

CALIFORNIA FRESH FRUIT ASSOCIATION

2022 TOP ISSUES

Each year, the California Fresh Fruit Association's Board of Directors identifies its top issues for the organization to focus on. The areas identified for 2022 are listed below, along with brief explanations.

WATER SUPPLY AVAILABILITY & CURTAILMENT

CFFA represents a highly diverse membership, spanning from Lake County 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. Recent drought conditions in the past decade have placed significant stress onto farming operations, shifting more permanent fresh fruit crop producers to rely upon groundwater supplies. Despite current hydrologic conditions, the variability of our permanent crops is dependent upon a certain water supply and the political will to protect California agriculture production in the face of our mounting regulatory and legal challenges, which will undoubtedly curtail or limit access to critically needed water supply.

INCREASING WAGE COSTS (BASE/MINIMUM WAGES/OVERTIME THRESHOLDS)

Labor costs continue to increase, resulting from changes to agriculture overtime and an increasing minimum wage, which rose to \$14 per hour for operations with 25 or fewer employees and \$15 per hour for businesses with 26 or more employees on January 1, 2022. 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 \$15 to \$20 per hour, 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.

GROUNDWATER MANAGEMENT REQUIREMENTS (SGMA)

The Sustainable Groundwater Management Act (SGMA) provides for local management of groundwater basins throughout California. The creation of groundwater sustainability agencies, combined with enforcement mechanisms to ensure the sustainable use of groundwater resources through plans, will achieve sustainability in the basins within 20 years of implementation. There is significant concern that because 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 that pumping of groundwater does not jeopardize the basin's ability to be sustainable over the long term.

FEDERAL IMMIGRATION POLICIES ADDRESSING CURRENT & FUTURE LABOR FORCES

Despite both legal and political hurdles, we continue to impress upon our elected representatives that Congressional action is needed to ensure a long-term solution towards addressing labor security for the agriculture industry. The Association continues to be a key component in the policy shaping debate on both short and long-term proposals to strengthen labor security.



"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."

- CFFA Mission Statement

HEALTH CARE COSTS (POLICY COSTS/PAID SICK LEAVE)

In the wake of the Affordable Care Act employer mandate, providing health care coverage to employees became the norm, as opposed to the exception. It is the desire of the employer to ensure a healthy workplace and continue to make investments into employee wellness. For instance, some employers have created unique partnerships with health-care providers within their own local community and others have created on-site health care options for both farm employees and their families. Employers recognize that healthy employees and families increase the likelihood of continued productivity. However, as employees grow older and health care costs rise onto both employers and employees alike, the Association remains concerned over changes that could shift a larger portion of financial responsibility onto the employer to offer affordable coverage or be faced with offering coverage that borders the line of affordability for both parties in a way that becomes a financial burden for both employer and employee alike.

LABOR REGULATORY COMPLIANCE

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 deflating the value of union membership. The Association remains committed and ready to confront biased rulemaking and legislative attempts to tilt the balance against the employer while ignoring the will of the employee to freely choose whether or not to be part of a union.

RISING FUEL & ENERGY COSTS

CFFA members cannot grow, pack, ship, and market their fresh fruit produce without reliable sources of fuel and energy that are reasonably priced. However, due to market conditions, changing rate structures, and federal and state policies that advance still-developing renewable energy sources and new technology dependent on these sources, farmers are increasingly confronting limitations in equipment use and procurement and higher input costs in their operations, varying from trucking, irrigation, to chemical purchases. The Association continues to advocate for flexibility in new government policies to accommodate what members face on the farm and reduce unpredictability resulting from these policies.

NEW TAXES (COMMERCIAL & CORPORATE)

Increased taxation on California farmers erode not only their profitability but increasingly the viability of their businesses and the ability to maintain the family farm. Additionally, higher taxes in California, in conjunction with other regulatory costs, put in-state producers at an economic disadvantage to farmers in other states. The Association works to defeat proposed business taxes on CFFA members to ensure their competitiveness.

WORKERS' COMPENSATION COSTS

Throughout the ongoing COVID-19 pandemic, workers' compensation costs have become an important concern given the volume of labor needed to perform field and packing activities. New safety techniques and training were implemented to help to decrease the opportunity of spread of the virus. Additionally, joint liability for both labor contractors and client employers for the failure to maintain valid workers' compensation insurance for workers, potentially add to the growing costs of doing business for growers.

FEDERAL & 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.