United States
International Trade Commission

In the Matter of: DISTRIBUTIONAL EFFECTS: IMPACTS ON UNDERSERVED COMMUNITIES

Pages: 1 through 89
Place: Fresno, California
Date: March 8, 2022

Heritage Reporting Corporation
Official Reporters
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THE UNITED STATES INTERNATIONAL TRADE COMMISSION

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Tuesday,
March 8, 2022

California State University,
Fresno
5241 N. Maple Avenue
Fresno, California

The roundtable commenced, pursuant to notice, at 1:09 p.m., before the United States International Trade Commission.

PARTICIPANTS:

USITC:

COMMISSIONER DAVID S. JOHANSON, Moderator
CHAIR JASON E. KEARNS
VICE CHAIR RANDOLPH J. STAYIN (via Webex)
COMMISSIONER RHONDA SCHMIDTLEIN (via Webex)
COMMISSIONER AMY A. KARPEL (via Webex)
ROOP BHATTI, Chief of Staff
MICHAEL ROBBINS, Economist to Commissioner Johanson
WILLIAM R. BISHOP, Supervisory Hearings and Information Officer

External:

SERHAT ASCI, California State University, Fresno
ELIZABETH CARRANZA, California Apple Commission
CASEY CREAMER, California Citrus Mutual
LEONARD HAMILTON, MEC
WYATT MEADOWS, District Representative for Operating Engineers, Local 3
IAN LEMAY, California Fresh Fruit Association
APPEARANCES:  (Cont'd)

External:

AURORA RIOS, MEC
WILL JAMIL WILTSCHKO, California Trade Justice Coalition

External (via Webex):

HABIB ASADULLAH, California Department of Food and Agriculture
ALICIA BARKER, Oregon Employment Department
NIAZ DORRY, National Family Farm Coalition
BLAKE KONCZAL, Fresno Regional Workforce Development Board (FRWDB) (via Webex)
REY LEÓN, The LEAP Institute (via Webex)
MILY TREVIÑO-SAUCEDA, Alianza Nacional de Campesinas, Inc.
DILLON SAVORY, Fresno-Madera-Tulare-Kings Central Labor Council
DEAN SHOWERS, Alliance for American Manufacturing
MR. BISHOP: Commissioner Johanson, I'll yield the floor. Thank you so much.

COMMISSIONER JOHANSON: All right. Thank you, Bill. Good afternoon. My name is David Johanson, and I'm a Commissioner at the U.S. International Trade Commission. The Agency's other (technical interference), I would like to welcome (technical interference) the regional effects of bait and trade policy.

I note that the Chair of the Commission, Jason Kearns, is here and present today. He's sitting next to me. The Agency's other Commissioners, Rhonda Schmidtlein, Randy Stayin, and Amy Karpel are participating remotely.

Before we begin the discussion, I would like to give you some background on the International Trade Commission. I will then speak on the roundtable itself.

The International Trade Commission is an independent agency, so it is not part of the President's Administration, and it is not part of the Congress. It is truly an independent agency within the federal government.

The Commission is nonpartisan. The competition of the Commission reflects its nonpartisan nature. For example, I am a Republican, yet I was appointed by a Democratic President. Other Commissioners include Democrats who were
appointed by a Republican President. So, the work of the Commission, including today's roundtable, is conducted in a nonpartisan manner.

Among its functions the Commission provides the President, U.S. Trade Representative, and Congress with independent analysis and information on matters relating to international trade.

Holding today's roundtable is U.S. Trade Representative Katherine Tai, a member of President Biden's Cabinet, requests that the Commission conduct an investigation on the distributional effects of trade and trade policy on U.S. workers.

Today's event is one of seven roundtables at which we will collect input on the potentially differing effects of U.S. trade and trade policy on U.S. workers. The roundtable is focused on workers, including workers characterized by different skills, wage and salary levels, genders, race, ethnicity, age, and income levels, especially as they affect under-represented, and under-served communities.

At the conclusion of the seven roundtables, the Commission will submit a written report to the U.S. Trade Representative, Katherine Tai, summarizing the information that we gathered during our roundtables. This report will be delivered in October of this year.

While the International Trade Commission is based

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on Washington, D.C., we are holding today's roundtable in Fresno as it's important for the Commission to hear from people throughout the country impacted by international trade. We chose to conduct the roundtable in Fresno given the varied economy of the Central Valley, which is a major agricultural, manufacturing, and services region. In addition, Fresno and the Central Valley are well-known for their ethnic and cultural diversity.

In a former job, I traveled regularly to Fresno, and it's great to be back here in the Central Valley. Another Commission employee is even more familiar with Fresno, Roop Bathi, who is Chair Kearns Chief of Staff, is from Fresno, and I know that she's pleased to be back in her hometown today. There is Roop right there raising her hand.

My role in today's roundtable is to ask questions, and manage the flow of discussion. Your role as a participant is to share experiences, opinions, and information. We want this to be a wide-ranging conversation. Please remember that there are no right or wrong answers, and we value all perspectives.

Before we start, I'd like to go over a few housekeeping matters. Our discussion today is scheduled to last for two hours with a short break after the first hour. Having said that, we may continue our discussion past 3:00 p.m. if our discussion continues to be lively. We want to
ensure that everyone has an opportunity to be heard.

Please be conscious of the fact that this is not a private meeting, and that the discussion today is open to the public, and to the press; therefore, you should be careful not to share any information that you, or your organization, views as confidential. In other words, with regard to today's discussion, what you say in Fresno will not necessarily stay in Fresno.

If we do have media joining us today, please feel free to reach out to our External Relations office if you have any questions. The contact information is on the Commission's website.

If participants would like to make a comment, please place your nameplate on its end like this. Virtual participants can use the Webex raised hand feature, and I will recognize you in turn.

If you are participating by telephone, or are otherwise unable to use the raised hand feature, please email J's Powell, or Tamar Khachaturian, and they will notify me that you would like to speak. Their email addresses are Jennifer, that's J-E-N-N-I-F-E-R dot P-O-W-E-L-L at usitc.gov.


Please remember that only registered participants
will be invited to speak during today's discussion. If you are not a registered participant, and would like to provide input following this event, you're welcome to contact project staff, and submit written questions at the following email address: D as in digital, E as in effects at usitc.gov.

Whenever you make a comment, we ask that you state your name so it is clear to everyone who is speaking. If there's an organization with which you are affiliated that you'd like to identify, please also state the name of that organization when you make your comment.

Lastly, I will invite my fellow Commissioners and ITC staff to pose any questions that they may have at the end of the session. I request that Commissioners and their staff hold questions until that time.

Lastly, I would like to thank Fresno State University for letting us use their facilities here today. Your staff has been very cooperative, and we appreciate that. You have a beautiful campus. I've enjoyed walking around it, and I must admit that I'm envious of the students who get to spend their days here.

With that, I will start with my first question of the roundtable. This first question is a rather basic question, and is an amalgamation of several possible questions that were sent to you.

The question is how has the international trade
impacted workers in your community? Has international trade had positive effects, negative effects, or is the situation more nuanced?

Examples of effects of international trade include employment opportunities, or losses of employment, growth in businesses, or business losses, improved working conditions, or declines in working conditions, and growth in wages, or decline in wages.

So, I would like to open the floor to that basic question. Anyone is welcome to begin speaking.

MR. LEMAY: Ian Lemay with the California Fresh Fruit Association. I guess as a basic response back, I represent trade is looked at as a net positive. Roughly every season between 30 and 40 percent of our [technical interference] exported primarily around the Pacific Rim.

Is this on, or is it a little finicky there? How is that?

I guess as an initial response, positive. It's helped us to solidify our business models, expand it, and one of the most significant priorities of our organization is to try, specifically with the California stone fruit, is to try to expand those market access points to help sustain the business.

COMMISSIONER JOHANSON: Thank you, Mr. Lemay. Mr. Meadows.
MR. MEADOWS: Hi, I'm Wyatt Meadows, Operating Engineers Local Union 3.

I would say that exporting has been positive with Operating Engineers Local 3 on the harbors and docks. We have a lot of operating engineers that receive goods, and export that go out there. As that's increased, you know, a lot of the exporting increases has created more positive jobs, more jobs that are more -- have favorable working conditions, and things of that nature.

COMMISSIONER JOHANSON: Thank you, Mr. Meadows. I might just suggest you all put your microphones right next to your face. When I first started speaking, I -- no one could hear me either, so, anyway, I suggest you do that.

MR. CREAMER: Good afternoon. Casey Creamer with California Citrus Mutual. I would say it is nuanced, very nuanced, and it depends on the commodity, and a lot of other factors. But export markets for the citrus industry is roughly about 30 percent of our overall share, about 70 percent is utilized here domestically, and it's a primary market for us.

The exports are where, you know -- tend to be a little more profit margin where we can sustain our operations, and we continue to have cost increases here in the United States, and we're also seeing increases of shipments of competition from other countries that are coming
And it typically used to be a little bit more counter-seasonal with, you know, we're sort of in our peak season now, and then the offshore fruit would come in in the off season, and those seasons are being extended, and overlapping at the beginning and the end of our season, and that's usually where our growers were able to get a profit where the middle of the season really wasn't where it was at. And, so we're getting squeezed on the ends.

And, so, while it's a net positive, there's also, you know, a net negative, and, so, I think it's a growing net negative where the export was a very much of positive early on, and that's diminishing, and especially now the transportation crisis that we're having now, it's a lot harder for us to get it out, and it seems to be product coming in as well.

And, so, I think it's very nuanced. I think it's something that needs continue to be watched, and continue to make sure that our domestic producers, their families, the employees who rely -- the rural communities, you know, really rely on agriculture as the base of the economy. There is nothing else in some of these other communities. It's not like another Google is going to come to, you know, some parts of rural California.

So, I think it's very nuanced. There's tradeoffs,
and it's something we're just going to have to watch very, very closely. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Creamer.

Yes, I'm sorry, Ms. Carranza.

MS. CARRANZA: Am I working?

COMMISSIONER JOHANSON: Yes, that's correct.

MS. CARRANZA: Hi. I think what Casey and Ian just said, I think exports continue to be a really important factor for the industries that we represent in our office, for the blueberry industry specifically, expanding upon our current export markets to obtain new market access. Opportunities has been a major focus of our organization, and other blueberry organizations as well.

I think to touch on Casey's point, I think with the increase of import pressure coming into the United States, I think these export markets become even more important just to help stabilize the domestic market here, and give that return back to the growers that produce products here in the United States.

I think that that is going to continue to be a major focus. If we can't do anything on the import side of things, I think maintaining and expanding upon the export market opportunities that we have is going to be very, very important for our industry moving forward.

COMMISSIONER JOHANSON: Thank you, Ms. Carranza.
Now, we have someone online, Dean Showers.

