

California's top water policies hinge on Voluntary Agreements

Bill Lyons, the agricultural liaison to Gov. Gavin Newsom, said Monday he is cautiously optimistic about the future of the Voluntary Agreements, which promise to finally settle questions over water flows to the Sacramento-San Joaquin Delta. Lyons saluted the individuals leading the negotiations – CalEPA Secretary Jared Blumenfeld, Natural Resources Secretary Wade Crowfoot and U.S. Bureau of Reclamation Regional Director Ernest Conant – as “professionals who want to collaborate and avoid litigation.”

Yet agricultural stakeholders feel they are negotiating with a gun to their head. Newsom recently vowed to sue Conant's agency over the new federal biological opinions for delta pumping operations. Meanwhile, the implementation of the Sustainable Groundwater Management Act is adding more dependence on surface water allocations. The State Water Resources Control Board has already adopted the first phase of its Water Quality Control Plan for the delta. That part of the plan dedicates up to 50% of the water flowing into the tributaries of the lower San Joaquin River as “unimpaired flows” for supporting ecosystem conservation.



Bill Lyons, agricultural liaison to Gov. Gavin Newsom

Aside from litigation, the Voluntary Agreements may be the only way to steer the board away from adopting Phase 2 of the Delta Plan, which proposes up to 65% for unimpaired flows from Sacramento River tributaries, where the delta gets most of its water.

With both phases of the Delta Plan, millions of acre-feet of water would be deemed “off limits” to meet the baselines for unimpaired flows, according to Chris Scheuring, senior counsel for the California Farm Bureau Federation. This means water rights, which are considered property rights under California law, are “no longer sacrosanct.” The water quality law “is essentially doing an end-run around the system,” Scheuring explained during a presentation for the Farm Bureau's annual meeting on Monday.

“We’re burning the candle on both ends now. We’re losing our groundwater access through SGMA,” he said. “And at the same time, we’re doing this on the surface side.”

He pointed to the Voluntary Agreements as a potential path to the same level of protection for fish species that are instead based on water users in the basin voluntarily giving up shares.

If an agreement is not met, Scheuring said the Farm Bureau’s lawsuit filed in February against Phase 1 of the Delta Plan would be “litigated hard” in the trial court for at least three years before going through the appellate system. He imagined the case would go to the California Supreme Court eventually because it touches on several broadly reaching issues, including water rights and reasonable use.

Justin Fredrickson, an environmental policy analyst for the Farm Bureau, said Gov. Newsom’s proposed lawsuit against the new biological opinions is also creating a great deal of angst over how it would affect the Voluntary Agreements. A separate lawsuit was recently filed by the Natural Resources Defense Council and other conservation groups. Fredrickson called it “an across the board challenge” to the biological opinions, with a strong assertion that increasing flows is the only solution. He said the ideological goal behind it seems to be a determination to shrink agriculture.



Chris Scheuring, senior counsel for the California Farm Bureau Federation

A number of environmental and social justice organizations, ranging “from moderates to radicals,” are very engaged in the Voluntary Agreements, according to Bill Lyons. He also noted that attorneys from all sides are heavily involved in the negotiations. One of the three primary working groups is mainly composed of attorneys ironing out the legal details in an effort to avoid future litigation.

“There is a consensus to reach Voluntary Agreements that are as bulletproof as they can be,” said Lyons. The administration has also been holding a listening tour with agricultural interests and many other stakeholder interests to develop a suite of policy goals for the governor’s Water Resilience Portfolio. The plan’s actions will focus on collaborative, multi-benefit projects led by regional agencies. The Portfolio was originally set to be released in October.

When asked by *Agri-Pulse* if the Portfolio’s policies are contingent upon the outcome of the Voluntary Agreements, Lyons did not specify. Instead, he pointed to the Water Blueprint for the San Joaquin Valley, which “has some great ideas.” He has been working closely with the Blueprint coalition. Led by the Friant Water Authority they submitted to the Portfolio in October a set of policy proposals to help the valley balance its vast groundwater deficit. Like the Voluntary Agreements, the Blueprint is viewed as a promising collaborative approach among water agencies, ag groups, local communities and potentially the Newsom administration.

At the Farm Bureau’s annual meeting, CFBF President Jamie Johansson saw this support from the administration as a promising sign, despite the rhetoric from some groups.

“All too often they make it look like farmers are the only ones who need the water,” he said. “California needs the water.”

