



MEMORANDUM

TO: SAN LUIS & DELTA-MENDOTAT WATER AUTHORITY DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: UPDATE REPORT
DATE: NOVEMBER 7, 2022

This memo is intended to keep you apprised as to what is happening behind the scenes on policy issues the Family Farm Alliance is engaged in. In the past month, much of our efforts have focused on working with our members on Colorado River policy matters, planning for our 2023 annual conference, preparing two white papers on the importance of alfalfa production in the West, and expanding public outreach associated with global food insecurity and the importance of Western irrigated agriculture. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. Bureau of Reclamation: \$210M for New Water Storage Projects in the West

The Biden Administration's Bureau of Reclamation (Reclamation) announced last month that they will distribute \$210 million in funds from the bipartisan infrastructure law (BIL) from the \$1.05 billion in the BIL designated for water storage and conveyance projects to build or expand water storage facilities in Arizona, California, Colorado, Montana, and Washington to counter impacts of persistent multi-year drought.

The BIL allocates \$8.3 billion for Reclamation water infrastructure projects over the next five years to advance drought resilience and expand access to clean water for families, farmers, and wildlife. The investment will repair aging water delivery systems, secure dams, and complete rural water projects, and protect aquatic ecosystems. The Alliance was one of five organizations on the steering committee that led a coalition of over 230 water, agricultural and urban organizations that proposed and advocated for this funding as the Infrastructure Investment and Jobs Act advanced

through Congress last year and was signed into law by President Biden in November 2021.

All told, the recently announced projects are expected to develop over 1.7 million acre-feet of additional water storage capacity, enough water to support 6.8 million people for a year. The funding will also invest in two feasibility studies that could advance water storage capacity further once completed. The funding provided this year will be matched with local and state funds but is only a portion of the total federal funding required to construct the projects.

Included in this year's funding is \$137 million for three California projects: \$25 million to raise the B.F. Sisk Dam and expand San Luis Reservoir near Los Banos, resulting in 130,000 acre-feet of new capacity, \$30 million for the proposed Sites Reservoir west of Colusa, and \$82 million for the second phase of the Los Vaqueros Reservoir expansion in Contra Costa County. Sites Reservoir would utilize new and existing facilities to move water into and out of the reservoir, with ultimate release to the Sacramento River system via existing canals, a new pipeline near Dunnigan, and the Colusa Basin Drain. It would increase Northern California's reservoir water storage capacity by 15%, with the water to be shared between state's biggest water goals.

2. Reclamation: BIL Update Planned

Reclamation will be providing an update on its implementation of the Bipartisan Infrastructure Law for Tribes and stakeholders on November 10, 2022. The stakeholder call is scheduled to begin at 2:00 p.m. (Eastern). [Click here to join the meeting](#) or join by phone 1-202-640-1187 and enter passcode, 332 792 752#. A moderated question-and-answer format will be enabled. If you have a question, please submit it to USBR.BIL@usbr.gov. To learn more about implementation of the Bipartisan Infrastructure Law or view this and other recorded sessions please visit www.usbr.gov/bil.

3. Reclamation: Lower Colo. River Basin System Conservation & Efficiency Program

Reclamation last month announced new drought mitigation funding opportunities to improve and protect the long-term sustainability of the Colorado River System. A newly created Lower Colorado River Basin System Conservation and Efficiency Program, funded with an initial allocation through the Inflation Reduction Act (IRA) and managed through the Bureau of Reclamation (Reclamation), is intended to help increase water conservation, improve water efficiency, and prevent the System's reservoirs from falling to critically low elevations that would threaten water deliveries and power production. The IRA includes \$4 billion in funding specifically for water management and conservation efforts in the Colorado River Basin and other areas experiencing drought.

