



*The California Fresh Fruit Association's Board of Directors identifies its top ten issues on an annual basis. The following is this year's list, along with brief explanations.*

## **INCREASING LABOR COSTS**

Labor costs have continued to increase resulting from changes to agriculture overtime and an increasing minimum wage, which rose to \$10.50 per hour in January 2017. Seasonal wages, along with those in every category of agricultural production such as tractor drivers and irrigators, increase proportionately along with a higher minimum wage. Farmers routinely experience seasonal hourly costs of approximately \$10.50 to \$15.00 per hour now and these amounts will only increase as the largest business cost for growers and shippers of labor intensive fresh fruit commodities who must compete in a highly competitive global market.

## **WATER SUPPLY/DROUGHT IMPACTS**

With a highly diverse membership, spanning from Lake and Mendocino counties in the north, down through the San Joaquin Valley and south into the Coachella Valley. The need for long-term water certainty remains of utmost importance to sustaining a viable agricultural sector. The drought conditions that continued through 2016 placed significant stress onto farming operations, shifting more permanent fresh fruit crop producers to rely upon groundwater supplies. The California Fresh Fruit Association is actively working to identify potential federal appropriations and protect bond resources designed specifically for larger, aboveground surface storage projects which stand to produce the broadest benefits to water users.

## **CURRENT/FUTURE FEDERAL IMMIGRATION POLICIES**

Despite both legal and political hurdles, as an active member of Agriculture Coalition for Immigration Reform we will continue to impress upon our elected representatives that Congressional action is needed to ensure a long term solution toward addressing labor security for the agricultural sector. The Association continues to be a key component in the policy shaping debate on both short and long-term proposals to strengthen labor security.

## **LABOR REGULATIONS (ALRB, OSHA, DIR, DOL, ETC.)**

Every year the California Legislature considers measures that advance opportunities for organized labor to unionize the agricultural labor force. Missing from that consideration is the thorough examination of the will of the labor force and the value they perceive in paying a percentage in dues for added wages, benefits, and working conditions which either have been addressed or continue to be advanced by the Legislature or through regulation, thus rendering union membership unnecessary. The Association remains committed and ready to confront misguided rulemaking and legislative attempts to amend the Agricultural Labor Relations Act which have the impact of ignoring the employer and the will of the employee to freely choose whether or not to be part of a union.

## **GROUNDWATER MANAGEMENT REQUIREMENTS (S.G.M.A.)**

The passage of the Sustainable Groundwater Management Act provides for local management of groundwater basins throughout California. The creation of sustainable groundwater management agencies will combine management with enforcement mechanisms in an attempt to ensure the sustainability of groundwater resources through planning which must be in place as early as 2020, and achieve sustainability goals in the basin within 20 years of implementation. There is significant concern that as a result of this Act the governance of groundwater supplies will look much differently in just a few years as local agencies will be tasked with ensuring groundwater pumping does not jeopardize the basin's ability to be sustainable over the long-term.



# NEGATIVE IMPACTS OF AN ANTI-AGRICULTURE STATE GOVERNMENT

The cumulative impact of numerous regulations endorsed by the Administration and many within the Legislature has created a business environment in California where farmers feel directly attacked and persecuted against. During the 2016 legislative session, rhetoric by members of the Assembly and Senate reached new lows, with elected members referring to modern day farm employers as “slave owners”. The Association has long worked to establish strong relationships with our elected members, as we will continue to do in the future, but the actions and tone that is coming out of our state government must improve and must acknowledge the important role that California Agriculture plays in our state’s economy and social makeup.

## WATER QUALITY AND CLEAN DRINKING WATER REGULATIONS

The adoption of water quality regulatory programs has put the burden of improving the water quality for disadvantaged communities in rural areas onto agriculture. Farming operations have seen added impacts in the form of compliance costs associated with regulatory oversight and reporting. Significant efforts remain to identify whether agricultural nitrogen management practices are sufficiently protective of groundwater or whether practices must change in order to mitigate groundwater degradation. In the near-term, reporting will project clearer pictures from which to discern the potential impacts from agricultural practices. The Association is positioned to continue its work across legislative and regulatory audiences to shape implementation of regulatory proposals in a way which recognizes that there is shared responsibility to ensure compliance with water quality goals while continuing to advance the importance of maintaining the economic viability of the agricultural sector.

## HEALTH CARE MANDATES / AFFORDABLE CARE ACT

The employer health care coverage mandate, resulting from the implementation of the Affordable Care Act, is increasing operational costs. Growers securing labor through the services of a farm labor contractor are facing pass-through costs that vary depending on number of eligible employees and contract terms, which may include higher commission rates and added per employee charges. With implementation underway the cost of labor will climb to an even higher proportion of an operation’s overall labor costs.

## FEDERAL AND STATE FOOD SAFETY COMPLIANCE REQUIREMENTS

Ensuring a safe food supply remains a top priority and the industry continues its advancements in employing science and risk-based practices through food safety research designed to identify potential risks and guide the continued production of safe, fresh fruit. Growers and packers are looking to ensure their implementation of food safety practices exceed government standards such as the Food Safety Modernization Act for safe production and the ever increasing retailer demands for meeting demand-side food safety expectations. The industry will look to lead with the implementation of science and risk-based practices to continue to preserve consumer confidence and meet their expectations.

## AIR QUALITY REGULATIONS/FEES/COSTS

The implementation of the truck and bus on-road diesel emissions regulation requires California farmers to replace operational vehicles in order to meet increasing air quality goals. Combined with anticipated regulations, such as the off-road mobile agricultural equipment regulation, farmers will again be faced with added costs associated with improving air quality. The Association continues to impress the fact that the agricultural sector has demonstrated a significant commitment to utilize and upgrade to newer equipment, as part of an effort to reduce impactful emissions. Since the emissions footprint extends well beyond agriculture, the Association continues to work with regulatory bodies to minimize the impact of the rules on the agricultural sector alone, while advocating for greater incentive funding to support the turnover of older equipment.



**“To fulfill the needs of its membership while serving as the primary public policy organization advocating on behalf of fresh fruit growers and shippers in California.”**

*- California Fresh Fruit Association Mission Statement*