

Informational Hearing

**Senate Committee on Agriculture
Senator Anthony Cannella, Chair**

Invasive Pest Prevention in California

Los Angeles, California

December 14, 2011

SENATOR ANTHONY CANNELLA: Good afternoon, ladies and gentlemen. Welcome to the Senate Agriculture Committee informational hearing on *Invasive Pest Prevention in California*. I've got some opening remarks.

Today's hearing will examine the growing pressure of invasive pests on California and their impact on our state. Stopping invasive pests is critical to protecting our \$37 billion agricultural industry. Right now, federal, state, and local officials are battling new introductions of harmful pests like the Asian citrus psyllid which can spread disease in citrus trees, devastating California citrus. However, invasive species threaten more than just our ag industry; invasive species pose a clear and present danger to all of California.

Here in Los Angeles, agencies are working to eradicate and control many pests that could harm urban landscaping, waterways, and public health. The negative impact to our state economy from invasive pests is approximately \$3 billion per year, and that is not just an ag or rural concern. In today's world of fast transportation around the globe, urban centers have a role to play in protecting our state from invasive pests.

We are here today to examine and learn about control methods for invasive pests in California, particularly what role urban areas have in stopping these pests. The old saying "an ounce of prevention is worth a pound of cure" is so very true with the control of invasive pests.

During our current fiscal crisis, we have already seen reductions in programs to control the red imported fire ant, which can injure the unsuspecting person who disturbs the nest; the Pierce's Disease Control Program, which has worked to protect

California vineyards; and the medfly prevention release program, which has been so successful at controlling medfly without intensive chemicals. Such programs have a history of successfully leveraging the capabilities of federal and state partners to combat invasive pests.

I will just add that my goal is to understand the issues, and I've done quite a bit of research since we decided to do this hearing. But also, it's my goal to have action items out of this. What can we do to help mitigate the problems that are being created because of our tough, our fiscal climate, obviously, but I want to know real things that we can try to work on this year, and that's really the goal from this hearing for me.

So I don't know, Senator de León, if you have some opening remarks.

SENATOR KEVIN de LEÓN: Thank you very much, Senator Cannella. First and foremost, I want to welcome you to Southern California and, particularly, the city of Los Angeles. It's an honor and a privilege to be here with you as well as your staff and to those who are going to testify today regarding a very important issue. So I do want to thank you for your hard work and your leadership as chair of the Senate Agriculture Committee and for bringing this very important meeting with regards to invasive pests and what we can do to prevent it from metastasizing here in the state of California.

This issue is of particular interest to me given the constant pressures from quarantined pests and the associated treatment programs that impact the city of Los Angeles and, specifically, my district. Fruit fly efforts such as the medfly, the oriental fruit fly, the Mexican fruit fly, as well as what you just underscored, Senator Cannella, the Asian citrus psyllid, create constant threats to the greater Los Angeles area. The pressures appear to be increasing given the current University of California's reorganization of its invasive pest program due to the heightened threats. The University of California cited threats ranging from the eucalyptus tree dust to the Africanized honeybees, to red imported fire ants, to weeds and fish plugging our waterways. As we look to the future to solve this imminent problem, we must be able to determine how and why invasive pests ... in order to prevent another ash borer. I should say, what the *Time's Magazine* calls or has characterized as "the bug that's currently eating America, with over 60 million trees that have perished throughout 15 states throughout the country."

I represent an area here in the city of Los Angeles that has been affected by the psyllid pest, and we have examined certain parts of the district, specifically Echo Park, where we have found this invasive pest. This is very important to me given the fact that we have a very critical agricultural industry, the most sophisticated in the entire world. We have seen what this has done in other parts of the country, for example in the state of Florida, as well as what it's done to the citrus industry in Brazil. So this is a very, very important issue to me, especially given the fact that I have one of the nation's largest produce markets in downtown Los Angeles, as well as the largest cut flower market in the entire country, larger than Seattle and larger than New York City, Chicago, or San Francisco.

So to me, I'm glad that we're working together from the Central Valley and from an urban area such as the city of Los Angeles. Because the reality is that we in the urban areas have to be supportive of the efforts in the Central Valley to make sure that we stay competitive; not just dealing with the outside markets—whether we're dealing with Chile or Spain or South Africa, Portugal that compete in the same market—but more specifically, as this hearing is focused on, the issue of these invasive pests and what we need to do. Because we've seen already examples throughout the world where this has devastated the crops, especially given the fact that in Florida, which they've done, and I'll give them credit, a wonderful example of the citrus industry, which in fact the reality is the citrus, the oranges in Florida, it's only good for juice—that's it. I mean, when we're talking about table oranges or when we actually peel, whether it's seeded or seedless citrus, that's mostly California, and we have to protect that industry there. And the urban component in this large equation is very critical because without the urban consumer there's no Central Valley. It's just that simple. And that's why the folks who live in Los Angeles or in San Francisco, San Jose or San Diego, although at times it can be so politically and culturally, it just seems like we're so far from each other, the reality is we're linked together. And we need each other to make sure that we can make this industry survive and thrive, and that's why we capture it in Southern California. We want to make sure it just doesn't migrate itself north, devastating crops.

So with that, I want to thank you, Mr. Chair Cannella, for having the foresight to organize this. And, hopefully, we'll get some good information so, like you said, we can move proactively.

SENATOR CANNELLA: That's great. I'm going to invite the panel up next. But you mentioned something about consumers in California. But I learned from Kurt Floren, who is one of our panelists, that the state of California provides 50 percent of the fresh fruits and vegetables, feeding not only the State but the U.S. population. So that's pretty significant. And so, this is very important not only just for our economy but for our ability to eat fresh fruit and vegetables. So it's a very important topic.

So with that, I'm going to ask our first panel to come forward; and that's Dr. Robert Leavitt, Director of Plant Health and Pest Prevention Services at CDFA; Helene Wright, California State Plant Health Director, USDA/APHIS; and Kurt Floren, Los Angeles County Ag Commissioner. So if you'd like to come forward.

Thank you very much, first of all, for being here. And whoever would like to start.

MR. ROBERT LEAVITT: Thank you. I'd like to say thanks to the California State Senate Agriculture Committee, the Chair, Mr. Cannella, and also to State Senator de León for convening this hearing on this important topic today.

And I'm Dr. Robert Leavitt. I'm the director of Plant Health Services at the California Department of Food and Agriculture. And I think I'll start this morning.

First, I'd like to say that our mission at the CDFA, the Plant Division, our mission is to protect California from the damage caused by the introduction or spread of harmful plant pests. And that's in all of our annual reports and in our mission statement.

I say that I love California, and invasive species love California for the same reasons that we do: the mild Mediterranean climate, varied but not extreme, the developed water resources, and plenty of sunshine.

As you said, California agriculture is worth about \$37.5 billion per year at the farm gate value. California agriculture produces more than 400 different crops. California, also as you said, produces nearly half of all the U.S. grown fruits, nuts, and vegetables in the United States. This ranks California agriculture as number one in the U.S. by dollar volume. In fact, California agriculture accounted for 12 percent of all U.S. agriculture trade in year 2010. Many people don't know this, but if California were a separate nation, it would rank number five in terms of world agriculture.

California is the sole producer in the United States of many crops, including almonds, artichokes, dates, figs, raisin grapes, kiwi fruit, olives, cling peaches,

pistachios, dried plums, pomegranates, sweet rice, and walnuts. Many California agricultural crops are exported, in fact, almost two-thirds of all the export phytosanitary certificates issued by the USDA. These are to prove that agricultural products are free from invasive pests so they can be exported to other states or countries. Almost two-thirds of these are actually issued in this great state of California.

But with all this bounty comes increased risk from invasive species. Most invasive species probably enter this state through tourism or trade. More cargo enters the U.S. through California ports than any other state. The combined Port of Los Angeles and Long Beach is the largest seaport complex in the United States in terms of cargo. Almost 300 million tons of cargo enters the U.S. through the Los Angeles-Long Beach seaport complex every year, and approximately 44 percent of all food items that enter or leave the United States pass through California ports annually. With all this tourism and trade come invasive species.

Currently, the Department of Food and Agriculture, jointly with the United States Department of Agriculture and the county agricultural commissioners, have many ongoing projects dealing with invasive species, including the oriental fruit fly, a serious insect pest; and as you mentioned, the Asian citrus psyllid, which can vector the world's worst plant disease of citrus; and the European grapevine moth, a serious insect pest of grapes.

CDFA protects all Californians. If you visit the CDFA website, you'll see that we have adopted the saying "We protect." CDFA protects all of California's environment, its agricultural production, public health, and the economy from invasive species. When CDFA and its partners—again, the United States Department of Agriculture, Customs and Border Protection, the county agricultural commissioners, and the University of California—when all these partners prevent invasive species from becoming established in this state, we protect large conventional producers, smaller family farms, organic farms, community gardens, county and state parks, forests and range lands, wild lands, and front and backyard gardens from invasive species.

I know that I have a lemon tree in my front yard, and I am very grateful that the Department is protecting it from the Asian citrus psyllid.

