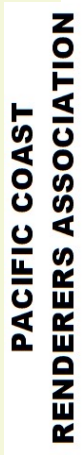


FSLI – California Agriculture Policy Overview



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CALIFORNIA POPULATION CHANGES

BOE
(9 million people)



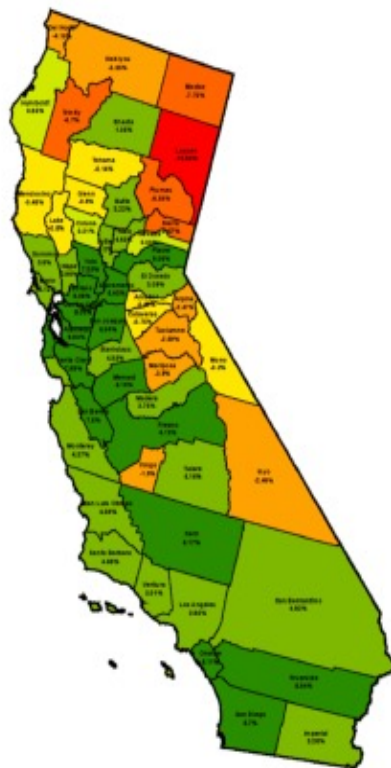
CONGRESS
(793,000 people)



SENATE
(931,000 people)



ASSEMBLY
(466,000 people)



Statewide Growth: +5.09%

Percent Change*

- Loss of 10.00% or More
- Loss of 5.00% - 9.99%
- Loss of 1.00% - 4.99%
- Loss of Less than 1.00%
- Gain of Less than 1.00%
- Gain of 1.00% - 4.99%
- Gain of 5.00% - 9.99%
- Gain of 10.00% or More

*A comparison for the 2010 Census PL-94 and 2018 Census ACS 5-Year Data Sets.

California Political Composition

CA is a One Party State

- All Statewide Officers are Democrats
- Both Senator Democrats
- Senate 40 total members – 32 D - 8R
- Assembly 80 total members – 62 D – 18 R

Budget

- \$288+ Billion Budget, passed but still negotiating
- Last year \$311 Billion
- Approximately \$50+ billion “deficit”

Trends in Statewide Voter Registration 1998 – 2022

	1998	2002	2006	2010	2014	2018	2022
Democrat	46.8%	45.0%	42.7%	44.5%	43.4%	44.4%	46.77%
Republican	35.8%	35.0%	34.4%	30.8%	28.4%	25.1%	23.93%
No Party Preference	12.4%	14.8%	18.5%	20.2%	21.2%	25.5%	22.71%

Hispanics made up more than half of total U.S. population growth from 2010 to 2019