Five questions for the Monterey County Farm Bureau President

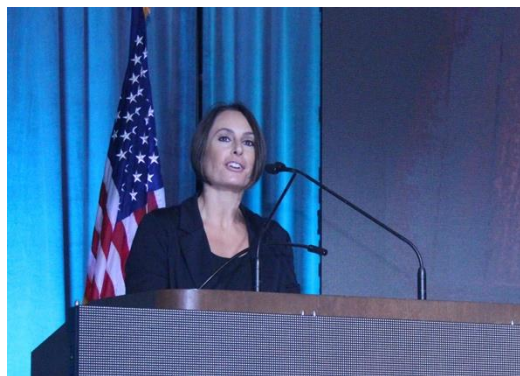
Colby Pereira has been serving in the Monterey County Farm Bureau since shortly after college.

At the annual meeting for the California Farm Bureau Federation in Monterey on Monday, Pereira spoke with *Agri-Pulse* about the recent romaine outbreak traced back to the region as well as water quality and quantity challenges.

Pereira is in her fourth year as president and also serves on the board of the Grower-Shipper Association of Central California, all while managing the family farm.

1. How do you typically describe agriculture in this region?

The way I like to describe local agriculture, especially in Monterey County, is when you sit down at the dinner table, take an account of what's sitting around you. Chances are that we've produced any of what you're seeing in Monterey County in some way, shape or form. The salad was probably grown there. We have a lot of beef. We probably produced the wine. We're not so much on the dairy side of things, but everything else. We are pretty invested in Monterey County.



Colby Pereira opens the California Farm Bureau Federation Annual Meeting in Monterey. (Photo: CFBF)

2. What have been the top issues for you this year?

Food Safety. I'll mention that one first, just because it's on everybody's minds with this latest romaine E.coli outbreak.

That's something that we're always working through. Even when it's not in the news, local farmers are always doing their best to grow safe, healthy, nutritious products. Even when you're not reading about it, we're still working really hard on it.

This past year, the (Leafy Greens Marketing Agreement) – of which I serve on the technical committee – went through a whole round of looking at our metrics to see how we can improve practices. We depend on science. As new science becomes available, we change our practices to reflect the new things we're learning

We looked at our water metrics and made a couple changes in terms of how often we're testing and how we're testing our water.

It's heartbreaking. We do the best we can, and we follow the best science practices available. Unfortunately, we still end up with an issue like this. Obviously, public health is our top concern, and we're working through it to keep getting better.

Labor and immigration is another big one. I know the government's working on the Farm Worker Modernization Act right now. We're really hopeful we can get some movement on the immigration front.

It's twofold. When you look at our labor situation, not only do we need to do something for our existing labor force that's already here working diligently but allowing for what we are going to do for the future needs. There's a lot of technology coming about and a lot of mechanization, but they can't do it all. So, we're still going to be heavily dependent on a future flow of labor.

3. What else do you expect to be working on in 2020?

Groundwater is the big one. We're working on implementing (the Sustainable Groundwater Management Act) here locally.

One of our basins is on the 2020 deadline for SGMA. We have to have our plans actually approved by January of next year. We're working really hard on that, and we'll have a few other subbasins that will be not too far behind it.

We're also looking at our Irrigated Lands Regulatory Program with surface water. We're making a lot of progress. We're working on a lot of research surrounding nitrogen: How much our crops need; how much we're currently applying; how that all factors into long-term use of nitrogen; and how the relationship between that practice and our groundwater is affected.

4. With food safety, are there any messages that are not getting heard and should be?

I'm going to put my consumer hat on. It's so important that we still consume all of our fresh fruits and vegetables. I'm convinced that farmers are growing the best medicine available to consumers. At the end of the day, it's safe, it's nutritious, it's healthy. Please continue eating it.

5. What issues are you facing with housing and the urban-rural divide?

In terms of housing, it's a really important topic here on the Central Coast. The entire state is facing housing issues.

We're really getting hit hard. There is not affordable housing available for our community and then especially for our workforce. **We're working hard here in Monterey County to interface with our local electeds and then to also carry that message to Sacramento.** It's important to streamline processes for getting housing built, whether it's workforce housing or low- or medium-income help – all levels of housing need to be built.



US farm groups hail USMCA deal, but want final ratification

The U.S. agriculture sector — from pork producers to vegetable farmers — is relishing House Speaker Nancy Pelosi’s agreement to a deal on the U.S.-Mexico-Canada Agreement, but farm groups won’t be satisfied until the House and Senate ratify the trade pact.

