I'm not sure you've been to an agricultural area to actually see it. It's the business my son is in. He works side-by-side with his employees every day, sometimes multi-generational employees. They all care about what they're doing and they all care about each other."

The reason some of these farms have grown in size is because the grandfather dairies, for example, cannot exist with the current rules and regulations. It's economy of scale and a small operation can't make it. You put in a rule that says for every animal unit, you have to have an acre of land. The small guy can't afford that and that's how these operations grow.

I think they'd like to turn part of the agricultural areas in the state of California back to wild lands.

5. What are your initial thoughts from your first month in the role as director?

While I was aware of the agency before, I did not understand the depth of the programs. I was not fully aware of the programs that help new or beginning farmers. And there's programs to help youth interested in farming, and veterans and socially disadvantaged folks like the Hmong farmers. There's just a variety of things that are involved in it. It's really interesting and I've been working long, hard hours.

6. The Market Facilitation Program is new to a lot of farmers, especially in California. How has the rollout been so far?

I can tell you we're working very hard and doing tremendous outreach.

There's a program for raisins and there's a program for table grapes. We've never done that before. Cherries are part of the program. One of the hardest things about this is that farmers are humble, hard-working people, and they don't always want to sign up for government programs. We have to go out and find them.

I haven't had any of them tell me they're mad at the president. They say it's a problem that needs to be solved and they are willing to hang in there. They are taking a hit, many of them, but they're such resilient people. Farmers are the salt of the earth. It's warmed my heart in many ways to see exactly how much they are willing to take.

Senate GOP sets up battle with House over research agencies

Senate Republicans are moving a fiscal 2020 spending bill for the Agriculture Department that tees up a fight with House Democrats over the relocation of two USDA research agencies to the Kansas City region.

The bill, which the Senate Appropriations Committee will consider on Thursday, would provide \$25 million that USDA requested to carry out the move of the Economic Research Service and the National Institute of Food and Agriculture.

The House-passed bill that funds USDA would instead prohibit Agriculture Secretary Sonny Perdue from carrying out the relocation, which the department started this summer.

"We understand that there is a concern (about the relocation) on the part of some people. We'll deal with that the best we can," said Sen. John Hoeven, a North Dakota Republican who chairs the Senate Agriculture Appropriations Subcommittee. The subcommittee's top Democrat, Oregon Sen. Jeff Merkley, objected to the funding provision. He said the relocation "would do irreparable harm to cuttingedge research agencies whose work the American agriculture industry relies on. I hope that we can work with our colleagues in the House to do better before a final bill is signed into law."

Senate Republicans are starting to rush the 12 FY20 spending bills through the Appropriations Committee this month so negotiations can begin with House Democrats, and the ERS-NIFA relocation will be among a long list of differences that will have to be resolved, including spending levels for departments and agencies.



Sen. Jeff Merkley, D-Oregon

The new fiscal year starts Oct. 1, but the House is

expected to vote on a continuing resolution this week that would keep the government funded until Nov. 21 while the House and Senate negotiate the FY20 spending measures.

The Senate's FY20 Agriculture spending bill, which would fund USDA as well as the Food and Drug Administration, was approved by the subcommittee on a voice vote. Spending for "discretionary" programs, those programs that are subject to annual appropriations, unlike farm bill programs and many nutrition programs, would be funded at \$23.1 billion, slightly above the fiscal 2019 level.

<u>The House-passed version of the bill is funded at just under \$24 billion</u>, not counting funding for the Commodity Futures Trading Commission. The House includes the CFTC in its version of the Agriculture bill, but the Senate funds the CFTC through its Financial Services bill.

In addition to the fight over the ERS-NIFA relocation, negotiators will have to resolve differences in funding levels throughout USDA and other agencies.

For example, the Senate bill contains no new funding for USDA's ReConnect loan and grant program for rural broadband projects, a Senate aide said, but the House version of the bill earmarks \$550 million to the program in FY20. The program was created in 2018 and funded again in FY19.

The text of the Senate bill hasn't been released, but summaries say it would provide \$3.48 billion for agricultural research, \$607 million above the amount President Donald Trump requested. The House bill would fund USDA research programs at \$3.3 billion.

House Democrats want more funding for international food aid than the Senate bill would provide. The nation's flagship food aid program, Food for Peace, would be funded at \$1.72 billion under the Senate bill, compared to the \$1.85 billion included in the House legislation, which would be a \$350 million increase from FY19.