The Alliance last summer worked with Western Senators as the IRA was being negotiated, pushing for Western drought provisions that materialized in the form of \$4 billion funding, prioritized for short-term Colorado River demand reduction measures intended to prevent the reservoir levels behind Hoover Dam (Lake Mead) and Glen Canyon Dam (Lake Powell) from crashing. Many

believe the burden for meeting these short-term measures will fall on agricultural water users with senior rights near Yuma and in the Imperial Valley. Family Farm Alliance members in those areas want to ensure that the full spectrum of impacts – not just direct impacts, but also impacts to national security, food supply, rural communities, the Salton Sea, and third-party stakeholders – are properly assessed. Last month’s announcement focused on near-term actions to protect the Colorado River in the Lower Basin. The Department is also working to invest in long-term system efficiency improvements across the Basin, including at least \$500 million in the Upper Basin states of Colorado, Utah, Wyoming and New Mexico, that will result in additional water conservation for the entire system.

Although much of the focus of the \$4 billion in IRA Western Drought relief has been placed on the Colorado River, other areas of the West are also eying the funds. Managers and officials on the Rio Grande are hopeful that some of the drought dollars will reach their communities and bring attention to the challenges facing the Great River, where stretches of the river near Albuquerque (NEW MEXICO) went dry for the first time in 40 years last summer. South Texas cities like Brownsville, which rely on the Rio Grande as their only water source, are having to impose water restrictions on businesses and a one million people. Some New Mexico and Texas officials argue that the Rio Grande Basin has been unjustly overlooked. U.S. Democrat Senators from Oregon - Ron Wyden and Jeff Merkley - last month pressed Reclamation to prioritize Oregon as the agency develops its plans for the drought relief resources that Congress recently provided in the BIL and the IRA.

DEVELOPMENTS IN CONGRESS

When Congress returns to Washington for the lame duck session after the midterm elections this week, lawmakers are expected to consider billions of additional dollars in disaster spending requests due to several weather-related disasters in recent months. Along with the National Defense Authorization Act (NDAA), Congress must deal with several other must-pass legislation in the lame duck, including an omnibus FY 2023 appropriations bill. Congress passed a temporary continuing resolution (CR) in September to fund the government past the end of the fiscal year through December 16. The CR included \$18.8 billion in hurricane relief for FEMA to tap into now, but Sen. Marco Rubio (R-FL) recently released his request for \$33 billion in additional aid to Florida after Hurricane Ian devastated that state. Separately, House Natural Resources Chair Raúl Grijalva (D-AZ) is requesting disaster help for Puerto Rico in the wake of Hurricane Fiona.

The House passed their version of the National Defense Authorization Act (NDAA) in July, but the Senate will not move their version until the lame duck session, with a conference to negotiate differences between the two bills after that. It remains to be seen if Sen. Joe Manchin (D-WV) will try to attach his permitting reform language to the NDAA. The Senate NDAA debate may touch on several hot-button policy areas, including climate change, critical mineral extraction, and Russian energy sanctions. Mark Limbaugh with The Ferguson Group – the Alliance’s representative in D.C. - says that with over 900 amendments filed in the Senate, much work is still needed to ensure passage before the end of the year.

4. 2023 Farm Bill

The planning and budgeting process for the 2023 Farm Bill has begun, and Congressional Agriculture committees are starting to outline the next five years' spending for national conservation, food, farm and nutrition programs. The Alliance throughout the year has prepared for the next farm bill by engaging with agricultural and conservation partners, developing written testimony for Congressional hearings, and working with its members to prioritize its energies in the farm bill debate. Debate over this next farm bill will likely include topics like policies related to ag and climate change, price inflation, international trade and industry consolidation. A large portion of our energies at the Alliance will be devoted to the 2023 Farm Bill conservation title. Once again, we'll work closely on this with our partners in the Western Agriculture and Conservation Alliance (WACC).

