



Fresno County Farm Bureau

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CA Budget process moves forward

Hearing looks at future of State Department of Food and Agriculture

As part of efforts to manage the State's \$24.3 billion dollar budget deficit and severe cash-flow problems, a hearing was held this week by Sen. Dean Florez to discuss the future of the CA Department of Food and Agriculture (CDFA) and the potential elimination of the department. Some of the discussed changes were transferring pest control activities to the Department of Pesticide Regulation, transferring weights and measures to the Department of General Services, and abolishing marketing order boards and commodity commissions and reestablishing them as private, non-profit corporations. Sen. Florez said a primary goal is to recoup as much of the \$100 million that the State pays toward CDFA's \$300 million budget. The remaining funds are fees and federal funds.

While the proposal suggests elimination of CDFA, it does not address all department functions including various inspection programs, animal industry programs and marketing related programs not covered by commissions or marketing orders.

The various policy committees in the Senate, along with the Budget Conference Committee, are moving quickly in reviewing the roles of many agencies and departments and considering various restructuring and consolidation proposals.

According to the California Association of Nurseries and Garden Centers (CANGC), it was apparent by the close of the hearing that Sen. Florez intends to push his agenda forward in the coming weeks. He repeatedly referenced plans to move with lightening speed—as early as July 15—to enact legislation in a budget trailer bill to accomplish his key goals:

- Moving Plant Health and Pest Prevention Services to the Department of Pesticide Regulation and reducing its functionality;
- Eliminating the CDFA Marketing Division and disbanding its agricultural commissions and marketing orders;
- Housing Animal Health services in the departments of Natural Resources or Public Health;
- Relocating the Division of Measurement Standards to Consumer Affairs or another

- department;
- Seeking a new home for Inspection Services;
- Having the agriculture industry pay as it goes for all governmental services it currently receives from the state.

The CANGC reports that agriculture already pays much more than CDFA's annual budget in corporate taxes, income taxes, franchise taxes, and inspection and license fees. The nursery and floriculture sector alone collect over a billion dollars in California sales and use taxes.

Governor Arnold Schwarzenegger's office expressed concern that the proposed elimination of CDFA could jeopardize federal funds going to the department and leave the nation's largest agricultural industry without needed oversight.

The Governor was in Fresno on Thursday to discuss details of the budget crisis in Sacramento and what is proposed to close the \$24 billion deficit and July deadline. At a meeting in the Tower District, the Governor presented his proposals, which call for deep cuts to education, public safety and health and human services. He has also made clear his commitment to making government more efficient and to finding innovative ways to stretch taxpayer dollars.

Agricultural programs expected to take a hit

Not unexpected, the state's farmers and ranchers also will see severe cuts in state-funded programs that benefit agriculture. In addition to discussions about elimination of the CA Department of Food and Agriculture, there are proposals to eliminate reimbursement funds for the Williamson Act and the "tractor tax" exemption.

The Williamson Act is California's broadest-based land conservation program, covering nearly 40 percent of the privately held farm and rangeland in the state. The elimination of subvention funds will leave counties with few options but to propose blanket non-renewal of contracts. Jeopardizing local government participation in these contracts by eliminating the subvention program would be a giant step backwards and would send the wrong message about the state's commitment to agriculture and open space conservation to both landowners and local government, said the California Cattlemen's Association.

Likewise, the exemption on paying state sales taxes on farm equipment purchases is at risk. A partial exemption from the sales and use tax exists for the sale, storage, use, or other consumption of farm equipment, machinery and their parts for farmers and ranchers. The partial exemption also applies to leases of certain farm equipment and machinery, and applies only to the state sales and use tax rate portion. The exemption does not apply to any local, city, county, or district taxes.