U.S. population change by race and ethnicity, 2010-2019

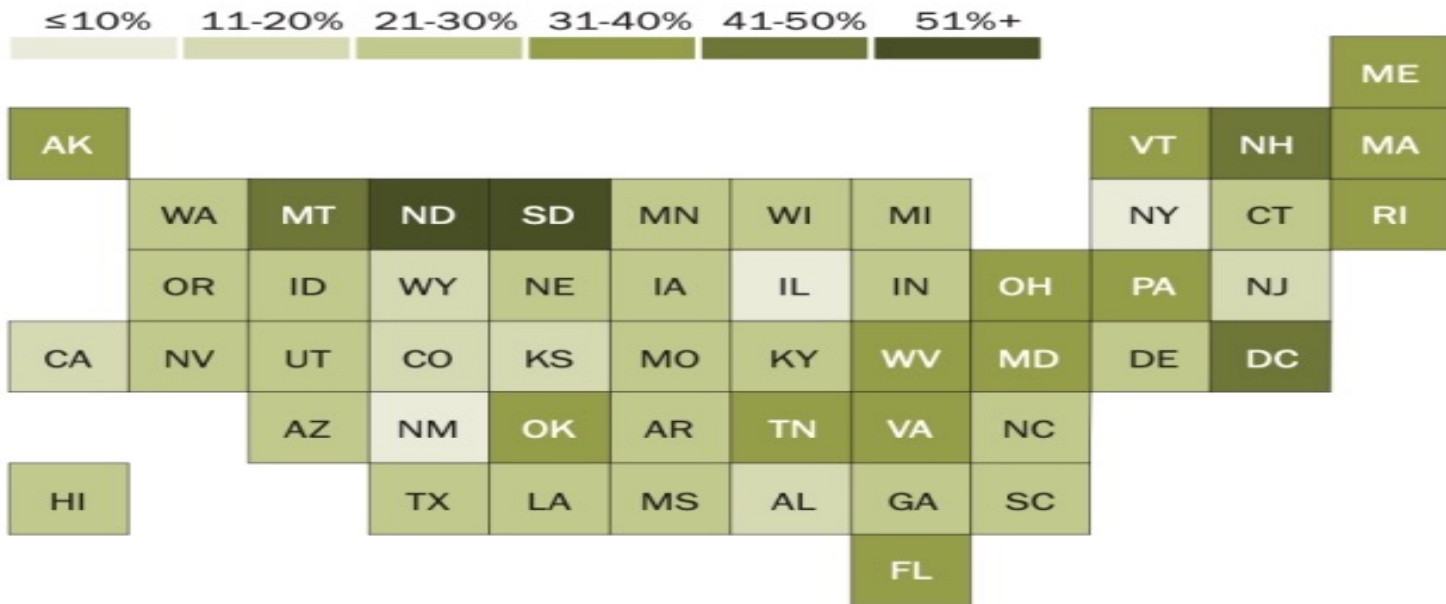
	2019 population	Change, 2010-19	Share of total increase
Hispanic	60,572,000	9,829,000	52%
Asian	18,906,000	4,145,000	22%
Black	41,147,000	3,134,000	17%
White	197,310,000	-79,000	<0%
Total	328,240,000	18,918,000	

Note: White, Black and Asian individuals include those who report being only one race and are not Hispanic. Hispanics are of any race. Population figures rounded to nearest 1,000. Shares of total increase are calculated from unrounded numbers and may not add to 100%. Source: Pew Research Center analysis of U.S. Census Bureau Vintage 2019 estimates for 2010-2019.

PEW RESEARCH CENTER

North Dakota and South Dakota have seen fastest increases in Hispanic population since 2010

% increase in Hispanic population, by state, 2010-2019



Note: Percent increase of each state rounded to the nearest whole number. Population estimates are as of July 1, 2019. Hispanics are of any race.

Source: Pew Research Center analysis of U.S. Census Bureau Vintage 2019 estimates for 2010-2019.

PEW RESEARCH CENTER

California Food and Agriculture Facts

- CA has approx. 76,700 Farms
- CA Has approx. 15.8 Million Acres of Farmland Harvested Annually
- 9 million Irrigated Acres
- CA Grows over 400 commercial crops (Asparagus to Yams), 14 are only grown in CA
- Dedicate 25.8 million Acre Feet of Water to Growing Crops
- CA focuses on High Value Crops – **2.5% of land, 12.9% of total FGV**
- Drought creates significant challenges for many regions in the state
- Highly dependent on Surface Water, replace with Groundwater
- In the last 2 years major CA entities sold or closing: Foster Farms, Western Milling, Imperial Western, Farmer John closing - Smithfield Leaving.
- Major Consolidation and Internationalization is a growing trend

Food and Agriculture Policy Trends

What Happens In Vegas, May Stay in Vegas

What Happens in California,
Does Not Stay in California

Food and Agriculture Policy Trends

- **Words Matter-** Framing an Issue is Important – Ag does not frame issues well.
- Example: Climate Change and Water Storage
- CA Ag – “Is Farming Wasting Water?” Alt “CA Ag Provides Habitat for 22 waterfowl Species”

- **Timing and Messenger**
- Vaccines - Who said: “If _____ tells me to take it (Vaccine), I am not taking it.”
- Kamala Harris, VP Debate
- CA Gov Newsom created our own Vaccine Approval Panel, delaying vaccines in CA for almost 2 weeks.
- I ask “If Donald Trump were re-elected, would Democrats be refusing to take the Vaccines?”

- **You Cannot Run Against Numbers!**
- 2020 Election Pivoted on approximately 30 counties
- Every Pundit knew – NC, AZ, NV, GA, Ohio, PA important, but only a handful of counties in those states mattered.