a. Timing of 2023 Farm Bill

The farm bill is an omnibus, multiyear law that is typically renewed about every five years. The next farm bill is due in September 2023, but the timing isn't certain. The Senate and House Ag committees have both conducted preliminary hearings on the farm bill. Most farm bills in recent years have been passed after the September 30 expiration of the existing one, especially in odd-numbered years that overlap with midterm elections. (*Greenwire*). Former House Agriculture Chair Collin Peterson (D-Minn.) told a forum sponsored by *Agri-Pulse* on September 26 that he expects a delay of at least a year, which would require that the 2018 farm bill be extended.

b. Inflation Reduction Act Impacts on the Next Farm Bill

The upcoming farm bill will be impacted by the infusion of money from the recently passed Inflation Reduction Act's climate provisions and the Agriculture Department's own efforts to promote climate-smart land management, although USDA leaders say this will not be a "President Biden / USDA Secretary Vilsack farm bill". President Biden signed the Inflation Reduction Act (IRA) into law on August 18. The IRA is a once-in-a-generation investment, representing the single largest investment in climate and clean energy solutions in American history. Approximately \$20 billion of IRA funds will support the Natural Resources Conservation Service's (NRCS) conservation programs nationally, to include:

- \$8.45 billion for the Environmental Quality Incentives Program (EQIP);
- \$4.95 billion for the Regional Conservation Partnership Program (RCPP);
- \$3.25 billion for the Conservation Stewardship Program (CSP);
- \$1.4 billion for the Agricultural Conservation Easement Program (ACEP); and
- \$1 billion for the Conservation Technical Assistance Program.

This additional conservation programming investment will help farmers, ranchers and forest landowners implement expanded conservation practices that reduce greenhouse gas emissions and

increase carbon sequestration. House Agriculture Committee Ranking member Glenn Thompson (R-Pa.) has warned against turning the conservation title of the farm bill into a "climate" title, although he's supported voluntary programs to promote carbon sequestration in agriculture (*E&E Daily*). Some of our farmers are concerned that the carbon-centric focus of some policy makers could endanger projects that also address broader matters. Climate mitigation should not just focus on carbon and assume that planting more carbon-sequestering trees will solve the problem. Projects that help producers and water managers adapt to the impacts of climate change must also be encouraged.

c. Family Farm Alliance Farm Bill Priorities

We co-founded the WACC, in an effort to support the common interests of agriculture, conservation, and other interests tied to resources on behalf of a viable and sustainable rural West. Water is the core resource concern we want the government to address more effectively. The WACC strives for USDA prioritization of project proposals that deliver cross-sector benefits to farming, ranching, and conservation. A key part of WACC collaboration has focused on Farm Bill conservation programs, where the interests of coalition agriculture and conservation groups are very closely linked.

Highlights of WACC policy goals across all Farm Bill Conservation Title programs include:

- Prioritization of project proposals that deliver cross-sector benefits to farming, ranching, and conservation;
- Prioritization of project proposals that deliver measurable conservation outcomes;
- Prioritization of project proposals that deliver benefits to significant portions of land in a watershed;
- Simplification of program delivery without harming environmental interests or program integrity;
- Protecting the current baseline funding for Farm Bill Conservation Title programs.

The Conservation Title programs that the Alliance via its involvement with WACC are focused on for 2023 Farm Bill reauthorization include EQIP, the Conservation Innovation Grant Program (CIG), CREP, and RCPP. The Alliance supports reducing the high administrative burdens on both NRCS staff and partners alike that leads to project delays and unnecessary expenditures on complex contract administration. This concern was one raised at a hearing conducted by a House Agriculture Subcommittee in September. The WACC is also striving to find ways to simplify program delivery without harming environmental interests or program integrity.

d. Watershed and Flood Prevention Operations Program

The Alliance and many of its members are strong supporters of the NRCS Watershed and Flood Prevention Operations Program, often referred to as the "PL-566" Program. The WACC supports modernizing the Watershed and Flood Prevention Operations Program to prioritize multi-benefit

projects that reduce flood and drought risk to producers and rural communities through a combination of infrastructure investments with improvements and protections to natural features that help provide the risk reduction. We support expanding and modernizing the PL-566 Program to prioritize multi-benefit projects that reduce flood and drought risk to producers and rural communities. We can do this through a combination of infrastructure investments with improvements and protections to natural features that help provide the risk reduction.