I would like to emphasize some of our partners . . . The CDFA works closely with and appreciates the support of the United States Department of Agriculture and

the Department of Homeland Security, Customs and Border Protection. In the last year, USDA and CBP have worked to protect California from pests entering through the airports, seaports, and land ports. Important pests that were detected at these ports and excluded from California include the Khapra beetle, a serious pest of stored grain, and the Asian gypsy moth, a serious forest insect.

We also cooperate with the University of California Cooperative Extension, Integrated Pest Management and the University of California researchers. UCIPM and UC Cooperative Extension, for instance, serve on the USDA's European Grapevine Moth Technical Working Group, a group of world experts on this moth, that is convened by the USDA to provide technical guidance to our program, and the University of California Personnel Service Technical Advisors, also the CDFA, on various committees and programs. In fact, the European Grapevine Moth Technical Working Group is meeting right now, as we speak, in Sacramento. The University of California, Riverside, the Invasive Species Research Center, has provided valuable support for our red palm weevil program, detection and biology, and for our Asian citrus psyllid biological control program. The University of California supports many CDFA programs of research. For instance, the Pierce's Disease Control Program, which is having a research conference, also, as we speak, in Sacramento. And also, the University of California supports us through the Specialty Crop Block Grant Program and the Farm Bill 10201 process. Also, our partners include the county agricultural commissioners in the fight against invasive pests.

Many of our pest exclusion detection programs are operated by our local county agricultural commissioners through contracts. The counties contribute another 40 million annually to the pest prevention program. And the county agricultural commissioners provide local insight and help build local support for the invasive pest programs.

So what do we mean exactly when we say "invasive species?"

The Invasive Species Council of California defines invasive species as non-native organisms which cause economic or environmental harm. The California Food and Agriculture Code defines invasive pests as "animals, plants, insects, and plant and animal diseases which introduction into California would or likely would cause economic or environmental harm."

Because invasive species management issues cross bureaucratic and scientific boundaries, the secretaries of six California agencies have come together voluntarily to form the Invasive Species Council of California. The agencies are the Department of Food and Agriculture, the California Natural Resources Agency, the California Environmental Protection Agency, California Business, Transportation and Housing Agency, the California Health and Human Services Agency, and the California Emergency Management Agency.

In turn, this group created the California Invasive Species Advisory Committee. In the two years of the Advisory Committee's existence, they have created a list of 1,700 invasive species most likely to threaten California. And they have also created a strategic framework for invasive species in the state, and it's called "Stopping the Spread." And I have provided you, or can, copies of this for you for the strategic framework this morning. And this will be published for the public and on our website in about the next week. And the invasive species list can be found by visiting the Invasive Species Council of California's website.

I would like to say, building on what you said earlier, that most invasive species in California, most of our projects anyway, are urban centered. As a general rule, when there are invasive species in agricultural lands, we team up with agricultural interests for treatments, but our treatment projects are mostly urban centered. For instance, in the past five years, there have been 45 fruit fly eradication projects in California, but only one of these was in a rural area and that was the Melon Fly Project in Kern County in 2010. Most of these 45 projects have been in heavily populated Los Angeles or San Diego metropolitan areas. Also in the past five years, there's been one Japanese beetle eradication project, one gypsy moth project, and one Asian gypsy moth project, all in urban areas. In addition, the Asian citrus psyllid, as you mentioned earlier, and the light brown apple moth were first found in urban areas, and treatments for these invasive pests have centered in urban locations.

The European Grapevine Moth Project has been a rare exception. EGVM was first found in a rural situation, and based on the population density and proximity, it was likely introduced in that situation. However, it is worth noting that in the case of the European grapevine moth the grape industry has really stepped up with nearly 100 percent voluntary eradication treatments to vineyards and infested areas. The voluntary treatment program has been a real success story. Last year, the CDFA

trapped approximately 100,000 European grapevine moths in California, most of them in Napa County. This year, we trapped 144.

That said, we prefer, when we have a choice, to use preventative methods to keep invasive pests out of California and to protect California. Keeping invasive pests from entering California is the least expensive, the most environmentally friendly, and the most publicly accepted form in invasive pest management. Some of the most obvious ways that we keep pests out of California through exclusion is our agriculture border protection stations. There are 16 border protection stations protecting California along the Oregon border, Nevada border, and the Arizona border down to Mexico. The border stations intercepted over 64,000 lots of material in violation of quarantines—were infested with pests from private vehicles—in 2010. Almost 3,000 of these interceptions were found to be infested with exotic invasive species of concern to California. Examples of pests taken from private vehicles include a gypsy moth, emerald ash borer, Japanese beetle, exotic fruit flies, guagga and zebra mussel, and many invasive weeds.

We also work closely with the, as I said before, Customs and Border Protection. The Customs and Border Protection protects California from invasive species at all the seaports, airports, and land ports entering California. They monitor both cargo and people entering at the ports. Customs and Border Protection protects at five land ports, including San Ysidro, the largest land port in the world. CBP also monitors six seaports, including Los Angeles-Long Beach, and international flights at 11 airports, including Los Angeles International and San Francisco International. While Customs and Border Protection does the protection duty, I also want to point out that the USDA does the actual invasive species identification at the ports.

We also have a high-risk program that we run jointly with the county agricultural commissioners. The goal of this program is to prevent the introduction of invasive species, therefore avoiding costly control or eradication projects. This program does inspections at entry points in California considered to be at high risk of introducing invasive pests. Entry points include air freight facilities, parcel terminals, nurseries receiving material from out-of-state sources, specialty markets, and locations receiving beehives from out-of-state sources. Activities include the inspection of incoming shipments of plants for the presence of invasive species and the enforcement of applicable state and federal quarantine regulations. In 2011, this

program was responsible for the interception of 733 important invasive pests, including insects, plant diseases, and noxious weeds.

Both the Customs and Border Protection and the CDFA and agricultural commissioners also have dog teams which look for invasive pests. Basically, they sniff out undeclared agricultural products. Customs and Border Protection has beagles at the ports to help sniff undeclared agricultural products, and the CDFA-county agricultural commissioner dog teams are Labrador retrievers. The CDFA and local county agricultural commissioners jointly manage 13 dog teams in nine counties that help protect undeclared agricultural products in parcel facilities like UPS and FedEx and, in a few locations, also the United States mail. These dogs regularly find undeclared plant products, often with live invasive pests. In 2011 alone, the dog teams intercepted 113 important invasive insect pests. One of the most important detections by a dog team was actually in the year 2009 when a shipment of curry leaf found with live Asian citrus psyllid, which later tested positive for that citrus disease huanglongbing, was found. And it was bound for a homeowner in the Central Valley.

I would like to say that sometimes the prevention methods do require follow-up treatments because we can't keep everything out. But CDFA, when it does treatments, does prefer to use nonchemical eradication methods or soft chemicals when needed.

While the CDFA and its partners in invasive pest management prefer pest exclusion methods to prevent pests from entering the state, the safety net, as I said, is not perfect; some pests do get into the State. The goal at this point is to detect new pest infestations when they are as small as possible, to contain them and prevent the artificial spread, and eradicate them when possible. To detect infestations when small, the CDFA and its partners maintain the statewide detection trapping system over most of the State. The USDA and CDFA are constantly looking for possible new invasive pests that are a threat to the State and then installing detection traps and other surveillance in order to detect invasions early, and we get great cooperation from the local county agricultural commissioners in this effort. If a new invasive is detected, the CDFA and partners react by installing quarantines around the infested area in order to prevent or reduce movement out of the infested area. Quarantines restrict the movement of host plants and plant parts, green waste, and other possible pathways. In addition, when it makes sense to do so, CDFA and its partners will

launch an eradication program: these can be very effective. When the infestation is small, the quarantine restrictions are effective and effective control tools are available.

The CDFA prefers nonchemical control tools when they are effective, available, and cost-effective. Before an eradication project begins, the state primary scientists conduct an alternatives analysis to determine what tools (chemical and nonchemical) are available for use. One of the most effective nonchemical control tools is host removal. Removing all host material in a small area around a new infestation prevents a new insect pest from feeding or reproducing, breaking the lifecycle of that invasive pest and providing very effective control at reasonable cost. Fruit removal is used routinely in eradication projects for oriental fruit fly and the European grapevine moth. It is also used when needed for infestations of Mediterranean fruit fly, Mexican fruit fly, and other pests. Potentially, host removal can also be very effective to prevent the spread and eradicate plant disease infestations as well as insects.

Another nonchemical control tool consists of the release of thousands to millions of sterile male insects to compete with wild males and successfully break reproduction and stop the spread of invasive pests. The CDFA and the USDA conduct a sterile-insect technique program routinely in the Los Angeles Basin. That program recently adopted a new skip-swath release protocol to reduce costs, and so far, it has proven to be very effective. This sterile-insect technique release program is for suppression and control of the Mediterranean fruit fly, often called the world's worst insect pest. And the program is monitoring this new release technique very closely.

When the CDFA and its partners do resort to chemical control methods, we use very localized, directed applications wherever possible. Many of these are bait sprays: a small amount of chemical is mixed with an attractant which attracts the invasive insect to the bait. This allows the programs to control invasive insects in the larger area by only treating a very small area.