“Wheat growers view this as a major step in getting USMCA over the finish line,” said National Association of Wheat Growers President Ben Scholz, who stressed he hopes Congress will be motivated “to take a vote on USMCA before the end of the year.” House Ways and Means Committee Chairman Richard Neal says he’s hopeful there will be a vote next week, but there’s no guarantee that will happen in the final days before Congress adjourns for the rest of the year.



House Ways and Means Chair Richard Neal, D-Mass.
(Photo: Joy Philippi)

As of midday Tuesday, the USMCA implementing language still had not been circulated to lawmakers and they’ll need some time to study the legislation, Neal said.

“I look forward to closely reviewing the revised text — and as long as the new version of USMCA meets the standards we’ve fought for — I look forward to working with my colleagues to getting this agreement across the finish line,” said Rep. Ron Kind, D-Wisc.

And even if there is a House vote, the Senate still has to go through several procedural steps before it can vote, Senate Finance Committee Chairman Chuck Grassley said Tuesday.

Under normal circumstances, the Senate Finance Committee would hold a simulated mock-up of an implementing bill and then hold a vote before pushing a trade pact to a Senate floor vote, and that’s the way Grassley said he wants it done with USMCA.

“It can be short-circuited, but it’s never been short-circuited,” the Iowa Republican said. “I want to do a mock markup, but we still don’t have the draft bill to markup, which doesn’t help, so we’ll just have to wait and see.”

Senate Majority Leader Mitch McConnell also threw cold water on a Senate vote this year, saying it “will have to come up in all likelihood after the (impeachment) trial is finished in the Senate,” something he said would happen in January.

But waiting isn’t what farm groups want to do after months of negotiations between the Trump administration and House Democrats, who prevailed in forcing concessions on labor enforcement and pharmaceutical provisions.

“We urge members of Congress to swiftly approve the United States-Mexico-Canada Agreement,” American Farm Bureau Federation President Zippy Duvall said Tuesday after Pelosi, Neal and other Democrats announced their agreement on a USMCA deal.

“Agriculture is at a critical crossroads with the downturn in commodity prices, losses from natural disasters and the trade war. This is an opportunity for Congress not only to help U.S. farmers and ranchers turn the corner on trade, but also show that Washington can still get things done on a bipartisan basis.”

The Trump administration is also impatient. Agriculture Secretary Sonny Perdue was very clear that he doesn't want any uncertainty over USMCA over the holiday season.

“While I am very encouraged by today's breakthrough, we must not lose sight — the House and Senate need to work diligently to pass USMCA by Christmas,” Perdue said in a statement.

But approval by House Democrats and Mexico's agreement to the changes made in the pact were the primary hurdles. There are some concerns by Republican senators that the revised USMCA was changed too much, but it's nothing that will stop Senate approval, Grassley said.

Beyond the fact that USMCA would carry on virtually tariff-free ag trade in North America that was established in NAFTA, the new pact also offers substantial payoffs for the U.S. dairy and poultry sectors. Both get increased access to Canada's tightly controlled market and Canada's agreement to axe its Class 7 dairy pricing system is an added win for U.S. dairy.

“Make no mistake about it, for the U.S. dairy industry — farmers, processors, and suppliers — the USMCA deal is a major win that levels the playing field with our largest trading partners,” said Michael Dykes, president and CEO of the International Dairy Foods Association.

In a hard-fought win, Canada agreed to scrap Class 7, a subsidy program that floods the international market with skim milk powder and depresses prices for U.S. exports.

“Passing USMCA would be boon to America's dairy farmers,” said Jim Mulhern, president and CEO of the National Milk Producers Federation. “USMCA will expand trade opportunities with our most valuable partners and secure immediate benefits for our rural communities, adding an estimated \$548 million to dairy-farm revenues in its first six years after implementation.”

U.S. wines will also gain new access to Canadian consumers – a top export market for California wineries - under the new USMCA. The agreement requires Canadian provinces to drop some of the markups and distribution barriers to U.S. wines. Under USMCA, each country must treat the distribution of another USMCA country's spirits, wine, beer, and other alcoholic beverages as it would its own products, according to a Congressional Research Service (CRS) [summary of the provisions](#).

Canada also agreed under USMCA to establish new tariff rate quotas for U.S. poultry and eggs.



Senate Finance Committee Chair Chuck Grassley, R-Iowa

The new 57,000-ton quota for chicken will start six years after implementation. Beyond that, another allowance for an increase of an extra 10 million dozen eggs starts in the first year.

Perdue will meet a gathering of members of the U.S. Poultry and Egg Export Council Wednesday morning and the new USMCA is expected to be discussed. The U.S. sells about \$600 million worth of poultry and eggs to Canada a year.

