



AT THE CAPITOL

Providing One Voice for Blue Diamond Almond Growers

ISSUE 3 ♦ SPRING/SUMMER 2017

BlueDiamondGrowers.com

In This Issue

Washington

- ♦ 2018 Farm Bill Underway
- ♦ Immigration Reform
- ♦ NAFTA Modernization and Trade After TPP

Sacramento

- ♦ Cap and Trade Extension Achieved
- ♦ Water Issues: Water Management, Groundwater, Water Quality



Canadian Counsellor (Agriculture), Michael Hawkins, Young Leader Alyse O'Neil, Young Leader Will Martin, Director of Public Affairs Alicia Rockwell and Public Affairs Coordinator Mallorie Hayes at the Canadian Embassy in Washington D.C.

WASHINGTON

The federal legislative arena has seen many new changes since the 2016 Presidential election: a new administration, new appointees, new policies, and a Congress and White House controlled by Republicans. Washington is still learning how to navigate these changes. Your Blue Diamond federal advocacy team hit the ground running after the election by meeting with new appointees, educating the new administration, and gaining a better understanding of how the policy changes will affect our growers and our cooperative. The following are priorities and efforts made during the first half of this year and what is expected for the second half.

2018 Farm Bill

Work on the 2018 Farm Bill is now underway in Congress. The Farm Bill promotes agriculture and provides assistance to those in need. Your Blue Diamond federal advocacy team is engaged and working with those in Congress to ensure that the Farm Bill maintains key programs such as the Market Access Program (MAP). MAP is a crucial tool for agriculture, and especially for our almonds, to launch new products in foreign markets. We are hopeful the funds for this program will be increased. Other important programs utilized by our cooperative include the Specialty Crop Technical Assistance program, the Crop Insurance Program, our Marketing Order, and the Value-Added Grant Program. In August, the Blue Diamond team attended listening sessions held in California by leaders of the House Agriculture Committee. This provided them the opportunity to speak with congressional members on the significance of these programs and why they must be a priority within the Farm Bill. The 2018 Farm Bill may be completed and adopted later this year or early next year.



Blue Diamond's Director of Public Affairs Alicia Rockwell and Blue Diamond Washington D.C. advocates, Julian Heron, Bronte Wigen and Brian Grunenfelder with Majority Leader Kevin McCarthy.

Immigration Reform

Labor remains a priority for Blue Diamond as the shortage directly affects our growers and industry. On the Hill, there is an understanding that a problem exists and that agriculture is a unique situation with regard to the need for immigration reform. Your Blue Diamond federal advocacy team is heavily engaged with this issue and continues to encourage members of Congress to adopt legislation that provides for a legal agricultural workforce.

Trade

More than 70 percent of California almonds are exported internationally making trade essential to the almond industry and our cooperative. Blue Diamond opened most of these markets for our industry and continues to look for opportunities to expand into new ones. With the new administration came new trade policies. Although Blue Diamond was hopeful the United States would adopt the Trans-Pacific Partnership, President Trump withdrew from the agreement. The 11 remaining TPP countries are

moving forward with the agreement, and the United States is being left behind. This means that almonds are also being left behind. It is crucial for your Blue Diamond advocacy team to engage with the Administration and Congress on the importance and value of agricultural exports. This includes the importance of almond exports.

NAFTA

A priority for this Administration is the modernization of the North American Free Trade Agreement (NAFTA), a pact between the United States, Mexico, and Canada. NAFTA has been very positive for Blue Diamond and the almond industry. The modernization negotiation began in August and it will continue through the remainder of this year. Our advocates are working hard to make certain it will not result in any harm to almond exports.

INDIA

As one of Blue Diamond's largest markets, India continues to be a focus for our cooperative's advocacy team. It is important that efforts continue to secure the

reduction of India's almond tariffs. This will help correct the widespread smuggling that is occurring between Pakistan and India. Blue Diamond's advocacy team has worked with members of Congress, the United States Trade Representative (USTR), the United States Department of Commerce, and the United States Department of Agriculture (USDA) on this matter. This issue has also been discussed at the President's Cabinet Secretary level; however, it has yet to be resolved. The Vice President will be going to India this fall which will give the United States the opportunity to continue to work on this issue.



Director of Member Relations Mel Machado explaining the anatomy of an almond to Congressman Mike Conaway, chair of the House Committee on Agriculture.

Water

Water legislation remains a priority for our cooperative. In June, the House passed the Water Supply Permitting Coordination Act which now awaits action in the Senate. An additional bill, sponsored by Vice Chairman David Valadao, has recently passed the House and is now in the Senate awaiting action.

These bills build on last year's water legislation that was passed in December. The water legislation will benefit California and provide much needed support to the state.

The process of repealing WOTUS has begun and, if repealed, will be a significant win for all of agriculture.

Young Leaders in Washington, D.C.