An interagency “Memorandum of Understanding” (MOU) was recently signed by the Bureau of Reclamation and NRCS for PL-566 projects on Reclamation facilities. While Western water managers were pleased to see the commitment of the agencies to coordinate on PL-566 projects, concerns remain regarding the time required to address environmental and cultural resources regulatory requirements on proposed conservation projects. The Alliance in the past year has signed on to two different coalition letters to the Interior Department and USDA with recommendations on how National Environmental Policy Act and National Historic Preservation Act implementation could be improved and streamlined. There’s nothing in the MOU that I see that will speed up the planning process or the associated environmental compliance.

6. Forest Health Legislation

Reps. Dan Newhouse (R-WASHINGTON) and Scott Peters (D-CALIFORNIA) introduced the *Root & Stem Act*, which provides the U.S. Forest Service and Bureau of Land Management with a clear statutory tool to treat forests more efficiently and empower collaborative processes through “Root & Stem” projects. By authorizing the U.S. Forest Service and Bureau of Land Management to propose and enter collaborative stewardship contracts and agreements, this legislation will allow the agencies to accomplish more hazardous fuels reduction and empower the agencies to engage with state, local, and tribal partners to ensure forest management projects compliment ongoing conservation efforts, benefit communities, and protect local ecosystems. Companion legislation, introduced by Senators Steve Daines (R-MONTANA) and Dianne Feinstein (D-CALIFORNIA), was unanimously reported out of the Senate Environment and Natural Resources Subcommittee on Public Lands, Forests, and Mining last June.

Alliance President Pat O’Toole testified before the Senate Committee on Energy and Natural Resources on September 29 to discuss another pending forest bill, the *Promoting Effective Forest Management Act of 2022*, which was introduced by U.S. Sens. Joe Manchin (D-WV) and John Barrasso (R-WY). The Senate legislation seeks to reduce catastrophic wildfire risk and improve forest health with provisions that direct the Forestry Service and Bureau of Land Management to prioritize accomplishments over rhetoric. The legislation would also require agencies to use at least one existing streamlined authority for environmental review on a forest management project within the next three years and to incentivize employees to become more engrained in their communities. It also promotes the use of grazing as a tool for preventing wildfire.

7. Senator Padilla's DRAFT Land Repurposing Bill

Last month, we worked with Senator Alex Padilla (D-CALIFORNIA) staff and some of our California members to develop recommendations on draft legislation the Senator has developed, which is intended to provide agricultural water users with flexibility and resources to manage the impacts of drought through the voluntary repurposing of lands, as they see fit. The draft legislation does two things:

- It amends the Reclamation States Emergency Drought Response Act to provide a “federal match” for state-level programs (like California’s) that are basin-scale, reduce consumptive water use (both ground and surface water), and repurpose agricultural land to eligible uses for at least 10 years. The bill specifies that 50% of the funds should go towards states wishing to pilot these kinds of programs (to encourage other states to pilot such programs), and the remaining would go towards existing programs (like California’s).
- It amends Reclamation’s WaterSMART to slot in a similar program as the one described above to allow all WaterSMART users to apply.

We developed a draft initial response to this bill, which I presented to the board of directors of the Water Blueprint for the San Joaquin Valley (CALIFORNIA). After our very constructive meeting, the Blueprint leaders contacted Senator Padilla’s office and let them know they were going to provide comments that would be incorporated in the final submittal we developed.