The McGovern-Dole international school feeding program would be funded at \$210.3 million under the Senate bill, compared to \$235 million under the House legislation, which would be a \$25 million increase over FY19.

The White House has tried unsuccessfully to kill both programs.

The Senate bill also includes a provision directing USDA to implement a rule that would require USDA to modify the origin of livestock requirements for organic dairy cows. USDA has never finalized changes proposed by the Obama administration in 2015. The House legislation has a similar provision.

The bill includes \$16.5 million in new funding for USDA to implement a new hemp production program that was required by the 2018 farm bill. The bill also includes \$20 million for the new Dairy Business Innovation Program, which was authorized in the 2018 Farm Bill to support dairies hoping to diversify with on-farm processing and product marketing.

The Senate also is moving an Energy-Water bill that includes funding for water projects managed by the Army Corps of Engineers. The bill would increase the Corp's operation and maintenance budget by \$59 million above the FY19 level and provide \$1.7 billion for harbor projects, \$74 million above the target in the 2014 water projects authorization law. The FY20 bill also would make full use of the 2019 estimated revenues generated from the Inland Waterways Trust Fund.

The Commodity Futures Trading Commission would get a \$6 million increase to \$274 million in FY20 under the Senate's Financial Services spending bill, which is moving separately from the Agriculture measure. The House wants \$315 million for the agency in FY20.

Courts may provide guidance on plant and cell-based meat labeling

The courts may be getting closer to resolving some high-profile disagreements over the use of the word "meat" in packaging of plant- and cell-based products manufactured to resemble meat.

The real battle, however, may be down the road when cell-based — or "cultured" or "cultivated" meat products — find their way into grocery stores.

"The real issue is going to come with this lab-grown meat," said Mississippi Commissioner of Agriculture Andy Gipson, whose department is working on regulations to address the issue.

In the meantime, a ruling in an Arkansas case could provide some clues into the legal fitness of the state laws. An Oct. 7 hearing is scheduled in federal court in Arkansas on a request by Tofurky, the American Civil Liberties Union, Animal Legal Defense Fund and Good Food Institute (GFI) to block a "truth in labeling" <u>law</u> signed by Gov. Asa Hutchinson in March. In Missouri, Tofurky and GFI are in mediation with the state to resolve their differences over a similar law, even after previously ordered mediation sessions did not result in a resolution.

In Arkansas, Tofurky and the groups sued in July and filed a motion for preliminary injunction last month to halt implementation of the law, which Arkansas says it won't enforce until the lawsuit is resolved.

That law would prohibit food companies from "representing" their products "as meat or a meat product" if the product did not come from "harvested livestock, poultry, or cervids." More specifically, it would prohibit the representation of an agricultural product "as pork

or a pork product when [it] is not derived from a domesticated swine."

In their request for an injunction, Tofurky and the groups said the law would prohibit companies from using words like "meat," "burger," "sausage," and "deli slice" to describe food products "that are not made from slaughtered animals, even if the companies clearly and accurately inform consumers about the nature of their products."

They are challenging the law on First Amendment, Commerce Clause, and due process grounds. Tofurky says labels for its plant-based products are truthful and clearly identify the source of the foods, such as "Slow Roasted Chick'n," which also includes "plant-based" on the front of the package.



Mississippi Ag Commissioner Andy Gipson

But what's clear to Tofurky is misleading to the state of

Arkansas, which says in its response to the injunction request its "review of the handful of cherry-picked labels Tofurky provided with its motion for preliminary injunction" shows that "many of its labels bury the term 'plant-based' somewhere on its packaging or otherwise resort to fine print to identify some of the components of its product."

It used as an example the company's "Original Sausage Kielbasa," which is displayed in "large, bold print." In smaller print on the front of the package, Torfurky says the sausage is made of "Polish-style wheat gluten and tofu."

Tofurky and the groups challenging the laws say states and livestock groups that have supported the legislative efforts are trying to stifle competition. But Arkansas and other states say they are concerned about consumer confusion. Mike Deering, executive vice president of the Missouri Cattlemen's Association, said, "We're not afraid of competition; we're not trying to put anybody out of business. The only people who should be nervous about this are those intentionally deceiving."

Plant-based companies insist they have no desire to confuse consumers. Justin Pearson, an attorney with the Institute for Justice representing the Plant-Based Foods Association and Upton's Foods in a lawsuit against Mississippi, said consumers are not confused, and plant-based food manufacturers are careful about labeling because it could affect their bottom line.

"It would be a disaster for my clients if people thought they were selling animal meat," he said.