Candidates tackle farm economy with climate focus

Agricultural policy has seldom received as much attention as it has in this presidential campaign as Democrats vie for ways to cut into President Donald Trump’s rural base and win Iowa’s first-in-the-nation’s caucuses amid heightened anxiety in the farm economy.



*Pete Buttigieg speaks earlier this year at the Iowa State Fair.
(Photo: Delaney Howell)*

Most of the candidates have released detailed rural and ag policy recommendations, many of which call for tens of billions in new spending. The extra money is largely directed at improving broadband and other infrastructure or at programs that would pay farmers for increasing soil carbon as a way of addressing climate change.

On the stump in Iowa, candidates are also seizing on farmers’ anxiety about President Donald Trump’s trade war with China and the Renewable Fuel Standard exemptions that the Environmental Protection Agency has granted to small refineries.

“Farmers do math for a living, and deal with uncertainty for a living, and right now we have far too much uncertainty,” South Bend, Ind., Mayor Pete Buttigieg said at candidate forum held by the Iowa Farmers Union last week in Grinnell.

Buttigieg, who’s currently leading the polls in Iowa, was one of six candidates to speak and answer questions at the event, the second IFU has held this year.

Buttigieg said “farmers are being squeezed by all sides: squeezed by consolidation, giving folks fewer and fewer places to buy from or to sell to; squeezed by a trade war that nobody around here asked for and that even the MFP (Market Facilitation Program) isn’t making folks whole on; squeezed by a policy around so-called small refinery waivers.”

Buttigieg is currently favored by 24% of Iowa Democrats, according to the latest [RealClearPolitics average of polls](#) in the state, followed by Vermont Sen. Bernie Sanders at 18.3%, Massachusetts Sen. Elizabeth Warren at 17.7%, former Vice President Joe Biden at 16.3% and Minnesota Sen. Amy Klobuchar at 5.3%.

Don Wiviott, a Des Moines-based investor in organic agriculture, says the Democratic interest in farm policy is “much higher” than it has been before.

“Democrats are pretty conscious about not ignoring the Midwest this time around,” Wiviott said, speaking at an Iowa Organic Association meeting in Story City after an appearance by Sanders.

What’s also different during this campaign - besides the fact that Democrats are trying to make inroads into the rural Midwest - is that the candidates now see farmers as a solution to climate change, Wiviott said, rather than a political obstacle to addressing the issue.

“Previously there was this kind of ubiquitous lack of understanding that you could end climate change by restoring soil. Slowly but surely this conversation has made its way into what these candidates are doing in terms of applying on their platform,” he said.

IFU President Aaron Lehman told *Agri-Pulse* it will be hard for Congress to address climate change if farmers don't see that it "can benefit their farm and their sustainability, their profitability."

At the organic farming event, Sanders pledged to "pay farmers to capture carbon. ... If all the agricultural community can be aggressive in maintaining good soil, and which will absorb carbon that will be an enormous contribution to fighting climate change, and we should be prepared to provide financial assistance for that."

Sen. Cory Booker, D-N.J., released a [rural development plan](#) last week that, among other things, proposed huge increases in funding for both the Environmental Quality Incentive Program and the Conservation Stewardship Program to \$7 billion per year. Under the 2018 farm bill, EQIP and CSP were funded at \$1.75 billion and \$700 million, respectively in fiscal 2019.

The New Jersey Democrat, who is tied for ninth in Iowa in the polling average, also called for planting billions of trees on federal, state and local lands.

Booker, who has been struggling to gain traction in Iowa, used a question about the climate issue to acknowledge that farmers are often wary of environmental regulators. The Obama administration’s climate bill foundered in part because of resistance from many agriculture groups as well as rural electric cooperatives who worried about its impact on energy costs.

“We Democrats don’t have clean hands on this,” Booker said, referring to environmental regulation and specifically citing the Obama-era “waters of the U.S.” rule that would have expanded the jurisdiction of the Clean Water Act.

“There are practices going on right now in Iowa that the rest of the country can learn from about soil preservation, about pulling carbon out of the air, about protecting water.”

To emphasize his point about the importance of including farmers in addressing climate policy, Booker said, “If it doesn’t make economic sense, it’s not going to happen.”