MR. SHOWERS: Hi, everybody. Thank you for giving me the opportunity to speak. Dean Showers with the Alliance for American Manufacturing.

I just want to say that our trade policy is very important to not only the farm community who depends on a lot of exports, but it's also policy that needs to take into account America's manufacturing base. America's manufacturing base are the bedrock of America's security and economic ability to compete in the world, and too many times our trade policies hit those industries against each other, those that need to make things here, and those that are exporting like a lot of our goods that are produced by the farm community.

So, I would say that I come from a manufacturing background. Manufacturing jobs over the last 20 years have been decimated by our trade policies, and one of the reasons I think is the blame for that is we haven't really put together a strategy for national manufacturing policy, and without putting a concrete strategy together that takes into account that we all need to trade goods and services, but our trade policies also need to recognize that not every country that we trade with are competing on a fair basis.

So, trade policy isn't like a one size fits all; it needs to be carefully crafted. And when I say carefully
crafted, I think it needs to really set the rules, and they need to be followed. We can't just have a trade policy, and then not enforce the rules.

COMMISSIONER JOHANSON: Thank you, Mr. Showers, for your comments. We have someone else on the line, Niaz Dorry.

MS. DORRY: Yes, hi. Thank you for having me representing the National Family Farm Coalition, and the North American Mining (phonetic) Alliance. I do represent two organizations. One works with family farmers, ranchers, and growers, and the other with fishing communities across North America.

And I have to agree with the comment that this is an issue that's much more nuanced than black and white. Even though this Commission is a nonpartisan one, what we're learning more and more is that decisions around trade are often a partisan one, or is at least affected by what's happening on the world stage, or an Administration's relationship with another Administration. We're seeing some of those impacts right now with the war that is happening in Europe.

And, so, for us it's really important that trade not be designed -- not be the tool that designs our food system, but really some principles that are rooted in food sovereignty should be what designs our trade policies, issues around equity that's needed for food workers, infrastructure,
that is localized, and is enriching rural communities, as it was said earlier. Community-based control of things that are essential to growing, catching, and raising our food, whether that's water, land, sea, it's fishing rights, fair prices. We're seeing some issues right now around price with the dairy trade agreements.

And, so, for us it's just really important to have trade standards, trade policies that can transcend those times when politics and political diplomacy end up dictating our trade policies rather than our relationships with global societies.

So, it is definitely a much more nuanced issue. It affects our farmers, our family farmers across North America, and our fishing communities and ranchers. On any given day whether it's labor issues, or price issues, that are driven, or dumping of products, it is affecting their ability to make ends meet.

And, so, we encourage you to really look at trade as a tool only when those very fundamentals of food sovereignty are met. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Niaz. Oh, yes, Mr. Wiltschko.

MR. WILTSCHKO: Hi. Will Wiltschko with California Trade Justice Coalition. Just a few things.

So, California is one of the hardest hit states in
the country when it comes to trade related job loss. We released a report in 2020 showing that our state had the second most workers certified for trade adjustment assistance since NAFTA in the entire country, and that the number of workers who qualified for TAA, meaning that their jobs had either been directly offshored, or displaced by imports, was on the rise in recent years, and trade related job loss affected communities in all corners of the state.

Now, offshoring is obviously devastating for workers, and working Californians of all races, ethnicities, and genders, but like many things, it's hit black and Latino communities particularly hard.

Now, first off, there's the job losses themselves. Black and Latino workers are disproportionately represented in many of the manufacturing sectors that have been hit the hardest by import competition, including fabricated metals, furniture, plastics, and rubber, paper, chemicals, transportation equipment, and primary metals.

They are also disproportionately represented in service sector jobs like call centers that are increasingly subject to offshoring.

For the manufacturing jobs in particular, these have often been a pathway to the middle class for many families of color, and the loss of these jobs is devastating not just on these families, but also on our communities at
large.

So, on average, black and Latino families have far less accumulated wealth and savings that white households. This means that even with unemployment insurance, and programs like trade adjustment assistance, black and Latino workers have a harder time facing long periods of unemployment.

They also have a harder time moving on from one community to another in search of work. This can force people into accepting lower paying jobs than they had before because, again, even with assistance, they don't really have the money to train, or to move looking for a new profession.

People of color are often the last hired, and the first fired, so that compounds the negative impacts of offshoring too. In some communities the offshoring, or displacement of large employers can have ripple effects throughout the wider communities. Workers have less money to spend at restaurants, and hair salons, and car dealers, and other local businesses, so this starts hurting the community, this devastates entire communities. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Wiltschko. Mr. Hamilton, and Ms. Rios, I believe that you had some written comments you wanted to share today?

(Pause.)

MR. RIOS: Good afternoon. My name Aurora Rios,
and I appreciate the opportunity to be able to share with you how international trade has impacted my community in Kerman, and more specifically, how it impacts my job at MEC, M-E-C.

MEC is a small company that manufacturers mobile elevating work platforms, also known as MEWPs, or we just call them lifts. It has provided a strong and stable job for me and my family, and helps support my community.

I started with MEC in 2013 as a level one assembler in the electrical department. I had no experience, and MEC allowed me to learn on-the-job. I was a single mother of five kids living with my mother trying to make ends meet.

I started making electrical components for all the lifts. My job included making upper and lower control boxes, wiring harnesses, assembling panels, motors, and switches. These components we produce are part of every lift. As we've grown and imported more new models, the electrical components have tied together for customer specific options.

The finished lifts that me and my team help make are then shipped to customers all across America, and it's a wonderful feeling seeing, you know, your lifts around town, you know, your family sees them. It's a good feeling.

MEC has grown, and it's provided me with new and better opportunities. I now supervise over 12 employees in the subassembly department, which includes the electrical department where I started. In this department we not only
prepare electrical components, but we also make the hydraulic engines that go into the lifts.

    With my promotion, I have been able to buy my own home, buy and pay off my first car. Additionally, MEC has not only allowed me and my immediate family to succeed, it's helped the entire community to improve.

    My family and I foster children who need temporary homes, so from fostering we have been able to adopt and provide a home for these children. So, with this we've been given opportunities to grow and better our lives. We're hoping that we can help these kids have better lives with love, support, and the stability that they need. With the stability of my job at MEC, I can give these kids a sense of stability, and before that, I could not offer this without my job at MEC.

    Now, I understand that the ability of MEC to continue, and grow, and support my community, is threatened by these large 301 tariffs on the imported lifts. The 301 tariffs on our lifts are one of many imposed on imports from China to try to force China to play fair. But checking American workers from unfair imports from China makes sense, but MEC can also receive an exception from these 301 tariffs because people recognize that the 301 tariffs on the MEWPs, our lifts, actually hurt manufacturers like MEC.

    This exception expired over a year ago, and I don't
understand why this exception was taken away. All these 301
tariffs are doing is making the products my company, my
co-workers, and I less -- more competitive.

If we cannot manufacture lifts in Kerman, then the
ability of MEC to continue, and grow, and provide good jobs
to the community is at risk. So, I hope that you will
recommend that this exception be restored in order for trade
to continue to support jobs and families in our community.
Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Rios.

MR. HAMILTON: Good afternoon. My name is Leonard
Hamilton. Sorry. I am not a public speaker, but I was asked
to speak to the Committee regarding tariffs, and how it
affects my life. Since I do not public speak, I will read
you a statement.

First, let me tell you a little bit about myself.
I'm a married man, a father of two young adults, and
grandfather of two with one on the way. Before coming to MEC
in 2010, I was out of work of about four years. My family
was going through a tough time.

To better my chances at a good job to support my
family, I started taking classes at Fresno City for an A.A.
degree in welding. My uncle was a welder who I looked up to
as a father. Unfortunately, due to obligations with my
eldest son, I was unable to complete the final classes of the
welding degree program. Excuse me.

Due to not completing the program [technical interference] welder, it was [technical interference]. It gave me that opportunity I was looking for. In 2010 I was given an opportunity to join MEC as a welder due to Fresno County Welfare To Work Program. After the program ended, I remained at MEC, and continued to grow my skills in the weld department. My job involves reading blueprints, and manufacturing parts needed to build our machines.

To build our speed level, and tighten lifts, this involves operating equipments like Mig welders, drill presses, and band saws. I see how international trade, which supplies the key components to do my job, contributes to job security. Without these parts from overseas, we would not be able to manufacture these machines, and I would be left unemployed.

My company is growing to the assistance of the overseas partners, and produce parts for machines that are affordable for the United States companies. Over a year now the suspended MEC 301 tariffs on import aerial work platforms has expired. 301 tariffs make products more expensive, which makes it less affordable to consumers.

I ask you, why would the government want to make the product we build at my company less competitive? I don't have the answer for that question. At MEC we are trying to
grow jobs for our community, and be able to survive in a competitive marketplace.

MEC has provided myself and my co-workers a good paying job at our manufacturing plant in Kerman, California. As an employee it is important to me and my co-workers that you share how these tariffs impact us and our families with others in the government. With the expiration and suspension of the 301 tariffs, it would mean a loss of jobs to my company, and possibly myself, to offset the loss of money due to the 301 tariffs.

I thank you for your time and consideration, and request extinguishing, or suspending the 301 tariffs.

COMMISSIONER JOHANSON: Thank you, Mr. Hamilton, for your statement. Is anyone out there online? Would anyone like to speak? I know we have a number of participants who are participating virtually. Okay. Would anyone like to follow up with any further comments on this question? Okay. Then let's move onto another question. Oh, I'm sorry. Yes, Mily Treviño-Sauceda?

MS. TREVIÑO-SAUCEDA: Yes. I'm not sure if I'm following. Can you hear me?

COMMISSIONER JOHANSON: You're there, yes. We can hear and see you just fine.

MS. TREVIÑO-SAUCEDA: Okay, thank you, thank you. Actually, I'm in El Paso, Texas right now because of certain
reasons. Mily Treviño-Sauceda, I represent Alianza Nacional de Campesinas, which is a national farmworker women organization, and we are representing 20 different states of farmworker women.

It's a little bit more than 700,000 women that we represent, and I'd like to comment that trade, as what some of the presenters right now have shared, has caused some issues with workers. I'm representing workers, and it has caused many, many issues, just in general -- not just agriculture, any kind of industry that has the opportunity to do trade in other countries.

Why? Because the majority of the companies that have more fortune are able to trade or leave, and as they leave to other countries, they leave workers displaced. And at the same time, this country, I do want to share -- and I always share in my presentations -- that this country has not been reasonable and has not been fair and just with agriculture workers, especially because when the Fair Labor Standards Act was passed, it has a section that also says that it's not including agricultural workers in terms of having all the protections that any other worker would have in this country.