Our final letter to Senator Padilla emphasized that there has never been a more important time to protect Western irrigated agriculture, rather than planning for more irrigated lands to be taken out of production. Should that occur – after all other measures to improve water supply reliability have been exhausted – any land “repurposing” should be temporary in nature, and implemented through the Bureau of Reclamation, but rather, the USDA, or via a “block grant” that the states would administer. We also asked that the legislation encourage “safe harbor” to landowners who participate in land repurposing to avoid impacts from environmental regulation; cap the total amount of dollars available out of existing department programs; increase eligible parties that can participate; prioritize recharge land use and recognize the need for streamlining/expediting regulations to allow for repurposing; ensure this is initially just a pilot program; and limit the federal cost-share to only 25% of reserved funds. Senator Padilla’s staff said they will set up a meeting in the near future to discuss our letter.

JUDICIAL DEVELOPMENTS

8. State of Arizona, et al. v. Navajo Nation

The Supreme Court on Friday agreed to consider whether the federal government has a duty to protect the Navajo Nation's access to the flows of the Colorado River. The federal government argues in the case, *Interior Department v. Navajo Nation*, that it is not legally obligated to assess

the Navajo Nation's needs because no treaty, agreement or law explicitly addresses the tribe's claim to Colorado River water ([Greenwire](#), Oct. 25). Now, the Supreme Court will decide if the 9th U.S. Circuit Court of Appeals was right when it sided with the Navajo Nation and said Interior had a "duty to protect and preserve the Nation's right to water."

The Navajo Nation, one of the 29 federally recognized tribes in the Colorado River Basin, argues the government breached its treaties with the tribe, violating trust obligations. The Navajo Nation and the 9th Circuit say the tribe is not specifically asking for a quantified water right — just the promise of a plan. The federal government argues that the lower court ruling would complicate ongoing efforts among seven Western states to reduce strain on the drought-stricken river that must serve the needs of 40 million people. Four justices must vote to hear a petition, and only around 1 percent of Supreme Court petitions are granted each term. The court will schedule arguments in the case at a later date. Western water users that I've talked to in the Colorado River Basin and here in the Klamath Basin believe this is good news.

9. Supreme Court Hears Oral Arguments on WOTUS Case

The Supreme Court of the United States (SCOTUS) on October 3rd heard oral arguments in *Sackett v. EPA*, a case that many Clean Water Act (CWA) experts argue could define what “waters of the U.S.” (WOTUS) means under the CWA. The outcome of the case could impact whether yet another WOTUS rulemaking could commence – this time under the Biden Administration. Currently, the Administration is considering finalizing their proposed rule reinstating the 1986 CWA rule and guidance (adjusted for past Supreme Court rulings) as the interim benchmark for the Environmental Protection Agency (EPA) and the Army Corps of Engineers to use in determining their jurisdiction over WOTUS under the CWA. The rulemaking process has been underway since the Trump Administration's *Navigable Waters Protection Rule* defining WOTUS was thrown out in the initial days of the Biden Administration. In the case, the high court is set to determine whether the U.S. Court of Appeals for the 9th Circuit set forth the proper test for determining whether wetlands are WOTUS under the CWA. The lower court referenced Justice Kennedy's “significant nexus” test of jurisdictional waters, as opposed to the late-Justice Scalia's “relatively permanent continuous surface flow” test.

The Family Farm Alliance is part of an agricultural coalition – led by the American Farm Bureau Federation - that submitted an *amicus* (“friend of the court”) brief to the court earlier this year. Our brief generally explains how the uncertainty and broad scope of jurisdiction asserted by the agencies over the years have made it difficult for farmers to operate, that the agencies have failed to create a workable definition, and the need for SCOTUS to clearly define WOTUS. Our brief was intended to help push the Court in the right direction and hopefully get them to put appropriate guardrails on the agencies moving forward.