Minnesota Sen. Amy Klobuchar told IFU members that while the candidates agree on making the U.S. carbon neutral, **“we’ve got to make sure we do it in a way that brings people with us, and that we have a plan, especially in our rural areas, that it works for them.”**

Whether the climate message ultimately wins over rural voters is another matter. Jerry Rosman, an IFU board member who farms near Harlan in western Iowa, thinks the climate proposals are

aimed more at the Democratic urban base than they are farmers, whose bigger concern is their current income.

"All they're worried about is the bottom line. ... Nobody's worried about even next year, it's just the next quarter," Rosman said.

A monthly survey of farmers by Purdue University and the CME Group recently affirmed that climate isn't a major concern for most farmers. Some 47% of the farmers surveyed in November said they were not at all worried about the climate issue, and 31% said they were "not too worried." Only 22% of the farmers surveyed said they had made any changes in their operations to address climate-related impacts.

The candidates are less clear about what they do to address the more immediate challenges facing the farm economy, including the trade war with China, although they are pledging to end the practice of giving SREs from the RFS, something EPA says it is required to do by law, and to crack down on agribusiness mergers.

In his appearances before the Organic Association and the Farmers Union, Sanders reiterated his proposals to increase commodity prices by instituting supply management, an idea shared in some degree by Warren, but difficult to get through Congress because of its impact on markets.

"We have got to bring young people into agriculture, and the way that we do that is not only by making public colleges and universities tuition free, but making sure that they have a decent income," Sanders said.



Sen. Amy Klobuchar speaks earlier this year at the Iowa State Fair.



Sen. Bernie Sanders speaks to the Iowa Organic Association

Warren proposed in August to boost commodity prices by taking land out of production and to raise USDA's marketing loan rates to ensure that farmers can cover the costs of what they do grow. The rates are currently well below production costs.

Other candidates generally wouldn't go that far.

Asked what she would do improve the farm economy, Klobuchar said among things that she would take a more focused negotiating approach with China and also would "support a reauthorization of the farm bill," including "any emergency funding that we need."

Buttigieg told Farmers Union members the state of the farm economy had "reached crisis proportions," blaming agribusiness mergers for pressuring growers.

He called for tougher antitrust enforcement and then pivoted to talking about the need to open new markets for U.S. commodities. "The reverse is happening as long as we're in this trade war," Buttigieg said. Neither Warren nor Biden attended the Farmers Union forum last week.

FCC task force to look beyond fiber to boost rural broadband

A special task force created by the Federal Communications Commission plans to look at ways to improve rural broadband internet connectivity beyond fiber deployment.

Some 15 members are in the group, which met Monday. It includes small and tribal producers, internet service providers, electric cooperatives, the satellite industry, precision agriculture and equipment manufacturers.

Teddy Bekele, Chief Technology Officer at Land O'Lakes, is the senior vice chair of the task force.

“The biggest challenge is that there is not really one solution to solve the problem. There is a variety of different solutions and what are you going to apply when and where,” Bekele told *Agri-Pulse*.

The task force is composed of four working groups to help FCC develop recommendations, identify mapping gaps and connectivity on farmlands, accelerate the deployment of connectivity on unserved ag lands, and promote the adoption of precision ag technologies.

“Precision technologies are transforming America’s farms and ranches and increasing productivity and reducing costs,” FCC Chairman Ajit Pai said during the meeting.

Pai also said technologies are easing labor shortages many farms are facing and improving the quality and safety of food.

He announced a proposal known as the 5G fund last week which sets aside \$1 billion to fund precision agriculture technology. The \$1 billion is part of a larger \$9 billion fund to be released over a decade, to improve broadband connectivity in rural America.

The 5G fund replaces the planned Mobility Fund Phase II (MF2), which would have offered federal support for 4G LTE service in unserved areas. The Mobility Fund required wireless providers to submit coverage data to help FCC determine where unserved areas of the country were. It also gave providers the ability to dispute coverage maps by submitting speed tests. But a Dec. 4 report found that carriers provided insufficient 4G LTE coverage data so FCC decided to halt the Mobility Fund.

Funding for the 5G program is nearly twice the size as the Mobility Fund program, one senior FCC official said. Some \$4.5 billion of the \$9 billion will come from the repurposed funds that were designated for MF2.

Seth Arndorfer, CEO of Dakota Carrier Network, a member of the task force, said precision ag technologies need to be accessible outside hard-wired fiber connections.



FCC Chairman Ajit Pai

“As a tractor drives down the field, or if I’m trying to communicate with my cattle herd, that isn’t going to be done via fiber, but fiber plays an integral role,” Arndorfer said.



