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Farm Workforce Modernization Act & China Trade Addressed

House Passes Farm Workforce Modernization Act

In December 2019, the House of Representatives passed the Farm Workforce Modernization Act. This was very significant, considering the last time the House passed legislation containing affirmative agriculture labor reforms was in 1986 – 33 years ago.

The California Avocado Commission (CAC) has remained vigilant in working with Congressional members directly on the critical need for workable solutions to the ag workforce situation. In addition, the Commission is an active member of the Agriculture Coalition for Immigration Reform (ACIR). ACIR is a large coalition made up of agricultural members who, together, provide a formidable voice and a constant presence in Washington, D.C.

The House bill includes reforms to the visa program, stabilization of the current ag workforce, and enforcement modernization pillars. Because of our involvement with ACIR, the Commission was able to help secure a House bill that addressed not only the need to stabilize our current workforce but to ensure a stable workforce in the future. While the House bill falls short of perfection, we believe it is a significant improvement over the status quo. Again, the accomplishment was nothing short of historic.

Our focus now turns to the U.S.

Senate, where efforts are well underway to get a Senate process started. While Senate Democrats might prefer to simply take up the House bill, that's not a realistic expectation of the current Republican majority. A group of senators is forming to lead a bipartisan process that we hope results in a bill we can support, and that will secure the bipartisan support necessary to be passed. Stating the obvious, with a somewhat different balance of power and political dynamics in the Senate, we hope and intend to gain some ground on a few important issues where the House bill falls short.

In this presidential election year, the likelihood of a bipartisan effort remains uncertain. It's expected that Senator Thom Tillis (R-NC) and Senator Dianne Feinstein (D-CA) will be at the center of the process. We will continue our work to ensure agriculture is well positioned should a potential window open and will keep you updated as the situation develops.

The China Phase I Trade Agreement Includes Avocados

On January 15, 2020, the United States and China signed a Phase I trade agreement. As part of the deal, China has agreed to finalize market access for California avocados. As we've previously reported, CAC began the process to gain market access to China in 2005 – 15 years ago. The Commission worked

diligently with the administration to ensure California avocados were included in the Phase I agreement. California avocados were one of only four products listed in the agreement, so this was no easy feat. The others were blueberries, nectarines and potatoes. The agreement calls for the process to be completed within 90 days (May 15, 2020).

Commission representatives were planning to participate in a quickly scheduled bilateral meeting in Beijing the first week of February. However, due to the potential health concerns surrounding coronavirus, and the need for China to focus its resources on controlling the outbreak, the bilateral meeting was postponed. The Commission remains in close contact with the administration on next steps.

As part of the final process, California packers interested in shipping to China will need to become certified. CAC is preparing for this step, and 12 California handlers have indicated they would like to be certified. Although, at present, California avocados would have a high tariff (as do all produce items), the Commission hopes that as the negotiations between the U.S. and China continue both sides will work to reduce the tariffs imposed over the last year and a half. While the potential for California avocados in China seems great, until market access is granted it remains an unknown. Strategically, it is better to have access to a market and not exercise it than to miss out on an opportunity because access has not been granted.

The Commission remains committed to and focused on our core market in the United States. However, as we have seen in the South Korean market, China may provide a valuable option for smaller size fruit, especially in heavy volume years. We will continue to explore every option to secure the highest possible returns for California growers. 🥑