So, this leaves a lot of space for exploitation, abuse, all sorts of different kinds of issues. And if anything, at the same time, when trade has been happening,
trade with other companies, outside companies -- you know, with other countries, for example, the H2A program or H2B program, we have found, and we have 15 organizations that we represent that are part of the membership that are in the 20 different states that I'm talking about, one being California, which California is the only state that has the majority of the protections for farmworkers, but it's the only one because of the work that many organizations have done to provide and push for the protections that farmworkers need, not only in California but need in the different states.

Just to finish, I do want to share that, not only because of trade but because of the lack of protections that this country has had for agriculture workers, the wage theft that is happening as we speak, the harassment and rape that is happening as we speak, are so pervasive and so bad, and it's not being taken care of at all.

And I just wanted to mention this, that as the United States brings workers from outside in other countries, many companies -- not all -- but many companies take advantage and take away the visa from workers. And it's kind of like another slave issue here. And at the same time, it's -- slaves here already.

During 1938 when the Fair Labor Standards Act was passed, it's our belief, and we strongly feel that the
Standards Act was only approved as long as most of whomever was enslaved before, which was blacks, were not going to get the same kind of treatment that any other worker.

At the same time, Latinos, which is black and brown now, have inherited these kind of situations in this country and will continue until the United States is more reasonable and does justice. And if this Government does not take of this situation, you will always have issues.

Many companies right now, I'm hearing -- which is good for them -- many companies are saying that trade is benefitting them, which is good, but then don't say that increasing and providing the protections to workers is going to harm their profits or it's going to harm their business. I just wanted to -- I have many more things to say, but at least I just wanted to share that part. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Treviño-Sauceda. Would anyone like to make any further comments? And I'd just like to encourage you all to feel free to comment on the statements of others, as well. The purpose of being here is to try to engage in conversation. So, if you agree or disagree with another participant, feel free to let us know. Mr. Showers, who is participating virtually, would like to speak now.

MR. SHOWERS: Yes, thank you. Real briefly, I'd just like to follow up on, you know, when manufacturers are
dependent on getting the materials to assemble the products that they're making here in the U.S., that is a real problem.

And I'd just like to point out that every time there's a national crisis, a world crisis -- the pandemic has been -- the only thing that came out of the pandemic that was positive was that it exposed how vulnerable we are in our supply chains.

And God forbid we get involved in a war or something of that nature, our supply chains are very vulnerable at this point. So, when you're crafting trade policy -- and I really sympathize to the farm community because many of those products are dependent on trade and being exported -- but like I said in my earlier comments, unless we have a pretty thoughtful trade policy that takes into consideration the necessity to make things here and have supply chains that are tight that we can depend on our manufacturing base to get those parts that are needed to put things together, we're going to be in a world of hurt.

And manufacturing provides multiple opportunities for every race, gender -- anything covered by the EEOC. Most of the time, it provides a very good middle class job for many, many workers who, in turn, become the consumers for a lot of the products that we're exporting.

So, it's really not a complicated process, but it needs thoughtful policymaking, and it really needs to take

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into consideration the necessity to protect our domestic manufacturing base and start to tighten up supply chains that are just so critical to putting together all of the things that we want to make here in America.

COMMISSIONER JOHANSON: Thank you, Mr. Showers. Would anyone else like to make comments, including responding to the comments of other speakers? Okay, then with that, let's move onto another question, which you all can feel free to comment on.

Have Government policies related to international trade, including the imports, exports, and foreign investment, impacted workers in your community differently depending upon their race and/or ethnicity? And are there ways to make such policies better or more equitable?

UNIDENTIFIED MALE: Can you read that one more time?

COMMISSIONER JOHANSON: Yes. Have Government policies relating to international trade, including imports, exports, and foreign investment, impacted workers in your community differently depending upon their race and/or ethnicity? And are there ways to make such policies better and more equitable?

I know we have one participant, Mily Treviño-Sauceda, would like to speak. She's participating virtually.
MS. TREVIÑO-SAUCEDA: Yes. I would just like to add, is there a way that you can add in the question in terms of sex also?

COMMISSIONER JOHANSON: Sure, yes, we can add sex, yes.

MS. TREVIÑO-SAUCEDA: Okay. And the reason for this is because even our organization has filed a lawsuit against the Government, represented by Center for los Derechos del Migrante, against the U.S. Government for allowing, when H2A workers are hired, women are not necessarily hired most of the time.

And what does that mean? How strong is a policy about hiring women or not? And when they're hired -- if they hire any -- they're put in positions or places where -- within this country. And I was sharing how pervasive the issue of harassment and rape happens, how very little security and safety for women in the workplace exists.

So, if policies are really going to support workers and have a good relationship with companies that are hiring workers from other countries, the best thing to do is to make sure that there's monitoring happening, that there's enforcement happening.

Because if you don't have that, then it leaves a wide-open opportunity for companies, especially the supervisors and crew leaders, to take advantage of workers,
in general. And I will go again and say it leaves open situations of abuse.

And we have found that not only women have been sexually harassed and raped but men also being sexually harassed and raped. So, I just wanted to add this part in terms of making sure that policies are written in a way that all these other details are also included in terms of safety and security and health for workers. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Treviño-Sauceda. Yes, Mr. Wiltschko?

MR. WILTSCHKO: Yeah, Will Wiltschko, California Trade Justice Coalition. Trade adjustment assistance can help workers, particularly young workers, train for a young career when their first is destroyed because of direct offshoring or displacement by imports.

We think that the TAA program should be expanded, but it's far from a cure-all. Workers with less savings and other accumulated wealth have a harder time taking advantage of TAA than those with a lot of savings.

And obviously for a host of historical reasons, Black and Latino families, on average, have a small fraction of the savings that white families have. So, you know, we think that TAA should be fully funded. It should provide for things like child care so that parents can go to school, there should be more moving expenses included, and it should
be expanded to cover all workers who lose their jobs to trade, including service sector workers.

But at the end of the day, we need to invest more in good-paying manufacturing jobs in black and brown communities, and we need to stop signing trade deals that offshore them in the first place. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Wiltschko. We have someone who would like to participate virtually.

Alicia Barker?

MS. BARKER: Hi, thank you very much. So, I am also with the Trade Adjustment Assistance Program in the state of Oregon, and I would like to piggyback off of what Will said just earlier.

In regards to our current populations that we're discovering are underserved in our territory for digital inclusion, we've discovered that 50 percent of our Trade Act participants are, in some form or fashion, one or more underserved communities.

And we would like to also mention that funding Trade Adjustment Assistance to help with things like digital inclusion and making sure that there's viable technology access for those that are looking for work and adversely affected by trade, that that is funded.

In addition, in Oregon since COVID hit, it's been discovered that 50 percent of our daycare providers closed
down. And while other things are reopening, the child care avenue is still very limited, and workers are struggling to find child care.

So, I would agree and concur that we should also fund those types of programs to help people reenter the workforce. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Barker.

Yes, Ms. Carranza?

MS. CARRANZA: Yeah, I think that import pressure, primarily speaking on behalf of the olive industry, has impacted all of our growers. But I think specifically the growers that face the hardest hits as a result of some of the import pressure that we see are in underserved and minority communities.

And unfortunately when the increase of Spanish olive imports happened here in California and foreign investment occurred with one of our domestic packers, a lot of these small, minority, underserved growers unfortunately lost their entire operations.

So, I think that, you know, while it is important to obviously focus on, you know, the entire industry, I do think that some of those growers that are in those smaller communities were definitely more heavily impacted.

And I think just providing an opportunity for them to compete on a level playing field here domestically, just
to be able to operate their farms and to keep their occupations and their family's tradition going I think is very important and something that I really think would benefit our industry.

COMMISSIONER JOHANSON: Thank you, Ms. Carranza, and since we all have masks on, it's sometimes hard to hear. You mentioned olives in particular? Is that the commodity?

MS. CARRANZA: Yes, table olives, not olive oil.

COMMISSIONER JOHANSON: Okay, thank you, Ms. Carranza. And we have a participant who'd like to pose a response virtually, and that is Antonio Tovar.

MR. TOVAR: Yeah, my name is Antonio Tovar. I'm also coming from the National Family Farm Coalition, and pretty much what the --

MR. BISHOP: Can you hold your microphone a little bit closer to your mouth, Antonio, please?

MR. TOVAR: Yeah, I'm sorry. Similar to what was expressed before, precisely about sometimes commerce has been affected -- it especially affects small farmers, family famers, which really can't compete with the dumping or also with the consolidation of farming, usually are the ones that are more affected on commerce. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Tovar. Does anyone else have comments? Would anyone like to respond to what other have said so far? Okay, then I'm going to move
onto something else.

Are there Government policies that are successful in reducing negative impacts from international trade, and alternatively, are there Government policies that help workers take advantage of trade-related opportunities, including exports? Are there areas in which more or better resources are needed with regard to these Government policies? Mr. Creamer?

MR. CREAMER: Yes, Casey Creamer, California Citrus Mutual. I'll just point to one significant Government policy, and that is the Farm Bill. The Farm Bill provides support to farmers and communities around the country, nutrition assistance to consumers across the country as well, and that helps the domestic supply significantly.

It helps in our industry in tackling, you know, invasive pests and diseases that are significantly threatening the industry's ability to continue to produce and then support jobs and the economies in these rural communities.

So, the Farm Bill is absolutely a necessary component of protecting United States agriculture from potential trade impacts. And, you know, in the future there's more farm bill discussions that need to happen. Traditionally, farm bill discussions have been centered around, sort of, Midwest-based commodities, and only in the
last couple has there really been a focus on the specialty crops, you know, that are predominantly grown in California and a lot of the healthy fruits and vegetables that really are key components to, you know, advancing our lifestyles even more.

But it's got to continue to adapt to support the changing environment. It's a whole lot more difficult -- and you'll probably hear this -- it's much easier to have this type of a hearing in the Midwest where there's only a few commodities than here in California because it's incredibly nuanced just between all of the commodities and, you know, what Elizabeth talked about in table olives versus, you know, olive oil.

It's incredibly diverse, and so we need a Farm Bill and we need Government policy that supports our domestic industry first, and the base of that is agriculture. As we saw in COVID when grocery stores were empty, we cannot rely on other countries for our food supply. That is just an absolute base.

There is no other economy or other sector that can survive without first satisfying the food supply question, and so everything else is built upon that. And so, continued Farm Bill policy and other things that help domestic agriculture be successful are absolutely essential to be continued and to be adapted and modified to meet the changing
needs moving forward. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Creamer. Anyone else? Are there any other Government programs that you believe do impact international trade and workers here in this part of California? Yes, Ms. Carranza?

MS. CARRANZA: Yeah, I would say, on the export side of things, the programs, Market Access Program, the Emerging Market Promotion Program, Technical Assistance for Specialty Crops Program, I think all of those programs, that help bolster international trade are really utilized in our industries and are really beneficial, especially to smaller growers and processors that may not have the means to have their own international marketing campaigns and materials.