Some of the initial media coverage of the oral arguments heard on October 3rd suggested that SCOTUS appears to be backing the Biden EPA. “Adjacency” and “significant nexus” issues were front and center before the Court last month. Alliance General Counsel Semanko monitored the

hearing and does not agree with all of the headlines. Based on the comments and questions to both lawyers from the Justices, Norm does not believe that the Court is likely to soften the ‘adjacency’ test for wetlands from the *Riverside Bayview* case. However, it is likely to dump the “significant nexus” test for WOTUS from the *Rapanos* case. Conceivably, the Court could adhere to existing precedent regarding adjacent wetlands, but jettison the significant nexus test for WOTUS. That would still be a very good result for farmers, ranchers and the larger regulated community.

ALLIANCE INITIATIVES

10. 2023 Annual Conference

Mark your calendars – the 2023 Family Farm Alliance Annual Meeting and Conference is scheduled for February 22-24, 2023 at the Silver Legacy Resort in Reno (NEVADA). This year’s theme is “*A Wake Up Call for America - Why Farms, Water and Food Matter*”. Jane Townsend, Josh Rolph and I are putting together some materials (conference and hotel registration, sponsorship opportunities, etc.) to put on our website and blast out to the public later this week. I’ll start working on putting meat to the bones regarding panels, speakers, etc. in the coming weeks. Please let me know if you have any questions, concerns or other ideas.

11. Alfalfa 101

As previously reported, the attack against cows, forage crops and alfalfa is on. In the past month, I’ve been working with American Farm Bureau Federation (AFBF), California Farm Water Coalition (CFWC) and others to put together a brief white paper that provides “the other side of the story” regarding the ramped-up attacks we’re seeing on alfalfa production. AFBF has a crack team of economists that helped me better understand alfalfa production statistics, and Mike Wade and his team at CFWC have performed multiple reviews of our drafts and provided further stats and good guidance. Our goal is to provide the final document and summary points to our networks, including journalists who cover Western water issues. The final paper is intended to provide some ammo for our members to help tell “the rest of the story” and start pushing back on media coverage that is incomplete and misleading. I’ve received a bunch of very constructive suggestions to our various drafts from many of you, as well, for which I’m very grateful.

Same goes for the other alfalfa piece we put together for the World Alfalfa Congress conference, which I’ll be presenting later this month at that organization’s conference in San Diego. It was with grim (and ironic) satisfaction that I recently shared with you [this story](#) which explains how Southern Nevada Water Authority owns farmland and grows alfalfa on it, competing with local farmers...while criticizing the Imperial Valley for growing alfalfa.

12. Western Climate Change Initiative

The Alliance continues to engage and discuss potential effects and impacts of climate change in the West, building upon the interest created by the Alliance’s report on climate change that was

issued in 2007 and active engagement addressing climate change on Capitol Hill. Through involvement with Solutions from the Land (SfL) and the Steering Committee of the North American Climate Smart Agriculture Alliance (NACSAA), the Alliance has been monitoring United Nations (U.N.) global climate talks over the past several years and bringing the voice of North American producers and land managers to the discussion table. NACSAA believes public policy should provide incentives for climate-friendly and commonsense farm improvements.

Even though climate change barely cracks the “Top 10” issues of most concern to Americans right now, the U.N., mainstream media and many Democrat leaders continue to place high priority on it. The U.N. last week released yet another “doom and gloom” report, one week before the mid-term elections, portending that one-third of the world's most iconic glaciers have been "condemned to disappear" within 23 years. The fate of these glaciers, which include those in Yosemite and Yellowstone National Parks, “is all but sure”, as “carbon emissions” cause them to rapidly deteriorate. The *New York Times* reported today that U.N. Secretary-General Antonio Guterres set the tone for the annual U.N.-led international climate talks, which officially began on Sunday, with this warning: “We are on a highway to climate hell with our foot on the accelerator.”

a. Biden Administration Climate Change Actions

The Biden Administration last month announced the release of more than 20 agencies’ annual reports showing how they are addressing climate risks and vulnerabilities. The updates show agencies’ progress on the climate adaptation plans they released last October, including reports from the Environmental Protection Agency (EPA), the Department of the Interior, the Energy Department, and the Treasury, to name a few. According to the Administration, more frequent and severe weather events, including droughts, extreme heat, wildfires, floods, and hurricanes, create mounting climate-related damages nationwide, including more than \$145 billion in damages across the U.S. last year. The Administration highlights the fact that both the IRA and the BIL include \$50 billion in investments to protect American infrastructure against catastrophic wildfires, heat, and floods, and \$4.5 billion for drought preparedness.

