

## Water Board forced to raise fees again, but ag groups see hope

The State Water Resources Control Board has again bumped up fees on agricultural stakeholders within its regulatory programs, following multiple years of increases. While the fees are a comparatively minor burden to farmers, the overall cost of compliance for the regulatory programs has been difficult to shoulder.

Momentum is gathering for a more collaborative approach that would streamline the programs, cut down on staffing costs and ease the burden for stakeholders.

The board’s authority is limited when it comes to deciding the actual fees. The governor’s January budget proposal pitched several new staff positions for the agency. After the economic reality of the pandemic set in, the May Revision for the budget cut those positions, along with billions in spending across the state government. Yet the final budget signed by the governor brought back the positions. That required the State Water Board to raise fees to pay for the staff.



State Water Board Chair Joaquin Esquivel

The only options they had were to continue the fee increases as originally planned or avoid some or all of those increases until next year. Pausing the increase would lead to an even larger jump in fees in 2021—of nearly 10%.

**“If these fee increases are inevitable, and they seem to be every year,” said Danny Merkley, a water policy advocate for the California Farm Bureau Federation, “it is very important**

**to have incremental increases that actually make it easier for our members to budget, instead of a seesaw of huge increases and then hold off for a number of years.”**

The board also adjusted some of the permits under the water rights program for the first time in nearly 20 years, leading to a 600% increase for some permit holders. Fee payers asked that the permits be adjusted every year to prevent such sudden changes.

They are already dealing with so many other uncertainties at the moment.

**“Fee payers, in their diverse communities, are reeling from the historic impacts of a pandemic, firestorms, air quality, revenue cuts and now probably a zombie apocalypse,”** joked Bob Gore, a policy advocate for the Gualco Group, which represents several irrigation districts as well as winegrape growers.



Bob Gore, a senior advisor at the Gualco Group

Gore has often pointed out that the Irrigated Lands Regulatory Program does not account for farmland fallowing due to the implementation of the Sustainable Groundwater Management Act. With fewer farmers to cover the regulatory costs, fees could rise dramatically.

For a decade the conversation about the Water Board’s regulatory programs has largely centered on the rate structure for the fees. For Gore, this ignores the broader, less tangible issue of the cost of compliance.

The fee system is the backup plan the state established during the economic fallout of the Great Recession. Rather than taxpayers funding the regulatory programs, the stakeholders have shouldered the costs through fees, a switch the State Water Board and many regulatory agencies undertook during the Brown administration. Over the years, the Water Board programs have grown as new programs were added, requiring more staff at the state level as well as at the nine regional water quality control boards that perform the monitoring and enforcement.

Each year staff at the State Water Board assess how much money is needed to cover costs, and the process has evolved into a dialogue. Following the release of the January budget, staff share their best estimates for the fee structure for the coming year and take feedback from stakeholders. They meet again after the May Revision and after the final budget is approved in June, presenting options and a recommendation to the board in September.

This year staff assured stakeholders as late as June that fees would stay flat this year. But with the Legislature adding the new positions back into the budget, money had to come from somewhere.

**“What we finally ended up with in the adopted budget was, frankly, a very good budget for us,”** said John Russell, a deputy director at the State Water Board. **“Unfortunately, that translates into some negatives for our fee programs.”**

This put Russell and the rest of the staff in the position of recommending a fee increase to the board after all, walking back earlier messaging. The stakeholders recognized the fees had to rise

this year. The board ultimately approved an increase, though not as much as the staff recommended. Yet the main concern for Gore was not the fees.

“For the past three years, I’ve been talking to board members and senior staff about a process that would engage fee payers a little bit differently,” said Gore.

The process would bring to the table the individual water rights holders (like farmers), utilities and districts to work directly with staff on ways to reduce staff costs, such as taking over some of the duties for monitoring and reporting. Some regulatory programs require the same reporting, which could be consolidated. Growers who have a strong track record for water quality compliance could report less frequently. Fewer reports translates to less work for staff.

In the meeting last week, all five board members expressed interest in this approach, with three in strong support, including Vice Chair Dorene D’Adamo, who farms in the San Joaquin Valley. Board member Tam Doduc also recognized the burden the fees and cost of compliance place on farmers.

**“Having gone through this more years than I want to recall, it is always extremely difficult,” she said. “I would often welcome the opportunity for the board to exercise some measure of discretion in terms of looking at the bigger picture of where our fees are coming from, what our priorities are, how that fits into that greater societal picture.”**

Doduc cautioned that this is an uncertain time for the state budget. Deciding to lower the fee increases this year would not guarantee the exact fee increases for next year, since that is the decision of the Legislature and administration.

The state and regional water boards have already been dealt a 10% cut to salaries from the state’s taxpayer fund. According to Russell, the finance department warned to expect a further 5% reduction to the overall budget in the upcoming January proposal.

With unfilled vacancies and staff recruited for contact tracing efforts for COVID-19, the Central Valley Water Quality Control Board is already facing a 35% reduction in productivity this year. This led to some infighting between staff and State Water Board members on where to make further staffing reductions—at the state or regional level—to make up for the gap in fee increases.