Central Valley Constitutional Convention Summit to be held June 26

Fresno County Supervisor Henry Perea, the Greater Fresno Area Chamber of Commerce and the Bay Area Council are hosting a free nonpartisan discussion on the issues surrounding a constitutional convention on Friday, June 26 from 8:30 a.m. to 12:30 p.m. at the Cornerstone Conference Center, 1525 Fulton St., downtown Fresno.

With the failure of the May 19 ballot measures, the people of the State of California are sending a strong message that it is time for a change. With that, it may be time to take a serious look at the State Constitution. The summit is open to all Central Valley residents, focusing on Merced, Mariposa, Madera, Fresno, Kings, Tulare, and Kern counties, and will feature speakers and panelists on the current state of affairs in California, areas of possible reform, local priorities for reform, and citizen engagement in the convention process. Summit attendees will be given the opportunity to ask questions to speakers and

panelists and to participate in a polling exercise that will be compiled after the summit. Seating is limited, and reservations can be made by online at www.co.fresno.ca.us/perea or by contacting district3@co.fresno.ca.us or (559) 488-3663.

Water districts file suit over cutbacks; further environmental damages may result from water reductions

Westlands Water District and 29 public water agencies have filed a lawsuit aimed at the federal government's latest plan for cutting back even further on California's water supplies. The suit argues the National Marine Fisheries Service should have prepared an environmental impact statement before adopting a salmon recovery plan that will divert hundreds of thousands of acre-feet of California's freshwater supplies into the ocean.

"Denying this much water to California is going to do obvious, serious and enduring damage to habitat, to wetlands, and to other endangered species. It will reduce the opportunities for recycling, conjunctive use, and water transfers, which are all vitally important to the state's efforts to conserve water and improve efficiency. And it will put tens of thousands of people out of work, which affects public health and safety in myriad ways," said Westlands' Tom Birmingham.

The U.S. District Court for the Eastern District of California recently granted a preliminary injunction in connection with a similar lawsuit that pointed to the failure of another federal agency, the Fish and Wildlife Service, to prepare an environmental assessment before imposing a set of restrictions on behalf of the Delta Smelt that cut California's water supply by nearly one third. Hearings on the merits of those challenges will be conducted later this year.

The smelt cutbacks have cost California more than 660,000 acre feet of water last year and they have reduced water supplies by another 480,000 acre feet so far this year. The federal plan for salmon would continue all of those reductions and could take as much as another 500,000 acre feet of water out of the water system, according to the CA Department of Water Resources.

State Board of Food and Agriculture to meet in Mendota on June 24 to discuss drought

The CA State Board of Food and Agriculture will meet in next week to discuss statewide drought impacts on Wednesday, June 24 from 10 a.m. to 3 p.m. at the Mendota High School cafeteria, 1282 Belmont Ave., Mendota. The meeting is open to the public.

At the meeting, the state board will hear from city and county officials regarding impacts of the drought on Central Valley communities. As of May 2009, a study from the U.C. Davis estimates that Central Valley farm revenue loss due to drought is \$630 million with 35,000 lost jobs and approximately 450,000 acres fallowed. Total income loss from the drought is estimated to be \$830 million.

"There has been commentary that a water crisis does not exist and that the impacts in the Central Valley are minimal," said Al Montna, President of the California State Board of Food and Agriculture. "As we visit Mendota, the epicenter of this regulatory drought, and hear from farmers and community leaders we hope to better inform this viewpoint."

Many dairy farmers call it quits

Nationally, 388 dairy farmers have sold their herds and have gone out of business as part of a privately funded program to reduce milk supply. Many of the 103,000 cows are from California farms, reports the CA Farm Bureau Federation.

Dairy farmers who have been in business for generations are part of the buyout. Farmers continue to lose money on the milk they produce, but economists expect a major turnaround by fall as this program reduces supply. An update on the current dairy situation is included in a special "June is Dairy Month" section in the June issue of *Agriculture Today*. Excerpts from the section can be found on the FCFB Web site at: www.fcfb.org.