b. Climate Action in Congress

On Capitol Hill, the House Natural Resources Committee last month approved a bill overhauling the nation’s premier fishing law to include a climate-related requirement for the first time. On a party-line vote, the Committee advanced H.R. 4690, the “*Sustaining America’s Fisheries for the Future Act*,” from Rep. Jared Huffman (D-CALIFORNIA), to require NOAA to create plans for “climate ready fisheries” to manage the nation’s fish stocks. The language would amend the Magnuson-Stevens Fishery Conservation and Management Act (MSA), a 1976 law that sets rules for fishing in all federal waters. While reauthorization has historically been bipartisan and the product of numerous hearings, Committee Republicans claim the current reauthorization legislation is partisan and “would undermine the law and harm our commercial and recreational fisheries”. The bill passed through committee amid opposition from key U.S. seafood groups,

including the National Fisheries Institute, which said the proposed legislation didn't take into account the industry's specific concerns. The House took up the bill on the floor but postponed final votes on the legislation until they return in November.

A dozen House Republicans last month sent a [letter](#) to the Biden Administration regarding the recently announced Partnerships for Climate-Smart Commodities pilot program. The U.S. Department of Agriculture (USDA) awarded \$2.8 billion in funding from the Commodity Credit Corporation (CCC) for the pilot program with plans for an expected second tranche that would bring total funding for 2022 to \$3.5 billion. In the letter, Members express concerns about the program, which was created with no direction from Congress, and ask a series of questions about how USDA created the program, weighed submitted proposals, and intends to ensure the federal funding does not displace private sector investments.

13. Global Food Security

As reported periodically throughout this year, we continue efforts to educate the public, the media and policymakers on linkage between the war in Ukraine, rising food prices, increasing global hunger and the Western drought. While the state of the economy remains the top concern of 38% of American voters (with inflation and the cost of living the #1 concern with 19% of voters), the media still largely fails to connect the dots between these concerns and our own government's policies that are directing water to the environment, away from some of the world's best producers. With the current backdrop of severe drought conditions in the Western U.S., significantly inflated food costs, global food supply challenges, and a looming global famine, there has never been a more important time to protect American food production. The economy grew in the third quarter by 2.6%, annualized, although key components of growth continued to suggest a slowdown. Economists, financial analysts, and the IMF/World Bank worried that the Fed and other central banks' policies are slamming on the brakes too hard, are not addressing the real inflationary culprits -- corporate pricing, energy costs and supply chain disruptions -- while having done little to prepare for the coming downturn.

In a campaign aimed at publicizing the threat to the nation's food supply, the California Farm Water Coalition (CFWC) partnered with the Family Farm Alliance and Klamath Project irrigators to show consumers how water policies are contributing to food shortages and rising prices. Beginning April 2 with a full-page ad in the Wall Street Journal, the campaign progressed over the summer with paid social media posts aimed at consumers aged 18 to 44. Ads were written to inform readers that food supplies are at risk and that prices are expected to rise, which they did- to record levels. Readers were also encouraged to click a link to learn more at a special landing page on the CFWC web site with information on the connection between water and food security. To date, the campaign has generated over 7 million impressions with almost 210,000 people clicking the link to visit the web site, where major points were made with supporting information.

