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## CAC's Advocacy Efforts Result in Direct Benefit to Growers

**T**he start of the 2020 California avocado season was very promising. Harvest began early with a projected crop of 370 million pounds. Through March, early season harvesting was almost 64 million pounds, or 17% of the season's total, and harvesting through April was nearly 117 million pounds, or 32% of the 2020 total crop. Pricing during the first four months of 2020 averaged \$1.25 per pound. The California avocado industry was primed for a strong year, barring any unforeseen catastrophes.

And then, the unforeseeable, COVID-19. As the coronavirus pandemic spread to the U.S., arriving in force as our season was gearing up, the impact was quickly felt by the California avocado industry. While fresh market sales stayed strong, California avocado foodservice sales plummeted due to mandatory restrictions on dining in restaurants. California Avocado Commission staff quickly, and strategically, adjusted our marketing plan as reported throughout this issue. Packers also worked diligently to redirect considerable volumes of California avocados intended for foodservice into retail and consumer home delivery markets. While market losses forced other commodities to leave produce in the fields, consumer demand for California avocados remained strong.

**Cash Assistance:** In response to the increasing negative economic impacts of COVID-19 on U.S. businesses and citizens, in March Congress passed the Coronavirus Aid, Relief, and Economic Security Act. As part of the CARES Act, the U.S. Department of Agriculture announced the Coronavirus Food Assistance Program funding. The CFAP provided \$16 billion in direct support based on "actual losses for agricultural producers where prices and market supply chains

have been impacted." Unfortunately, because the California avocado industry had not suffered the 5% price loss threshold for the period covered (January 1, 2020 through April 30, 2020), avocado farmers were not eligible.

CAC staff immediately reached out to congressional members and USDA and administration staff, to sound the alarm that our industry needed relief too. **Our message was clear: new legislation must be introduced that will include cash relief for California avocado farmers.** Over the summer months the discussions intensified between CAC staff and key political influencers and decision makers. Ultimately, through CAC's advocacy efforts, in September funding for California avocado farmers was made available under the CFAP 2 act, which allotted \$14 billion for farmers. Under CFAP 2, California avocado farmers were eligible to receive an average of 10% of their 2019 gross sales value. Based on feedback from industry members quite a few California avocado farmers took advantage of the CFAP 2. The deadline to apply was December 11, 2020. The act provided direct cash payments, and hopefully all California avocado farmers took advantage of this funding.

**Permanent Savings in San Diego County Water Rates:** CAC staff first negotiated with the San Diego County Water Authority's Board of Directors and staff to create a Transitional Special Agricultural Water Rate program in 2008, when the Metropolitan Water District of Southern California began phasing out a similar program. Since that time, the TSAWR program continued with a series of extensions that were set to expire at the end of 2020. Through the TSAWR, the Water Authority has provided lower-cost water

to growers in exchange for lower reliability.

During the last year, CAC staff, in partnership with San Diego County Farm Bureau staff and San Diego County agricultural water agencies (Valley Center, Rainbow, Fallbrook, Yuima), continued to work with Water Authority officials to make the TSAWR permanent. In September 2020, the Water Authority board approved a Permanent Special Agricultural Water Rate structure that will continue to provide lower water rates for farmers in exchange for lower water supply reliability.

For more than a decade, CAC has successfully worked with Water Authority staff and board members to demonstrate the value of agriculture to the region and the benefits farming provides.

**Under the PSAWR program, which will take effect January 1, 2021, the Water Authority will provide a wholesale rate savings for agricultural participants of \$474 per acre foot — a 27% savings.** Actual savings at the retail level will vary among agencies based on their unique wholesale cost and retail rate structures.

Growers who transfer from the TSAWR or opt-in to the PSAWR will be exempt from fixed water storage and supply reliability charges in exchange for lower water supply reliability during water shortages or emergencies. One district general manager can recall only two instances since the inception of the TSAWR program in October 2008 when growers were forced to cut back their water use.

The Water Authority is working with its 24 member agencies to verify existing customers' eligibility for the new program. Farmers who are currently participating in the existing TSAWR program will be allowed to take part in the new PSAWR program while being screened for eligibility.

The parameters of the PSAWR program will be reevaluated in five years to determine water demands and supplies. If you are a customer within the Water Authority service area you should have received information from your water agency on how to remain in or opt-in to the PSAWR program. If you have not, contact your water agency soon to be certain you can take advantage of this cost-savings program. 🍷

# HOPE ASPIRATIONS PARTNERSHIPS

2021, a new year full of new hopes for our world, aspirations for our families and our businesses, and perhaps most importantly a renewed sense of partnership with our growers, employees, customers, and our industry. Del Rey remains committed to our extended grower family. Bringing people closer together is what we are all about.

## CONTACT OUR FIELD REPRESENTATIVES TO LEARN MORE

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