Reminder: Next Friday is deadline for EQIP Air Quality program

Friday, June 26 is the deadline to apply for two separate programs to provide cost-share funds for replacement, retrofitting or repowering of older diesel engines. Up to 80 percent of cost-share funds are available from the federal USDA and regional Air District to help replace, repower or retrofit existing equipment with cleaner burning equipment. For information about the USDA-NRCS' program and application, visit: www.ca.nrcs.usda.gov, or call the Fresno NRCS office at (559) 276-7494.

The San Joaquin Valley Unified Air Pollution Control District is offering a separate, but compatible, program for equipment replacements from applicants who have applied to the NRCS program. With funding from both the federal and air district programs, applicants can qualify for a maximum of up to 80 percent of the cost of new equipment. For an application and additional details, visit the Air District's Web site at: www.valleyair.org, or call the Air District at: (559) 230-5858.

Meeting Reminders:

- FCFB will host a **Coffee Talk** meeting with FCFB President Dan Errotabere, Fresno County Supervisor Judy Case and Fresno County Sheriff Margaret Mims. The event will take place on **Tuesday, June 23**, at 7:30 a.m. at El Rinconsito (formerly Riverdale House), 3554 W. Mount Whitney Ave., Riverdale. There is no cost to attend. Breakfast will be provided by FCFB. To RSVP or for additional details, contact FCFB at (559) 237-0263, or via email: info@fcfb.org.
 - On **Tuesday, June 23**, a free **heat stress prevention seminar** sponsored by Cal/OSHA, the CA Department of Industrial Relations and several agricultural organizations, will be held at the Fresno County Farm Bureau office, 1274 W. Hedges Ave., Fresno. The session for farmers and ranchers will be held at 8 a.m.; followed by a Spanish session for farm labor contractors and supervisors at 10 a.m. and an English session at 1 p.m. To register for the June 23 seminars, call the FCFB office at (559) 237-0263 or via email at: info@fcfb.org.
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Smile for the Week

Did you hear about the 83-year-old woman who talked herself out of a speeding ticket by telling the young officer that she had to get there before she forgot where she was going? *Makes perfectly good sense to me.....*

Did you know?

Father's Day is Sunday, June 21, a day of commemoration and celebration of Dad for the roles they have played in shaping our lives. Observing the day, people reflect on the invaluable role played by fathers in building the character of children and in the development of the nation.

Father's Day history is traced to an idea of observing a day in honor of father by Sonora Smart Dodd, of Spokane. It so happened that Sonora attended a Mother's Day Sermon in 1909 and she was struck with the noble idea that society must observe a day to honor the important contribution made by father in the raising of children. Encouraged by the love of her father, William Smart, a civil war veteran who single-handedly raised her along with her five siblings after the death of her mother, Sonora worked hard to make her concept a reality. The noble idea of celebrating Father's Day soon spread across the nation. Father's Day was recognized by a Joint Resolution of Congress in 1956. Finally, in 1972 President Nixon established Father's Day as a permanent national day of observance on the third Sunday of June.

Next Week's Calendar

- June 22** CA Farm Water Coalition Board of Directors meeting, Panoche Water District, Firebaugh, 9:30 a.m.
- June 23** FCFB Coffee Talk, 7:30 a.m., El Rinconsito (formerly Riverdale House), 3554 W. Mount Whitney Ave., Riverdale;
Heat Stress Prevention seminars, 8 and 10 a.m., 1 p.m., FCFB office, 1274 W. Hedges Ave., Fresno;
Fresno Fair Board of Directors meeting, 4 p.m., Fairgrounds
- June 26** Fresno Ag Roundtable meeting, 7 a.m., Marie Calendar's Restaurant, Cedar and Shaw avenues

This Week's Calendar

- June 16** CFBF Water meeting, Sacramento
- June 17** Kids' Water Camp presentation; Fresno Chamber Board of Directors
- June 18** CMAC Board of Directors