Board members also disagreed on whether to dip into the reserve fund to balance the budget. The small pot of cash has been set aside to account for years when fee revenues come in lower than projected. This happened with the new cannabis program in 2019, when it faced expenditures of \$18 million but fee revenues of just \$5 million, since the state approved far fewer growers for cultivation permits than expected.



State Water Board Vice Chair  
Dorene D'Adamo

After tense discussions, staff agreed not to add the cannabis fees into the agricultural programs to make up for the shortfall. Instead, the size of the cannabis program has remained small, with positions staying vacant and staff being moved to other programs.

**Even more fiscal uncertainty is around the corner for the state. If Congress does not act on a coronavirus relief package before October, drastic cuts will be triggered across agencies in order to fill a \$10 billion hole in the current budget. The state had already scraped funds from nonpriority programs as part of its triage in June.**

In January even more difficult decisions will be made. State tax revenue will likely come in much lower next year, since so many Californians have been out of work in 2020. Without federal aid, this would lead to further cutbacks to state worker salaries and more creative ways of shuffling money around at the State Water Board.

## **DPR stalls an organic pesticide, costing industry millions**

The Department of Pesticide Regulation (DPR) has spent more than five years cautiously scrutinizing an organic pesticide that has been registered in the U.S. since the 1960s.

DPR researchers on Friday shared a [draft risk assessment](#) on the pesticide known as [AITC](#), a fumigant that organic farmers can inject into the soil or use in a drop application to protect crops from nematodes. DPR has yet to register any AITC products in California, but has not listed the compound as a restricted material either. Instead, the pesticide has been mired in a lengthy review process due to a blanket policy that all fumigants must go through a full risk assessment prior to use.

**“This case of putting this material through a risk assessment, despite the great work that has been done by DPR scientists to try to cobble things together, has been very, very difficult,”** said Jean-Mari Peltier, president of the Environmental Solutions Group, which represents pesticide manufacturers.

With scant data available on AITC since no pesticide reports have been filed for the product in California, the scientists chose to use the synthetic fungicide 1,3-D as a surrogate to make assumptions on how AITC could affect pesticide applicators and bystanders. This led to the assumption that workers would be present after applying the pesticide for 157 days each year, which Peltier argued would be impossible.

**AITC is a naturally occurring compound found in plants like broccoli, brussels sprouts, mustard and wasabi and farmers have plowed those plants in the soil as a way to control diseases, nematodes and fungal plant pathogens.**

“In nature, AITC has a major ecological function serving as a feeding deterrent against insects,” she said.

UC researchers [have found](#) that AITC, which is commonly referred to as oil of mustard, can work in combination with other compounds to effectively control nematodes and weeds for strawberries.

Peltier argued DPR was ignoring findings from U.S. EPA made under the Obama administration that cleared AITC for use in 2014. The additional data DPR has requested from Isagro, which is seeking the registration, has cost the manufacturer about \$1 million in extra costs, according to Peltier. She said that nearly all prior reviews by DPR have concluded that the data supported registration.

DPR's caution in delaying the registration of AITC bolsters arguments made by anti-pesticide groups.

“We really appreciate that DPR is conducting a full, thorough risk assessment,” said Anne Katten, a policy advocate for the California Rural Legal Assistance Foundation who has been active in DPR meetings. “We think that's really appropriate for worker and public health protection.”

Katten raised suspicions that AITC could degrade over time and lead to further exposure to farmworkers as well as the environment, with possible groundwater contamination.

The group Beyond Pesticides lobbied against the USDA listing AITC under the national organic certification in 2019. Terry Shistar, an advocate for the group, argued AITC posed health risks to farmworkers and applicators and was a greater risk to soil biodiversity, since it is a soil fumigant. The antimicrobial compound would kill beneficial fungi and pathogens, she claimed.



DPR Assistant Director Karen Morrison

“It is hazardous, not essential for organic production, and incompatible with organic practices,” wrote Shistar in a letter to the National Organic Standards Board.

The board decided not to list AITC as organic.

DPR Assistant Director Karen Morrison cautioned that the agency's risk assessment is still in draft form and much more work is to be done on AITC.

**“This is one piece of a number of other assessments that are still ongoing within the department and that we are working on relative to AITC,” she said.**

Staff are working on an additional exposure assessment as well as further modeling of the potential risks. DPR will then consider actions to address those risks.

## For second time, Democrats relent on USDA funding

For the second straight year, Democrats threatened but ultimately backed down from blocking Agriculture Secretary Sonny Perdue from getting a fresh pot of money to make payments to farmers this fall.

Despite warnings from farm groups that USDA was close to running out of money in the Commodity Credit Corp. account, House Democrats released a stopgap funding bill on Monday that didn't include a replenishment of the CCC, charging that the Trump administration was using the account as a "political slush fund" to help the president's re-election bid in farm states.

