Farm Bureau at work

California Farm Bureau's government affairs team is at the Capitol, advocating for farmers, ranchers and agriculture's future. Here are some key issues Farm Bureau is focused on this week.

January 26, 2024

Insurance

The Senate Committee on Insurance held an oversight hearing this week focused on the California Department of Insurance's (CDI) Sustainable Insurance Strategy. As has been previously discussed at length, CDI is pursuing a set of new regulations to be fully implemented by December 2024 to restore competitiveness to California's property insurance market and force the depopulation of the FAIR Plan.

The hearing featured testimony from Insurance Commissioner Lara, with additional details provided to Senators by Michael Martinez, Deputy Director at CDI, and a featured speaker during Farm Bureau's recent Annual Meeting. Some interesting facts from the hearing:

- Last year, Consumer Watchdog earned $9 million through intervenor actions against rating plans. Part of the new regulations will be focused on limiting time delay and the scope of intervenor comments in an effort to more timely complete rate filings.
- CDI will use both emergency rulemaking and regular rulemaking (following the full Administrative Procedures Act) in order to meet the December 2024 timeframe.
- Commissioner Lara and Senators agreed that continued investments in wildfire fuels mitigation must continue, as those are having direct impacts on addressing the risks that insurers are modeling into rating plans that will significantly increase costs for property coverage. These fuels reductions investments are a direct path to control statewide insurance costs increases.
- The FAIR Plan has grown too large, with over 350,000 homeowner policies now in the FAIR Plan. It is no longer an insurer of last resort, and CDI plans to push the FAIR Plan further by requiring comprehensive plan offerings, instead of forcing consumers to purchase Difference in Condition coverage and by increasing per structure limit to $20 million from the current $20 million parcel limit. The latter will exponentially increase FAIR Plan exposure in the specific places where insurers have pulled back from the market. We hope that Farm Bureau's sponsored SB 505, establishing the commercial clearinghouse in the FAIR Plan, will be implemented quickly in 2024 to help depopulate FAIR Plan policies back to the admitted market.

The Senators expressed support for CDI's efforts to date, and public comments except that from Consumer Watchdog, expressed optimism that CDI is acting and that the Senate Committee on Insurance is pushing CDI to meet the December 2024 goal. Farm Bureau provided public comment, noting that insurance coverage and costs are having significant impacts on farmers across the state. You can watch the entire oversight hearing here. *Staff: Peter Ansel; pansel@cfbf.com*

Pesticides

Assemblymember Damon Connolly (San Rafael) introduced AB 1864 related to pesticide applications near schools. This bill would require a commissioner to require a notice of intent to be submitted before a person applies a pesticide within 1/4 mile of a school site, as specified. The bill would require the Department of Pesticide Regulation to require a separate site identification number for the portion of an agricultural field that lies within 1/4 mile of a school. The bill would also require the department to modify and amend permit applications for pesticide use, notices of intent, and pesticide use reporting forms and procedures, as they pertain to the portion of an agricultural field that lies within 1/4 mile of a school, to include reporting on the specific method of applying the pesticide and the exact date and time of the start

and end of the period during which the pesticide is to be applied. The bill would require the director, in evaluating a county's pesticide use enforcement program, to evaluate the county's effectiveness in enforcing the laws and regulations regarding applying pesticides near school sites. The bill would require the director, on or before December 31, 2026, to expand the scope of specified related regulations to also apply to private schools serving pupils in kindergarten or any of grades 1 to 12, inclusive. *Staff: Chris Reardon, creardon@cfbf.com*

Taxation

AB 1867 authored by Assemblymember Kate Sanchez (R Rancho Santa Margarita) has been introduced. The bill would for taxable years beginning on or after January 1, 2024, and before January 1, 2029, create a new income personal income gross tax deduction, by allowing a deduction in computing income for the amount paid by a taxpayer as premiums on a homeowners' insurance policy on the taxpayer's primary residence. *Staff: Peter Ansel; pansel@cfbf.com*

SB 927 authored by Senator Brian Dahle (R Bieber) has been introduced. The bill would, for taxable years beginning on or after January 1, 2023, provide an exclusion from gross income taxes for amounts received in settlement by a taxpayer to replace property damaged or destroyed by a natural disaster that was declared a state of emergency by both the Governor and the President of the United States. *Staff: Peter Ansel; pansel@cfbf.com*

