

August 16, 2019

Secretary Karen Ross
California Department of Food and Agriculture
Via: Office of Grants Administration
1220 N Street, Suite 120
Sacramento, CA 95814

Re: Comments regarding 2020 Specialty Crop Block Grant Program Proposed 2020 Program Priorities CATALOG OF FEDERAL DOMESTIC ASSISTANCE 10.170, released August 1, 2019

Dear Secretary Ross,

Since 1926, Western Growers has represented local, regional family farmers growing fresh produce in California, Arizona, Colorado, and New Mexico. Our members provide roughly half the nation's fresh fruits, vegetables and tree nuts including about half of all the nation's organic acreage. Some of our members also farm throughout the U.S. and in other countries so people have year-round access to nutritious food. For generations our members have provided a variety of healthy food as the first line of defense against obesity and disease. Indeed that is why our motto is: We grow the best medicine in the world ™.

Over a decade ago we helped to create and over time helped to increase funding for the Specialty Crop Block Grant program as part of the Farm Bill. We have long viewed this program as critical to the produce sector in California and throughout the country, so we look forward to sharing our views on the program's priorities as the Department administers these federal funds.

I. Program must reflect the Industry's needs

While we appreciate that there are many diverse interests at play in a state as large as California, at its heart the program must reflect the most compelling needs of the industry it seeks to serve. In that regard we are concerned that in crafting this list of priorities the state is administering the program with an overly broad lens. The proposed priority language contains three large priority areas and under each of them there are subcategories and under the subcategories additional stated priorities. By our count in this document there are at least <u>30</u> stated priorities (not including yet to be articulated food safety priorities).

Such a large number of stated priorities gives us pause and concern that the program funds may be diluted away from priorities that the fruit, vegetable and tree nut industry is interested in.

II. Produce Sector needs are focused in three areas

With respect to the produce industry's needs in 2020, Western Growers sees three areas of particular focus for the immediate term. In our view rather than dilute funding across dozens of objectives we believe industry objectives should receive an overwhelming proportion of funding.

A. Food Safety

As the Food Safety Modernization Act is being implemented we believe that the produce sector is under ever increasing pressure. We believe research into this area needs to be viewed as a core industry priority as this impacts all crops- whether in fields or in orchards- as well as conventional and organic production types. We fully understand and strongly support the continued allocation of California's SCBG funds to the Center for Produce Safety and believe this has been an exemplary program and use of SCBG funds to advance knowledge of microbial hazards in fresh produce as well as preventive measures that may help reduce the risks of contamination. But there are other food safety hazards that are not typically covered by CPS including chemical residue and contaminants of emerging concern for which industry has interest in both understanding the risks and developing strategies where necessary to ameliorate or reduce those risks.

B. Mechanization

Fruit and vegetable growers, and other agriculture producers throughout the country are facing a labor crisis that has been building for years and is now reaching critical condition. Producers report labor crews to harvest produce that are 20, 30, even 40% below optimal staffing levels. Many farmers are seeing these types of labor shortages even though labor rates for harvest labor as well as pre and post-harvest labor are higher than ever. In California for example, harvesting costs have risen nearly 50% over the last 2 decades. In recent conversations with growers we have been told that it can cost as much as \$1000/acre to weed select crops in select areas. In short we are in crisis. As such priority funding should be directed toward projects that will save labor in the produce sector. These types of projects are not inexpensive and are often specific to select crops so when itemizing this as a priority area for SCBG funding in California, care should be taken to prioritize research and development that will have the broadest benefit in the shortest amount of time.

C. Precision Agriculture

Agriculture in general, and specialty crop agriculture specifically because of its sizeable footprint in California, is consistently challenged by both the regulatory community and the marketplace to produce more food using fewer resources (inputs). One has only to look at the competition for water and the pressure on use of nutrients and crop protection materials to realize that in order for California producers to maintain their social license to farm we must become much more precise in our use of key inputs. Many in agriculture are pursuing technologies to aid them in this endeavor and while there are some state programs that offer assistance the SCBG funds should prioritize research, development and deployment of tools and technologies that will assist growers to "produce more with less".

While we would agree that these objectives cannot be the only ones funded, from our perspective we believe these objectives should be focal points of funding next fiscal year with large amounts of funding for next fiscal year should flow toward them.

III. Administrative Burden for Block Grant Awards

Western Growers has pursued SCBG funds in the past for key projects important to the fresh produce industry. The administrative burden, which includes but is not limited to delays in reimbursement, inability to cover administrative costs, process for unexpected expenses and the exhaustive audits during and subsequent to project completion have discouraged participation in the program by our organization and many others. We additionally believe that CDFA needs to examine and if possible reduce the administrative burden in an effort to engage a broader cross section of California's specialty crop industry.

We look forward to answering any questions you may have and are at your disposal in thinking through how these priority areas might be further delineated within an RFP as well as how administrative burdens might be reduced to engender more participation and competition in the SCBG program.

Sincerely,

Henry L. Giclas, Senior Vice President

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