



2017

THE ALMOND CONFERENCE

WHAT IS NEXT ON CALIFORNIA'S LEGISLATIVE AGENDA?

Room 306-307 | December 7 2017





Almond Alliance
OF CALIFORNIA

What is Next on California's Legislative Agenda

Kelly Covello, President

Who is the Almond Alliance?





Almond Alliance of California

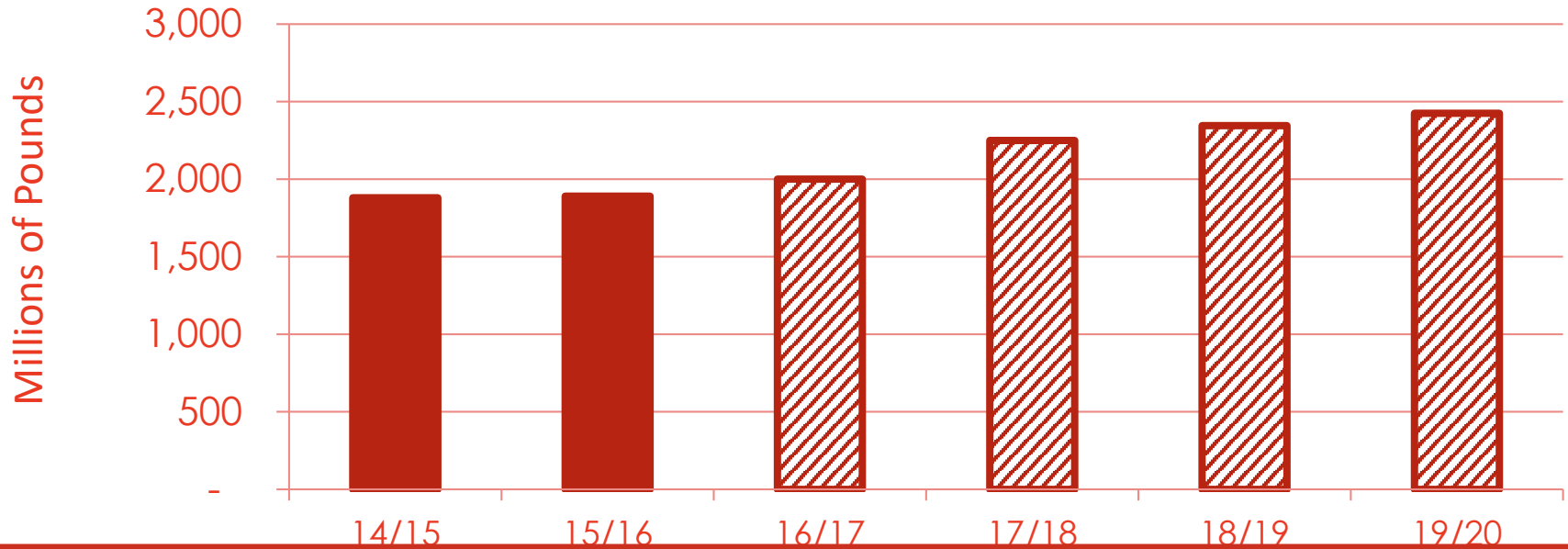
- Established in 1980 and is the only trade association uniquely and singularly focused on the California almond industry
- Represent almond growers, hullers, shellers, processors and allied industry members
- Membership represents ~ 80% of the almonds processed in California
- Lobby and advocate and provide other services including technical assistance, training, insurance benefits, and group benefits

Partnering With the Almond Board

Complementing...Not Competing

	 California almonds SM Almond Board of California	 Almond Alliance OF CALIFORNIA
Research	● ● ●	
Advertising/ Promotion	● ● ●	
Statistical Analysis	● ● ●	
Public, Media Relations	● ● ●	●
Technical Assistance	● ●	● ●
Training	● ●	● ●
Advocacy		● ● ●
Group Benefits		● ●

What Comes Next?



*NOTE: Production Outlook assumes adequate moisture. Though, research is being done to understand how to maximize yields given lower levels of water availability.