SB 952 authored by Senator Brian Dahle (R Bieber) has been introduced. The bill would allow credits against personal income tax beginning on or after January 1, 2025, and before January 1, 2030, to a qualified taxpayer for qualified costs relating to qualified costs related to wildfire fuels and fire risk reduction activities including home hardening and vegetation management, not to exceed an aggregate amount of $500,000,000 in credits per taxable year. *Staff: Peter Ansel; pansel@cfbf.com*

Wildfire

SB 945 authored by Senator Marie Alvardo-Gil (D Modesto) and sponsored by the California Farm Bureau has been introduced. The bill can be referred to and acted upon after February 18, 2024. The bill, the Wildfire Smoke and Health Outcomes Data Act, would require the State Department of Public Health, in consultation with the Department of Forestry and Fire Protection, the Wildfire and Forest Resilience Task Force, and the State Air Resources Board to create, operate, and maintain a statewide integrated wildfire smoke and health data platform that, among other things, would integrate wildfire smoke and health data from multiple databases. The bill would require the State Department of Public Health to develop the data platform. The goal of the bill builds on a report from the California Council of Science and Technology indicating that there is insufficient data to understand if the billions of dollars in state investments towards wildfire fuels mitigation is having any impacts on health outcomes from attributed smoke events. SB 945 would develop that data source for policy makers to better understand all of the benefits derived statewide from those investments. *Staff: Peter Ansel; pansel@cfbf.com*

AB 1819 authored by Assemblymember Marie Waldron (R San Diego) has been introduced. The bill would authorize an enhanced infrastructure financing district that are at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal to finance heavy equipment to be used for vegetation clearance and firebreaks, fortification of utilities against wildfires, and equipment used for fire watch, prevention, and fighting. The bill has been referred to the Assembly Committee on Local Government. *Staff: Peter Ansel; pansel@cfbf.com*

ANNOUNCEMENTS

CDFA ANNOUNCES GRANT FUNDING FOR HEALTHY SOILS PROGRAM

CDFA is pleased to announce the availability of approximately $12 million in grant funding for Healthy Soils Program Incentive Grants. The objectives of the program are to increase statewide implementation of conservation management practices that improve soil health, sequester carbon, and reduce atmospheric greenhouse gases. California farmers, ranchers, business entities, California Native American tribes, and non-profit organizations can apply for awards. Applicants may request up to $100,000 per project. Priority will be given to applicants who are considered Socially Disadvantaged Farmers and Ranchers. The program is currently accepting grant applications and will continue to do so until 5 p.m. PST, Friday, February 9, 2024.

"The Healthy Soils Program was developed to partner with farmers and ranchers and facilitate their preferred methods to draw down carbon onto their lands and store it in our soils," said CDFA Secretary Karen Ross. "Building up soil's organic matter and biodiversity promotes its lasting health and productivity, while also reducing the possibility for erosion. With tremendous thanks to our Governor and the California Legislature for their ongoing support, the Healthy Soils Program has awarded more than $105 million to fund more than 1,500 projects over its lifetime, resulting in a combined greenhouse gas reduction of more than 1.1 million metric tons of carbon dioxide emissions over the projects' lifespans. That's like removing 24,000 gas-powered cars from the road for 10 years."

CDFA will hold two online workshops to provide information about the application process. Participants register for the webinars using the links below. Each workshop will cover the same content, and for those unable to attend, a PowerPoint presentation along with other relevant materials will be posted on the Healthy Soils Program Incentive Grants webpage: https://www.cdfa.ca.gov/oefi/healthysoils/IncentivesProgram.html.

- Tuesday, January 23, 2024, at 3:00 pm – 4:30 pm PST
https://us02web.zoom.us/webinar/register/WN_qsjIpbedQ-m8B6UFqOrZgA
- Wednesday, January 24, 2024, at 10:30 am – 12:00 pm PST
https://us02web.zoom.us/webinar/register/WN_VUI60B10SRy7tVte08td1A

Free technical assistance (TA) is available to applicants. TA providers' contact information, and other details, can be found at: https://www.cdfa.ca.gov/oefi/technical/docs/2023_hsp_taps.pdf and https://ciwr.ucanr.edu/Programs/ClimateSmartAg/TechnicalAssistanceProviders/.

