



## Ag Vision for California--Listening Session

My name is Richard Matoian. I am Executive Director of the Western Pistachio Association (WPA), headquartered in Fresno, CA. The WPA is a trade association that came together after the demise, in 2007, of the CA Pistachio Commission, the state marketing order that represented the California pistachio industry.

As a voluntary organization, WPA is not bound by the restrictions of a state or federal marketing order that prohibits lobbying and Political Action Committees. The WPA provides the industry a voice in our State and Federal legislature. The WPA has members from 16 states. The California pistachio industry, alone has 177,000 acres planted in the ground with a crop value of \$557 million. I will note that in Fiscal Year 2003/04, exports represented approximately 33% of all shipments. With increasing consumption trends in the E.U., China and India, coupled with the weak dollar and our impeccable quality and food safety record, exports in 2007/08 could reach 70% of all shipments. This large amount of exports, has helped to provide a positive trade balance.

You have asked us as stakeholders to provide our view and comments regarding the vision for California agriculture by 2030, the biggest challenge in achieving that vision and “must haves” in that Ag Vision. Let me tell you of our issues and views on that Ag Vision.

Unfortunately, many major issues of today are not coming out of the fields, but rather the halls of the legislature and in other cases, the courts. We have solved many of the production issues through focused research and targeted education to our growers. We are confident that this research will continue to serve us in the future.

It is the man-made legislative and regulatory issues that continue to put our industry and agriculture in a difficult position. Among these are unfair trade activities by our chief competitor, pesticide use and availability issues, lack of country of origin labeling, and multilateral/bilateral trade agreements.

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Recently, the water issue has put into question our capability to grow our product into the future.

In 1965, there were but 200 commercial acres of pistachios within California. Today, we are in excess of 177,000, and that number continues to grow. We are rightfully proud of this accomplishment and in recent years, growers, and the state of California have reaped the reward of our hard work and dedication, in terms of a growing commodity that has brought additional jobs and money into our economy as I said previously, assisting with a positive trade balance. Our challenges, as a partner with nature, have been many, but with perseverance we have not only survived, but flourished.

Those pistachio growers who rely upon the State Water Project (SWP) and the Central Valley Project (CVP) have gradually had their water siphoned off or reduced, certainly through the drought, but also through past and recent court rulings, to the point that our growers have been forced to spend millions of dollars on water transfers, tapping the ground's aquifer with more wells or to consider idling land or abandoning crops already planted.

One of our pistachio growers, Larry Easterling of King Pistachio Grove reported at our last Board meeting that his CVP and SWP water costs went from about \$215,000 in 2006 to nearly \$900,000 in 2008 and he felt lucky that he was even able to purchase water. As he indicated to us, "This is survival time for me. I could pay the extra water expense this year, but next year I will be hard pressed to come up with that kind of money again." He stated to me also, that since he has no wells on his property due to bad ground water quality, if his lender requires that he show a guaranteed supply of water for a crop loan, he will be unable to show them that proof.

I don't have the complete answer on how to solve this impending disaster, but I do have trust and faith in this Board and CDFA to develop the necessary vision to avert this crisis. Yes, this Board and CDFA needs to be the entity to help create this plan, to be agriculture's advocate for that water plan....someone has to take the lead in what that water vision will be. This vision would include the need for more reservoirs for water storage, restoration of the Delta and yes, maybe even a vision for a peripheral canal that provides something for everyone.

Next, due to passage of the latest Farm Bill, California is expected to receive millions of dollars in the form of block grants. Block grants in the past have been very beneficial to many specific agricultural groups in California and we believe they will be beneficial again. However, we believe that a portion

of these funds could be used for broader programs and activities, such as when funds were appropriated in 2007 for the project: ***Detection and Eradication Tools for Exotic Fruit Flies***, a CDFA project that addressed a broad, multi-commodity concern.

We are facing a recent issue into the EU regarding the matter of “Carbon Footprint”, or the impact that a given product has on the environment. Certain chain grocery stores are actually marketing products with a color code regarding each product’s carbon footprint. We believe that instead of having each pistachio processor determine his/her own, specific footprint from the growing, processing, trucking, shipping aspect, instead, there should either be a broader commodity by commodity focus or even a multi-commodity review. Use of funds in this way would go to serving the greater needs of an industry, and industry that is continuing to grow and prosper in this State.

Thank you for consideration of my comments. As always, the California pistachio industry and the Western Pistachio Association stand ready to work with you the Board, CDFA and the greater agricultural industry in solving the problems of today, tomorrow and well beyond 2030.