In addition, given the choice, the CDFA and its partners will use and choose soft chemicals whenever they are available and effective. For instance, in the EGVM program, the European grapevine moth, the program partnered with the USDA Natural Resources Conservation Service to help incentivate grape growers in the treatment area to use approved but less toxic materials.

The CDFA and its partners have always been committed to public involvement and education in our invasive species programs. For instance, the CDFA is currently

partnering with the USDA and the Citrus Research Board and the Citrus Pest and Disease Prevention Committee on the Save Our Citrus education campaign. This campaign is to educate the public about the serious invasive citrus disease, huanglongbing, which is vectored by the ACP. Huanglongbing is currently not in our state, but as mentioned earlier, it is in other southern states, like Florida, and in Mexico.

In order to increase public input into CDFA's invasive pest management programs, the Secretary of Food and Agriculture, Karen Ross, is hosting what's called "21st Century Invasive Pest Management Symposium." The first symposium was held two weeks ago in Sacramento. Over 200 people with many different perspectives on invasive pest management attended and started a conversation on the future of CDFA's invasive pest management programs. Videos of the speakers, the main speakers, and a summary report will be posted to the CDFA website within the next two or three weeks. The Secretary plans to host future symposia, also on invasive species, at various locations around the State to obtain maximum public input. And that's over the next four to six months.

Finally, as you all know, California is facing serious budget issues. This is also true of the Department of Food and Agriculture and its invasive species programs. For the Plant Division, the division that I direct, about one-third of the total funding comes from the state General Fund, roughly another third comes from federal funds, and the last third from industry funds. The portion from the state General Fund has been under constraint.

Funding for invasive species programs to their fullest extent has been a challenge. Whereas all of our invasive species management programs are important, the CDFA has been working hard with partners to prioritize available resources to provide maximum protection to the State. Some programs have been greatly scaled back, at least for the time being. In particular, the CDFA noxious weed programs and the weed management area programs have been reduced. And as you mentioned, there's also been reductions to the Red Imported Fire Ant and the Pierce's Disease Control Program. However, we're hoping that these programs can be restored to full funding and a better forum sometime in the future.

So in closing, again, I would like to thank you, Senator, for convening this invasive species forum on this important topic. And I will turn the floor over to Helene Wright from the USDA.

SENATOR CANNELLA: Before you start, I wanted to let everybody know there are packets in the back, and all the material we have is available back there as well.

Ms. Wright.

MS. HELENE WRIGHT: Thank you. Good morning. I appreciate the opportunity to testify before you today on invasive pests threatening California agriculture and natural resources, as well as the U.S. Department of Agriculture Animal and Plant Health Inspection Services' efforts to protect those resources. My name is Helene Wright, and I am the APHIS State Plant Health Director for California.

APHIS' mission is to protect American agriculture and natural resources from foreign pest and disease introductions. This mission is one of USDA's most critical and we are committed to, in partnership with the state of California, the county agricultural commissioners, stakeholders, and federal partners, including U.S. Customs and Border Protection.

I applaud the Committee for raising the important issue of how urban environments contribute to the introduction and spread of invasive pests. As I will talk more in a moment, APHIS' agricultural safeguarding work starts overseas where these invasive pests and diseases originate and extends to programs across the country that look for and address any serious invasive pests that slip past our defenses. Over the years, we have learned more about these pest threats and responded to outbreaks, both here in California and elsewhere in the country. Our safeguarding program has continued to evolve in response. We have developed a number of approaches and programs that address the unique challenges that urban and suburban areas can pose in terms of pest risks to agriculture. Today, I will discuss these challenges, APHIS' efforts in response, and close by providing some details on the current federal budget situation.

As Robert said, California's sunny skies and wide-ranging habitats in many ways define the State and attract millions of international visitors each year, but this also creates a challenge. The State is under constant threat from invasive plant pests and animals that also enjoy the beautiful climate. This, coupled with California's

numerous ports of entry through which international goods transit, means there are many opportunities for foreign invaders to wreak havoc.

While foreign pest outbreaks can begin in both urban and rural environments, it is important to address all pathways. When we look at the data on plant pest outbreaks over the past few years, we have found that most have started in urban areas in close proximity to ports of entry. For example, the vast majority of fruit fly outbreaks in the United States have occurred in densely populated cities like Los Angeles and Boca Raton, Florida.

Other examples can be found in the handout I've provided. This is a map that I gave you, and you can see where the initial infestations have been, kind of around the edges of the U.S. where the ports of entry are.

Urban environments pose a unique challenge when it comes to plant pests and diseases, and there are a number of factors that contribute to outbreaks in these areas. As I already mentioned, with more international travelers, we find greater risk. For example, someone in California may travel overseas and bring back something that seems perfectly benign to them such as a piece of fruit, a wooden handicraft, or leaves for use in cooking; but these items can harbor dangerous invasives such as the Asian citrus psyllid or an exotic fruit fly. Left unchecked, these pests and diseases can quickly spread from major metropolitan areas and threaten California's agricultural and forest lands as well as its economy and jobs.

The large amount of goods coming through California ports also increases the risk from invasive species. Many think that insects must come into the country through agricultural goods such as fruits, vegetables, and grain; but the reality is that most imports can harbor plant pests. Wood pallets carrying televisions and consumer goods can contain hidden pests such as Asian long-horned beetle if they are not properly treated before reaching the U.S. Pests such as invasive snails can hitchhike on large container ships or hide in boxes of ceramic floor tiles, enabling them to invade our port environs and beyond.

Other avenues for the introduction of these harmful pests include the smuggling of prohibited items into the country in order to make a profit. Additionally, the public may, knowingly or not, purchase items over the internet or ship products through the mail that can spread plant pests. These avenues for introducing plant pests are why APHIS, together with our federal, state, and local partners, as well as

other stakeholders, must have a robust system in place to protect agriculture and natural resources in California and throughout the country.

APHIS' Agricultural Quarantine Inspection (AQI) Program is the backbone of our effort to protect U.S. agriculture and natural resources against invasive pests and diseases. While most people encounter AQI when they see our inspector colleagues from the Department of Homeland Security's Customs and Border Protection at the airport, it's about more than just inspections. APHIS' role begins before products or people enter the country and continues long after, all to prevent the introduction and spread of harmful plant pests and diseases. We carry out a broad array of regulatory and operational measures to safeguard U.S. agriculture. These activities include:

- Making scientific risk-based determinations about what commodities can be safely imported into the United States and under what conditions;
- We also analyze pest and disease information gathered overseas to identify trends and help develop recommendations on mitigation strategies;
- Evaluating pest risk pathways for ports of entry and determining policies and procedures relating to inspection of cargo, passengers, and conveyances;
- Performing preclearance of certain goods destined for the United States to ensure the risk from pests of concern has been mitigated; and
- To also train our CBP colleagues, our Customs and Border Protection, including canine teams, in how to enforce agricultural import regulations.

One AQI effort I would like to mention in particular because of its role in urban areas is our Smuggling, Interdiction, and Trade Compliance Program, also known as SITC. Through SITC, we conduct intelligence gathering and other anti-smuggling activities, such as secondary market and warehouse inspections, in order to trace illegal imports that slip past our protection system. When we find smuggled products, we not only remove them from the market but also conduct a full investigation to identify and eliminate any illegal pathways. Through SITC, USDA has seized and destroyed many products with the potential to significantly harm U.S. agriculture, such as Florida citrus trees sold via online to individuals in other citrus-producing states. They've also identified and eliminated smuggling pathways, like mangoes from India via overnight couriers. If these products were to have entered commerce, they could have devastated our international trade markets and jeopardized our agriculture industry.

All of the components of our AQI programs, which I have just described, are designed to protect against damaging and potentially costly pest introductions; but realistically, we know we must have a strong domestic surveillance infrastructure in place to detect any pests or diseases that could slip past our prevention measures. USDA achieves this through its nationwide system of experts who survey, identify, and monitor pests of concern in both rural and urban sites nationwide. The Cooperative Agricultural Pest Survey, better known as the CAPS Program, is a pest surveillance program managed cooperatively by USDA and the state departments of agriculture. These surveillance efforts are a crucial part of USDA's overall agricultural safeguarding system.

Educating is also a critical component in helping to fight the threat of invasive species. There can often be a "disconnect" in urban areas about the risks I have discussed and how they can impact the U.S. agriculture. For example, an individual at the Fresno Airport was found with a gym bag containing plant and leaf material that were believed to be curry leaves. Ten citrus psyllids that were positive for citrus greening disease were found in the leaf material. The gym bag was on its way to a resident in Fresno, a major citrus-producing area where the disease has not been found. It may not seem like a big deal to bring curry leaves into the State, but it can devastate the agricultural community if it is not prevented. Fortunately, a Farm Bill-funded detector dog team was able to stop these leaves from spreading this destructive citrus disease.

Instances like this emphasize the importance of educating the general public about the threat of invasive pests. I believe there isn't always a good understanding of what impact these pests can have on the economy, on the livelihoods, and on our landscapes. It can be difficult to recognize why simple everyday activities like bringing fruit and other souvenirs home from other countries or transporting garden plants or firewood from one location to another can be a hazard. This is why we're working closely with our partners at the state departments of agriculture and several nonprofit organizations to try to fill this education gap. For example, through our national invasive pest public awareness campaign, we are educating the public about specific pests threatening the United States and about what they can do to help prevent their introduction or stop their spread. We're also conducting a campaign to educate the public about how certain wood pests can easily be spread by moving

firewood and why they can be so dangerous. Also, we have educational campaigns focusing on specific pests that threaten specific areas of the country.

