Testimony before the Subcommittee on General Farm Commodities of the House Agriculture Committee
June 23, 2021

My name is Brian Talley and I am a third generation farmer and second generation winegrower located in the San Luis Obispo Coast region of California, Congressional District 24. I operate a diversified family farming operation that produces more than 20 different commodities, predominantly vegetables, citrus, avocados and wine.

I have participated in the Federal Crop Insurance program for more than 20 years for lemons, avocados and wine grapes at the Catastrophic level, which means that we must suffer a loss of at least half of our crop to file a claim. During our history in the program, we have experienced losses and had claims paid in all three of our insured commodities. Some of these losses have been associated with catastrophic events, like the historic freeze of 2007 that affected the entire state of California and resulted in significant frost damage and losses in my lemon orchard. More than half of my crop either fell on the ground or was sent to be juiced, with almost no return. Other times, these were more subtle events, such as in 2017 when El Niño conditions resulted in poor pollination and production of less than half my normal avocado crop in 2018. In each of these instances, I have been pleased with the service I've received to get my claims paid in a timely manner. I consider the role of independent crop insurance agents who provide the service in terms of collection of premiums and payment of claims to be one of the strengths of the crop insurance program, and I hope that this will always be the case.

Moving forward to more recent events, I'd like to talk about 2020 when much of the West Coast was impacted by devastating wild fires. I am blessed that the crops I grow were largely unaffected—we had no major wild fires in San Luis Obispo County, and though the smoke was nearly unbearable for days on end, we did not experience any smoke taint in our wines. Other winegrowers were not so fortunate and many will be faced with total loss of the 2020 vintage or a difficult choice between selling a damaged product with their name on it, selling off inventory in bulk at a loss, or simply dumping it down the drain. A leading expert in the California Wine Industry, Jon Moramarco, has estimated that losses will reach $3.7 billion due to the wildfires of 2020, and that impacts will be felt into 2023. Everyone I talk to in the wine industry assumes that this will be an ongoing challenge. Scientists and consulting winemakers are extremely focused on establishing new protocols to treat smoke tainted wine. Having dealt with smoke tainted grapes in 2015 due to a local wildfire, and comparing notes with colleagues recently, I can assure you that the technology does not exist to truly fix smoke tainted wine.

On a somewhat related note, I would like to share with you that just a few weeks ago we learned that Nationwide Insurance, who handles the liability insurance for our companies, made the decision to exit the California market in many agricultural sectors. As I understand it, this decision was largely driven by losses due to wild fires over the past 3 years. I recognize that this is not within the purview of this committee, but wanted to make you aware of the challenges that farmers in California face, as we move forward. While I won't dwell on the issues associated with current drought conditions, I will tell you that lack of rainfall and insufficient groundwater are adding to these challenges.

In closing, I want to emphasize that I view the Federal Crop Insurance program to be a fundamental element of the safety net that secures the survival of domestic food production, a matter of critical national importance for all Americans. I hope that any changes contemplated to the Federal Crop Insurance Program only serve to strengthen it.