Even within the beef industry, there's no consensus about consumers' state of mind. Andy Berry, executive vice president of the Mississippi Cattlemen's Association, said he doesn't know whether there is any consumer confusion. "We want to certainly ensure that there's not," he said.

And Gipson, the head of the state's Department of Agriculture and Commerce, says while he believes products such as the Impossible Whopper are creating some confusion among consumers, "Most of the plant-based products are rather clear."

Mississippi is an example of a state that appears to be working out its differences with the plantbased community. Gipson's department proposed regulations in July that explicitly prohibited labeling plant-based food products "as meat or a meat food."

But on Sept. 6, the state issued a <u>new proposal</u> that says "a plant-based food product label shall not be false or misleading" and allows use of terms like "meat free," "meatless," "plant-based," "veggie-based," "made from plants," "vegetarian," or "vegan" to be used along with "meat" on a package.

Said Berry, "Whatever qualifier that they use, we want to make sure it's in a prominent location."

Pearson said if the new language is approved, his clients will consider dropping their lawsuit. "There are already laws banning misleading speech," Pearson said,

Gipson, however, says, "We've heard from enough people in the state. They want to have some comfort level that they're purchasing red meat," just as "people who are buying plant-based foods want to know they're getting plant-based foods."

"It's not about squashing competition," he said. "It's about the meaning of words."

The debate likely will become more difficult when "cultivated" meat — as described by the Good Food Institute, which promotes plant-based and cell-based foods — makes it to the market.

"Long term, it's going to be about cultivated meat," GFI Policy Director Jessica Almy said. "With plant-based food, it's really about the taste, the flavor. Whereas with cultivated meat, it's actually animal meat. That's going to be a lot harder for companies to deal with."

Almy notes that people who have meat allergies will have the same reaction to meat whether it's from a cow or a facility making cell-based meat.

Most of the dozen laws passed nationwide anticipate the introduction of cell-based meat, while the Missouri and Arkansas laws have a more immediate impact, Almy said.

NASDA moves trade, climate policies at annual meeting

An annual gathering of the National Association of State Departments of Agriculture produced language the state leaders hope will shape trade, climate, and food policies for the coming year.

The meeting, held last week in Albuquerque, N.M., was an "action-packed week," NASDA CEO Barb Glenn said, and the group's "top priority was to pass sound food and ag policy" the organization can act upon in Washington for the next year.

NASDA adopted new climate resiliency policy, which encourages stakeholders to develop incentive-based programs and pursue research that helps agriculture adapt to the effects of a changing climate. A <u>new partnership</u> with the Environmental Defense Fund, announced at the meeting, focuses on innovative financing for climate programs and conservation programs, including crop insurance discounts and transferable tax credits, to incentivize conservation adoption.

Max Moncaster, associate director of public policy and NASDA staff lead on the Natural Resources and Environment Committee, said, "It's something that our states are really taking a lead on as they are trying to find new ways to finance those programs and give farmers a new source of revenue stream from conservation practices."

Like many other ag organizations, the U.S. Mexico Canada Agreement was also top of mind. The Marketing and International Trade Committee voted to pass an action item that calls on Congress to approve the USMCA pact this year.

"I am really hopeful there is some space this fall, I think there is a landing zone and it would be a big boom to farm country and the rest of the country as well," said Moncaster.

The meeting also featured a reorganization within NASDA that would tweak how the organization approaches some of the nuances of food policy.

The Board of Directors voted to rename its Food Regulation Committee as the Food Systems and Nutrition Committee. California Secretary of Food and Ag Karen Ross, the incoming chair of the committee, said in an interview with *Agri-Pulse* that this upcoming year she looks forward to "continuing the really great relationship" with the Food and Drug Administration (FDA), which

awarded a Cooperative Agreement to NASDA to continue implementation of the Food Safety Modernization Act (FSMA) Produce Safety Rule.

"We had a lot of dialogue continuous around the implementation of the Food Safety Modernization Act," Ross said, "**but we all know food waste is something that is a big topic across the country and globally and so we are going to be engaged in that,**" topic this upcoming year.

NASDA adopted a new policy on food waste following the action of NASDA's "Pledge to end Food



New NASDA President Doug Goehring addresses the convention

Waste" which was a collaborative effort lead by the EPA, FDA and USDA. State Ag officials will work to find solutions that address food waste by emphasizing the need to preserve natural resources, reduce agricultural inputs and continue to feed everyone.

The conference ended with Doug Goehring, North Dakota Agriculture Commissioner, being elected to serve as NASDA's 2019-20 president and will host the 2020 NASDA Annual Meeting next year in North Dakota.