Lastly, I would like to discuss funding. As we continue to address invasive pests, whether they enter our country through urban or rural areas, we remain cognizant of the increasingly challenging budget situation that we face at the federal level and that, I know, you also face at the state.

For fiscal year 2012, Congress reduced APHIS' appropriations by nearly \$47 million, meaning our partnerships with other federal agencies, states and localities, universities, industry, and the public are even more critical. To provide APHIS with more flexibility in addressing ever-changing pest threats, we requested and Congress approved a new budget structure beginning this fiscal year. Previously, APHIS received federal appropriations under 45 individual line items. Many of these line items were associated with a specific animal or plant pest or disease, such as the light brown apple moth or glassy winged sharpshooter. This restricted the Agency's ability to adjust rapidly or efficiently to new or emerging situations, for example, when we found European grapevine moth in Napa County in 2010.

Under our new flexible budget structure, we have 29 broad line items. Instead of itemizing by specific pests, we have budget line items based on commodities, such as specialty crop pests and tree and wood pests. This new structure will improve APHIS' ability to address new and emerging pests quickly and allow the Agency to maximize its use of existing resources by focusing resources within similar programs.

One other budget-related issue I'd like to mention is Section 10201 of the 2008 Farm Bill, also known as the Plant Pest and Disease Management and Disaster Prevention Program. Through this program, APHIS committed over \$12.9 million in fiscal year '11 for 15 projects in California. These projects focused on efforts to conduct surveillance for new invasive pests, funded detector dog teams to seek out pests coming into the State via mail facilities, and is being used to improve pest detection and management tools, to name a few.

Overall, the 10201 program has been highly successful, expanding the reach and capabilities of APHIS in creating meaningful partnerships that have carried out much important work throughout the country to address plant pests and diseases and the threats they pose. APHIS is currently preparing to announce its call for projects to

fund in fiscal year 2012, and we encourage all our partners here in the state to submit ideas for review once the suggestion period begins.

Again, thank you for holding this hearing today. It highlights a very important issue that I look forward to continuing to work with California to address.

SENATOR CANNELLA: Thank you.

MR. KURT FLOREN: Good morning, Mr. Chairman and Senator de León. I am Kurt Floren. I'm the agricultural commissioner and director of Weights and Measures for the county of Los Angeles. It's a great pleasure to be here this morning and speak to you on the great importance of maintaining adequate and effective pest prevention programs in our state. When I introduce myself, a very common question that I get is: why does Los Angeles County have an agricultural commissioner? No one sees any farms around us. While 60 years ago Los Angeles County was the largest production ag county in the entire nation, things have obviously changed. We grow a lot of buildings, freeways, and homes today. But my answer to that question is very consistent: it's pest prevention. We protect the rest of the State. We do still produce over \$200 million in agricultural commodities here in Los Angeles, mostly nursery stock and root crops, but pest prevention is definitely at the core of our duties; and it is critical to California agriculture.

Obviously, you're more than aware of California's \$37 billion agricultural industry. We produce over 350 different crops and, as mentioned, provide some 50 percent of the fresh fruits, nuts, and vegetables that the U.S. consumes. All of that definitely needs to be protected, not only for our agricultural industry and our economy, but for the health and well-being of the U.S. population, providing them a fresh, wholesome, and abundant food supply.

I'll come back to our local programs in a moment, but I'd like to speak about pest prevention at large. Pest prevention, of course, involves a wide array of activities at the federal, state, and the local levels; and I think of those activities as forming first and second lines of defense against invasive pests. The first lines of defense start at the borders, both international and state, through the pest exclusion programs. U.S. Customs Border Protection handles inspections at ports of entry, international land border crossings, and seaports, as well as international air freight. Their job, as Helene Wright discussed, is to keep the pests out in the first place. State borders are protected by the operations at the border inspection stations, and Dr. Leavitt

discussed that, handling inspections of passenger and commercial truck traffic for products' interstate movement. Those 16 stations have been staffed basically full time for the past several years and that was after very hard-fought battles to fund them and restore that staffing.

Some quick statistics to illustrate their value, and again, Dr. Leavitt mentioned some of this. But last fiscal year over 33 million vehicles were inspected there.

- 65,000 lots of plant material were rejected; and
- Some 3,900 actionable pests were found and intercepted. These included the Mediterranean fruit fly, Japanese beetle, red imported fire ant, gypsy moth, a number of wood-boring beetles, the guagga and zebra mussels that have been mentioned, and other invasive weeds;
- 225 different lots of firewood infested with boring beetles, including emerald ash bore, were rejected. All of those posing threats to nut and tree fruits and also our national forests and ornamental trees.
- 205 boats were found with clinging mussels, and over 5,000 of those boats had pooled water in the bilge that needed to be drained in order to prevent movement of those mussels. That can cost millions in infrastructure damage regarding water delivery.

Of great importance at those border inspection stations are high-risk shipments that cannot be inspected there at the stations. These are sent to destinations like my county under "hold" notices that we refer to as "double O-8" notices for inspection by county agricultural commissioners' staff in order to thoroughly inspect them, make certain they're free, that they're free of pests, and for us to release those loads. The county ag commissioner is notified of those incoming shipments. And again, we, then, are able to go out and inspect them. And without such notice, the county agricultural commissioners may have no way of knowing of those shipments coming into their areas.

Finally, as a key component in that first line of defense are the county agricultural commissioner inspectors operating our High Risk Pest Exclusion Program. This is critical in addressing risk of pests under interstate movement. These are operated largely, but by no means entirely, through funding via contracts from CDFA. County staff inspects ag products and plant material coming through the conduits with the highest historical risk for exotic pest introductions. Very limited funding and

resources is targeted at pathways of both large and small shipments that often contain plant material. Principally, these involve air freight shipments, the parcel terminal inspections that have been spoken of at FedEx and UPS distribution centers, the double O-8 shipments coming from the border inspections, and beehive inspections which involve searching for red imported fire ants, small hive beetle, weeds, and a number of different pests and diseases.

Some very quick examples of the criticality of that high-risk pest exclusion work: in Los Angeles alone, we intercepted in fiscal '09-'10, 264 A- and Q-rated pests in air cargo shipments, and 33 A- and Q-rated pests in FedEx shipments, for instance. This last year, '10-'11, we intercepted 172 A- and Q-rated pests out of air cargo shipments and 25 in FedEx shipments. Any of these, had they gone undetected, could have entered the environment and created incredible damage.

With UPS, United Parcel system shipments, the double O-8 nursery shipments, and sea cargo put into that: in the last two years, we in Los Angeles County have intercepted over 500 such pests. And to date this fiscal year, which is now less than half over, we've intercepted over 170 actionable pests through our High Risk Pest Exclusion Program; so we're well on our way to eclipse our average of about 260 per year just in a single county.

Then there is our second line of defense, which is exotic pest detection. Pests that are not intercepted through those pest exclusion efforts make their way into the environment; and they must be quickly detected, controlled, and eradicated before they become established or they spread to the point that they're beyond control. This is done through a network of pest detection trapping performed in most counties by county agricultural commissioners' staff. Again, it's funded largely, but by no means entirely, via contracts with CDFA.

As an example, again in Los Angeles County, we service and monitor over 26,000 such traps throughout the county, placed at 5 per square mile throughout the urban and rural residential areas. The pests targeted include Mediterranean fruit fly, oriental fruit fly, Mexican fruit fly, gypsy moth, Japanese beetle, all of which or any of which can cause untold millions in damage to a wide array of crops, native plants, ornamental landscaping, and backyard fruit; and, of course, can result in great increases in pesticide use if they become established. Again, these traps were placed, serviced, and monitored in most counties by county staff. I believe CDFA still operates

five or six operations throughout the State. And I don't mean to focus on Los Angeles County, but it's what I know best.

I have no hesitation in saying that Los Angeles is ground zero for pest detection with LAX, the international airport, as the 13th busiest air cargo airport in the world and one of the largest in the U.S. As discussed, the Los Angeles-Long Beach port complex forms the world's 6th busiest seaport complex. We have 9 United Parcel Service, 21 FedEx sorting centers, and 5 U.S. Postal Service sorting centers here through which parcels come through, often containing backyard fruit from all over the world and throughout the U.S. And, of course, we have the largest wholesale produce market in the Western United States. And together with our mild climate and with 10 million very mobile residents here, there's a tremendously high risk for exotic pest introductions through these pathways and for their potential spread; and that's proven by history.

I've provided, through Mr. Spence, a lot of detail in packets that you have so I won't reiterate all that. But as you can see, in this one county, we average over 34 major pest detections through those trapping efforts every year. These are trapped and identified really solely through that trapping program.

For the past six years, we've detected between 11 and 27 oriental fruit flies every year. We've had 15 thus far just this year alone. We've also found this year guava fruit fly, Mediterranean fruit fly (had one just four weeks ago not far from here in Lennox), striped fruit fly, gypsy moth, plenty of light brown apple moth.