Seth Arndorfer, Dakota Carrier Network

FCC Commissioner Mike O’Reilly echoed Arndorfer, saying he would like to see what next-generation technology holds, whether it is using 5G wireless services or satellite connectivity.

Department of Agriculture officials also attended the meeting. They included Farm Service Agency Administrator Richard Fordyce, Rural Utilities Service Administrator Chad Rupe, and Farm Production and Conservation Undersecretary Bill Northey.

The 2018 farm bill included language directing the FCC to create a task force which will come up with policy recommendations to promote expanded deployment of broadband internet access service on agricultural lands. Meanwhile, Congress continues to write legislation.

In November, Sens. John Thune, R- S.D., and Roger Wicker, R-Miss., introduced the 5G Spectrum Act. The bill makes mid-band spectrum available for a public auction process. It would specifically require at least 50% of the value of auction revenues to be reinvested back into the U.S. Treasury.

“This legislation, which is a win-win for taxpayers, would quickly free up much-needed spectrum — the airwaves over which digital information flows — and, as a result, put more money back in the U.S. Treasury,” Thune said.

On Tuesday, the FCC opened bidding on spectrum in the upper 37 gigahertz (GHz), 39 GHz, and 47 GHz bands and is making 3,400 MHz of millimeter-wave spectrum available through this auction.

Pai said auctioning the 39 GHz and upper 37 GHz bands together presents a critical opportunity for 5G deployment.

“It represents the largest amount of contiguous spectrum available in the millimeter-wave bands,” Pai stated.

Pai noted this auction is different from the broadcast incentive auction Congress authorized years ago but has the same goal of clearing or repacking existing licensees to make spectrum as useful as possible, boosting competition and benefitting consumers. Next year FCC hopes to initiate two mid-band spectrum auctions, a 3.5 GHz auction on in June, and an auction in the 3.7-4.2 GHz band in late 2020, he said.

USDA extends DMC, MFP signup deadlines

Producers will have an extra week to sign up for the Dairy Margin Coverage program for the 2020 calendar year.

The original deadline was Friday, Dec. 13, but USDA officials extended the deadline to Dec. 20.

The department will also continue to accept Market Facilitation Program applications until Dec. 20, as well, a two-week extension from the original Dec. 6 deadline.

Bill Northey, farm production and conservation undersecretary at USDA, said the dates were extended because of prolonged and extensive weather impacts this year.

“Because some of our producers are still in the field, time to conduct business at the local USDA office is at a premium,” Northey said. “We hope this deadline extension will allow producers the opportunity to participate in these important programs.”

The DMC program, which replaced the Margin Protection Program in the 2018 farm bill, offers price protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

As of Dec. 9, only 7,204 of the nation’s 37,468 licensed operations have enrolled for 2020. More than 23,000 signed up for 2019 coverage.

However, officials did expect an enrollment drop of some size. FSA is projecting dairy margins will stay above coverage levels next year, so the program is unlikely to trigger payments.

MFP payments have been used by the administration to aid farmers suffering from trade retaliation from other countries.

As of Dec. 9, \$10.47 billion worth of 2019 MFP payments had been made. Farmers who produce grain, soybeans, cotton and other non-specialty crops have received \$9.9 billion. Specialty crop growers have received \$123 million, while the livestock sector has received \$379 million. In May, the Trump administration announced a \$16 billion trade mitigation package that included \$14.5 billion earmarked for MFP payments.

Northey said earlier this week, USDA will likely decide “later this month or early January” as to whether to issue the third tranche of payments under the 2019 MFP program.

News Briefs:

CBD company hit with class-action lawsuit. Two consumers have filed a class-action lawsuit against a California CBD company for selling unapproved drugs, dietary supplements and foods, the latest in a series of suits that have hit the CBD industry since the Food and Drug Administration sent warning letters to 15 companies last month. The plaintiffs said in their suit against Koi CBD that they would have not have bought the products or paid as much for them if they had known how they were misbranded and falsely advertised, alleging violations of a host of state and federal laws, including the California and U.S. Food, Drug and Cosmetic statutes. Koi CBD was one of the 15 companies to recently receive letters from FDA for their

marketing of CBD. One example cited in the suit involves Koi CBD gummies, which “appear to be promoted as conventional human food” and were touted on the label as “delicious, edible human snacks.” But the lawsuit notes it is illegal “to introduce or deliver for introduction into interstate commerce any food to which has been added a drug.” A lawyer for the U.S. Hemp Roundtable told *Natural Products Insider* that the industry does not believe the lawsuits have merit, but they may have a salutary effect. The legal action “does emphasize how important it is for the FDA to get back together to formally recognize and regulate CBD as a ... dietary supplement and food additive, and that if the FDA doesn’t, it’s even more important for the Congress to act to force the FDA to get its processes started,” Jonathan Miller told the publication.