**But House Speaker Nancy Pelosi, facing appeals from some members of her own caucus, announced a deal with congressional Republicans and Treasury Secretary Steven Mnuchin Tuesday evening to refill the CCC in exchange for prohibiting the use of CCC funds for oil company assistance and extending some pandemic-related nutrition assistance.**



House Speaker Nancy Pelosi

The prohibition on payments to refiners, something Perdue said he couldn't legally do anyway, includes an exemption for biofuels. Industry officials offered varying interpretations Tuesday evening on whether that could give USDA legal authority to make direct payments to ethanol producers; Perdue has said he doesn't have the authority to provide aid to ethanol producers or other processors.

According to sources, Democrats wanted provisions in the continuing resolution that would require USDA to consult with Congress before using the account for special farm assistance. A coronavirus relief package that the House passed in May included a requirement that USDA notify the House and Senate Agriculture committees at least 90 days before starting new aid programs.

Senate Agriculture Committee Chairman Pat Roberts, R-Kan., resisted including any such consultation requirements in the continuing resolution, saying they would have improperly tied the secretary's hands. **"It's a dangerous precedent. You're asking four people (leaders of the Ag committees) to sign off on the decisions that the secretary makes. ... You're just opening up the farm bill again."**

The committee's top Democrat, Debbie Stabenow of Michigan, said the agreement would block the **"administration's misguided plan to give hundreds of millions of dollars of agriculture funds to oil companies. I remain concerned about persistent unfairness in ad hoc USDA**

**payments and I will continue to provide strong oversight to ensure that every dollar is distributed to the farmers who need it the most during these challenging times.”**

The bill, which passed the House Tuesday night, 359-57, would keep the government funded until Dec. 11, avoiding a government shutdown when the new fiscal year starts Oct. 1.

In September 2019, House Appropriations Chairwoman Nita Lowey, D-N.Y., had considered omitting the CCC replenishment from a continuing resolution, potentially slowing the disbursement of Market Facilitation Program payments, a trade assistance program fund through the CCC, but Democratic leaders ultimately relented.

The agreement Pelosi reached with Republicans on Tuesday would extend for one year a program, known as Pandemic EBT, that allows states to provide meal-replacement benefits to families who attend a school that’s closed and would otherwise receive free or reduced-price meals. The program, authorized by Congress in March, is set to expire Sept. 30.

**According to an estimate provided by a Senate GOP source, the CCC account will be down to \$1.7 billion on Oct. 1 without action by Congress. That estimated balance doesn’t count the \$14 billion set aside for the second round of Coronavirus Food Assistance Program payments, for which enrollment started Monday.**



Sen. Debbie Stabenow, D-Mich.

USDA is expected to have to make about \$15 billion in payments during October, November and December, including \$6 billion in marketing assistance loans, which farmers often seek in the fall so they can keep their crops in storage until market prices improve in later months.

USDA made about \$7.6 billion in marketing loans in fiscal 2019, with about \$7.5 billion repaid during the year. The largest share of those loans, about \$2.1 billion, went to cotton producers.

Commodity program payments due to be made in October are expected to total about \$8 billion. The estimate includes the cost of special seafood assistance that Perdue announced recently as well as Price Loss Coverage, Agriculture Risk Coverage and Conservation Reserve Program payments.

An additional \$2.6 billion is due to be transferred to the Natural Resources Conservation Service to provide assistance under a variety of other programs, including the Conservation Stewardship Program and Environmental Quality Incentives Program.

An estimated \$650 million is due to go out through nearly smaller programs, ranging from disaster assistance to farmers' market support and organic research.

The American Farm Bureau Federation said in a letter to lawmakers on Tuesday saying that the CR Democrats released Monday without the CCC replenishment would cut off "a critical lifeline of support to the agricultural community. ... This bill would effectively shut down many USDA programs, including conservation, risk management and rural development, as well as supplemental funding for nutrition programs."

**Majority Leader Mitch McConnell, R-Ky., told reporters Tuesday afternoon that the CR sent "a message to farm country to drop dead." Senate GOP Whip John Thune, R-S.D., was a "really bad decision for them (Democrats) politically."**

The Trump administration also has tapped the program for the Market Facilitation Program, its trade assistance in 2018 and 2019, and two tranches of coronavirus relief payments this year.

Stabenow argued USDA could adequately manage the account to dispense the CFAP-2 payments as well as the farm program payments. She noted the CCC account would be automatically replenished when the USDA's files the financial accounting for fiscal 2020, likely in November.

**"I just want accountability," Stabenow said Monday during the annual *Agri-Pulse* Ag and Food Policy Summit. "I want to know it (CCC funding) is going where it needs to go. I want to know our farmers in Michigan and across the country are getting the support they need."**

Echoing Stabenow's concerns, Sen. Tammy Baldwin, D-Wis., on Tuesday told *Agri-Pulse*, "There's not a lot of transparency and granular oversight of the handling of the program thus far. I've certainly heard concerns about farmers who are not seeing the sort of assistance to get through these struggles compared to others."

To view the full continuing resolution, [click here](#).

## **Trump vs Biden on trade: A decision between tariffs or allies**

President Donald Trump famously tweeted that trade wars "are good and easy to win." It was a brash statement, but emblematic of his first term in which he either threatened or hit trade partners like China, Japan, South Korea, Mexico, Canada and the European Union with tariffs.