L.A. County, though, is not alone. There are active oriental fruit fly eradication projects in Ventura County, Orange County, San Joaquin and Alameda counties. The light brown apple moth, as we all know, has spread throughout the Bay Area, the Central Coast and has been spreading. The European grapevine moth, of course, has been discussed, but that poses significant threats in the State's major wine production areas. And, of course, Asian citrus psyllid has been found in multiple Southern California counties: San Diego, Imperial, Riverside. And it certainly is all through the Los Angeles Basin. That pest of citrus greening disease, which has devastated Florida, may be one of the poster children of the ramifications of not having routine trapping programs out there for pests of concern and emerging risks. So the risk is very real; and now with the budget constraints at the state level, the risk may be increasing dramatically.

I've referred to this integrated system of pest prevention as something of a house of cards, already precariously balancing and leveraging limited resources; and reductions at any of those levels that I've discussed can have a domino effect, threatening the entire structure by opening gaping holes in that safety net.

The pest exclusion program was analyzed very closely over 13 years ago by the Rogers Commission and at that time recommended, in 1997, funding at \$14 million for a comprehensive statewide program. The program has never been funded over \$5½ million, which is about one-third of what was needed 13 years ago. Due to major cuts amounting to \$19 million this year to CDFA's budget, high risk pest exclusion has been cut \$240,000. We're already well behind where we need to be, even with major supplemental funding by most counties from county general funds.

To again use Los Angeles County as an example, we supplement our high risk pest exclusion contract funding about \$1½ million. Part of that is from unclaimed gas tax distributions, but most of that is from county general fund. We're already providing only partial inspection coverage, very partial coverage, to those parcel distribution centers; and we're locally unable to fund any inspection of swap meets and a number of other venues that present risks.

As high risk pest exclusion contracts are reduced and counties struggle to fund their hospitals, jails, health care and what have you, it's altogether likely that local funding ability is going to decrease; and those impacts may be exponential.

There have been nearly \$2 million in reductions to border station funding in dealing with the current budget crisis. That's a huge potential increase to potential pest introductions. And you may recall, I mentioned nearly 4,000 pests having been intercepted last year at those border inspection stations.

Other cuts have included: An elimination of much of the effort against light brown apple moth. We've had an infestation here in Long Beach for which a sterile release program was started just in August due to reductions; that pilot project has been closed, at least for now. Near elimination of funding for weed management programs, which are of very major concern for many counties throughout the State. Over \$600,000 in reductions to the Medfly Preventative Release Program, flooding the area with sterile medflies to overwhelm any introduced wild flies. That has, of course, been invaluable at halting medfly establishment and preventing very costly eradication efforts. In years past, those eradication projects often averaged about \$10 million

apiece. And we've also had three-quarter, talking at the state level, about a three-quarter million dollar reduction to the Exotic Pest Detection Program; and any reductions, as I've discussed, in that program endanger that early detection and response that's so critical.

We in Los Angeles supplement our pest detection program by nearly \$2½ million, most of that being county general fund. And as the agriculture commissioner, I and my colleagues struggle a great deal to sustain funding when we're in competition with fire, sheriff, health—and particularly in an area in those urban areas where farmers may not be a strong political force—I worry a great deal if that local funding decreases that these risks will go up exponentially.

So the list goes on.

CDFA is facing an additional \$12 million in cuts, and then in the coming fiscal year, and all are working on plans to address that; but pest prevention activities are definitely on the table.

As pest infestations create crop production decreases, production cost increases to deal with needed treatments. These have commodity price impacts. There are increases in prices to consumers. That ends up a reduction in consumption oftentimes. It can have potential health implications. There are obviously trade impacts that come due to quarantine establishments. And, of course, the huge eradication costs. So pest prevention reductions, for lack of a better term, somewhat amount to playing Russian roulette in that system.

So on that happy note, I definitely thank you for the opportunity to talk about the system and express some of the concerns and look forward to any questions.

SENATOR CANNELLA: Okay. Thank you very much. Senator de León, do you have any questions?

SENATOR de LEÓN: Why don't you go ahead and then I'll ask some.

SENATOR CANNELLA: Okay. You know, your presentation was very comprehensive so my questions will . . . there won't be too many of them.

But first to CDFA: So are the pressures that you feel mostly because of budget cuts or in addition to that are there ways that the state has mandated the way you do your business that is restraining you as well? The example, the USDA, how they had their budget in 47 line items, are we doing the same thing? So besides monetary, are there other areas where we can help you be more efficient at doing your job?

DR. LEAVITT: Well, the most important thing that would help in doing the job, of course, is stable funding. There's no doubt about that. The Plant Division, and I believe most of CDFA, has been under funding constraints off and on, kind of rolling, for at least a decade or more. And that would be the most important thing.

We do have important programs that we have had to greatly curtail or that we've had to eliminate entirely, at least for now, that we believe in and, as Kurt Floren just said, that are important for the counties and part of the USDA's global and CBP's global invasive species system.

As far as whether there's any internal constraints in terms of, as Ms. Wright was saying, in terms of how we spend the money that we do get, the only constraint that we have right now is we really can't spend money, like on apple moth; that's being discontinued. But we do get good support from the governor's office and the Department of Finance and Legislature in terms of being able to apply the funds where they're needed, yes.

SENATOR CANNELLA: Okay, so flexibility there. There's been significant budget cuts, obviously, to every department in the state, but to CDFA as well?

DR. LEAVITT: Correct.

SENATOR CANNELLA: In your opinion, how has that affected the state's ability to protect our environment? Because, really, that's what we're doing, we're not just talking about protecting agriculture as a business; but this is very much widespread so, those cuts, how much has that affected CDFA's ability to protect the environment?

DR. LEAVITT: Well, protecting the environment is a big part of what CDFA does. Obviously, agriculture is a part of the environment, front yards and backyards are part of the environment, forest lands and wild lands; invasive pests can attack any or all of these environments. So when we stop invasive pests from entering into the State or we find a way to eradicate them when they're small, we're protecting the environment in a very positive way. Obviously, when we had to greatly curtail the noxious weed program or the Weed Management Area Program . . . Again, as Kurt was just saying, noxious weeds can be a very important, in many ways . . . They spread, they're difficult to control; and particularly in range lands, wild lands, forest lands, they're extremely important invasive pests; and we've had to greatly curtail those programs. We've had to curtail the Red Imported Fire Ant Program, as you

mentioned earlier, which also, you know, can be in some areas a public health risk because of the stings from the red imported fire ant. So we've had to make reductions that . . . But we do have to prioritize, and we've worked with partners to do that.

SENATOR CANNELLA: Now, when we're going to export goods, there's a certificate that's prepared that says, you know, "This is not contaminated." Does CDFA do that or does the USDA do that?

DR. LEAVITT: That's actually a joint effort. It's actually a USDA phytosanitary certificate where actually most of the leg work is done by the local county agricultural commissioners and their staff. The CDFA has a role because by creating pest-free areas, then, that allows that certificate to be issued or not needed in those areas. So a lot of the work we do in invasive species management and pest prevention actually supports the issuance of these certificates. I believe it's actually a USDA certificate though.

SENATOR CANNELLA: Well, what point do we reach, you know, where we don't have enough funds at CDFA or the local commissioners to do their job, that it becomes difficult to issue those certificates? I mean, have you even considered that point yet?

DR. LEAVITT: Well, actually, I have to say that in this particular case when these certificates are issued for export to foreign countries, most of the counties and the federal government have some cost recovery.

SENATOR CANNELLA: Okay. So there's a fee provided.

DR. LEAVITT: Yes.

SENATOR CANNELLA: But filling out a certificate is one thing, providing a state that is free of these invasive pests is another thing, right?

DR. LEAVITT: The basis of the certificate is a state that is free of invasive pests, exactly. So if that becomes compromised, then, of course, then more certificates have to be issued, and it becomes a more complicated matter.

SENATOR CANNELLA: Yeah. Helene, at some point, you know, the state and the feds have been partners in this effort; and as the state lowers their contribution towards these efforts, you know, I think we secretly hope that the feds are going to continue sending money. At what point—and I'm sure you have these discussions in your departments—do they say, "Look, if California doesn't want to help themselves,

then why should we continue providing resources?” Have those discussions started? And is that a concern?

MS. WRIGHT: Well, they’re kind of ongoing discussions because it depends on the program. And typically what our Office of Management and Budget at the national level likes to see is a 50/50 cost share. Now, only in the case of things like fruit flies we try to maintain that 50/50 cost share. In most of the other programs, it’s not anymore because the funds aren’t there at the state level and so, consequently, we’re trying to fund them with federal dollars. But now the federal dollars are becoming more and more scarce and so we’re relying more and more on the Farm Bill funding to make up that gap. How long we’re going to be able to continue to do that, I don’t know.

SENATOR CANNELLA: Okay. And then, Kurt, you mentioned the funding. What percentage of your funding comes through the state? Is that a significant amount or is it all county general fund? I know you talked about it, but . . .