20 % Increase in Production Expected by 2020

Leaning Forward Into a Challenging Future

- Challenges for agricultural resources have never been higher
- The State legislature is hostile and angry with the Federal Administration and Trump
- Reputation Management needed with a variety of audiences but in particular **legislators and regulators**

The Negative Rhetoric Around Almonds Continues

- “The Legislature should adopt a fee on water used to grow export crops....It’s simply not fair that crop exporters privatize the gains from using a public trust resource while socializing the losses.”
 - *Peter Drekmeier serves as Policy Director for the Tuolumne River Trust – October 5, 2017*

Political Engagement is a Cost of Doing Business in CA

Top Industries, 2016 Cycle

Election cycle:

Environment \$96,033,139

2016 #1 in CA=
Environment @ \$96,033,139

What if every almond grower contributed \$20/acre?
1,300,000 acres X \$20 = \$26,000,000
We would be in the top 10 in CA

Internet \$22,570,850

Source: OpenSecrets.org

IC-DISC Advocacy

- IC-DISC program - export tax incentive for agriculture. Benefits growers, farmers, handlers, processors and cooperatives. The program was intended to protect American jobs by requiring exports to be manufactured, produced, grown or extracted in the United States.
- Senate Republican Tax Reform plan eliminated IC-DISC. House Plan retained it. Almond Alliance's aggressive advocacy pushed Senate to include in last minute amendments.
- Call to Action: Contact your legislators this week.

Advocacy Tools

- Tours
- Op-eds
- Press Releases
- Testify at hearings
- Join legal action
- Comment Letters
- Coalition Building
- Grass Roots efforts

Case: 14-72794, 07/05/2016, ID: 10039469, DocEntry: 40-1, Page 1 of 15

No. 14-72794
**IN THE UNITED STATES COURT OF APPEALS
 FOR THE NINTH CIRCUIT**

PESTICIDE ACTION NETWORK NORTH AMERICA, and
 NATURAL RESOURCES DEFENSE COUNCIL, INC.,

Petitioners,

v.

U.S. ENVIRONMENTAL PROTECTION AGENCY,

Respondent.

MOTION FOR LEAVE TO FILE AMICI CURIAE BRIEF OF CROPLIFE AMERICA, AGRICULTURAL RETAILERS ASSOCIATION, ALMOND ALLIANCE OF CALIFORNIA, AMERICAN SOYBEAN ASSOCIATION, AMERICAN SUGARBEET GROWERS ASSOCIATION, BEET SUGAR DEVELOPMENT FOUNDATION, CALIFORNIA CITRUS MUTUAL, NATIONAL AGRICULTURAL AVIATION ASSOCIATION, NATIONAL CORN GROWERS ASSOCIATION, NATIONAL COTTON COUNCIL, NATIONAL POTATO COUNCIL PRODUCERS, OREGONIANS FOR

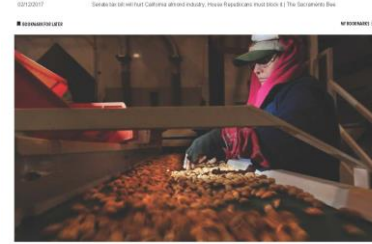
PESTICIDE ACTION NETWORK NORTH AMERICA, and NATURAL RESOURCES DEFENSE COUNCIL, INC., U.S. APPL

IS & FOREST IN SUPOI

PRESS RELEASE
 Almond Alliance of California
 1211 L Street
 Modesto, CA 95354
 Contact: Kelly Covello
 Tel: (209) 300-7140
 Email: staff@almondalliance.org



IN TRADING MARKET, 4015
 AND ENVIRONMENTAL DEFENSE FUND, 1000
 AT NUMBER 1000, 1000
 OF FOR NUMBER 1000, 1000



Senate GOP tax bill will hurt almond industry, California Republicans must step in

Almond Alliance of California
 1211 L Street
 Modesto, CA 95354
 Contact: Kelly Covello
 Tel: (209) 300-7140
 Email: staff@almondalliance.org



State's river flow hike proposal would have severe consequences, says Almond Alliance at hearing

"The assumption there would be limited impacts to the almond industry as a result of this proposal is wrong."

Dec. 20, 2016 Modesto, CA - The Almond Alliance of California (AAC) testified today at a Modesto public hearing held by the State Water Resources Control Board on an 8,300-page Substate Environmental Document (SED) which would dramatically increase flows in the Stanislaus, Turlock, and Merced rivers. "The assumption that there would be limited impacts to the almond industry as a result of this proposal is wrong," said Kelly Covello, AAC president. "The proposal cites almonds as an example of a crop that has made it through the drought. However, permanent restrictions as a result of policy changes are not analogous to temporary drought accommodations that rely on increased groundwater pumping."