Pressured by retailers, cotton growers seek to prove sustainability

Cotton growers who have been struggling with trade tensions and competition from synthetic fibers are increasingly under pressure from manufacturers and retailers to prove that their crop is environmentally sustainable.

So, the National Cotton Council is signing up growers for a new program, called the <u>U.S. Cotton</u> <u>Trust Protocol</u>, that aims to meet the demand for cotton that can be certified as sustainable.

Consumers have become much more interested in the story behind the products they are purchasing, "and sustainability is one of the stories they're interested in," said Ted Schneider, a Louisiana grower who oversees the cotton council's sustainability task force. "They want to make sure that we are growing cotton sustainably and responsibly and not doing any harm."

The voluntary program, now in a pilot stage, is designed to measure participating growers' progress on an array of environmental issues.

Participating growers first fill out a sell-assessment on nine categories – soil health, nutrient management, water management, crop protection, harvest preparation, wildlife habitat, fiber quality, traceability and farm management. Then, growers will use an approved data management system, such as <u>Field to Market's FieldPrint Calculator</u>, to measure their use of best management practices.

One section of the self-assessment asks, for example, whether the producer works with advisers who have expertise in soil health, whether the grower uses "conservation tillage practices such as minimum, strip, mulch or no-till," and whether the producer uses "permanent and/or annual windbreaks to reduce wind erosion." Enrollees also must certify they follow USDA's conservation compliance requirements for participating in farm bill programs.

The nutrient management section includes questions about whether enrollees conduct soil tests to determine residual levels of nitrogen, phosphorus, potassium and micronutrients, and whether plant tissue is tested during the growing season to assess nutrient needs. Growers also are asked whether they have a nutrient management plan that takes into consideration their farm's soil type, soil pH and related local conditions.

A random sample of producers will be checked by a third-party certifier to make sure their information is accurate.

Some 38 major brands and retailers, including H&M, Ikea, Target, Gap and Walmart, have pledged to source 100% sustainable cotton by 2025. Companies are making public statements about their environmental impact of their products and supplier, and "they've got to have a program that can support those statements," says Ken Burton, who is overseeing the U.S. cotton program.

The program is designed to help achieve six goals that the cotton council set for the industry to reach by 2025: a 13% increase in productivity, as measured by land use for a pound of fiber; an 18% increase in irrigation efficiency; a 39% reduction in greenhouse gas emissions; a 15% reduction in energy costs; a 50% reduction in soil loss; and a 30% increase in soil carbon.

Burton acknowledged that the industry could fall short on one or two of the goals. "We're going to be transparent with it. ... We have to place goals on ourselves."



Ken Burton, U.S. Cotton Trust Protocol

A similar program, called the Better Cotton Initiative, is already operating internationally for several years but few U.S. farmers participate. Jason Clay, senior vice president of markets for the World Wildlife Fund, who spearheaded development of BCI and other commodity sustainability programs, said the U.S. industry was reluctant to join BCI because it "didn't want other people defining what sustainability was."

In any case, BCI focused on smaller scale producers in other cotton-producing countries, including China and India.

According to BCI's report on the 2016-2017 growing season, farmers participating in the program in India used 30% fewer pesticides and farmers in Pakistan used 20% fewer pesticides than growers who weren't part of the program. China's BCI farmers used 4% less pesticides. Yields among BCI farmers were 15% higher in Pakistan, 13% higher in China and 13% higher in



Jason Clay, WWF

Tajikistan, according to the report.

Clay says the National Cotton Council risks undermining confidence in a sustainability program by running it itself. **"To me any standard that is going to be meaningful can't be the fox guarding the chicken house," he said.**

Burton says the Cotton Trust Protocol is addressing that concern in part by putting the program under a 15member board, which will include represents of brands

and retailers as well as conservation advocates, academics, and representatives of merchants and spinners. "Balance is necessary for the program to be successful. The governing board will understand that the effort depends on credibility," he said.

The board's membership has not yet been finalized. The first meeting will be in November.

The third-party certification process for grower compliance is intended to provide assurance to cotton buyers that the program's standards are being followed, Burton said.

Schneider, whose farming practices include planting cover crops in October to protect soil over the winter, says he doesn't think the program will be enough to change the minds of some critics, "but I think we can bring some reason back to the conversation. We're presented as being nameless, faceless corporations who only care about making a dollar, that we don't care what we do about the environment, and we've got to change the perception."

