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Committee on Agriculture Informational Hearing Advancing California Agriculture Competiveness

> August 10, 2022 2:00 p.m. – 4:00 p.m. State Capitol, Room 126

Welcome and Introduction

- Chair, Robert Rivas
- Vice Chair, Mathis
- Other Members

Panel 1: Overview of Competitive Issues for California AG

- Jamie Johansson, President of California Farm Bureau
- Dr. Daniel Sumner Department of Agricultural and Resource Economics, University of California, Davis

Panel 2: Impact on Farmers and Ranchers

- Blaine Carian, Vice President, Desert Fresh Inc.
- Keng Vang, Fresno BIPOC Produce
- Tom Richards, Butte County Grass Fed Beef Rancher

Panel 3: Administration Perspective

- Dee Dee Myers, Senior Advisor/Director, Governor's Office of Business and Economic Development External Affairs (Go-Biz)
- Karen Ross, Secretary, California Department of Food and Agriculture

Public Comment

Closing Remarks

Vice-Chair Mathis, Devon J.

Members

Aguiar-Curry, Cecilia M. Cunningham, Jordan Flora, Heath Gray, Adam C. Irwin, Jacqui Jones-Sawyer, Sr. Reginald B. Carlos Villapudua Lori Wilson Jim Wood



Chief Consultant Victor Francovich

Committee Secretary Nicole Willis

Committee Office 1020 N Street Room 362 Sacramento, CA 95814 (916) 319-2084

Committee on Agriculture Informational Hearing Advancing California Agriculture Competiveness June 29, 2022 Upon adjournment of Assembly Agriculture Committee State Capitol, Room 126

California's agricultural abundance includes more than 400 commodities. Over a third of the country's vegetables and two-thirds of the country's fruits and nuts are grown in California. In 2020 California's farms and ranches received \$49.1 billion in cash receipts for their output. This represents a 3.3 percent decrease in cash receipts compared to the previous year. California agricultural exports totaled \$20.8 billion in 2020, a decrease of 2.8 percent from 2019. Top commodities for export included almonds, dairy and dairy products, pistachios, walnuts and wine.

Furthermore California is the largest agricultural state in the U.S., producing over 350 commodities. It is the sole U.S. producer of many fruits and vegetables. Ironically, Californians take less advantage of this agricultural bounty than other U.S. citizens, eating 24% less fresh fruits and vegetables than the level recommended by leading health experts. At the same time, California farmers are losing their markets to foreign competitors, rural unemployment is at an all-time high, and family farms are struggling.

The Legislature has made important policy decisions over the years to ensure that California is a worldwide leader in consumer protection, food health and safety, environmental protection, working condition and wages and benefits. California business, including agriculture must comply with these policies, laws and regulation as part of their business operations. The protective agriculture standards developed over the years only apply to California growers even though a substantial portion of agriculture products sold



ROBERT RIVAS CHAIR and distributed are imported from other states and countries. This creates an unleveled playing field that can be a disadvantage for California farmers and ranchers.

There are also many other issues that have affected the Ag competiveness in the past few year. The Corvid Pandemic exposed weakness in the supply-chain that affect Ag Exports, moving goods in state and cause major impact on worker health and safety. The continuing drought is putting pressure on farmers. Rampant wild fire have affected crops, delayed harvest and again put workers health and safety at risk.

To address issues related to California will need to look at many different solution such as: increasing external and internal markets for Californian Ag producers, use the purchasing power of the State to keep by tax dollars in California communities, work on supply chains issues – especially for small and midsized farms, and, aim to have imports to California meet the same policy standards that California farmers operate under.

Current legislation:

AB 710 of 2021 (E. Garcia) - This bill would prohibit a retailer from selling a listed agricultural product (LAP), produced in the state or outside of the state unless the product was produced in compliance with specified California health and environmental protection laws. Furthermore, prohibits a retailer from selling a LAP produced in the state or outside of the country unless the product was produced in compliance with specified California labor laws.

This bill attempts to help farmers in California, which have some of the strong environmental and labor law in the US. This bill would require specified Ag products sold in CA to meet CA Environmental, Labor and healthy standards. The bill has no criminal penalties for violation, but could possibly lead to 3rd party law suites.

AB 778 of 2021 (E. Garcia): This bill requires for all state-owned or state-run institutions that purchase agricultural products to only purchase California grown agricultural products with certain exceptions. If not CA product move to US products then can buy form outside the US.

Main support argument: California laws require growers to follow some of the strictest environmental regulations in the country. Therefore, we should be giving our farmers the benefit of the doubt that our state's agricultural products are the best in the nation by committing to a Buy California program.

AB 1038 (Caballero) of 2022: this bill expands the existing Buy American Provision to prohibit public postsecondary educational institutions and school districts from

purchasing agricultural products grown, packed, or processed non-domestically unless the cost difference is more than 25%. This bill will help California's high standards by utilizing taxpayer dollars to purchase food products in compliance with these critical standards.