Two of Blue Diamond's 2017 Young Leaders attended the National Council of Farmer Cooperatives' Washington, D.C. Conference in June. During the conference, Young Leaders Will Martin and Alyse O'Neill heard from a multitude of speakers including Ray Starling, the Special Assistant to the President for Agriculture, Trade and Food Assistance; Darci Vetter, former Chief Agricultural Negotiator; and Congressman Jeff Denham. In addition to attending informative sessions, Will and Alyse were able to visit legislator and regulatory offices to speak about their farming operations and the issues that most affect them.

CALIFORNIA

With the 2016 November election ushering in a wave of democratic legislators, we have now had ample time to see how the Democrats operate with a two-thirds majority in both houses.

Further, given the federal Administration, the Governor and legislative leadership have been more determined than ever to challenge this administration through their climate, immigration and healthcare policies. Through fostered relationships and hard work, your Blue Diamond advocacy team have been able to kill or amend many challenging or potentially harmful bills with now one month of session remaining. Looking forward, we will continue to work to ensure any potential threats that could impact our growers are mitigated and positive legislation is supported.

Cap and Trade

In July, the state saw the biggest deal struck thus far with the extension of Cap and Trade program. The agricultural industry

worked with the Legislature, Governor and environmental groups to come to an agreement on the extension of the program, a road map to achieve the state's greenhouse gas emission reduction goals (40 percent below 1990 levels by 2030). The extension of the market based mechanism will provide a cost-effective method for food processors to achieve their compliance obligations set forth by SB 32 last year. With the support of many agricultural groups, including Ag Council and Almond Alliance, the extension achieved the required two-thirds vote and was passed by the legislature.

WATER

WATER MANAGEMENT

Your Blue Diamond advocacy team was successful in defeating a bill that would have increased agricultural planning requirements beyond those enforced last year by the Governor's Executive Order. The measure would have imposed significant new mandates on agricultural water suppliers, including infrastructure mandates, costing districts hundreds of millions of dollars. The measure also attempted to grant new undefined enforcement authority to the State Water Resources Control Board for water districts' failure to comply.

GROUNDWATER

Groundwater continues to be a focus for the legislature, even as the Sustainable Groundwater Management Act implementation begins. Your Blue Diamond advocacy team continues to fight against SB 252, which requires new water well permit applicants in critically over-drafted basins to



Blue Diamond Board Director Kent Stenderup introduces employees to Assemblymember Salas during a Farm Tour in Arvin, CA.

provide an extensive list of information and estimates pertaining to the well. Additionally, this bill undermines SGMA by weakening local control. Although this bill has been significantly amended to rid of time-consuming notification requirements and adjacent landowner notifications, your Blue Diamond advocacy team and the agricultural industry are working to address additional concerns. The bill is currently in the Assembly Appropriations committee.

WATER QUALITY

Water Quality gained the attention of the Governor and legislative leaders as the issue arose in some communities. SB 623 would establish the Safe and Affordable Drinking Water Fund, providing funding to impacted communities whose drinking water exceeds the standard for nitrates. Additionally, this would create a pathway to compliance to prevent future enforcement threats from state and regional water boards. The industry has participated in stakeholder discussions to help develop a statewide solution, ensuring families have clean drinking water, both in rural and agricultural areas. With bipartisan support, the bill passed the Senate floor and will be heard in the Assembly Appropriations committee. The bill needs a 2/3 vote in the legislature and will be a controversial battle lasting until the final days of session.

LABOR

Your Blue Diamond advocacy team has been working to amend a labor bill that creates some confusion with existing federal law. AB 450 prohibits an employer from providing a federal immigration enforcement officer access to their worksite

without a warrant and requires the employer to notify the Labor Commissioner should they receive notice from federal authorities about an employee. Our team is working with the author to ensure this bill limits the legal risk of the employer and Industry associations including Ag Council and the California Chamber of Commerce oppose this bill.

PAC Event



Special Guest Congressman Jeff Denham at Blue Diamond's PAC event in Ripon, CA.

Blue Diamond held two successful PAC fundraisers at the end of May in Arbuckle and Ripon. Growers and industry members from across the valley attended the events in support of the cooperative's efforts in both the state and federal legislative arenas. Congressman Doug LaMalfa attended the Arbuckle fundraiser and discussed the new administration, water storage and immigration. In Ripon, Congressman Jeff Denham addressed the crowd on the importance of committed legislators and the most crucial areas of opportunity for the industry. We would like to thank all those who attended and extend a special thank you to our hosts, the Van Duyn and Doherty families, and sponsors who helped make these events possible.

The goal of the Blue Diamond public affairs team is to use At The Capitol to keep you informed and engaged with your cooperative's advocacy efforts.

As our team works with some of the more urban legislators in Sacramento and those in Washington D.C., who are pursuing legislation impacting our vital industry, any feedback we receive from our growers that can help illustrate the demands and hardships facing the industry today (water shortages, labor, climate change, crop pricing etc.) would be extremely beneficial.

We encourage your questions and support, please contact:

Alicia Rockwell
arockwell@bdgrowers.com
916.446.8354

Mallorie Hayes
mhayes2@bdgrowers.com
916.446.8326



1802 C Street
Sacramento, CA 95811