Cotton merchants and cooperatives are being encouraged to get farmers to sign up for the pilot stage of the program. So far, about 150 producers have enrolled. The goal for the pilot stage is to enroll at least 300, a goal Burton thinks is doable.

About 25% of producers who have signed up so far are from the western states of California, Arizona and New Mexico with the rest from the other three major cotton-producing regions in Texas, the mid-South states and Southeast.

Schneider said the goal is to get a million acres enrolled in the data management tool within five years. (About 14 million acres were planted to cotton nationwide this year.)

News briefs

New grants aim to boost exports. The California Department of Food and Agriculture (CDFA) and the Governor's Office of Business and Economic Development (GO-Biz) announced that California received a \$600,000 grant from the U.S. Small Business Administration (SBA) to help California small businesses boost trade and exports abroad. CDFA and GO-Biz will use the funds as part of the California State Trade Expansion Program (STEP) to help California small businesses participate in activities like foreign trade shows and access foreign markets through trade promotion initiatives. In addition to the federal support, California and its partner agencies will provide \$323,076 in matching funds, bringing the total program funds to \$923,076. CDFA and GO-Biz will work with partners including the Los Angeles Area Chamber of Commerce, Los Rios Community College District, Specialty Equipment Market Association (SEMA), and the University Enterprises Corporation at California State University San Bernardino. "International trade is a critical part of California's economy," said CDFA Secretary Karen Ross. "This award will help to fuel economic growth by allowing small businesses to expand export opportunities, compete in foreign markets, and support jobs here in California. As the nation's largest agricultural producer and exporter, our farmers, ranchers and food processors benefit from open markets, export sales and a global consumer base." For more information on the California STEP program, visit www.CaliforniaExport.org

Nestlé aims for 'bolder ambition' on greenhouse gas emissions. Nestlé

has announced plans to achieve zero net greenhouse gas emissions by 2050, in part by working with farmers to restore land and limit greenhouse gas emissions. The global company, which manufactures dozens of food and beverage brands, as well as health care and pet food, embraces part of the Paris Agreement to limit global temperature rise to 1.5°C. Ahead of the U.N. Secretary-General's Climate Action Summit this month, Nestlé will sign the 'Business Ambition for 1.5°C' pledge, aiming to limit the global temperature rise by that level. The company also plans to improve management of its dairy supply chain and do more to protect forests by replanting trees and enhancing biodiversity. In addition, the firm says it will launch more products that have a better environmental footprint and contribute to a balanced

diet, including more plant-based food and beverage options. And Nestlé is also pledging to use 100% renewable electricity in its factories and offices. "Climate change is one of the biggest threats we face as a society. It is also one of the greatest risks to the future of our business," said Mark Schneider, Nestlé CEO. "We are running out of time to avoid the worst effects of global warming. That is why we are setting a bolder ambition to reach a net-zero future. Deploying Nestlé's global resources and industry know-how, we know we can make a difference at significant scale. Our journey to net zero has already started. Now, we are accelerating our efforts," he added. The firm reported that, since 2014, the reduction of greenhouse gas emissions across its entire value chain is equivalent to taking 1.2 million cars off the road.

Farm Hands West: Lawton promoted at Vision Produce

Vision produce has promoted **Dan Lawton** to president and managing partner, taking over the day-to-day operation of the company. **Bill Vogel** will remain as chairman and CEO. Lawton started his career with Dole Fresh Fruit Co. in 1994, and has been with Vision Produce since 1999.

Nick Young, supervising environmental scientist at the California Department of Food and Agriculture, has been tapped to serve as the president of the Association of American Plant Food Control Officials (AAPFCO). At CDFA, Young works with the fertilizer industry to achieve compliance with California laws and regulations.

Bringing over 25 years of experience in California's commodity organizations, **Marcy Martin** has been tapped to serve as the new president of the Citrus Research Board. She most recently served as director of trade for the California Fresh Fruit Association, but she also served the California Apple Commission for over ten years.



Nick Young (L) receives the gavel to serve as president of AAPFCO.

Nick Young (L) receives the gavel to serve as president of AAPFCO.

The Federal Agricultural Mortgage Corporation, best known as Farmer Mac, hired **Todd Batta** to serve as the new vice president of government affairs. Batta previously served as the executive assistant and senior policy adviser to Dallas Tonsager, the former Chairman of the Farm Credit Administration (FCA). Before joining FCA, Batta served as the assistant secretary for congressional relations for the U.S. Department of Agriculture.