**The process, while opening up U.S. farmers to retaliation, has resulted in major wins for increased trade, the Trump administration argues. Former Vice President Joe Biden strenuously disagrees and is emphasizing how he would not ostracize some of the country's most reliable trading partners.**

Now voters are being asked to choose between incumbent Trump, who renegotiated the North American Free Trade Agreement, and Biden, who promises to be less dependent on tariffs and rely more heavily on traditional allies to take on China.

**“What we have done is disarmed ourselves,”** Biden told NPR’s Lulu Garcia-Navarro in an August interview. “We make up 25% of the world’s economy, but we poked our finger in the eye of all our allies out there. The way China will respond is when we gather the rest of the world, that in fact believes in open trade.”

The European Union and Japan are also openly critical of China’s trade tactics that have fueled its trade war with the U.S., but the U.S. is also levying steep tariffs on European goods and threatened Japan with import duties.

But Biden is also walking a thin line on China — promising to crack down on the country, but not with tariffs.

**“Agriculture lost billions of dollars that (U.S.) taxpayers had to pay,”** Biden said, referencing the \$28 billion that the Trump administration spent to help farmers make up for lost sales to China in 2018 and 2019. **“We’re going after China in the wrong way. China is stealing intellectual property. China is conditioning being able to do business in China based on whether or not you have 51% Chinese ownership. That’s got to end.”**

The Trump campaign argues Biden has only shown weakness on China, and the China trade war will ultimately result in a more level playing field.



Former Vice President Joe Biden



President Donald Trump

Audra Weeks, a deputy press secretary for the Trump campaign, tells *Agri-Pulse* that Biden **“sacrificed the success of American farmers to elevate China on the world stage for nearly five decades, enabling China’s unfair trade practices as America’s farmers struggled to stay afloat ...** The President’s proven commitment to strengthening trade relations worldwide will have a positive impact on the U.S. agriculture sector for generations to come, but Joe Biden would erase these historic wins for the farming community and instead continue to prioritize China’s interests over America’s diligent farmers, ranchers, and producers.”

The U.S. and China implemented a “phase one” trade pact in February. While it has been widely lauded for lifting Chinese restrictions on beef, pork, dairy, and other U.S. farm products, neither country lifted its tariffs.

China did promise to buy \$80 billion worth of U.S. ag commodities over two years, and the country began to exempt some of its importers from tariffs on U.S. crops, but the impact of the trade war inflicted too much pain, says Biden.

**“You think being tough with China is a trade deal that opens the door to big banks to make money in China?” Biden asked rhetorically in a Monday speech in Wisconsin. “That’s basically all we got out of it. A lot of ... farmers and manufacturers went under, but guess what — starting a trade war leads to farm bankruptcies and throws American manufacturing into a recession.”**

And China’s tariff-exemptions can’t be counted on to last, says Phil Karsting, a former administrator of USDA’s Foreign Agricultural Service.

**“The temporary stay on tariffs — that’s ad hoc,” Karsting told *Agri-Pulse*. “It’s not transformational. It’s transactional. Ultimately, what can be given can be taken away with the stroke of a pen.”**

A more permanent accomplishment of the Trump administration is the U.S.-Mexico-Canada Agreement. The USMCA, which Trump called a “colossal victory,” got wide bipartisan support; even Biden admitted it is an improvement on the North American Free Trade Agreement.

**“President Trump is delivering on his promises to America’s farmers and agriculture community, as he has taken unprecedented steps to modernize and improve trading practices and negotiate freer, fairer, and reciprocal trade agreements with our global allies,” Weeks said.**

But the improvements for agriculture are minimal, says Joe Glauber, a senior fellow at the International Food Policy Research Institute and former USDA Chief Economist.

“What was done on ag was pretty minor and (USMCA) was modernized by taking provisions from the (Trans-Pacific Partnership),” Glauber said. “At the end of the day, the best thing you can say about USMCA is that it didn’t hurt us.”

Perhaps what pleased the ag sector most was that the deal preserved the virtually tariff-free ag trade between the three countries that blossomed under NAFTA, but there were also specific new gains for some commodities, such as new Canadian tariff rate quotas for U.S. milk, cheese, cream, skim milk powder, butter, ice cream, whey, poultry and eggs.

Canada agreed under USMCA to change its ways when it comes to grading U.S. wheat. Previously, U.S. wheat was automatically given the lowest feed grade possible, preventing farmers from selling top-shelf wheat for baking bread and making pasta.

And U.S. vintners were also winners in the pact. Canada bowed to U.S. demands that British Columbia stop barring grocery stores from selling U.S. wine on the same shelves as Canadian wine. Before USMCA, the province required U.S. wine to be displayed in a separate “store within a store” that is physically separated from the main retail outlet and has separate cash registers.

## Perdue signals end to food boxes, return to normal in hunger efforts

USDA's Farmers to Families Food Box program needs to eventually give way to more established government nutrition practices, Ag Secretary Sonny Perdue told a virtual gathering of the nation's produce farmers Tuesday.