So, I think it really helps to have that generic promotion of United States and California agriculture to help benefit some of those growers and processors as well.

COMMISSIONER JOHANSON: Thank you, Ms. Carranza. Would anyone else like to comment on Government programs impacting international trade, including people that are participating virtually?

Okay, then let's move onto something else. Oh, I'm sorry, there is someone else. This is the first time, by the way, for us to operate a virtual hearing, and I'm surprised that it's actually kind of working. So, thanks everybody for being patient with us. All right, Mr. Dean Showers would
like to comment.

MR. SHOWERS: Yes, I'd just like to say that we encourage the USTR to use every tool in the toolbox to protect U.S. interests, both in agriculture and manufacturing, when it comes to trade.

I'd just like to point out that, you know, one of the tools in the toolbox which was talked about are tariffs. And I'm not saying that tariffs are always the do-all to make things right, but tariffs are an important tool in the toolbox when it comes to combating unfair trade practices.

And I'd like to point out the steel industry -- the domestic steel industry was on a slow path to demise. Nobody can really predict where the steel industry would be today without the impact of the 232 tariffs that were imposed on steel and aluminum.

Basically, those tariffs were imposed to combat subsidized, cheap steel coming from China that was kind of starting to come in from -- over 17 other companies were exporting Chinese steel into the U.S. marketplace, which was driving the price of steel down and aluminum down to the point where U.S. manufacturers could not survive too much longer without that kind of relief.

And so, I encourage, you know, all the tools in the toolbox. When we have trade rules and laws on the books, the U.S. Government, through the USTR and Department of Commerce
and everybody else, they need to enforce those rules.

   And another policy that is a great success is "Buy America" policy when the Government spends our tax dollars. It's not only the right thing to do, it's got bi-partisan support. The support is upwards of 80 percent of the population support having their tax dollars spent on U.S. products made by U.S. workers that give workers an opportunity to have successful and sustainable incomes.

Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Showers.

Yes, Mr. Creamer?

MR. CREAMER: Yeah, I'd just like to add a couple more policies, in particular the Families to Food Box Program that was put into place with COVID. It really took off some of the excess supplies that we're seeing and were significantly impacting the economics of the situation.

   There was a crisis situation in the Families to Food Box, really helped that situation, and also brought food to people and fresh commodities to people that, you know, normally wouldn't get that kind of produce. And so, that was a very important program, and the other important program was the Sec. 32, additional Government buys, with the China trade situation that happened and the tariffs back and forth.

   Those Sec. 32s were incredibly helpful in stabilizing the market and the California citrus industry and
many other Ag Sectors. And those type of things, you know, should be continue to be utilized and tweaked and potentially expanded to help support domestic producers.

COMMISSIONER JOHANSON: Mr. Creamer, could you follow up? We are not very familiar with those policies, the Families and Food Box and the Sec. 32s. Could you describe a bit more exactly how they work?

MR. CREAMER: They were administered by U.S. Department of Agriculture, I think it was -- my colleagues can probably help me a bit more if I mistakenly talk about where the funding source came -- but really I think it was the Coronavirus finding that came forward, and it was USDA that went out and worked with food banks across the country to set up distribution channels and put mixed fruit, produce boxes, meat boxes, dairy boxes together, and really make the distribution a whole lot easier versus the traditional-type programs where you get bulk commodities and it typically has to go through other distributions chains.

So, it was really from the grower to, sort of, a collecting agency to put the boxes together and really streamline the process and really put a lot of food into hands of needy people. So, that's one.

The Sec. 32 is, again, another USDA program administered by AMS, Agricultural Marketing Service, and they've got authority to make additional purchases similarly
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to school lunch programs -- I think maybe FNS -- and also to
food banks and others.

And so, it basically takes off bulk commodities.

There's a bidding system that happens, and the Government
purchases it and then distributes it to food banks and
others.

COMMISSIONER JOHANSON: Thank you, Mr. Creamer.

Mr. Lemay?

MR. LEMAY: So, Ian Lemay with the California Fresh
Fruit Association, and just to echo comments made by my
peers, one, the Farm Bill has been significantly important in
its utilization by the industry to sustain and expand foreign
markets.

To Mr. Creamer's comments, over the last, you know,
four years, first with the market facilitation program, which
was to assist domestic producers related to market loss
during the China trade dispute, those were commodity-credit
corporation dollars -- CCC dollars -- that were utilized. It
helped sustain us through at least the immediate portion of
the China trade dispute, although I will note that USDA has
come out with some data recently saying we have
seen -- especially after the phase one China trade
deal -- that U.S. agriculture exports to China have
rebounded.

For my commodities that I represent, that is
nothing further than the truth. China is still viewed very much as a dead market, and unfortunately, many of the mitigating programs, like I said, in the immediacy of that dispute, have expired.

And so, we ostensibly, what used to be a top-three viable market for many of my commodities is dead. Through the Coronavirus response, I would again echo that it was a net positive to help growers through the Farmers to Families to Food Box Program, which were, again, CSS dollars utilized to package produce boxes and other forms of subsistence boxes to distribute throughout the United States.

It again helped growers in a time of need, and while the commodities I represent have not had extensive experience with Sec. 32 purchases, again as we find ourselves especially in a disrupted supply chain to move many of our products out of the United States and into foreign markets, the Sec. 32 program continues to be looked at as a viable option to sustain, in the short-term, the domestic growers.

COMMISSIONER JOHANSON: Thank you, Mr. Lemay. And Antonio Tovar also wanted to speak. I don't know if he's still wants to talk?

MR. TOVAR: No, it was already said about incentives to buy locally. I think that that's a policy that is very important for farmers in terms of have access to the local market. That's another policy that incentivizes
farmers, especially small farmers.

COMMISSIONER JOHANSON: Could you speak on some of those programs, perhaps?

MR. TOVAR: Well, during the pandemic, something that was addressed, and it was already said, was the food boxes. Unfortunately, in many cases, they were destined for larger producers, not necessarily smaller producers, which is the community that we represent, are smaller producers.

COMMISSIONER JOHANSON: All right, thank you, Mr. Tovar. Would anyone else like to comment in response to this question? Mr. Lemay?

MR. LEMAY: Yes, I would just like to go back to the Farm Bill, and we're about to head into the reauthorization period of it, and I do think the challenge of our time will be -- for the last few Farm Bills it's been either a baseline or a budgetary cut period for the Farm Bill.

And I think as we see an adapting climate, adapting pressures globally, on U.S.-based growers, the challenge will be for the Farm Bill to meet the moment and potentially a need for that to expand its utilization so that domestic growers can meet the demand here in the United States but also through global demand as well of our product.

COMMISSIONER JOHANSON: Thank you, Mr. Lemay.

Alicia Barker would like to comment?
MS. BARKER: Yes, thank you. So, my comment is two-fold, one to speak to Oregon's current logging industry. What happens is, China will pay top-dollar for our logs, and we ship out the raw materials to them, and then, in-turn, they sell them back to us at a higher profit. This keeps U.S. companies from competing, both in attainment of raw goods and in production and selling of these finished products.

In addition, when foreign-owned companies make decisions to raise production in their home country or cut production in the U.S., it can also have impact on the industry and the community. It allows for manipulation of the markets that's not necessarily in the best interest of the U.S.

This happens by shifting prices, underselling, and flooding markets, and in addition, these companies often hire staff from their home countries to work in U.S. sites where there are already skilled laborers that can fit that bill. That would be something that we would like to see stringent policy around to make sure that we harness those types of practices to benefit the domestic worker.

In addition, we are noticing an uptick in the local farms being purchased by Japan. We'd like to see maybe something in the policy regarding trade for farmworkers.

COMMISSIONER JOHANSON: All right. Thank you, Ms.
Barker. Also, Ms. Mily Treviño-Sauceda would like to comment.

MS. TREVIÑO-SAUCEDA: Yes -- I'm sorry, I have the phone ringing at the same time. I'd like to add a little bit more in terms of the Farm Bill. The Farm Bill has been very, very important for the United States, especially the program that talks about the 25.01. This program, which is under the USDA, provides the opportunity for anyone that wants to become a farmer -- for beginning farmers.

I just wanted to bring up how important that program is. Why? Because we have seen, throughout the years -- I come from a family farm, and my parents were from Mexico. And my ancestors had farms, and as my parents came to the United States and some of us were of course born over here, they brought with them all these skills, this knowledge, but they didn't understand is how to work the system and how to work the rules, the regulations, et cetera.

And these kinds of programs are very good to prepare anyone who wants to become a small farmer and build their business. And I go along in terms of what has been said, how important it is for small business to be supported and protected here in the United States because, the majority of the time, small businesses are the first ones to break or close when situations like the pandemic happened.

And for the same reason, the Farm Bill has provided
other programs, which includes, under USDA, their Rural Development Program and other programs that are very good to many socially disadvantaged farmers. So, I just wanted to add that. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Treviño-Sauceda. The next person that would like to speak is Niaz Dorry, but Ms. Dorry, I was wondering if you could hold your comments for about 10 minutes while we take a little break? We've been going for over an hour. So, if we could have you first up when we come back in 10 minutes, if that's okay with you?

MR. DORRY: That's fine with me. My dog will even appreciate that.

COMMISSIONER JOHANSON: All right. I will too, to be honest with you. Okay. So, let's come back in 10 minutes, okay? And thank you all for your comments so far. It's been very interesting.

(Whereupon, a brief recess was taken.)

COMMISSIONER JOHANSON: Concerning the last question that was raised right before we left, and that question dealt with Government policies impacting international trade. Go right ahead.

MR. DORRY: Thanks for coming back to me. There were a number of issues that was talked about during the last session that I wanted to touch on, and I'll try to do it as
succinctly as possible.

One was the food boxes and the policy around those that many of our member groups -- so, just to give us a sense of who we represent, we have members across 44 states, and one of those member groups is the Federation of South Cooperatives that has membership across all Southern states.

The food box policy was a really important policy them but also for our members in Missouri Rural Crisis Center or Community Food Coalition in Kentucky and other places, not only because they were able to get real food versus what I call "unidentified food objects" to people who actually needed them, but it did something really important.

It's reconnected people to the source of food. That community element that I think we often forget when we talk about trade of commodities in such a sterile fashion that we forget that this is the most basic human need, and those farmers -- or fishermen in our case as well -- that are putting food on peoples' tables have been absent from their tables for a very long time.