Ag Secretary **Sonny Perdue** has officially sworn in **DJ LaVoy** as USDA's new deputy undersecretary for Rural Development. LaVoy boasts 22 years of experience in housing and economic development at the Department of Housing and Urban Development. Most recently, he was HUD's Deputy Assistant Secretary for the Real Estate Assessment Center.

Howard Minigh has announced he is stepping down as CEO and president of CropLife International. **Giulia Di Tommaso** has been selected to serve as the new CEO and president, bringing experience as a leader in executive global roles, including strategy, transformation change, sustainability, communications, reputation management, risk and issues management as well as legal and compliance. Before joining CropLife International, Giulia was chief communications & sustainability officer at the Ferrero Group.

Kind Healthy Snacks promoted **Michael Barkley** to serve as its new CEO. He succeeds **Daniel Lubetzky**, who has been elevated to executive chairman. Lubetzky founded Kind in 2004. Barkley previously joined Kind last fall as president and COO. Before that, Barkley was with Pinnacle Foods, where he was president of Boulder Brands from May 2017 to August 2018. ... Succeeding Barkley as COO is **Daniel Poland**. He most recently served as executive vice president and chief supply chain officer at Pinnacle Foods. **Doug Behrens** has been named chief customer officer. Prior to joining Kind, Behrens was president of Amplify Snack Brands. **Rebecca Bagin** has been named chief human resources officer. She most recently was chief human resources officer at Tory Burch, and earlier spent 14 years at Campbell Soup Co.

Indigo Agriculture has expanded into Europe and will open its headquarters in Basel, Switzerland. **Georg Goeres** has joined Indigo as head of its European operations. For the past fifteen years, Georg worked in various leadership roles for Syngenta, including head of commercial operations and strategy.

The Global Cold Chain Alliance (GCCA) hired **Jason Troendle** to serve as the director of market intelligence and research. Troendle previously served as a senior business analyst for the Context Network. Troendle has a master's in applied economics and management from Cornell University.

Sixteen individuals have been selected to be inducted into the National 4-H Hall of Fame during a special ceremony on Friday, Oct. 11, at the National 4-H Youth Conference Center in Chevy Chase, Md. Each person will be honored for his or her lifetime achievements and contributions to 4-H. The National 4-H Hall of Fame Class of 2019 Laureates recognized for excellence in citizenship, leadership, character and career accomplishments include: **Charles Cox**, Oklahoma; **Richard Freeman**, National Association of Extension 4-H Agents (NAE4-HA); **Frances L. Hagel**, New Jersey; **Edward L. Horning**, Pennsylvania; **Lillian Larwood**, Oregon; **Donna MacNeir**, NAE4-HA; **Reita Marks**, West Virginia; **Donna Menart**, Wisconsin; **Ruby N. Miller**, Louisiana; **Les Nichols**, National 4-H Council; **Marilyn N. Norman**, Florida; **Bill Peterson**, Arizona; **Howard Scott**, North Carolina; **LC Scramlin**, Michigan; **Peter Stortz**, Alaska; **Chuck Todd**, Washington.

This week brings a handful of changes to the minority staff of the Senate Ag Committee. **Claire Borzner** has joined the staff to cover nutrition, specialty crops, food safety, international food aid and hemp issues. The Holy Cross grad previously worked in the Capitol Hill offices of Rep. **Mike Doyle**, D-Pa., and Sen. **Bob Casey**, D-Pa. ... **Khadija Jahfiya** is a new legislative fellow with the committee, where she will will work on nutrition, local foods, specialty crops, and other issues. She comes to the committee from UNC Chapel Hill, where she completed her Masters studies focusing on childhood obesity and other issues. ... Rounding out the issues, current

staffers **Kyle Varner** will now focus on trade issues and **Rosalyn Brummette** will handle biofuels and related issues.

Lance West has left the Senate Energy and Natural Resources' Democratic staff where he served as the deputy staff director to begin a new role as chief of staff in Sen. **Joe Manchin**'s, D-W.V., office.

Tiffany Angulo has been promoted to legislative director for Rep. **David Schweikert**, R-Ariz. She previously served as policy adviser and covers the portfolio for immigration and telecommunications.

Lea Sulkala has left the office of Rep. Linda Teresa Sánchez, D-Calif., where she served as the chief of staff.

Covering the labor, employment and transportation portfolio for Rep. **Don Young**, R-Alaska., is **Kevin Swanson**. Swanson is the new legislative assistant, he previously served as a senior associate at Michael Best Strategies LLC.

Best regards,

Sara Wyant

Editor

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