**The \$4 billion initiative has been one of the most tangible representations of the Trump administration's efforts to feed hungry people during the coronavirus pandemic, and there was interest — particularly on the part of the United Fresh Produce Association, which Perdue was addressing — in making the boxes a long-term part of the nation's food policy.**



*Secretary Sonny Perdue*

Perdue has traveled around the country in recent months, often flanked by other administration officials including President Donald Trump or White House adviser Ivanka Trump, taking part in food box distribution events. He said the program has been “a blessing to participate in,” but should eventually give way to the protocols that were in place prior to the coronavirus pandemic.

**“I think most of us honestly want to get back to whatever we define as normal in that regard and look at the programs we have generally,” Perdue told United Fresh President and CEO Tom Stenzel.**

The boxes typically contain a mixture of produce, dairy, and proteins and have been distributed to hungry people after being created as part of the Coronavirus Food Assistance Program rollout earlier this year. In theory, the program would take the surplus food that distributors were unable to sell to restaurants and food service providers during the pandemic and redistribute to the needy.

Some in ag had wondered if the boxes might become a regular fixture of America's food policy. To that point, Stenzel — who was moderating the United Fresh conversation with Perdue — framed the question by asking “what can we do to make sure something like this can continue?”

For his part, Perdue said he's looking for programs in place prior to the pandemic to resume their normal operations and take on the challenge of feeding America's hungry. **“We've got other programs that really help the people that are food insecure,” he said. “The efficient food supply chain we have once our restaurants get back open is probably a better value source of our delivery than even what we're doing now.”**

While the program has played a major role in getting food to hungry people, it has not been without controversy. Early issues choosing contractors to facilitate the program resulted in a more judicious approach to choosing distributors in later rounds of the program. Some of the early boxes were also criticized for the food they included, which USDA addressed in its most recent round by saying it would be purchasing combination boxes with a mix of foods.

According to USDA's Ag Marketing Service, nearly 96 million boxes have been invoiced since mid-May.

## Trump administration hammers EU Green Deal

The European Union’s proposed overhaul of agricultural production methods is not just bad for Europe — it threatens food security in the poorest of nations that look to the EU as role model for farming and a trading partner, according to an onslaught of criticism released Monday by Trump administration officials.

The EU’s Farm to Fork strategy, a part of its broader European Green Deal, is an effort to increase agricultural sustainability by decreasing producers’ access to farming technology like pesticides, fertilizers and antibiotics. But that plan, combined with Europe’s general opposition to biotechnology, will only reduce the ability of European farmers — and by extension, African farmers — to increase production when and where it’s most needed, say USDA Secretary Sonny Perdue, Undersecretary for Trade Ted McKinney and Kip Tom, U.S. Representative to the United Nations Agencies for Food and Agriculture.

**“These goals are important for all food systems,” Tom says about increasing sustainability, “But the U.S. and some other nations are already achieving these goals that the EU hopes to achieve, and we are obtaining them while increasing productivity.”**



*Ambassador Kip Tom speaks via webcam at the Agri-Pulse Ag and Food Policy Summit*

The EU would sacrifice productivity for sustainability, Perdue said at the *Agri-Pulse Ag & Food Policy Summit* on Monday.

**“The American model of agriculture is the safest and most sustainable on earth,” Perdue said. “It’s the only way we’re going to feed a growing world population.”**

Perdue accused Europeans of “fear-mongering” to convince African countries that U.S. food is not safe because of biotechnology and other technologies.

And Tom, who also spoke at the *Agri-Pulse* summit, said that’s hurting food production in some of the poorest and most malnourished countries in the world.

Farmers in some of the poorest countries in Africa often depend on exporting crops to the EU, so they automatically adopt European restrictions even though they can ill afford to do so, said Tom. Without technology to protect farmers from pests, weeds and other threats, countries like South Sudan become more dependent on food aid.

**“It is indefensible scientifically and morally,” Tom said.**

The EU defends its proposed policies as necessary to save the land for future generations and acknowledges it is advocating that other countries follow its lead.

**“It is also clear that we cannot make a change unless we take the rest of the world with us,” the EU says in a statement.** “The EU is the biggest importer and exporter of agri-food products. ... The production of commodities can have negative environmental and social impacts in the countries where they are produced. Therefore, efforts to tighten sustainability requirements in the EU food system should be accompanied by policies that help raise standards globally, in order to avoid the externalization and export of unsustainable practices.”

USDA’s McKinney, also a guest speaker at the seminar, said he was not opposed to European farmers that want to reduce the usage of inputs, but stressed his opposition to policy that is imposed upon producers in Europe and elsewhere.

**“You tend to want to implement (the restrictions) and then you force those bans on the rest of the world,” McKinney said of the EU.**

## **Berkeley passes ‘healthy checkout’ rule for large grocery stores**

The Berkeley City Council approved a new ordinance Tuesday, aimed at eliminating so-called junk food containing higher amounts of sugar and sodium.

The new policy, which applies to retailers with stores greater than 2,500 square feet, will exclude soda and chips from the checkout aisle in favor of fruit, vegetables, nuts, seeds, legumes, dairy, whole grains, and chewing gum and mints with no added sugars. Beverages in the checkout aisle must have no added sugars and no artificial sweeteners, and food items are restricted to no more than 5 grams of added sugars and 200 milligrams of sodium per serving.