a. Taking it to the Streets

Alliance and CFWC spokespersons are taking their message across the West. I delivered the keynote address last month at the Upper Missouri Water Association conference in Deadwood (SOUTH DAKOTA): “A Perfect Storm: Western Drought, Inflation, Ukraine and Global Food Insecurity”. I presented a similar keynote address in September at the Arizona Agri-business and Water Council water conference in Phoenix and will also speak on this topic at the World Alfalfa Congress conference later this month in San Diego and the North Dakota Water Users Association conference in Bismarck in December. Mike Wade with CFWC will advance the food security message in his keynote address before the Columbia Basin Development League in Washington state later this month. Audiences so far have been very supportive of our efforts to educate the public and policy makers on the importance of Western irrigated agriculture to our national security.

b. Food Security Concerns Grow

The multiple-year drought faced by many in the West - coupled with other domestic and global developments - is already affecting the availability and price of food for many Americans. The devastation to food crops around the world is now expected to lead to rapidly escalating world food prices and food insecurity in coming years. Rising food prices and global hunger are linked to the war in Ukraine, extreme climate events like the Western U.S. drought, and other global stressors. The U.S. has long been an agricultural powerhouse, and our agricultural export capability has helped feed the world. But in 2019, for the first time in more than 50 years, the U.S. ran an agricultural trade deficit. The USDA forecasts we will again run a deficit in 2023, for the third time since 2019. This growing deficit is driven primarily by our dependence on imported Mexican fruits and vegetables.

In the U.S., the red winter wheat crop is the worst since 1963. California rice production is down 50%. Ranchers don't have enough grass, hay and corn to feed cattle and other livestock, and are selling off herds early. Oregon and Texas herds are down 30-50%, which will spike beef prices over the next 2-5 years. Most of the tomatoes consumed in the U.S. - fresh, canned, and otherwise - come from California. Factors like the ongoing drought, and rising fuel prices are making the fruit harder and more expensive to grow, which will materialize in terms of scarce availability and higher prices on grocery shelves in the coming months. Three quarters of farmers say drought adversely affected this year's crop yields.

c. Farmers Begin to Push Back

Producers in other parts of the world are starting to push back on government environmental proposals that make farming more difficult. Earlier this year in The Netherlands, angry farmers for weeks protested sweeping environmental policy change that threatened to upend the agricultural productivity of the country, which ranks second only to the U.S. in global exports. *Greenwire* on October 20 reported that farmers across New Zealand took to the streets on their tractors last month

to protest government plans to tax cow and other greenhouse gas emissions. The week prior, the national government proposed a new farm tax as part of a plan to address climate change.

ADMINISTRATIVE AND MISCELLANEOUS

- The Central Arizona Water Conservation District Board of Directors has announced that our good friend Brenda Burman will be Central Arizona Project's next general manager. Brenda currently serves as the organization's executive strategy advisor. She will replace outgoing General Manager Ted Cooke, who will be retiring on January 5, 2023. Ted will remain as general manager until that time.
- Pat O'Toole, representing the Family Farm Alliance, spoke to opinion leaders meeting at the prestigious Aspen-Nicholas Water Forum – "Water and Disasters—Risk, Resilience and Adaptation" – last month in Aspen (COLORADO). This forum, convened annually by the Aspen Institute's Energy and Environment Program and Duke University's Nicholas Institute for Environmental Policy Solutions, serves as a platform for addressing domestic water challenges in the 21st century. Mr. O'Toole reminded those attending to think about food production and its importance to the American economy when considering water policy.
- I hit the road on the speaker's circuit in September, where I spoke at the California Agricultural Irrigation Association summer meeting in Pismo Beach. I also delivered the keynote speech at the annual meeting of the Arizona Agribusiness and Water Council in Phoenix on Friday. Last month, I spoke to the Upper Missouri Water Users in Deadwood (SOUTH DAKOTA), and later this month I'm speaking to the World Alfalfa Congress conference in San Diego (CALIFORNIA), and the annual meetings of the Oregon Water Resources Congress, Washington State Water Resources Association, and North Dakota Water Users Association. Audiences so far have been very supportive of our efforts to educate the public and policy makers on the importance of Western irrigated agriculture to our national security.

This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at dan@familyfarmalliance.org if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.