And so, this community food boxes was reconnecting people, where we hear from fishermen and farmers across our member states was that it brought them a sense of connectivity and alignment again with the people who actually eat their food. And that is a sense of appreciation they don't often get in the global commodities market.
It goes beyond fair prices, which they also need. It goes toward that connectivity that they, I guess, crave, and they didn't really know it until these isolations we've been experiencing. And so, even though it's easy to think about those food boxes as a way to bridge this pandemic period, that should be the way we function, to bring food to people within their communities and reconnect us to the source of our food.

The second piece that was brought up by the person in Oregon that talked about logging, the example of logging and essentially the raw material that is exported and then brought back into this country through imports and through trade policies.

As I mentioned earlier, one of my hats is working with fishermen, and fishing and logging probably have a lot more in common than I thought because that's exactly what occurs within the seafood sector, where fishermen within our 200-mile exclusive economic zone are catching the fish, the fish is exported, and then brought back here, yet they are not reaping the benefits economically.

And what we found was the instability of the trade market really came home to roost with the pandemic for the seafood sector, and the case in point would be the state of Rhode Island. Suddenly, the entire seafood sector shut down, and what the fishing community had been advocating for for
years was to rebuild infrastructure, bring jobs back to the community. They had to do it under the guise of the pandemic, and now they're able to actually reap the benefits of what the pandemic brought them.

And I hope we do more of that, as we're rebuilding some systems, to address the gaps the pandemic has left in our food system. I hope we don't dismantle them because we somehow want to think that trade brings much more certainty than it actually does.

And then the final thing I wanted to say, I was really glad to see the voices of Ms. Treviño-Salseda, for example, talking about farmwomen, workers. Our membership stands in solidarity with farmworkers and their needs to be addressed, and of course the people of color the Farm Justice Community people spoke about.

I think it's also important when we talk about trade to realize those same disproportionately disadvantaged people exist in the other countries, and one of the reasons why some of our trade policies is favored is because we can take advantage of cheap labor and exploitation of people over there, the same kind of exploitation that we heard about that's happening over here.

And so, I want to caution us to not be xenophobic in this moment and not think about everybody that's over there is somehow taking advantage of our trade policies
because, in many cases, those workers are experiencing much more grave conditions than some of our workers -- not to undermine or underestimate what is happening to our workers here.

So, ultimately for us, trade is the equivalent of putting our own mask on first. You know, we need to feed our communities and concentric circles, and if there is anything left, we build trade policies to feed that into the global economies of scale, not the other way around.

COMMISSIONER JOHANSON: Thank you, Ms. Dorry. Does anybody else have any comments to follow up on that last line of statements? Okay. If not, let's move onto something else. In your opinion, how important are imports, exports, and foreign investment compared to other factors driving employment, wages, and working conditions for your communities?

UNIDENTIFIED FEMALE: Can you repeat the question?

COMMISSIONER JOHANSON: I will repeat it. In your opinion, how important are imports, exports, and foreign investments compared to other factors driving employment, wages, and working conditions for your communities? In other words, in your communities, how much is trade driving issues as opposed to other factors in the economy? Ms. Carranza?

MS. CARRANZA: So I know I mentioned it earlier, but in the olive industry, I think that trade has resulted in
the most significant impacts in our industry, as opposed to
some of the other problems that we deal with domestically.

Just for a little bit of context, in the table
olive industry, it was about 2017, one of our processors sold
a pretty significant amount of their shares to a foreign
company who also so happens to be one of the largest
importers of table olives to the United States.

As a result of that, we were successful in
obtaining antidumping and countervailing duties to help
protect some of our domestic supply from what was
happening -- with dumping, essentially -- to the United
States.

And as a result of this merger with this foreign
company, 90 percent of the domestic growers from that company
lost their contracts overnight. And so, I think that just
goes to show the impact that trade has on growers, and a lot
of these growers, as I mentioned earlier, are from small,
underdeveloped communities who this is their main source of
income and these farms have been in their families for many,
many generations.

And so, to lose that overnight was really
devastating to the industry. So, I think that's just an
example of the impacts that, you know, trade can have on
domestic producers here in the state of California.

COMMISSIONER JOHANSON: Thank you, Ms. Carranza.
Mr. Creamer?

MR. CREAMER: Trade's incredibly important, and it's a key factor. You have to have markets first before anything else, and that really supports the entire supply chain and everything underneath.

But let me just add another very, very important factor, and that is the cost of production. You know, when it comes down to trade, you know, free and fair trade, but here in the United States, and probably especially in California, it's the cost of production that's hurting a lot of growers.

The cost has skyrocketed. The citrus industry did a survey on navel oranges, just pre-pandemic, and roughly the cost to grow and produce -- and not even counting the harvesting and packing and getting to market -- was roughly $3300 an acre, significantly higher than what it was just 10 years prior.

And then when you add in the drought that we're currently in and the transportation and everything else related to COVID, just two years later we redid the survey, and costs were $3900 an acre. And so, you know, unless we're getting more money for our product, the growers and farming does not have the margins to support that.

And so, when you're in a permanent crop like citrus, you're basically going in the hole and just hoping
and praying that the market recovers in the future or there's
more water supply in the next year. And so, it's really a
death of a thousand cuts.

I don't want to pit, you know, any -- we've got a
lot of environmental protection that's good, and we need to
do it. We've got a lot of employee health and safety, and we
need to continue to do that. We have to first protect our
people and we care about our people, and anybody who is not
protecting their people needs to be dealt with because that
just brings down the entire industry.

But we have to do things in a very cost-effective
manner. Growers are problem-solvers. And so, a lot of
times, the Government gets involved and when you don't
involve growers in that solution set or the broader
agriculture community, you end up laying regulation after
regulation that doesn't really actually meet the needs.

And so, we've got ourselves into a situation where
just rising costs with no solutions, very little Government
support, and the only options for these growers -- and a lot
of them are smaller growers -- do they sell to a bigger one
who can spread out the costs a little bit more and hire
people to handle all the compliance issues or take more
financial risk.

And so, we've seen that in our communities, the
size of a citrus grower is continuing to get larger. I'm not
going to make value judgments on, you know, big or small, but that's the reality the Government policy has been influencing, and it's just getting more and more costly.

And so, when you talk about fair trade, those same rules and regulations are not in place, and so we're basically, you know, adopting new policies here and then ignoring it overseas and bringing it in and directly hurting those producers.

So, we need to do something in the United States, and especially in California, about finding ways to control the cost of production because it doesn't necessarily just hurt the growers, it hurts consumers and affordability. So, thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Creamer. Mr. Lemay?

MR. LEMAY: Yes, just want to follow up on Mr. Creamer's comments and support them. And actually, I can supply this article. It's an op-ed I authored recently for the California Stonefruit Industry with regards to -- I think the question is, is that all the compounding elements are making it hard to compete and sustain business within the U.S. space.

And so, for California Stonefruit, just in the last three years, we've had a 33 percent increase in labor costs. That's eight percent, 13 percent, and 12 percent,
respectively. We've seen a 100 percent increase in shipping costs over the last two years. Costs of pallets are up 50 percent, packaging 20 percent, and sea freight up to 50 percent.

For California Stonefruit growers right now, they've seen the equivalent of $7.55 per box, or $0.42 per pound since 2019. That's how much their costs have increased. Price at the retail space has only increased by $2.88 per box or $0.16 per pound. That's a $0.26 cents per pound difference in cost to what they're getting in the retail space.

And so, these are costs that are associated with doing their business, but the price they're getting for their goods are not equaling it. And that I think it, whether it's exports, imports, or just putting a piece of fruit on the table, those compounding elements are making it quite difficult to sustain ourselves into the future.

COMMISSIONER JOHANSON: Mr. Lemay, just to follow up on that, how is that impacting employment in the region, the factors you just named?

MR. LEMAY: Long-term it could have significant impacts, especially if you take into consideration, at least regionally here, some of the environmental impacts associated with drought. We can see a full-fledged reduction in production of our commodity sector.
And so, if we are not growing the fruits that we are currently growing because of the host of pressures on the industry, then there are no jobs. We saw recently -- again, this is not a drought-related hearing -- but UC-Davis and UC-Merced recently put out a study on the 2021 drought in California where upwards of 385,000 acres were fowled, leading to $1.5 billion worth of farms being lost (phonetic), and I believe 8400 jobs lost.

We have some other studies that point to, as reduction of water availability comes out, tens of thousands of jobs could be lost in the agriculture sector over the next 10 to 15 years. And so, if our businesses cannot sustain themselves, compete on a global and domestic market, then that of course will affect our employees.

COMMISSIONER JOHANSON: Thank you, Mr. Lane. And you mentioned you'd written an article; feel free to give that to our staff. And to any participants out there, either here in the building or virtual, if you have any written materials you'd like for us to see, please feel free to send them to our staff for consideration in our investigation.

We have another participating, Mr. Herrera, who is participating virtually?

MR. HERRERA: Hi, good afternoon. I apologize in advance for the background noise from my little co-workers here in my home office. I don't know if this is the
applicable part of the conversation to drop these two comments in with relationship to exports.

In the previous role I had at CSU-Fresno, we commissioned a study to assess the strength of the food and beverage manufacturing industry, the value-added component of the supply chain.

And at that point in time, we had found that there was a considerable amount of leakage that was making its way out of California, certainly leaving the shores of the United States to primarily eastern Pacific Rim countries, eastern Asia.

I would invite the commission to take a look at the opportunities to re-shore some of those value-added jobs to places like California, and specifically the San Joaquin valley, where you have the production agriculture, you know, providing ample supply for those value-added ventures.

I think with additional investments and infrastructure you could re-shore some of those jobs back to California, back to the United States. You know, we could chop, dice, and do anything else to the almond here in the San Joaquin valley that gets done abroad.

The study that I'll share with staff revealed the opportunities not just for businesses but also for employees. Those jobs provide an opportunity to move up the employment ladder, with higher paying positions and value-added

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production that pay more competitive wages than production agriculture.

And then the only other thing with regards to trade as, you know, our industries try to maintain their competitiveness abroad on the global market, you know, I would invite the commission to look at the effects that automation and technology have on the workforce here in the United States. We certainly are aware of displacement that happens to folks in different levels of the supply chain when automation, robotics come into play and, you know, help reduce the overhead costs.

But it does create some displacement issues that should be accounted for. I think we could be more proactive in creating transitional opportunities for folks resulting from displacement of technology. And so, that would be another consideration to consider. Thank you for your time. I appreciate the opportunity to contribute here today.

COMMISSIONER JOHANSON: Thank you, Mr. Herrera, and again, if you want to submit any written materials, please feel free to do so. Dr. Asci?

DR. ASCI: Serhat Asci. I'm a professor in California State University of Fresno. So, when it comes to your question, as an opinion, and also based on my research, imports and exports both creates jobs and employment in the valley.
Because, when we look at exports, exports are really important for our producers. They are, kind of, hedging their risk, or I could say, a kind of insurance, if price fluctuates in the domestic market.