MR. FLOREN: Overall, we’re probably at about 70 percent revenue offset, but that covers, of course, all of our agricultural programs that include weed efforts . . .

SENATOR CANNELLA: Seventy percent revenue offset: do you mean the people who live in L.A. pay for these services?

MR. FLOREN: When I speak revenue offset, I’m talking overall for our department and that is a combination of state contract funding and fee-based; but that’s overall for our department. When I think of our contracts, I have about a \$40 million budget; and we collect about \$10 million in contract funding from CDFA so 25 percent . . .

SENATOR CANNELLA: Has that been lowered; have there been threats that that’s going to be lowered?

MR. FLOREN: Regarding the contract values?

SENATOR CANNELLA: Yeah.

MR. FLOREN: Well, again, I’ve discussed the cuts that have already occurred to high risk pest exclusion, as well as to the overall pest detection program, but . . .

SENATOR CANNELLA: Okay. So the state says, “We need to do this,” and they contract with the local county to actually do the work. And so, now they’ve said, “Look, we’re eliminating this program so there’s no funding and you can’t do it, so you can figure out a way to do it on your own dime or not do it at all.”

MR. FLOREN: Well, what's happened here is there's been a very significant consideration of risk-based assessment and so these cuts have not been incurred across the board on an equal basis; and more of that needs to be done. However, any dollars that go to restore, for instance in Los Angeles County, obviously comes out of other counties; and this is that safety net. As we open gaps and open holes, it can just become another conduit for these pest introductions.

SENATOR CANNELLA: Okay. Thank you. Those are all my questions.

SENATOR de LEÓN: Thank you, Mr. Chair. I'm going to ask a few questions; some of them are a little overlapping. Let me start with Ms. Helene Wright. I was a little confused. So you're with the USDA? Because I have an acronym of alphabet soup here.

MS. WRIGHT: Yes, it does.

SENATOR de LEÓN: Okay. So you're with the feds.

MS. WRIGHT: It's hard to fit it on a business card.

SENATOR de LEÓN: And what I want to do is sort of follow up on the same issue, line of questioning, that Senator Cannella initiated, which is the fed's responsibility. I know you have formulas that are a 50/50 match; and given the dearth of resources at the state level, the Draconian cuts that have ensued, right now, obviously, that formula doesn't function any longer. I know that when now-Secretary Karen Ross came to me for confirmation about . . . I made it very explicitly clear to her my expectation with her vis-à-vis the Secretary of USDA, her former boss, Tom Vilsack; and that my expectation is that California, being the eighth largest economy in the entire world, the largest producer of fruits and vegetables and nuts, that California be near the top of the queue or at the top of the queue when it comes to any type of reformulation of fed money. Why don't you give us some of your perspective with regards to that. We've seen what's happened in Florida; we don't want it to happen in California. I have a deep appreciation for the uniqueness of the state of Iowa given the caucus and how that can color many policy decisions. The reality is that California's agribusiness must be protected in every way, form, and shape. As Senator Cannella had stated, without it—I don't think Nebraska is going to be initiating any seedless citrus industry or avocados anytime soon. So give me your thoughts. And I know that, you know, on the chain, I'm not going to take your perspective to the bank with me; I know things are so fluid and dynamic. But share

with us a little bit about what you believe the fed's commitment is to the state of California.

MS. WRIGHT: I think the feds are very committed to supporting the agriculture within the state of California and protecting the environment and making sure that these pests are contained, particularly, the federal pests. And if you look at that map, I mean, there are more red dots in California as far as initial ...

SENATOR de LEÓN: I saw you make reference to that map, but I could not find it.

MS. WRIGHT: Sorry.

SENATOR de LEÓN: Thank you so much. This is the map right here.

MS. WRIGHT: That's the map, well, except it's in black and white. But if you had it in color, those dots would be red, and there are more red dots in California than really in any other state.

SENATOR de LEÓN: Okay.

MS. WRIGHT: And so, we know the threat is there. We know that there's a lot of travel, people coming. We know that the threat of invasive species in California is very high, and so, consequently, there is a large amount of federal funds that gets channeled into California. For example, in fiscal year '11, we had \$40 million in cooperative agreements with the state of California. Most of those were not a 50/50 cost share. And so, obviously, the state of California provides a great infrastructure for us. Without that infrastructure, we wouldn't be able to carry out those programs. So there's a lot of in-kind contribution even if it's not monetary contributions to those programs, and that's fine. We can live with that. That's okay.

We do have the Farm Bill. With Farm Bill money—I think there was \$50 million available—California got \$12.9 million of that. So California has fared very well, and should, as far as the federal money that gets channeled in for these kinds of programs, be they survey or eradication programs. It's very important to the USDA as well because what comes in through California obviously can spread to other countries if we don't contain it here.

SENATOR de LEÓN: Do we have a continued commitment from the feds to, given the Draconian cuts that have ensued in the dearth of resources, continue some funding or at the very least, at minimum, be as flexible as possible in working with California as well as the various counties?

MS. WRIGHT: Absolutely. Yes.

SENATOR de LEÓN: Let me go to Dr. Leavitt?

DR. LEAVITT: Leavitt. Yes.

SENATOR de LEÓN: When it comes to the huanglongbing, have we detected the disease anywhere in the state of California or just the Asian citrus psyllid?

DR. LEAVITT: That's a very important question. We have detected the Asian citrus psyllid in many parts of Southern California, and we have a treatment program that is suppressing it very effectively. We believe that by suppressing it when it does get here it would spread very slowly. But, no, we do not have the citrus greening or huanglongbing here in California. It is widespread in Florida and Brazil and parts of southern Mexico, even, I believe, up to the tip of southern Baja. So we do see it moving slowly toward California; and we believe it's being spread by the vector, the Asian citrus psyllid, and that's the reason we have this program to suppress the Asian citrus psyllid. And we get great support at the borders to keep infested plant material out as well.

SENATOR de LEÓN: Florida being a heavy citrus industry as well, what were the differences between our approach in California and Florida's approach in California? And the reason why I would have made the assumption—I think a general assumption—that being such an important industry in the state of Florida, that preventative measures would have been instituted sooner rather than later given the fact that they've had large-spread devastation because of the Asian citrus psyllid and, obviously, the manifestation of a disease that's devastating, in terms of huanglongbing? What did they do wrong?

DR. LEAVITT: Well, I'd rather say what we did right and that's that we learned a lot from them.

SENATOR de LEÓN: Don't be afraid to say what they did wrong, I know, unless you're going to run for office in Florida; you've got a relative in Florida . . .

DR. LEAVITT: Well, we did a lot of things right, and one of the things we did right . . .

SENATOR de LEÓN: Well, this is an example that folks who work in state government can also be politicians as well. [Laughter]

DR. LEAVITT: But one of the things, to be fair to Florida, is that huanglongbing had been spreading worldwide, and it spread much faster than people

expected. And it showed up in Florida and Brazil at roughly the same time. And it may have been underestimated. And the importance of one of the vector . . . one of the host plants called curry leaf may have been underestimated. But as the research has progressed, people have learned how it does spread. They have learned how important the vector of the Asian citrus psyllid is in controlling that and how important some of these other non-directly citrus plants or related plants are. So we've been able to learn a lot from Florida. We've learned a lot from Brazil. In a few minutes you'll be speaking with one of the world's experts on this and that's Dr. Beth Grafton-Cardwell; and I think she'll say . . . She knows a lot about this. But basically, we've learned a lot from it, and we have relied upon our university experts and their contacts worldwide so that we can learn what has worked and not worked in other places.

SENATOR de LEÓN: Was it in some ways geographically they just had some bad luck that it got to Florida before it got to California?

DR. LEAVITT: Probably it's a certain amount of bad luck. We, of course, are mostly a fresh market citrus market, and they're mostly a juice market. I believe other parts in the world that have ACP have been juice markets. I don't know if that's related, so it could have been just bad luck. But definitely, when the threat was recognized in Florida and other countries, the Department of Food and Agriculture, along with our partners at USDA and CBP and the ag commissioners, instituted a program to immediately begin suppressive treatments. And that has been very effective, we believe, in keeping ACP suppressed and the disease, the citrus greening or huanglongbing, out of California.

SENATOR de LEÓN: Now the threat of this metastasizing, is it more so vis-à-vis the United States, and more specifically California, is it international or is it domestic?

DR. LEAVITT: The threat of the disease coming in?

SENATOR de LEÓN: Well, the disease, more specifically the Asian citrus psyllid.

DR. LEAVITT: Oh, the Asian citrus psyllid. Yes, we do have Asian citrus psyllid here. We have been very effective in suppressing it in San Diego County and Imperial County. We apparently are being very successful in Ventura County. There's

not a lot, of course, in Orange Country. It's spreading, probably naturally on winds, to Riverside and San Bernardino counties.

SENATOR de LEÓN: But is this a reflection of the movement going from south northwards internationally or is this domestic as well, Florida and other parts?

DR. LEAVITT: Well, we don't really know because there is a large infestation, as you said, of Asian citrus psyllid in Los Angeles around Echo Park, as you mentioned earlier. We don't know if it started there and then spread south or it came from Mexico into the U.S. There's no way to know. I believe the USDA has done investigations, and there's no way to know.