Comments needed on methane reduction funding. The California Dept. of Food and Agriculture is accepting public comments until Dec. 24 on its draft Request for Grant Applications (RGAs) for the next round of methane reduction funding. The grants, which will be awarded through its Climate Smart Agriculture Incentives Programs, include the Dairy Digester Research and Development Program (DDRDP) and Alternative Manure Management Program (AMMP). Both programs provide financial assistance for the installation of dairy digesters and non-digester manure management practices on dairy and livestock operations, which will result in reduced greenhouse gas emissions. These programs also incentivize demonstration of new technologies and practices that show promise in achieving methane reductions on California dairy and livestock operations.

The draft RGAs can be found on the following webpages under the CDFA’s Office of Environmental Farming and Innovation:

- Dairy Digester Research and Development Program (DDRDP): <https://www.cdfa.ca.gov/oefi/ddrdp/>
- Alternative Manure Management Program (AMMP): <https://www.cdfa.ca.gov/oefi/AMMP/>
- AMMP Demonstration Projects: <https://www.cdfa.ca.gov/oefi/AMMP/DemoProject.html>

CDFA says comments regarding the draft guidelines must be submitted to the specific email address noted on each draft document listed above.

Consumers view ag tech as key to sustainability, but they’re still apprehensive. A new survey conducted by Cargill shows consumers believe technology advancements in agriculture are key to feed a growing population, but only about half of the respondents want their food to come from a technologically-advanced farm. The survey, conducted with 3,000 participants across three continents, showed farming ranks third of where consumers want to see technology used, behind medicine and education but above defense, manufacturing, and retail and food. Sri Raj Kantamneni, managing director of Cargill’s digital business, said the survey illustrates challenges in communicating changes in agriculture. He said “agriculture is still the least digitalized industry sector in the world. That means there’s a lot of opportunity — and a lot of need — for greater investment in ag-tech. This survey highlights that in order to help humanity benefit from these advancements, we first need to do a better job of explaining the value of new technologies to consumers.” According to the survey data, South Korea was most receptive to ag technology; France was the least. None of the innovations Cargill explored in the survey enjoyed acceptance of more than 50% of respondents. Field sensors enjoyed the greatest level of support (42%), 35% said they were OK with artificial insemination, and 18% said they would “embrace feed containing genetically modified ingredients,” according to the company.

Trump administration touts \$13B in regulatory savings in fiscal 2019. The Trump administration's deregulatory push has resulted in about \$50 billion in savings since 2017, with \$13.5 billion of those coming in fiscal 2019 alone, the White House said Dec. 6. The administration fell shy of its goal of eliminating two significant deregulatory actions for every one significant regulatory action, instead achieving a 1.7:1 ratio. Using another measure, the administration said it issued 150 deregulatory actions and 35 significant regulatory actions in fiscal 2019, a 4.3:1 ratio. The biggest savings, according to the report, were at the Department of Health and Human Services with \$11.4 billion. The Agriculture Department's 13 deregulatory actions accounted for \$2.1 billion in savings, but the report did not break down those savings by specific deregulatory actions. USDA estimated the National Bioengineered Food Disclosure Standard, published in December 2018, would save \$77 million annually. "In comparison to a state-level approach to mandatory [bioengineered] labeling, the [rule] would impose less cost on the regulated community and would therefore be deregulatory," USDA said in the rule. The Environmental Protection Agency's regulations imposed about \$8.3 billion in costs, however, the largest figure of any in the administration.

Farm Hands West: Trump nominates Lipps for Undersecretary

President **Donald Trump** announced his intent to nominate **Brandon Lipps** as the Undersecretary for Food, Nutrition, and Consumer Services at the Department of Agriculture. Previously, Lipps served as counsel and senior professional staff to the House Committee on Agriculture. He has served as chief of staff for the Office of the Chancellor at the Texas Tech University System and was an associate at the Lubbock law firm of Crenshaw, Dupree, & Milam.

Krista Beckstead has joined Starr Ranch Growers as a marketing and brand specialist. Beckstead previously led the marketing efforts at Crunch Pak located in Wenatchee, WA. Beckstead served on the marketing and merchandising executive committee and the new opportunities committee for United Fresh.