“The healthy checkout ordinance is essential for community health, especially in the time of COVID-19,” said Berkeley City Council member Kate Harrison, who championed the policy. “What is good for Berkeley customers is also good for our businesses.”

Berkeley was also the first in the nation to pass a soda tax in 2014. Since that time, several cities have followed the same path, including San Francisco, Portland, Boulder and Philadelphia.

“This is a massive win for consumers and public health during the COVID-19 pandemic, when grocery stores are more integral to our well-being than ever before,” said CSPI senior policy associate Ashley Hickson. “By offering healthier options at checkout, stores will contribute to advancing public health and level the playing field for consumers during an already stressful time. Berkeley’s historic action will build momentum for future efforts to improve the food retail environment at the state and local level.”

## **USDA research finds Airborne Fungus Can Trigger Plant Growth**

USDA’s Agricultural Research Service announced that a harmless airborne fungus, can dramatically accelerate plant growth if a germinating plant is near the fungus as it emits volatiles or gases.

Scientists used tobacco and pepper plants as models to study the conditions for accelerated plant growth once exposed to *Cladosporium sphaerospermum* strain TCO9. Following a relatively short duration of exposure at the seedling stage, the plants began to sense the fungi's volatiles

and gases. USDA scientists were then able to stimulate extremely rapid plant growth, earlier flowering and fruit yield increases.

"This is a game-changer for agriculture and for research that seeks innovative ways to accelerate plant growth," said USDA Scientist Dr. Chris Dardick. "Its implications are far-reaching and will help ARS' commitment to deliver cutting-edge scientific advances for American farmers and producers."

Visual observation indicated that plants with TC09 exposure for 10 days exhibited substantially more vigorous growth, thicker stems, larger leaves, and a more robust root system relative to plants without fungal exposure, according to ARS. Results also showed that treated plants flowered 20 days sooner and pepper plants yielded up to 213 percent more fruit that was ready for harvest three weeks earlier than untreated controls. More recent studies have shown similar research results for numerous other crops such as lettuce, arugula, kale, basil, and other leafy greens.

This species of fungus is commonly found in indoor environments and is not known to cause disease in plants or any ailments in humans or animals. Also, unlike other microbial species that have been tested, the researchers showed that TC09 does not induce defense or stress responses in exposed plants. Scientists hope to identify the specific volatiles and gases that stimulate plant growth in future research.

Research on microbial biostimulants that enhance plant growth has recently intensified because they provide an eco-friendly, cost-effective and sustainable strategy to benefit agriculture, according to the agency. USDA scientists say they will continue to study TC09 and seek practical strategies to apply it during commercial crop production, particularly for urban and indoor agricultural systems. They are awaiting approval of a patent and commercial evaluation license and partnered with NASA to apply this research technology to spaceflight conditions. This research was supported in part by grants from USDA-ARS, ARS' Appalachian Fruit Research Lab, and the Oak Ridge Institute for Science and Education.

## News Briefs:

**APG preparing for record pistachio crop.** American Pistachio Growers is preparing a marketing blitz ahead of what is expected to be a bumper crop of pistachios with the hope of keeping consumer demand strong. APG President Richard Matoian says the 2020 crop could eclipse 1 billion pounds for the first time. That means the group will be forced to market their product harder than ever to avoid a glut of supply. APG says it is planning on "employing an advertising and marketing push that combines television, print and digital advertising in major export countries as well as in major television markets in the U.S. Beginning in mid-November and continuing through next summer." Ads will be focused on "extolling the virtues of U.S. pistachios" across 44 television markets. According to APG, pistachios now occupy sixth place on the state's list of more than 350 commodities with a value of \$1.94 billion, according to California Department of Food and Agriculture 2019 data. Pistachios rank as the state's second leading export with a value of \$1.1 billion. As interest in pistachios has grown in California as well as in Arizona and New Mexico, so has the need to market larger crops.

**Harder fair grant bill gets Senate companion.** Rep. Josh Harder's effort to secure a \$5 billion grant program to offset losses suffered by fairgrounds during the coronavirus pandemic

now has a Senate measure to match it. Sen. Doug Jones, D-Ala., recently introduced a companion bill in the Senate to Harder’s Protecting Fairs During Coronavirus Act. The legislation would create a grant program available to fairs that missed out on the revenue from their typical events for both the 2020 and 2021 schedules. States would be able to apply for the aid through the Department of Agriculture. Harder, D-Calif., thanked Jones in a statement and said “we will continue pushing to get our fairs the relief they need to weather this storm – we don’t want to lose a single acre of fairgrounds or see any fairs close permanently because of the pandemic.” For his part, Jones said he wanted to make sure the facilities were able to continue serving communities. “State and county fairs are not just an important part of our social fabric, they’re also a key part of the agriculture business,” he said. “The COVID-19 pandemic has caused many of these fairs to be cancelled, leaving farmers without an important market and the fairs at risk of permanent closure.”