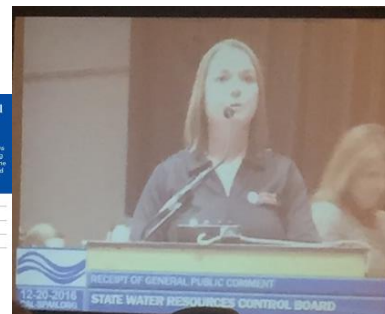
4 Tips for Managing Marginal Risk

Almond Alliance of California
 1211 L Street
 Modesto, CA 95354
 Contact: Kelly Covello
 Tel: (209) 300-7140
 Email: staff@almondalliance.org

Re: Dept. of Pesticide Regulation Proposal for Pesticide Use Near Schools

As a former safety officer, I find the proposal to allow pesticide use near schools to be a significant concern. I am writing to express my support for the current regulations that require a 100-foot buffer zone around schools and day care centers. I am also writing to express my support for the current regulations that require a 100-foot buffer zone around schools and day care centers. I am also writing to express my support for the current regulations that require a 100-foot buffer zone around schools and day care centers.

Almond Alliance of California
 1211 L Street
 Modesto, CA 95354
 Contact: Kelly Covello
 Tel: (209) 300-7140
 Email: staff@almondalliance.org



Agenda

- Dennis Albiani, California Advocates, represents the Almond Alliance in Sacramento
 - Legislative Recap for 2017 and thoughts on 2018
- Emily Rooney, President of the Agricultural Council of California
 - Regulatory Update
 - Almond Alliance works closely with Ag Council
- Assembly Member Heath Flora (R-Modesto)
 - Also an almond industry member
 - Insights from a freshman legislator and priority issues moving forward



Legislative Update

Dennis Albiani, California Advocates

2017-18 Legislative Session

- 2 Year Session
 - 12 year Term Limits - Stability
 - Balanced Budget – Annually, disregarding Pension Liability
 - Governor Received 955 bills, Signed 859
 - Currently in “Halftime”
- Year of “#Resist” Push back on TRUMP Administration (Placed Moderates in Difficult Position)
 - Immigration – Sanctuary state
 - Labor Issues – AB 450,
 - Health Care – Single Payer
 - Greenhouse Gas – International Conferences, sub national agreements, SB 100
 - Environmental Regulation –SB 49



2017-18 Legislative Update (Cont.)

- Infrastructure
 - Transportation – Gas Tax – Saved Ag Commissioner Funding
 - Affordable Housing – Recording Tax, Bond, Some Policy Movement
 - Water, Water Quality, Drought Management



Almond Alliance Priorities

- Biomass and Alternative Disposal
 - AB 920 (Aguiar Curry) 2 year bill
 - Bioenergy Coalition
- Water
 - Water Rights - AB 313
 - Water Conservation – SB 606, AB 1634
 - Water Quality – SB 623, Water Bonds
- Regulatory Relief
 - AB 12 – Review of out dated regulations, AB 77 Leg Oversight, AB 1152 – Pick Up Truck Relief
 - AB 1147 – Illegal to Pick Up Organic Byproducts without Franchise Agreement
 - PAGA Relief



Almond Alliance Priorities (Cont.)

- Cap and TRADE
 - \$300 million
 - Local Air District - Almond Equipment
 - Carl Moyer
 - Dairy Management
 - On Farm Renewable Energy
- Buy CA, Buy American, CA Grown Funding, ALMOND as STATE NUT (along with a few others)!
- Regulatory Issues
 - Instream Flows – Tributaries
 - Water Quality
 - Prop 65 – Glyphosate, Chlorpyrifos
 - Pest Eradication
 - CDFA Budget