The Department of Agriculture has appointed new individuals to serve on the National Organic Standards Board. The new appointees are as follows: **Nathan Powell-Palm**, operator of Cold Spring Organics, a Belgrade, Mont., grains, row crops and cattle operation; **Kimberly Huseman**, director of specialty ingredients for Greeley, Colo.-based Pilgrim's; **Mindee Jeffery**, grocery manager of Eastside Food Co-op, Minneapolis; **Wood Turner**, senior vice president of sustainability for Agriculture Capital, San Francisco; and **Jerry D'Amore**, currently works with Munger Farms through his consulting business located in Watsonville, Calif. He has been director of sourcing and new business development for SunnyRidge Farm, which was later acquired by Dole Food Co., and served as vice president of agricultural development for Clear Springs LLC.

Five time Olympian and three-time gold medalist, **Kerri Walsh Jennings**, has been selected as the new spokesperson for California Almonds. Walsh Jennings will be heading to Tokyo for her 6th Olympics and 4th gold in Summer 2020.

British Columbia-based Jealous Fruits has hired **Doug Sankey** for a sales role. Sankey has been in the industry for over 35 years. He has served in sales and marketing roles at Sunwest Fruit Co., Parlier, Calif., and Morada Produce Co., Linden, Calif. He will continue his sales role with

Morada Produce and will move to Kelowna, British Columbia, each season to manage U.S. sales for Jealous Fruits.

Kip Tom was sworn in to serve as the agriculture representative to the United Nations Agencies for Food and Agriculture in Rome.

Ian Borden has been elevated to president of international at the McDonald's Corp. Borden previously served as president of international developmental licensed markets at McDonald's Corp. Borden has held a variety of roles with McDonald's over the past 25 years, including president of foundational markets, chief financial officer of the Asia-Pacific, Middle East and Africa segment and managing director.



Kip Tom was surrounded by family and friends at his swearing in ceremony.

The Federal Agricultural Mortgage Corporation (Farmer Mac) has selected **Aparna Ramesh** to serve as its new executive vice president, chief financial officer and treasurer, effective Jan. 6. Ramesh joins Farmer Mac with more than two decades of financial experience, most recently with the Federal Reserve Bank of Boston serving as the senior vice president and chief financial officer.

Calyxt, a plant-based technology company, has appointed **Vince Restucci** in a newly created role as vice president of agronomy services. Restucci brings more than 35 years of agribusiness, refining and CPG experience to Calyxt. He most recently worked with R.D. Offutt Company, as director of procurement and business technology.

Mary Emma Young has been promoted to senior director of communications for the Pet Food Institute. Young previously served as the director of communications at the Pet Food Institute and, before that, at CropLife America. In addition, **Atalie Ebersole** has joined the Pet Food Institute as an executive assistant. Atalie served as an executive assistant to Rep. **Jo Ann Emerson**, R-Mo., and more recently served as a PAC manager for Grant Thornton, LLP and advocacy director for Rescue: Freedom International.

Jennifer Roland has joined the staff at the National Association of State Departments of Agriculture (NASDA) as the new coordinator of food safety programs. She will help manage multiple cooperative agreements with the Food and Drug Administration to implement the Food Safety Modernization Act (FSMA). Roland most recently served as the executive assistant and event planner for the Association of American Feed Control Officials, a NASDA affiliate.

Liz Stower has joined the staff at OFW Law where she will work as the senior policy adviser. Stower worked on Capitol Hill as Rep. **Ron Kind**'s, D-Wis., legislative director and worked in Sen. **Tammy Baldwin**'s, D-Wis., office ... **Molly O'Connor** has been promoted to senior policy adviser at OFW Law.

Ashley Willits has been promoted to deputy director of external and intergovernmental affairs at the Department of Agriculture. Willits previously served as an advance lead for Secretary of Agriculture **Sonny Perdue**.

Blake Narendra has been moved to a legislative assistant in Sen. **Jeff Merkley**'s, D-Ore., office. He covers the international affairs portfolio. **Ansley Lacitis** now serves as the communications director for Sen. **Maria Cantwell**, D-Wash. She previously served as the deputy chief of staff. She replaces **Reid Walker**.

Brendan Parets has left the office of Sen. **Martha McSally**, R-Ariz., where he served as chief counsel. He now works for Covington & Burling LLP as a special counsel.

Lee Lonsberry has left the Beltway where he served as the senior communications adviser to Rep. **Rob Bishop**, R-Utah, on the House Natural Resources Committee. He now works as the talk show host for KSL-AM in Salt Lake City.

Best Regards,

Sara Wyant

Editor

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