**CDFA opens Specialty Crop Block Grant Program proposals.** The California Department of Food and Agriculture is now accepting proposals for the 2021 Specialty Crop Block Grant Program. The program will award grants ranging from \$50,000-\$450,000 per projects that may last up to two years and six months and can be given to non-profit and for-profit organizations; local, state, federal, and tribal government entities; and public and private colleges and universities. According to CDFA, the program is designed to “enhance the competitiveness of California specialty crops.” Including fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops. The grant process will be conducted in two phases: the submission and review of concept proposals and a more detailed proposal for successful phase one applicants. Applicants can [register their applications online](#) and can [learn more about the program from CDFA](#).

**New report shows financial benefits of reg reform to tweak biocarbon treatment.** A new report from the [Biogenic CO2 Coalition](#) explores the economic benefits that could result from the Environmental Protection Agency acting to offer differing treatment for biogenic carbon emissions than it does for fossil fuels. The coalition argues the emissions from agricultural crops are de minimis and “should not be regulated by the same standards as fossil fuels.” The report argues there would be a “significant economic benefit” if EPA were to enact reforms to halt the similar treatment. In six industries across 13 states, the report — conducted by Policy Navigation Group — said the addition of 2,100 full-time jobs and \$130 million in wages would result. Last week, the coalition — made up of a handful of ag groups including the Corn Refiners Association, American Farm Bureau, Hemp Industries Association and National Farmers Union, to name a few — submitted a [petition for EPA rulemaking](#) that the group says provided “a detailed explanation of the scientific and legal basis for the agency to propose a rule to recognize that biogenic carbon emissions from agricultural crops do not contribute to elevated greenhouse gas levels in the atmosphere.”

**Hemp industry sues DEA over new rule on extracts.** The hemp industry has sued the Drug Enforcement Administration, saying it exceeded its authority in a rule published last month that says “cannabis-derived material” cannot contain more than 0.3% of THC by dry weight. The Hemp Industries Association and South Carolina company RE Botanicals filed a petition in the D.C. Circuit Court of Appeals Monday seeking to have the [Interim Final Rule](#) invalidated. The industry is [concerned](#) that subjecting hemp derivatives to the THC limit would allow DEA to enter hemp processing operations and test materials that have not been turned into a final, market-ready product but may be above the limit. In a commentary published after the IFR was released, attorney Rod Kight of Kight Law Office, who is representing HIA and RE Botanicals, said “under almost any normal hemp extraction and manufacturing process it is impossible to

avoid a stage in which the extract is both ‘wet’ and within the 0.3% THC limitation.” Processing hemp for its oil “necessarily renders the hemp plant and its parts ‘wet,’” he explained. The rule “improperly establishes the DEA’s authority over legal hemp activities, which is contrary to the plain language and intent of the 2018 farm bill,” HIA and RE Botanicals said in a news release. In addition, DEA “implemented this rule without following proper rule-making procedures, such as providing the public with notice and the opportunity to comment,” said Shawn Hauser, a partner at Vicente Sederberg LLP and chair of the firm’s hemp and cannabinoids practice.

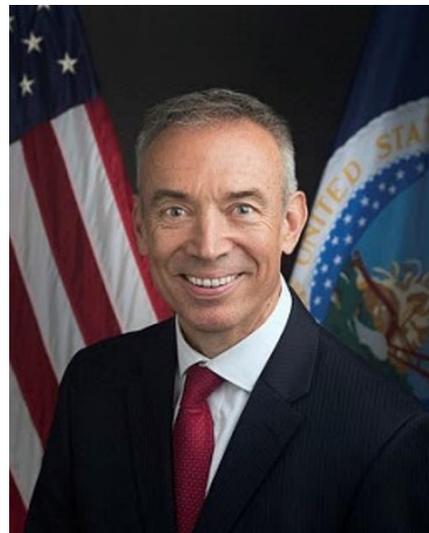
## Farm Hands West: California Giant hires Ediger and Brown

California Giant has hired **Alan Ediger** as the new vice president of sales and **Jay Brown** as the new CFO. Ediger brings 25 years of experience in the produce industry, most recently working in the role of vice president of sales at Taylor Farms’ deli division. Brown previously spent the last 16 years at Church Brothers Farms/True Leaf Holdings, most recently as the chief financial officer and partner.

Bobalu Berries has added **Jonathan Sparks** in the sales department, based in Salinas. Sparks previously worked in sales at California Giant Berry Farms. Before that he was a senior sourcing representative-berry category manager for Robinson Fresh.

**Marco Azzaretti** has returned to Key Technology in the new position of director of marketing. Most recently, he was senior manager of solutions marketing at Compac. Before that he was the automated inspection systems product manager at Key Technology.

Deputy Secretary of Agriculture **Steve Censky** will be leaving the Department of Agriculture on Nov. 8 and returning to the helm of the American Soybean Association as CEO. Censky previously served in the same position for 21 years before coming to USDA. Part of his responsibilities managing the organization will be to work with the Board to finalize the plans for a permanent CEO, according to ASA sources.



*Steve Censky*

**John Lagemann** has announced he is retiring from Deere & Co., effective Oct. 31. The current Deere & Co. vice president of sales and marketing for the agriculture and turf division for regions 3 and 4 has been with the company since 1982. Since that time, he has served in various leadership roles, including vice president of sales for the United States, Canada, Australia and New Zealand and manager of John Deere operations in Australia, New Zealand and East Asia. Lagemann has also served on the Association of Equipment Manufacturers’ board of directors since 2014.