And it's a great opportunity for them to, kind of, protect themselves. But when we look at the food supply chain, imports also keep the jobs of their farm sustainable, which is really important to keep also imports because we are seasonally producing some products.

But protecting also small farmers, in my opinion, is very crucial because when we look at the United States -- and I will talk about specialty crops -- our consumers do not consume recommended amount of fruits and vegetables. And California's the main production area, but still we are not producing enough to feed all our nation.

Almost 50 percent of fruits and vegetables are imported, which comes to our production in California. It is kind of hard to create new land and produce more fruits and vegetables. But as employment, I see what needs to be done in terms of policy and trade policies.

I think most USDA policies, they help for market access or insurance. But also, there should be more, maybe, support in technology co-developments, like AI robotics if they come into play, which will help our producers to reduce their cost and be more competitive in changing the dynamics.
of the food supply chain.

COMMISSIONER JOHANSON: Thank you, Dr. Ashi. And you mentioned most Americans don't eat their recommended amounts of fruits and vegetables -- well, I definitely buck that trends. So, I think you all should know I consume your products, like, all the time. Mr. Wiltschko?

MR. WILTSCHKO: Yeah, so, I just wanted to say that bad trade policies are a driving factor in inequality in the United States. The offshoring associated with the free trade agreements like NAFTA and, you know, other things like China's entry into the WTO have put real downward pressure on the wages and benefits of the jobs that are left.

You know, this hurts working people across the board with communities of color hit hardest. And, you know, I've personally worked in other states. I've spent time in Virginia, and I've seen communities that have been devastated by offshoring and communities where, you know, you had folks who had -- you know, I was in Martinsville, Virginia at one point, and I know this is California, but, you know, this is something that I'll never forget, how I had someone talk to me about how great his community used to be before all these jobs were offshored.

And a lot of folks didn't have opportunities to switch to different careers and, you know, they'd been working these jobs that could feed and support their
families, that could support, you know, children going to
college and could support, you know, buying a house.

And this guy who's 6'5", he was telling me this
story about his town, and he was tearing up about it. And I
still remember how I Googled that town right after that, and
the first article was "Third-world in the United States,
Martinsville, Virginia."

And, you know, there are so many towns, there are
so many places that have been devastated because of trade
policies that didn't factor in these things -- they didn't
factor-in these communities. And I'll definitely send over a
report on job losses in California specifically, and I'll
share that with your team. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Wiltschko.

And participating virtually, Alicia Barker would like to
speak.

MS. BARKER: Thank you very much. So, we are
seeing more and more foreign investment in our companies like
steel. This creates a situation where they control
production, and any impact they create within the U.S. to
that industry is not viewed necessary as a trade impact, as
production is occurring here.

We need to look at ownership of companies across
our nation and have a safety net, such as TAA for workers, a
program to protect them. Including the TAA for workers
reauthorization, the ability to look at foreign investment to our companies here and the impact they create in our own nation.

Oregon has a steel company that has seen multiple certifications via ITC decisions. Now, Russia holds interest in that company, so if Russia moves its business back to Russia, the U.S. laid-off workers would not qualify for the TAA because a foreign company can choose to take their production back home, leaving U.S. workers unemployed and not covered under the TAA Program. Thank you.

COMMISSIONER JOHANSON: Thank you, Ms. Barker. Mr. Wilschko again? Oh, okay. Yes, Dean Showers would like to speak now?

MR. SHOWERS: Thank you. I just wanted to shift gears. Before I came to work for Alliance for American Manufacturing, I worked in a steel company on the outskirts of a city in Pennsylvania, Reading, PA. In 2011, the city of Reading, PA was designated the poorest city per capita in the country.

And Reading was once one of the most thriving industrial cities on the East Coast. It had industries all over the place. When I was kid growing up, I could've walked out of the door and went to work for four or five different manufacturing industries.

But as the years went by, 2011, Reading was the
poorest city in the United States, and a lot of that was caused by terrible trade policy and companies closing down and offshoring or couldn't compete with the pressures from abroad.

My particular story, I worked for over 40 years for a steel tubing manufacturing on the outskirts of Reading. When I first started there, there were over 400 employees. Around 2011 when Reading got that designation, we were a union shop.

Our contract came up. We were locked-out. We weren't allowed to come back to work during a contract cycle, and the employer sent us a letter and basically said, look, I'm very sorry that this lockout has happened, but the lockout was due to pressures that we compete with China; we compete around the world, we compete with China, and to compete with China, we just cannot pay union wages, which I consider family-sustaining wages.

And it's not like we were at the top-end of the middle class. We were all -- myself and my coworkers at the time of the lockout -- we were down to about 65 workers. And we were by no means upper middle class, but we were doing okay. We were able to take care of our families and have a nice comfortable living.

Another factor that gets overlooked -- and I think my story could be told thousands of times across the country,
literally maybe 100,000 or more times across the country. Another factor that gets overlooked though was, at the point of that lockout and the end of that employment, myself and my co-workers, the 65 of us that were left -- and we were of many races and gender -- we were all older individuals.

We were approaching retirement, and there we were at the end of our careers basically left without employment. We were approved for TAA benefits, and that came up earlier in the discussions today. We were approved for TAA benefits because the employer said, look, they're losing their jobs because of trade.

I can't employ them unless they want to come back and work for just over minimum wage, which none us were willing or able to do. But we got approved for a TAA petition, and then we were disapproved from TAA because the Government looked at us, well, you're in a labor dispute.

And we said, well, you know, we're not on strike. We're locked out; the employer won't let us work. But that disqualified us for a TAA. So, programs like that, there's still a lot of slippage that people can slip through the cracks.

So, the point I wanted to make was that until we shore-up trade policy that doesn't have us competing against the lowest wage-earners in the world, there's going to be job loss in the country.

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We have to have trade policy that allows our manufacturers to compete in a fair market, and it also lifts the workers around the globe up into a better class of living. And until our trade policy addresses all of those issues, you know, it's not going to be good policy.

So, I urge you at the ITC, trade is not a one-size-fits-all. There really has to be thoughtful process to put our trade policy in the best interest of workers, no matter what sector they're from. Thank you.

COMMISSIONER JOHANSON: Thank you, Mr. Showers. Would anyone else like to respond to this line of discussion? Okay. If not, we have about 10 minutes left until we meet the two-hour mark, and I want to know if any Commissioners would like to raise questions. We'll start with Chair Kearns.

CHAIR KEARNS: Thank you, Commissioner Johanson. I think this has been a great roundtable discussion. I really appreciate everybody's input in this. I guess I had two questions. I'll just start with one and let other Commissioners ask and maybe come back to the other one.

I guess one thing I'd like to hear a little bit more about is I think some of the folks we've talked to today have told us about how trade has beneficial for their industries, and others have talked about how trade has been harmful for their industries, but if you can tell us a little
bit more about how that impacts different groups within your industry?

So, you know, the study we've been asked to do is trying to understand how underrepresented grounds are impacted by trade. So, I mean, even if you benefit from trade, if your industry benefits from trade, what we're trying to understand is are underserved communities not benefitting as others, whether that the racial minorities, whether it might be women, and that's a really hard question to answer

It's a sensitive question, so it's a little bit difficult to talk about anyway, but it's also a little bit hard to answer, I think, because it's hard to know kind of how to compare how one person's doing to another. But does anyone have any thoughts on that?

And we were talking about these policies, you know, just to give you some examples of the types of things we're thinking about, you know, one example is workers that have to pay tariffs on their imports, people that have less disposable income are more impacted by that -- more harmed by import tariffs, and those workers tend to be more likely to be underrepresented or underserved.

On the other hand, we know about some industries where imports have maybe decimated an industry, and those industries may be disproportionately women,
disproportionately racial minorities -- I'm thinking, for example, you know, the apparel industry in the United States in the 20th century, disproportionately women in there, and that industry was lost.

So, can you help us, thinking for the industries that you all represent, how to think about those issues? What impacts has it had, more or less, on underserved groups? I know it's a really hard question, but whatever you can tell us would be helpful. Mr. Creamer?

MR. CREAMER: Yeah, it's incredibly difficult, and my first comment would be, you know, agriculture sometimes is seen as, you know, white farmer and Hispanic farmworkers. And while there's some of that, but in California, it's incredibly diverse.

And if you look in the next 20, 30 years, I think you will see that continue to change. The younger generation is getting involved in agriculture. The ladders of opportunity are there, and I hope that's something that continues to grow.

But it's really hard to, you know, import, export. It all comes down to the bottom line. Some growers, you know, do both. And for the businesses and for the farmworkers and for the communities, it really all depends on is there employment still there, are those employment opportunities, you know, growing and expanding, or are they
shrinking?

And I would argue that they're probably shrinking. They're not growing. So, I think it goes more back to competitiveness. So, trade is a balance, and it has to be focused on the United States first, and then, you know, the opportunities can be expanded from there.

But it's very hard to segregate-out the agricultural community between underserved populations and growers, and it's all, sort of, one sort of community, and there's always, sort of, give and take and improvements that can be made along the way.

But we don't have our businesses without, you know, the communities that surround it. So, we're all connected, and I think that's why it's very difficult to segregate those things out.

CHAIR KEARNS: And I really appreciate your recognizing the nuance of trade in all of the things that you said today. But one thing I'm hearing you say is, at least in California, the ag community is much more racially diverse than most people might expect and that the opportunities in agriculture may not be as good going forward as they have been in the past, and that has something to do with trade. Is that right?

MR. CREAMER: I can just share with my own personal experience. I mean, our Board is very diverse with, you
know, different ethnicities and also sexes, and I see that in our citrus industry. And I see that the next generation that's coming forward, you know, start out working in the field, and now they're buying property and expanding, or maybe they're in farm labor contracting and now they've bought their own property.

And so, there are opportunities moving forward, but it all relies that the business sector is competitive moving forward as well for all those communities to sort of have that ladder of opportunity.

CHAIR KEARNS: Okay great, thank you. I heard Mr. Tovar also wanted to respond?

MR. TOVAR: Yeah, I would say that there is some differences that affect communities in different levels, especially when there is not a very fair commerce or trade. We have seen it in some policies that sometimes put a lot of barriers, and then there is a war of tariffs.

And also, that affects commerce, and that's going to affect, in a greater level, the farmworkers who have a smaller net worth or net income; they will be more affected than other sectors. And we can see it also even in meat packing, how those workers are more vulnerable than others.

CHAIR KEARNS: Okay, thank you. And then Ms. Murphy?

MS. MURPHY: Thank you. Just to say I think that
one of the things to think about if you're trying to isolate trade as a variable, it's quite a complicated thing to do. But one of the things to understand is people don't all come at the change from the same place.