"Through our strong relationships with diverse farming communities, our team supports the implementation of practices that build soil health, use water more efficiently, and provide an alternative for manure management," said Amber Butland, a TA Provider who works through the CES group. "We strive to provide the best assistance possible by offering translation services, grant application support, computer access, and one-on-one farm visits." The Healthy Soils Program stems from the California Healthy Soils Initiative, a collaboration of state agencies and departments that promotes the development of healthy soils on California's farmlands and ranchlands. The Healthy Soils Program is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. For information on eligibility and program requirements, prospective applicants should visit the HSP Incentive Grants website at www.cdfa.ca.gov/oefi/healthysoils/incentivesprogram.html..

DEFINING REGENERATIVE AGRICULTURE WORK GROUP ESTABLISHED

The California Department of Food and Agriculture (CDFA) has established a Regenerative Agriculture Work Group to assist the State Board of Food and Agriculture in defining "Regenerative Agriculture" for State Policies and Programs. The 13-member group represents a diversity of agricultural stakeholders and members of the State Board and EFA SPA.

Regenerative Agriculture Definition Working Group:
1. Doria Robinson, State Board of Food and Agriculture (member)
2. Bryce Lundberg, State Board of Food and Agriculture (member) and certified regenerative organic farmer
3. Derek Azevedo, Bowles Farm
4. Dr. Daniel Rath, Natural Resources Defense Council
5. Dr. Cynthia Daley, Director, Chico State University Center for Regenerative Agriculture
6. Elizabeth Whitlow, Regenerative Organic Alliance
7. Dr. Jeff Dlott, Chair, CDFA Environmental Farming Act Science Advisory Panel
8. Dr. Qi Zhou- California Association of Resource Conservation Districts
9. Matt Byrne, Byrne Cattle
10. Blake Alexandre, Alexandre Family Farms
11. Eric Morgan, Braga Fresh
12. Krystal Acierto, Deputy Secretary for Public Policy, California Environmental Protection Agency
13. Virginia Jameson, Deputy Secretary for Climate and Working Lands, CDFA

The Regenerative Agriculture Definition Work Group will consider input from the public and CDFA's Environmental Farming Act Science Advisory Panel proposed framework to draft a recommendation for a definition of regenerative agriculture. The draft definition is anticipated to be submitted to the State Board for consideration in June 2024.

The department anticipates up to three public meetings in Sacramento for the group. These meetings, estimated to be three hours each, will allow the review of feedback provided through public listening sessions, discussion on key elements of a regenerative definition and development of a draft definition for consideration by the California State Board of Food and Agriculture. In October of 2022, in response to growing interest in "regenerative agriculture" and use of the term in legislation, CDFA's State Board of Food and Agriculture initiated a public process to define the term for the purpose of state policies and programs. In addition to the three working group meetings, the public process will include a series of five public listening sessions, two of which have been held so far; for information about future listening sessions, please visit https://www.cdfa.ca.gov/RegenerativeAg/.

The first meeting will take place on **January 31 from 12:30 to 3:30** in the CDFA Auditorium at 1220 N Street. The final 30 minutes of the meeting will be open for public comment. An option to listen to the meeting and make public comment remotely will be available. Registration for online participation will be available on the CDFA website at https://www.cdfa.ca.gov/RegenerativeAg/.

VACANCIES

CDFA ANNOUNCES TWO VACANCIES ON THE RENDERING INDUSTRY ADVISORY BOARD

CDFA's Meat, Poultry and Egg Safety Branch is announcing two vacancies on the Rendering Industry Advisory Board. The Board makes recommendations to the Secretary on matters pertaining to:

- Adoption, modification, and repeal of regulations and procedures
- Rate and collection of license fees and penalties
- Posting and noticing changes in bylaws, general procedures, or orders
- All matters pertaining to Food and Agricultural Code including, but not limited to, the inspection and enforcement program, annual budget, necessary fees to provide adequate services, and regulations required to accomplish the purposes of the chapter.

Current vacancies:

- Industry member – requirements for this vacancy include:
    - Licensed by the Department including but not limited to the following: licensed renderers, dead haulers, and transporters of inedible kitchen grease.

Public member – requirements for this vacancy include:

- Experience and expertise in water quality, publicly owned treatment works, and water infrastructure, or law enforcement

These vacancies were created because of an upcoming term expirations. The membership terms for both vacancies will be 36 months. Board members receive no compensation but are entitled to reimbursement for transportation to and from meetings and for per diem expenses for lodging, meals, and incidental expenses.
Applicants interested should submit resumes by March 1, 2024, to:
Mrs. Penny Arana
Meat, Poultry and Egg Safety Branch
1220 N Street
Sacramento, California 95814
penny.arana@cdfa.ca.gov