WHAT IS NEXT ON CALIFORNIA’S LEGISLATIVE AGENDA?
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

<table>
<thead>
<tr>
<th>Research</th>
<th>Almond Board of California</th>
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<tbody>
<tr>
<td>Advertising/Promotion</td>
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<tr>
<td>Statistical Analysis</td>
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<td>Public, Media Relations</td>
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<td>Technical Assistance</td>
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<td>Training</td>
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<td>Advocacy</td>
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<td>Group Benefits</td>
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### Notes:
- The table shows a comparison between the Almond Board of California and the Almond Alliance of California in various areas.
- Advocacy is highlighted, indicating a complementary focus rather than competition.
What Comes Next?

Millions of Pounds

*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

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

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

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
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
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
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.
Water Bond(s) for 2018
Water Bond(s)

SB 5: Authored by Kevin De Leon, June, 2018
- 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
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.
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