SENATOR de LEÓN: We just know it's here.

DR. LEAVITT: Yeah. It's here. That's what we know.

SENATOR de LEÓN: Okay. Thank you very much.

SENATOR CANNELLA: Do you have more questions?

SENATOR de LEÓN: Yeah, just a couple of questions for Mr. Floren, L.A. County. I appreciate your testimony. My knowledge with regards to anything related to agriculture was limited to nonexistent only a few years ago until I was educated on this issue, specifically, obviously. I thank you for all the hard work that you guys do—L.A. County. And I like the narrative with regards to we do protect the state of California, at least trying to do everything possible to prevent it metastasizing elsewhere. Where have we found the Asian citrus psyllid in L.A. County? Or is it more pervasive and why?

MR. FLOREN: Asian citrus psyllid was originally found in the Echo Park area.

SENATOR de LEÓN: In my former Assembly district and now current Senate district.

MR. FLOREN: But for all practical purposes . . .

SENATOR de LEÓN: It was the lemon trees I have in the front.

MR. FLOREN: We have found it throughout the Basin. It's pushing all the way out to El Monte, Pomona area; it's been found in the westernmost parts of the San Fernando Valley, south to the ocean. So what is unknown, two things: where did it come from and where did it really gain its foothold? The reason I refer to that as something of a poster child is I think in hindsight it's logical to suspect that that pest had been here for some time. And it's not that we've been witnessing necessarily the spread of it, it's just we're identifying how far it had spread exactly.

SENATOR de LEÓN: So let me ask you a question—and I know there will be maybe some experts in the next panel. So the Asian citrus psyllid may have been here for quite a while. Is it possible that, and I'm not a biological expert and I'm sure the next panel perhaps will be able to answer—do they carry huanglongbing and it's dormant and something triggers it or how does . . . What is the difference between an Asian citrus psyllid that's on a tree in Echo Park and an Asian citrus psyllid that is carrying huanglongbing in Florida?

MR. FLOREN: That is the only difference, the fact that the pest has ingested that disease itself and becomes a carrier. The pest is the vector. The concern at this point is that the "highway system" is being set up, in other words passing from insect to insect and then plant to plant. All that needs to be done is to drop in the disease. The distribution network is in place. And so the efforts to control, suppress, perhaps eradicate Asian citrus psyllid is to do away with that network. This would be akin to glassy-winged sharpshooter, which we deal with tremendously here as well. We're generally infested with glassy-winged sharpshooter, that is the vector for Pierce's disease which wiped out the wine industry in Temecula, obviously poses the great concerns for our tremendous wine-producing areas within the State. Glassy-winged sharpshooter vector is the disease. The damage isn't so much from the pest; it's the potential for it to vector.

SENATOR de LEÓN: And two more questions: One is, at the street level, how do folks know? I'm suspecting . . . I'm a homeowner, Echo Park. I have a couple of citrus trees in the front yard and in the backyard. How do I know that I have an Asian citrus psyllid? Do you guys roam around? How does that work at the street level, when all of a sudden you discover it?

MR. FLOREN: This may be better answered by Dr. Leavitt because the actual treatment program is principally a state activity. Correct me anywhere that I'm wrong, but anytime these treatments are being proposed and being undertaken, direct notice is given to each of those homeowners of the situation, what the materials are, and what the activities being undertaken are.

SENATOR de LEÓN: So that means folks just show up, and you put a pamphlet in someone's door saying, "Beware XYZ eradication"?

DR. LEAVITT: We have a large education campaign, as I mentioned earlier, going on with USDA and others and that is kind of a general education. But when we

do actual treatments (and in Echo Park we have quite a few), basically several days before we show up to do the treatment, we knock on everyone's door. We try and talk with someone personally. We leave them information. If there's no one there, we leave information there. We mail information to every resident that's going to be affected. We mail information, including treatment and health information, to public health—county health directors, to local hospitals, and other public officials, to mayors, city and county councilmen. And then the day actually of treatment, again, we make door-to-door contact with every household involved and then we also leave information at that point and then often have also follow-up contact with every person. And then, of course, we have a pest hotline, 1-800 . . . I can't remember the number but a pest hotline which people can call basically 24 hours a day and get pest information, and a lot of people do.

SENATOR de LEÓN: Okay, the last question, for Mr. Floren: your budget in the aggregate is, per fiscal year, on the average is \$40 million.

MR. FLOREN: And again, that involves both our agricultural and weights and measures activities.

SENATOR de LEÓN: Let's disaggregate that right there.

MR. FLOREN: Okay.

SENATOR de LEÓN: Let's disaggregate your \$40 million figure. What is it specifically for agriculture for L.A. County?

MR. FLOREN: About 30 million of that.

SENATOR de LEÓN: And of that 30 million, let's disaggregate that. Let's go a little deeper. How much of that is from the state?

MR. FLOREN: About 10 million.

SENATOR de LEÓN: About 10 million, so about 33 percent. Of that, how much do you know is projected for a cut?

MR. LEAVITT: Well, this last year we had various cuts, including the high risk program and others that did affect the trapping program. Over most of the cuts that were taken in this current fiscal year, as we mentioned, were for noxious weed programs, weed management area programs, and for the red imported fire ant; and there were cuts to Pierce's Disease Control Program and biological control. Most of those didn't directly affect the trapping in L.A. or other counties because when we did the priorities with our partners that's what we wanted to protect most, was detection

trapping. Of course, as Kurt said a few minutes ago, we're looking at possible other reductions in the next year. We don't know what they're going to be until they get the Governor's budget out. But definitely, we're still trying to protect trapping the best we can.

SENATOR de LEÓN: Okay, thank you.

SENATOR CANNELLA: Okay, thank you very much. And I'll have the next panel start working their way up. We are behind about 30 minutes so keep your comments concise and to the point and then if they go . . . I have to leave at about 12:30, so if you're still continuing, I'll make my way, and Senator de León can take over from that point.

Thank you very much for being here. We have Dr. Beth Grafton-Cardwell, Dr. John Kabashima, and Mike Babineau. Thank you.

DR. BETH GRAFTON-CARDWELL: I have a handout which you should have in your packet there.

I am Beth Grafton-Cardwell. I work for the University of California out of the Department of Entomology at UC Riverside. However, I've been stationed for the past 20 years in the central San Joaquin Valley. And my specialty is looking at citrus IPM, so I have 20 years of experience trying to integrate pest management practices for citrus growers and deal with invasive pests as they come in. And so, I have experience with glassy-winged sharpshooter and Diaprepes root weevil, and the Asian citrus psyllid. And because of my extension background, I'm heavily involved in all sorts of committees that deal with communication and outreach to the urban communities, so I'm very familiar with the urban situations.

I also recently became leader of the UC ANR Endemic and Invasive Pests and Diseases Strategic Initiative, and I'll talk about that more later. But that also gives me a role in the University of facilitating research and extension personnel to address problems like invasive pests.

So, that's my background.

Okay, the next page.

Why are invasive pests establishing at a faster rate? We've already talked about this a lot, that we have an increasing world population and hugely greater mobility of people and products and a lack of understanding by the general public of what

spreads pests and diseases, and so, that's why we're seeing it happen faster and faster.

The first ten years of my position I talked about the same pests and citrus IPM. The second ten years, every other year, I'm introducing a new pest to the citrus growers and how they're going to manage it and what they're going to do about it. So I've seen personally in my career a big change.

How do invasive pests get here? Self-introduction by flying, walking, crawling, riding on winds and hurricanes, and through the assistance of humans, either deliberate or accidental. Obviously, we can't do much about hurricanes and winds, but we can do something about how insects and diseases are transported. And we have talked a bit about that already too, that there are hitchhikers in vehicles and planes and ballasts of ships and on packing materials.

How do invasive species affect us as the urban community? It can be something as simple as honeydew and sooty mold on cars and furniture, and we saw that with the ash whitefly epidemic that happened 10 or 15 years ago. That pest came over from the Middle East. It arrived without its natural enemies. And the University (and I'm going to talk a lot about our role in how we respond to pests and diseases), the University has the basic role of looking at the biology of the organism; how did it get here; who is it; why is it here?—then developing management techniques. That could be cultural, host plant removal, or things like that, chemical. Often the animal arrives without its natural enemies and so the first line of defense is, "let's use chemicals and try to eradicate it."

We also study the biological control and, in the case of the ash whitefly run, a parasite that was very, very effective in reducing its numbers and has now eliminated it as an irritation for the general public.

We also provide the scientific basis for regulatory decisions, like how can we better trap it, how can we better treat it?

And then finally, with our extension role, we educate the public so that we remove the fear level and give them practical methods of managing pests.