Almond Conference

December 7, 2017



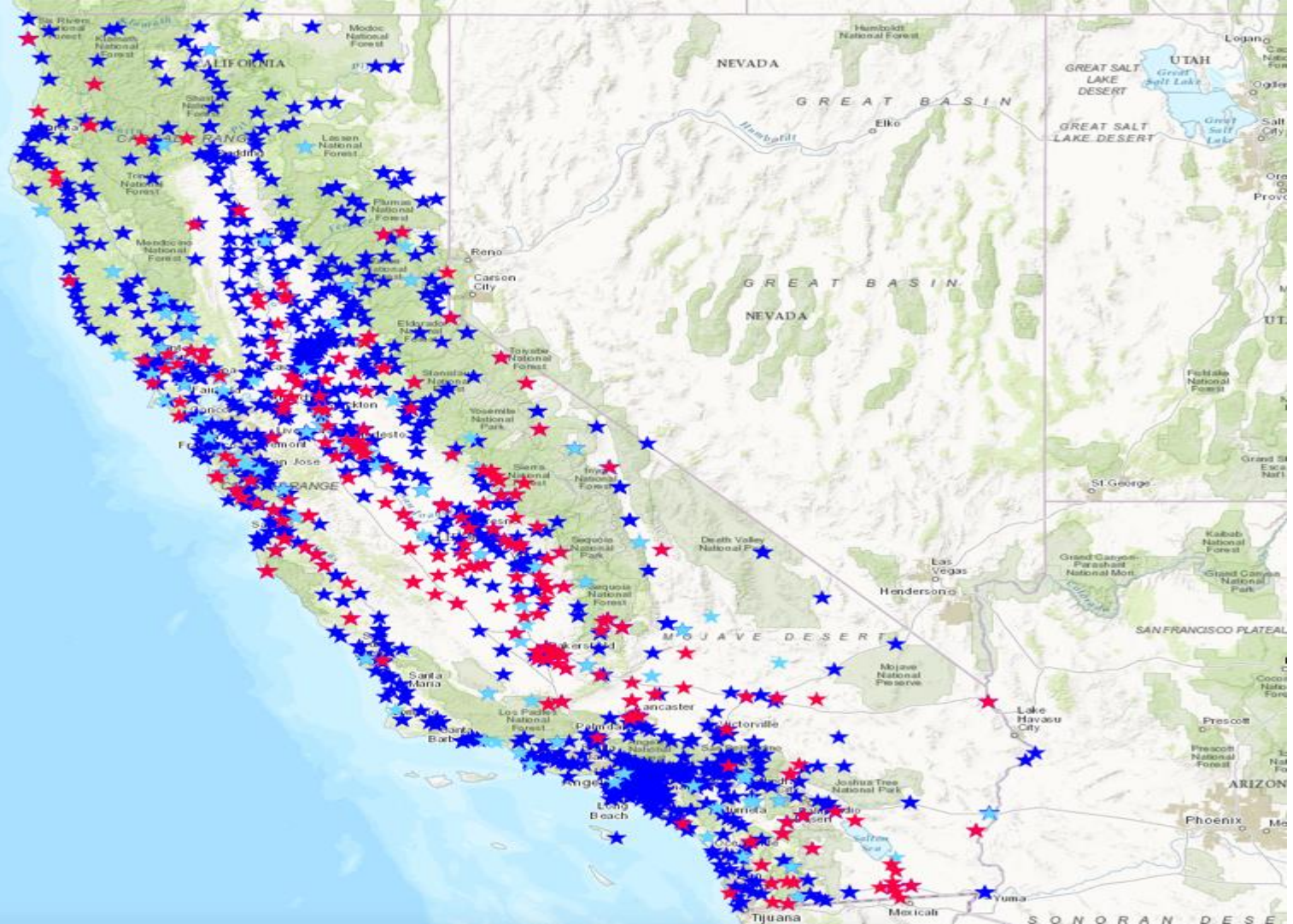
Agricultural Council
of California

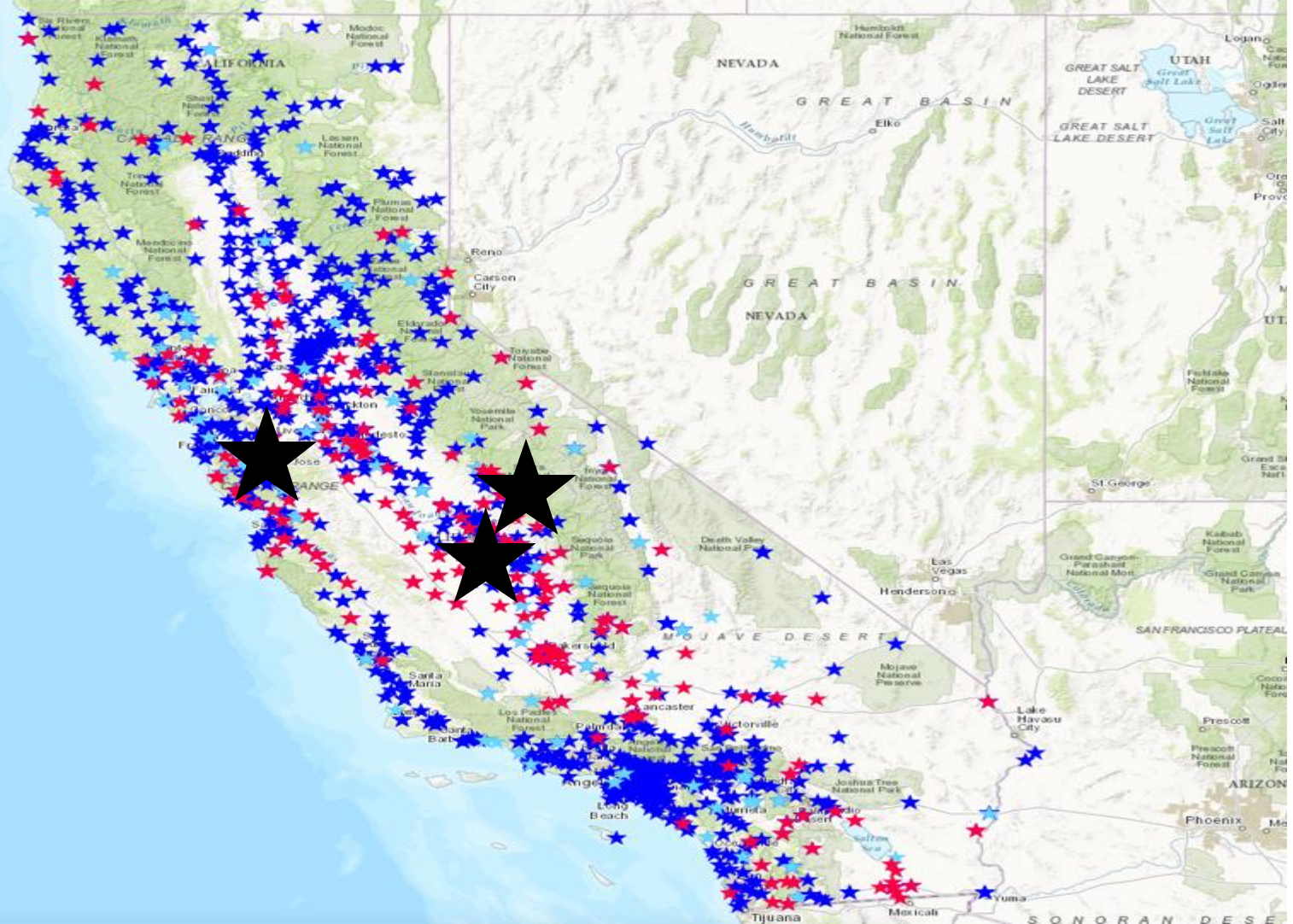
Protecting California's #1 Industry

Water

Water Developments in Sacramento

- Drinking water/potential enforcement actions
- Legislation
- 2018 Water Bond(s)





Drinking Water Proposal (SB 623)

- Statewide fee to provide drinking water
- Language included providing pathway to compliance for agriculture
- Includes residential + industrial fees
- Drinking water fund to be set up at SWRCB
- Could address all drinking water issues including Nitrate, Arsenic, etc.



Agricultural Council
of California

Protecting California's #1 Industry

Water Bond(s) for 2018

Water Bond(s)

SB 5: Authored by Kevin De Leon
2018

June,

- Water recycling, drinking water & flood control
- Updates & maintenance of parks, incl. ADA compliance, acquisition, focus on low-income communities

Additional Bond Authored by Jerry Meral

Nov., 2018

- Drinking water, SGMA, water infrastructure (not storage), funds for Oroville, various environmental projects
- Supported by many in agriculture, some in environmental community



Agricultural Council
of California

Protecting California's #1 Industry

Climate

Cap & Trade

- SB 32 requires ARB to reduce GHGs 40% below 1990 levels by 2030
- Options included:
 - Cap & Tax
 - Carbon Tax
 - Mandated GHG reductions throughout industry
 - Cap & Trade
- Cap & Trade most cost-effective, flexible option

Cap & Trade: Ag Funding Allocations

Funds for Mobile Sources through ARB:

- **\$135 million** from three different funds to lower agricultural sector emissions for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors and other ag equipment.

Other available funds:

- **\$60 million** for food processors,
- **\$6 million** for renewable energy projects in the agricultural sector, and
- **\$99 million** for dairy digester research and development and alternative manure management.



Agricultural Council
of California

Protecting California's #1 Industry

Questions?

Thank you!



What's Next

Thursday, December 7 at 3:30 p.m.

- What to Consider Before and After Harvest – Room 308-309
- Proposition 65: When Is a Warning Required? – Room 306-307
- FSMA and Electronic Record Keeping: Moving Beyond Paper Logs and Excel – Room 314