President and Chief Financial Officer **James Boyd** announced he will retire from Marrone Bio Innovations. Boyd has served in the president and CFO position since March 2014. Before that, he was the CFO for Quantenna Communications, based in Fremont, Calif. A national search process for a new CFO is underway, and Boyd will continue in both posts during the search process.

Environmental Protection Agency Administrator Andrew Wheeler announced the reappointment of Dr. **Louis Anthony (Tony) Cox**, Jr. and Dr. **James Boylan** to the Chartered Clean Air Scientific Advisory Committee (CASAC). Cox is president of Cox Associates in Denver. He will continue serving as Chair of the CASAC and has expertise in risk assessment. Boylan is the manager of the Planning & Support Program in the Air Protection Branch of the Georgia Environmental Protection Division. Their second three-year terms will begin on Oct. 1.

**Scott Valentine** has been named chief executive officer of the Express Seed Company. Valentine most recently served the last eight years as president of North America for Syngenta Flowers. Overall, he spent 22 years with Syngenta where he held many leadership positions, including head of marketing services, lawn & garden in crop protection and led teams at Syngenta Biotechnology. He succeeds **Dave Watt**, who has provided 27 years of leadership at Express Seed Company. In 2001, he became the general manager and CEO.

The National Association of State Foresters has elected new officers to its executive committee. **Joe Fox**, state forester of Arkansas, has been tapped to lead NASF as president in 2021. Fox was appointed Arkansas state forester in 2012, and before that was the director of conservation forestry for The Nature Conservancy's Arkansas field office. NASF elected **Christopher Martin**, state forester of Connecticut, as the association's new vice president and **Kacey KC**, state forester of Nevada, as its new treasurer. **Greg Josten**, state forester of South Dakota, will serve on the executive committee as immediate past president.

**Jim Jones**, previous assistant administrator at the U.S. Environmental Protection Agency, and **Edward Hubbard Jr.**, general counsel for the Renewable Fuels Association (RFA), have been elected to Green Seal's board of directors, effective immediately. Jones currently serves as president of Jones Environmental, a consulting firm that provides strategic advice to clients on issues related to chemical safety. Hubbard has been with RFA since 2011.



*Geri Berdak*

The Dairy Alliance board of directors has named **Geri Berdak** as its new CEO. Berdak started with the organization on Sept. 1. Berdak started her career as a nutritionist and educator for the St. Louis Dairy Council. She went on to hold positions as a nutritionist and marketer with Isagenix, Kerry's and PepsiCo, and also served as senior vice president of nutrition strategy and business development with the U.S. Dairy Innovation Center at Dairy Management Inc. Berdak has a Master of Business Administration from New York Institute of Technology and a Bachelor of Science in Food & Nutrition from Missouri State University.

Novalent Biotech, a U.S. biotechnology engineering firm, has appointed **Scott Brooks**, senior vice president and head of food safety at Tyson Foods, to Novalent's Scientific Advisory Board. Before joining Tyson Foods, Brooks was the senior vice president and head of food safety at Kraft Heinz. Before Kraft Heinz, Brooks was the senior vice president and head of food safety at PepsiCo.

Arcadia Biosciences, a company specializing in enhancing the quality and nutritional value of crops and food ingredients, has promoted **Kevin Hodges** to vice president of commercial operations and welcomed **Tracy Baker** to the company as vice president of product innovation. Hodges brings more than 20 years of management experience in the cereal grains industry. Before joining Arcadia in January 2020 as the general manager of GoodWheat, Hodges held senior roles in operations, marketing and IT digital systems at Bayer and Monsanto. Baker brings 40 years of experience in product formulation and commercialization, previously working for Mattson and Tropicana/PepsiCo



Scott Brooks

Former House Ag Committee Chairman **Robert ‘Bob’**

**Freeman Smith, R-Ore.**, passed away Sept. 21. A native of Portland, Freeman Smith’s career as a public servant began in 1960 when he was elected to the Oregon House of Representatives. He served in the state House until 1972 and then served in the state Senate from 1973 to 1982. He went on to serve in the House of Representatives for 12 years, first from 1983 to 1995 and then again from 1997 to 1999. He chaired the House Ag Committee for one term from 1997-1999.

Tony Corbo, senior lobbyist at Food & Water Watch, has passed away. Corbo was responsible for food-related legislative and regulatory issues. He was known to be a fierce champion and fighter for the health and safety of communities, workers and the food supply system. As a senior lobbyist, Corbo was a leading national expert and advocate on food safety, consumer safety and worker health.

Veteran farm broadcaster **Evan Slack** passed away Sept. 19. He was 86. Slack’s farm broadcasting career spanned 68 years, including most recently as owner of the Evan Slack Network based in Denver. His broadcasts reached 45 states, four Canadian Provinces and Australia. He was a member of the National Association of Farm Broadcasting and was inducted into the NAFB Hall of Fame in 2009.

**Best regards,**

**Sara Wyant**  
**Editor**

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