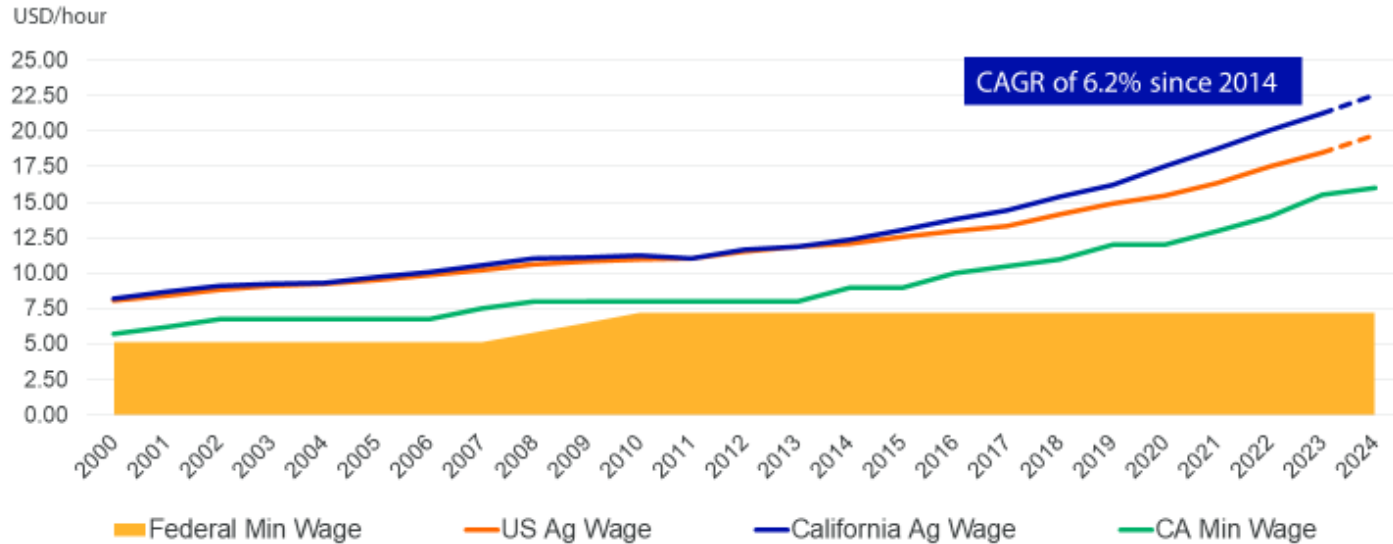
Food and Agriculture Trends

Labor

- The US and CA continue to have ag labor challenges – Cost, Availability
- 79.3% of CA Ag Workers were foreign born (2019)
- Driving cropping decisions – row crops to almonds
- CA has higher minimum wage – \$15 in 2023, indexed
- CA has restrictive Overtime Rules – 1.5 x wages > 8 hrs day, 40 hour in a week
- Immigration, H2A, Agriculture Supports Immigration reform and Foreign Worker Programs
- Technology – Every Industry is Working on Tech to Replace Labor
 - Difficult to Prune Wine Grapes with Robots
- Workers Comp, Heat Stress, Covid, UI
- Competition with Restaurants, Construction
- How can AI help tech do advanced tasks

Tough work is rewarded as such

A simple, positive social equity story that we don't tell enough.....maybe because...



California Cost of Production

Regulatory Category	2006	2017
	Cost per Acre	Cost per Acre
Education/Training for Regulatory Compliance	\$1.27	\$26.31
Air Quality Requirements	\$0.00	\$5.26
Water Quality Requirements	\$4.30	\$18.57
Department of Pesticide Regulation	\$22.98	\$35.55
Food Safety - LGMA and PR	\$0.64	\$181.48
Assessments	\$19.66	\$14.88
Labor Health & Safety Requirements	\$0.00	\$28.72
Worker's Compensation	\$58.94	\$336.23
ACA Requirements	\$0.00	\$141.19
Labor Wage Requirements	\$1.36	\$189.10
Totals (per acre)	\$109.16	\$977.30

- 795% increase in regulatory costs
- Does not include Labor Costs, since 2017, SGMA, Co2, Off Road Air Quality