So, your access to land, your access to education, access to credit, access to extension services, all these things will play into whether or not the disruption that a change in trade flow will create is something that your community is able to take advantage of or that you as an individual are able to take advantage of.

So, I think that's one thing, and I think another thing is to understand that an awful lot of what trade is driving around investment and around technology has a really big impact on agriculture, but it's not at all connected to an agricultural trade negotiation.

So, to be understanding that, you know, the trade relationships, or the conversation that we're having with trade partners around environmental standards or around access to information, digital technologies, a lot of the services agreements, these also have a big impact on the conditions in which communities will experience a change in market access.

And so, I think that would be another overlay to have, to understand that trade would be disruptive, and it can disrupt and concentrate power further, or it can disrupt
and break existing concentrations of power in a market, and that will depend not so much on whether it's citrus or grain -- that will matter, but there are a lot of other things that can be looked at that are important in terms of what other things people have access to in order to take advantage of a new opportunity.

And I would mention with that, just as a last point, of course the movement of labor is critical, and you saw with NAFTA what happened to production in Mexico had a huge impact on then a labor force that was sucked into U.S. production under very unequal terms and had a big impact then here on jobs and employment and is now having an impact on who is buying land and farming, the change of who is producing food, say, in the Midwest.

That's all resulting out of trade agreements from 20 or 30 years ago, and the way in which we liberalize capital and certain goods and not labor not on the same terms, that kind of thing.

CHAIR KEARNS: Okay, thank you. And can you tell us what organization you represent, Ms. Murphy?

MS. MURPHY: I'm sorry -- The Institute for Agriculture and Trade Policy. I'm speaking to you from Minneapolis today.

CHAIR KEARNS: Okay great, thank you. And you gave us a lot to think about. Is there something you could submit
to us written that would better kind of flesh-out some of the big points that you've made there?

MS. MURPHY: I would be glad to. We've been around a long time and have written a lot of things, and I would be very glad to share some of that. I was hoping to listen today and understand some of the questions, and I saw the chance we could follow up after. Thank you.

CHAIR KEARNS: Okay, good. Thank you. And then Mr. Wiltschko?

MR. WILTSCHKO: Yeah, Will Wiltschko, California Trade Justice Coalition. You know, I actually grew up in the Salinas area in California. I went to school with some of the families that own a lot of the farms, some of the biggest ones -- maybe some of your employers.

And I also interacted and went to school with folks who were the children of farmworkers. And in my experience, especially in Salinas and those areas, a lot of the workers -- you kind of put it together as you go through your career -- but a lot of the workers were displaced originally by NAFTA.

You know, you had, what, 1.3 million family farmers in Mexico who lost their livelihoods, right, and you have massive migration to the United States where folks can either, you know, work on the border at Wa'quila Tores (phonetic) or come and work on these farms.
And, you know, I don't know if you guys have seen, like, the conditions at some of these farms. You know, some of you might have, some of you might not have, but these aren't great, like, working conditions. They're basically, like, 10 people in a room, 20 people in a room, bunkbeds, all that.

And, you know, a lot of the folks I know who owned a lot of the farms were white, and a lot of the folks who worked the fields were Latino. And, you know, that's something that I think persists to this day in California; it kind of persists in a lot of places.

You know, a lot of working people who don't speak English are often exploited by these industries. You know, one of the things that I'm here to talk about especially is, you know, manufacturing. And, you know, manufacturing is really important, and these kinds of good union jobs are particularly important for communities of color.

So, I have some facts and statistics here, but, you know, supporting new manufacturing jobs is important for black workers, you know, who've been particularly hit hard by globalization and the decline in manufacturing employment.

So, while black workers' share of total employment increased from 11.3 percent to 12.3 percent between '98 and 2020, their share of manufacturing employment was essentially unchanged.
Meanwhile, they experienced the loss of over 646,000 good manufacturing jobs during that time period, which is a 30.4 percent decline in total Black manufacturing employment as part of the overall loss of more than 5 million manufacturing jobs between 1998 and 2020 -- and this is from the Economic Policy Institute.

You know, another key finding in this study on diametrics, and I'll happily share it with folks is that, you know, Black, Hispanic, Asian American, Pacific Islander, and White workers without a college degree all earned substantially more in manufacturing than in non-manufacturing industries.

For medium-wage non-college-educated employees, Black workers in manufacturing earn $5,000 more a year. So, that's 17.9 percent more than in non-manufacturing industries. Hispanic workers earn $4,800 more per year; that's 17.8 percent more.

API -- Asian American Pacific Islander folks -- earn $4,000 more a year, which is 14.3 percent more, and white workers -- you know, there's going to be disparity here -- earn $10,000 more per year -- so, it's 29 percent higher.

So, manufacturing wage premiums are also substantially larger for all workers at the 10th percentile of the wage distribution.
I think my point here is that what we're pushing for is we want trade deals that uplift working people across the world. We don't want trade deals that support jobs where, you know, people are living in poverty and they can't afford homes.

And that's something that I think a lot of my coalition members from the California Labor Federation, from the Sacramento Central Labor Council, and other folks that agree on it, is that we need good paying jobs in this country where folks can live here -- especially in California where prices have gone up exponentially over the last few years.

Thank you.

CHAIR KEARNS: Thank you very much. I think Ms. Barker also online wanted to comment on this, and then after that I'll turn things back over to Commissioner Johanson to go to the other Commissioners.

MS. BARKER: Yes, thank you -- I'll be quick. So, in Oregon, we had a company where 2000 food production workers were laid off. 90 percent of those were English-as-second-language, and they faced multiple barriers. The impacts were felt harder with those workers.

Without access to technology, these workers are lost in the system and unable to access services, let alone gain skills and become reemployed, and this is significant with the COVID virtual environment that increased someone's
ability to be unable to walk into an office and receive services.

Thankfully, they qualified for the TAA for workers program, and they are beginning to connect to get needed services through our TAA technology to underserved populations pilot. So, we have noticed that there is a significant impact between access to reemployment and training services in underserved populations. Thank you.

CHAIR KEARNS: Thank you.

COMMISSIONER JOHANSON: All right, next we're going to move in order of seniority to the Vice Chair of the Commission, Commissioner Stayin, and we have gone past two hours, but I encourage you all to stay around if you'd like to continue with the discussions. Vice Chair Stayin?

VICE CHAIR STAYIN: Thank you. Thank you all for participating. We've learned some very important things. One thing, Mr. Wiltschko, from a manufacturing standpoint, has the state of California benefitted from trade in the sense of foreign producers shifting and opening production facilities in California and therefore increasing or taking over those who have lost jobs? Has that happened at all in California?

MR. WILTSCHKO: From my understanding, and I'm happy to follow up via email with folks, I think that the negative impacts overall kind of outweigh the positive.
That's what I'm seeing from my reports here. But I'm happy to follow up more extensively on that and check the figures, because I'd like to check the figures.

VICE CHAIR STAYIN: In terms of employment in manufacturing, how would you say that compares to agriculture employment?

MR. WILTSCHKO: I mean, let's see. What percentage of California's GDP is ag right now?

VICE CHAIR STAYIN: Yes, but also in terms of workers set-up.

MR. WILTSCHKO: Well, the manufacturing jobs -- the well-paying union manufacturing jobs -- have significant, like, economic benefits, not just for the workers and their families but for the communities at large. You have workers who are making living wages and, you know, these union jobs, we've always kind of talked about these union jobs. They are jobs in which you could, like, afford to buy a house. You have healthcare benefits. You have, you know, just these things that let you save money. And these jobs, they've been going away in our country and, you know, my generation, I'm 30-years-old, in particular is noticing that. We're more concerned with that than I think previous generations because we've seen job growth in this country in the last few years. And, you know, but you talk to people, you talk to
Americans on the ground, you talk to Americans in California, you've got, like -- what are the jobs in? What are the industries the jobs are in? A lot of these jobs are in the gig economy, or you're working at an Amazon warehouse and they're not jobs that you can afford to live off of. You have to take multiple jobs. And so, I think the comparison -- and I know there's great jobs in the agricultural industry and, you know, I have family members who are working great jobs there.

But I think in terms of numbers, it's higher than the agricultural industry, and there's more higher paying jobs in the manufacturing industry than in the agricultural industry. And I'd love for that to change; I'd love for there to be more high-paying jobs in the agricultural industry, and I think that's a possibility someday.

But even in terms of just, like, the numbers overall and how much, you know, manufacturing is part of California's economy versus how much agriculture is part of California's economy, it's like, what, 12 percent versus two percent, right -- like, something like two percent. I'm not sure if I have that number right, but still, it's different. It's a different kind of sector.

VICE CHAIR STAYIN: So, would you say that there are jobs being lost in manufacturing? And we have heard today about a lot of jobs being lost in agriculture and some
really tough stories, you know, a lot of things for us to think about.

In terms of manufacturing, you have also had quite a few jobs lost in California as manufacturing has left?

MR. WILTSCHKO: Yes, quite a few job losses in recent years. I have a report; I could send it over. But we did a report on California's trade-related job losses. Especially in manufacturing, it is, you know, 123 percent increase in trade-related job losses over the last three years in comparison to the three years before that.

So, it was, you know, 26,375 job losses certified for TAA under petitions filed between 2017 and 2019 compared to 21,507 between 2014 and 2016. And the state likewise suffered 158 percent increase in trade-related job losses in 2019 over 2018.

So, California in a lot of ways is kind of the hardest hit state in the country. It's suffered the highest trade-related job loss numbers in the country, you know, from the period of 2017 through 2019, and these rankings are worse than Washington State's historical position as the state with the second most TAA certifications in the country.

And, you know, I have 100 TAA -- cities here, like, pages of cities with job losses over 100 in just the last few years, and they're certified job losses under the Trade Adjustment Assistance Program. So, California's been hit
really hard by that, and I'm happy to send that report over. Thank you.

VICE CHAIR STAYIN: Well, as Commissioner Johanson has invited you earlier to supply a copy of that report, I think we would really appreciate having it.

MR. WILTSCHKO: Absolutely.

COMMISSIONER JOHANSON: Vice Chair Stayin, I might point out, if you can't notice since you're virtual, Mr. Lemay and Mr. Creamer would like to speak too in response to your question.

VICE CHAIR STAYIN: Please do.

COMMISSIONER JOHANSON: I think Mr. Lemay was first.

MR. LEMAY: And my only comment with regards to references to job losses in our industry, I would say that California still remains a robust agriculture economy, even though in the pure numbers of GDP our importance often seems to be diminished.

But we would think, even with that two percent, what we produce has immense value to sustaining life.

Clarification, the report I referenced earlier in terms of job loss is associated with the 2021 drought was 8,750 jobs last year were lost due to the idling or fouling of land associated with drought.