California Cost of Production

- UC Riverside - Compliance with environmental regulations not associated with groundwater sustainability is estimated to increase costs by \$17.7 million, or \$67 per acre of citrus, “New labor requirements will increase costs by \$112 million, or \$357 per acre, once they are all phased in.”
- CA Minimum wage - \$16, \$20 fast food = \$20 in state
- US Minimum wage \$7.25

Food and Agriculture Policy Trends

Animal Welfare

- Proposition 2, 2008 Ballot Initiative
- Required hens to “Stand up, turn around, w/o touching another hen or a cage”
- Why a performance standard and not “cage free”?
- Started with Eggs, “Just a little more room” “penny an egg”
- Passed with the Highest Percentage of any Ballot Initiative
- HSUS and Egg Farmers Cooperate to Ban “Sale” of Non Compliant Eggs in CA – AB 1437, CDFA Regulations on Food Safety (Size Requirement in law)
- Balance Commerce Clause – Lawsuits from Midwestern States, not producers – CA Egg Farmers, HSUS on same side.
- CA Egg Farmers want Strong Enforcement and Rules
- CA Farmers went from Corporate Ag Criminals, to Victims
- Prop 12 – Pork products
- Supreme Court upholds Prop 12
- Other AW Issues, Dairy Cattle Tail Docking, Dehorning, Foie Gras, Wild Horses, Horse Race Tracks

Food and Agriculture Trends

Natural Resources

- **Climate Change Policy**

- Implementation of Regulations

- Cap and Trade <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program>

- Electrification

- Low Carbon Fuel Standards <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>

- Livestock Production, Methane <https://clear.ucdavis.edu/>

- Renewable Energy Production – Intermittent, cost etc.

- Byproducts, Organics Waste Management, Short Term Climate Pollutants

- Feed and Livestock, Compost, Rendering

- Adaptation – impact on cropping patterns, Drought, Heat

Regulatory Issues – CA Has a very High Cost for Regulatory Compliance

- Pesticides – elimination of many Fumigants, Glyphosate, issues with Phylloxera, Nematodes

- Air Quality

- Emissions from Cultivation, Livestock Emissions, Pesticides

Food and Agriculture Trends Standard of Identity/Terms/Geographic

- **Meat** – “Plant Based” “Imitation” – Federal Bill, 23 states have bills, 11 passed
- UBS says \$84 Billion by 2030
- Milk/Cheese – Soy, Oat, Almond
- **Marketing Terms**
- “Natural”
- “Sustainable”
- Proposition 65 – Mandatory Labels
- Ultra Processed Foods
- **Geographic Protectionism** <https://californiagrown.org/>
- Geographic Terms such as “California” “Napa” “Sonoma”
- Appellations common in wine, not in food – More to come
- 5 bills in CA on the Issue
- Voluntary Licensing Agreement <https://californiagrown.org/>



Food and Agriculture Trends

Packaging

- **Plastics**
 - Extended Producer Responsibility (EPR)
 - SB 54/AB 1080 – Failed twice, before passing
 - Passed in OR, Maine – Bills in 26 states, EU
- **Mandatory Minimum Content**
 - AB 793 Beverages, AB 478 Thermoforms, EU, 11 states
- **Recyclable and Compostable Mandates**
 - Truth in Package Labeling
 - Resin ID Codes – Mandated in 23 states, CA wants to Ban Them
 - Biggest Issue, Balkanization of Labeling – Nut. Ed Labeling Act



How to stay up to date?

- **National Resources**

- Politico <https://www.politico.com/>
- Agripulse <https://www.agri-pulse.com/>
- Consumer Brands Association, Smartbrief <https://newsletter.smartbrief.com/rest/sign-up/356F9A05-DCD2-459E-A8AA-82F4EDEC7729?pageName=TELLMEMORE>
- Food Dive [Food Dive <newsletter@divenewsletter.com>](mailto:newsletter@divenewsletter.com)

- **California Specific Resources**

- Rough and Tumble <https://rtumble.com/>
- Ag Alert <https://www.agalert.com/>
- California 100 Visions Strategy for the Next 100 Years in CA Ag <https://california100.org/wp-content/uploads/2023/09/Agriculture-and-Food-Systems-in-California-FOT-Report-FINAL.pdf>

Questions!