And I would say any transitions we've seen in more
recent years with regards to agricultural jobs has really been about going back to the word "competitiveness", and we've seen transitions away from labor-intensive jobs, much of which are associated in the commodity sectors that I represent, because of our continued dependency on an available labor force, moving towards agriculture commodities that can be done through mechanization, automation which, I would challenge, has a bright future for the agriculture sector, in terms of upscaling, retraining, and thus improving the ag economy in terms of wages and protection for those employees.

So, there's a lot of challenges associated with our industry right now, but there's also a lot of promise.

COMMISSIONER JOHANSON: And Vice Chair Stayin, so you have Mr. Creamer and Mr. Wiltschko would like to speak, and I might suggest, after that, I know some of our participants are looking at their watches, we can move to Commissioner Schmidtlein?

VICE CHAIR STAYIN: Mr. Creamer?

MR. CREAMER: Yeah, I just also want to comment on the two percent of the GDP. California is a huge state, and while agriculture might be, when you look at the rawest numbers, two percent of the overall GDP, that is heavily skewed to the larger population centers, the urban centers, the coastal areas.
In the central valley and in the rural areas, agriculture's probably, on average, 60 percent of the GDP here. And so, we're a large state, and agriculture is very important. And in some of the communities that I'm nearby to, I would almost guess it's probably 90 percent of the overall economy.

And so, it is very regional, and it needs a deeper dive than just looking at the overall California statistics. And I also want to point out that that two percent statistic really looks at just the base, and agriculture today is not just about the farmer on the ground and the farmworker doing the harvesting or the farm employee doing the spray applications, there's pest control advisors, there's nutrient management specialists, there's irrigation technology manufacturing.

There's all kinds of technology happening. There's insurance agents. There's so much more to the agricultural sector than just the raw farm inputs. And so, you look at that, it is incredibly important in the underserved communities that agriculture is in, and I just cannot stress the importance of it.

And I would also -- I don't have statistics behind it, but I would probably guess that a lot of the jobs that have been lost from California, yes there's trade impacts, but it's also because of the lack of competitiveness here in
California.

We are a very expensive state to do business in, and it's a highly regulated state. So, every time you peel the onion it's something different, but I just wanted to point out, and really for our rural communities, we are a very, very important part of the communities. Thank you.

VICE CHAIR STAYIN: Thank you. Commissioner Schmidtlein, would you like to ask your questions?

COMMISSIONER JOHANSON: Vice Chair Stayin, I might state that Mr. Wiltschko had his placard up, and then we can move onto Commission Schmidtlein.

VICE CHAIR STAYIN: Okay, yes.

MR. WILTSCHKO: I'll be fast. I just wanted to state that the importance of the agricultural industry in California can't be understated because, you know, it's two percent yeah, but we supply most of the produce to the rest of the country and a large portion of the world.

And I will say that, in this report, a lot of the job losses -- a significant portion are in the agricultural industry too.

VICE CHAIR STAYIN: Thank you very much. Thank you all for your testimony.

COMMISSIONER JOHANSON: Commissioner Schmidtlein?

COMMISSIONER SCHMIDTLEIN: Well thank you. I'm going to hold my questions, since I'm conscious of the time.
here, and I just want to thank everyone for participating on this panel. I think it's been a very, very enlightening discussion and very helpful. So, thank you all for being here today.

COMMISSIONER JOHANSON: Thank you, Commissioner Schmidtlein. Commissioner Karpel, do you have any questions for us?

Okay. I don't think that she does. I might state that we have gone a little bit past our two hours. It turns that the conversations are really picking up now, so if you want to keep talking, feel free to, but I understand that you all also have other things to do.

So, if you'd like to stay, you're welcome to maybe give some concluding comments if you'd like, but if not, we certainly understand. And that goes for the people who are participating virtually, as well.

Okay. Well actually, Chair Kearns would like to pose another question, if you all have time to stick around.

CHAIR KEARNS: Great, thank you. I'm just thinking back to something that you said, Mr. Creamer, and then something that Mr. Lemay also said. Mr. Creamer, you were talking about how much costs have increased, I think, pretty dramatic numbers.

And you also mentioned, I think, environmental regulations. And so, I guess, kind of two questions. One
is, tell us more about why the costs have gone up so much, if you can -- you know, what specific costs have gone up?

And then I'm also just curious, I think what I heard you suggesting was that, in California, you have some very good environmental regulations but that, if I understood you right, you were saying, when it comes to imports, maybe we don't require the same level of high standards when it comes to the environment.

And so, I just wanted to make sure that I was hearing that right because I thought it was in the context of, you know, what kind of policies might you suggest to kind of improve the impact of trade? And so if you could speak more to that?

And then, Mr. Lemay, I heard you say something somewhat similar on labor. I think you were more focused on how labor costs are very high, and I just wanted to know if you had any thoughts on that and if it's kind of the same situation of, you know, imports versus domestic production, where domestic production has higher labor costs and if there's things we can do in trade agreements to, kind of, make that a more level playing field or what your thoughts on that would be helpful as well.

MR. CREAMER: For the citrus industry, the cost dynamics are roughly one-third pest and disease related, one-third labor related to get everything to the market, and
then one-third water. So, you talk about regulation, and most of the citrus production is south of the San Joaquin delta, reliant on rainfall -- very dry area.

The Mediterranean Climate Water Policy in California has been incredibly difficult, and then you've got the implementation of the Sustainable Groundwater Management Act. And so, in the middle of a drought, the cost of water increases significantly, and that is a major driver.

In Coronavirus times, you know, the labor market has tightened up for all sorts of reasons, and that has significantly gone up, and still we're paying significant wages just to get food to the market.

The pest and disease related and fertilizer costs and transportation costs, it's just all of those things just continue to expand significantly in the last couple of years. And I just want to maybe make one more point so that it's clear; my colleagues in Florida get a lot of attention for citrus.

California is the largest citrus-producing state in the country. We produce close to 90 percent of the fresh citrus domestically that's available. And so, if you're talking about the fresh citrus, it's coming from California, and we're in a significant water shortage in an area.

So, there's all kinds of environmental regulation, and look, they all have good intention and good reason. I'm
just more about finding ways to make that work better. But the drivers are the three that I mentioned, for us.

CHAIRMAN KEARNS: And then if you could just tie that back to -- on policy, you said something about how, with imports, they don't face the same cost.

MR. CREAMER: Well, let's do one example, the Food Safety Modernization Act. There was significant regulation there. The Department of Food and Ag is doing that, and there's inspections, and there's retailers that are applying, sort of, the same standards and raising the standards there.

I would argue significantly that the same standards are not being followed by what is imported. It's just a matter of the resources. How could you possibly -- the USDA or anybody else -- enforce the same regulations and do the same auditing here on California producers that's happening overseas? It's just impossible.

And so, retailers, you know, it's a cost business, and they'll find the product somewhere else. And really, the costs are borne by us, but we don't see it being a fair playing field.

CHAIR KEARNS: Mr. Lemay?

MR. LEMAY: Yeah, I would say that, whether it's the environmental policies or those associated with labor that I made comments about earlier -- and just so everyone knows, California, as of January 1, has a $15 minimum wage,
highest in the nation.

As it was identified earlier, we have now transitioned, in agriculture, under the Fair Labor Act, that we've now transitioned to a 40-hour workweek within the agriculture industry, where that is now our overtime threshold beyond that period.

And so, these are all -- and I think anyone who's been in this hearing today probably can argue pros and cons associated with all of it -- my point is, is that as you transition these new elements of business, there are costs related to them.

And as costs increase, you know, consumers both within the United States have a had a very low cost at the place of retail on food. Although we're seeing some inflationary elements within the retail space now, over time, those have not relatively increased.

And that was the statistic I gave earlier that I'll share again with the op-ed I wrote earlier. With California stonefruit, over the last three years, we've seen a $0.42 per pound increase in our costs. The retail space, we're seeing $0.26 increase of what my members are getting per pound.

Costs are not sustaining themselves with what we're getting paid to do. And my members love to farm. It is what they love to do. If you can't sustain the business, they can't do that.
And so, again, I'm not criticizing any of the
policies that have been put in place, but I will identify that
they have increased our operating costs, and those are
operating costs specific to California that other states do
not have to abide by, and those are other costs specific to
California that many import countries do not abide by.

And so, it's very hard, but I would say that our
growers also are quite proud that we operate with these high
standards. Fresh produce that we're putting in domestic
retail spaces and retail spaces around the world is at the
highest quality, meeting the highest standards, bar none.
But, at the endpoint, our members have to stay in business,
and that has to, you know, equal itself.

CHAIR KEARNS: Thank you. I guess I have just one
more question. Maybe this might be more for some of the
participants who are online, but going back to my first
question about kind of the distributional effects, one thing
we haven't touched on as much is how are small grower -- and
also for the witnesses here, I think you all may have
something to contribute as well -- small growers versus big
growers impacted by trade. How are workers affected versus
grower? How are migrant workers affected versus U.S.-born
workers?

And again, this is going pretty late, but if you
have any quick thoughts on those issues now, or if you want

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to submit something to us after, we'd appreciate that. I don't know if there's anybody online. Mr. Creamer?

MR. CREAMER: Yeah, I'm just going to say it's all connected, again. I think Will or somebody brought it up earlier that the larger growers are able to do the exports, right? So, that is true. It's more complicated. There's more restrictions and more requirements.

But again, it's all connected. In China when we were displaced in the Chinese trade dispute, what did those exporters do? They pushed more into other export markets where they could -- and this is the citrus industry -- but more of it went on the domestic market, right -- and so, in direct competition.

And prices went down. In the navel market in particular, during the first year, our season that we were subject to the high tariffs, we saw a $9, you know, prices that we were paying for our citrus, well below our cost of production.

That was because when there was a little bit of a surplus because that supply was coming in, it was a race to the bottom, and everybody was just trying to manage the losses. And that affects everybody. And so while export is predominately probably the larger growers, our small family farmers were the ones getting nailed with the downward supply. So again, there's a market for everyone, and it's all
interconnected. Thank you.

CHAIR KEARNS: All right, thank you all.

COMMISSIONER JOHANSON: Okay, would anyone else like to speak up on any issue that's been raised today? If not, I certainly understand because we have gone over our time by about a half hour. I think we'll conclude at this point.

I would like to state that we really appreciate you being here today. This has been very informative. The reason we're in California is to hear from you folks. We decided to come here as opposed to doing a similar roundtable in D.C. on this subject, and I'm very glad we came. And we appreciate you being here today. And with that, the roundtable concludes. Thanks again.

(Whereupon, at 3:35 p.m., the roundtable in the above-entitled matter concluded.)

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TITLE: Distributional Effects: Underserved Communities
INVESTIGATION NO.: --

HEARING DATE: March 8, 2022

LOCATION: Fresno, California

NATURE OF HEARING: Roundtable Discussion

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

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