How else do they affect us? Well, they can be directly damaging to our landscape trees that we use for shade, for windbreak, for just the beauty of our communities; and that can affect us as homeowners or utility companies or county managers; it goes on up. And the people have to bear, or the utility companies or the

county managers have to bear the brunt of the cost of that when they do lose trees. Right now, we have several . . . and I could have listed many, many, but I'll list a few pests that are directly damaging trees and causing loss of trees:

- Diaprepes root weevil came in from Florida. Its larvae feed on the roots of plants. It's got over 250 hosts. So it can basically attack any shrub or tree or bush that's in someone's yard and that's having an impact in Southern California.
- The golden spotted oak borer has come from Arizona, and it is affecting oaks, which we have a lot of in California.
- The red palm weevil has hit the news recently, and it is affecting palm trees and can be devastating. The larvae can bore into the trees and cause death of the trees. And you can imagine what L.A. would look like without its palm trees. So they can be directly damaging. They can also vector diseases, and we've talked a bit about that.
- The redbay ambrosia beetle transmits a laurel wilt fungus. It probably came here from South East Asia in packing materials. And it's threatening our bay laurels.
- The glassy-winged sharpshooter came over a few years ago. And it can transmit Pierce's disease to grapes, which is an agricultural issue; but it can also transmit oleander leaf scorch to oleanders. And we have oleanders growing up and down the State on our highway systems and in our backyards and that disease can devastate oleanders and wipe them out.
- And then one subject near and dear to my heart because I've worked a lot with it is the Asian citrus psyllid and the huanglongbing. It came from Asia to Florida. It probably got to us through Mexico.

You asked a question about what are we doing differently than Florida or why did Florida have such a bad problem. They had previously had a disease called canker and had managed canker by eliminating citrus trees in urban situations and caused such a panic to the urban growers that when the huanglongbing arrived they said, "We're not removing anymore trees. You've already taken out my trees for canker; huanglongbing, we're not going to deal with that." So the whole sociology of working with urban situations is just really different than agriculture.

How do invasive species affect us? Sometimes the diseases spread on their own. We've had sudden oak death come in probably from Asia, and it has taken out a lot of oaks in California and affected our parks, which also affects our urban population.

And we often talk to our urban population about local homegrown gardens: "We want you to be growing gardens, growing your own fruits and produce." And then we have pests come in that are very, very damaging and very difficult to control with pesticides. For example, the European grapevine moth would be attacking grapes, obviously. The brown marmorated stink bug attacks vegetables of all kinds. We've got this spotted-winged Drosophila coming in that can affect cherries and berries. So there's a lot of those types of pests. Even though they're more ag oriented, they're affecting our homegrown backyard vegetables and fruits.

We've also talked a little bit about the mussels and the killer algae that come in boat ballasts and affect power plants and fishing and boating, and that's really important also.

And then, they also affect our parks. We have a number of weed pests that come in, such as fountain grass, which can lower the diversity of the native species and increase fire hazards. Scotch broom is another example of that. The University research has shown that the Scotch broom has a high oil content; and if it takes over the understory of forests and catches on fire, it acts like a torch to light the trees above it. And so, we can't have invasives like that taking over and increasing fire, especially when they're adjacent to urban areas.

There are also things like the giant reed, which has taken over a lot of waterway areas and: a) it decreases the diversity of the native plants but, b) it also utilizes a lot of water. So it's actually reducing the amount of water that's available for urban areas.

And then finally, they can affect us directly as humans. Things like the brown widow spider have been introduced into California from Africa. And it is not nearly as bad as the black widow spider, but it's still something that we have to be concerned about. We've had Newcastle disease virus come in, and that's affecting animals. And then we have West Nile virus that has come in from Africa that is affecting humans as well as animals. So we have a big impact on us directly and through our pets and animals.

Why are they so hard to control? Often, they're well-established before they're detected, and chemical treatments are often not registered for urban areas. The urban population resists control because they don't understand the impact of invasive species.

So what's needed? Everyone has talked about exclusion and eradication because of the high cost once these things become established. And so, again, I would reiterate that the border, port, and quarantine controls are absolutely essential. Research is absolutely essential, and that's where the University takes a really strong role, looking for natural enemies and other control tactics proactively before the insects or diseases ever even get here; and helping organizations such as CDFA develop science-based eradication programs and then enlisting the help of the general public in that fight.

What is the role of the University? Well, we've had several organizations within the University of California that have contributed significantly to research and extension. UC Riverside has had a Center for Invasive Species Research since 1994. And right now, they are primarily a website with information about exotic species, and they have conferences and do coordinating of research. That website is a great place to go to learn some basic details about various invasive species that are now here.

UC Davis has the UC IPM program, which has both urban components and agricultural components. And in the years 2001 through 2009, there was funding through Senator Feinstein, some federal funding that came available, about \$10 million, that supported about 100 exotic pest projects. And that was a really important program. We don't have that program any longer, and we really miss it. But I'd say about 20 percent of those projects were on urban pests in specific and; of course, the agricultural pests also affect the urban population.

And then finally, the Division of Ag and Natural Resources right now has sort of reorganized thinking about how to solve pest problems or problems in general. And there are now four strategic initiatives: one on natural resources, one on healthy families, one on water (actually there's five now because we added water), one on basic food commodities, and one on invasive pests and diseases. And the University has taken a lot of money from special programs and eliminated those programs and combined the funds to create a competitive grants program. And I, as the invasive pest strategic initiative leader, my job is to sort of organize the troops, get the

researchers and the extension people working together to solve pest problems as quickly and as completely as we can as groups. And so, those groups can apply for that competitive funding. So we have a small amount of funding that's going into that, several million dollars a year. And, of course, my group has to compete with the other groups, the water issues and the healthy families and things, for the same competitive funds. And this year, we funded a project on Asian citrus psyllid, one on identifying nematodes, one on the golden spotted oak borer; and one of the most interesting ones, I think, is one project is going to go to foreign countries and develop pheromone detection systems for pests that aren't even here yet so that by the time they get here we'll be able to detect them as soon as they arrive. So that kind of forward-thinking research is going on in the University of California.

And I'll just finish with: the role of the University of California is to study the pests and diseases, develop the management programs, provide a scientific basis for regulatory programs, and then train the trainers and educate the public to make it all happen.

And I just want to thank you for allowing me to be here today.

SENATOR CANNELLA: Thank you very much. Appreciate your testimony. Dr. Kabashima. And if we keep to about the same timeframe, because as I said, I have to leave at 12:30. I'd like to hear all the testimony.

DR. JOHN KABASHIMA: Uncharacteristically, I can be quite short because Dr. Grafton-Cardwell and I actually looked at each other's presentations, and I'm just going to supplement a little bit.

I talked to Ken Spence, the symposium that CDFA had, and we had some interesting discussions that I thought I might embellish a little bit what she's saying. Her talk was very comprehensive so she covered all the main details.

But one thing that I want to speak about in the urban situation is I actually work with ag, natural systems, and urban environments, so I work with all of them. As a farm advisor, we're the "boots on the ground." We're the "blue collar" scientists. So when everybody is doing everything, we're the ones down there in the trenches trying to make things work. So we can have the best plan in the world, but implementation is very important. So being with the University, we serve somewhat of a neutral role. We're one of the few people who can say, "Hi. I'm from the government. I'm here to help you," and really mean it. And so, people tend to work

with us and confide in us and cooperate in ways they may not normally with an agency that comes in on an emergency response basis.

One of the things that I wanted to point out is that when I was growing up in Southern California in the '50s, '60s, and '70s—and I actually even worked for one day for the L.A. County ag commissioner's office before I was laid off by Prop 13—I used to drive through L.A. County. And I did urban pest detection for many years in college and that was a program to try to do early detection. One of the things that I noticed back then was that I could drive for miles before I got to another city. And the thing that's changed, really . . . We still have the ideal climate, all the trade and tourism, but one thing that's changed is that we have landscapes that go basically from the Mexican border all the way up the coast; and in those landscapes, you find every type of plant grown in the world. It's well irrigated, heavily fertilized, and so what we've done is we've created what I call the "urban incubator." And there lies one of the main points I want to make to you, is that not only is this is a concern to the urban landscape because it is vital to the environment . . . We know the advantages of having greenery for the air quality, etc., cooling of the environment. But one of the things we have here now is we've created a situation where anything can land in Southern California and instead of landing at LAX and going a few feet and dying, because it is basically a semi-arid area, it can find host material. And what we're noticing is that many of these pests come here and they change their behaviors. So they are adapting to a situation where they go from its native habitat with limited host range material, and they get into an area where there's things they've never seen before that they might adapt to.

We're also seeing, for instance, what Pierce's disease, the *Xylella fastidiosa* bacteria, that wiped out the grapes . . . Well, we're finding out now that in the urban environment there are alternate hosts that are serving as reservoirs for new strains of this bacteria; and because the plant material is so dense and so varied and has a very efficient vector, we're seeing mutations crop up that we have no idea what the implications are to the urban environment and to agriculture. Many trees that are reported dying, we are now seeing are dying from new strains of these bacteria that have mutated in the urban environment. So that's a really important aspect of identifying the urban area as a critical target for more study and more effort.

The other thing is the impact this is having on these landscapes. These landscapes are worth billions of dollars, and when you talk about having host removal and you look at a palm tree in Newport Beach that costs \$20,000, and there's thousands of them, how are you going to convince anybody that host removal is a viable option? And then, we run into the problem with homeowners, municipal governments, arboretums, with budget problems.

We're doing triage right now. We're seeing . . . All the agencies are doing a great job. They're working extremely hard, harder than I've ever seen them work. But the budget cuts are taking their toll. And so, I'm seeing, personally, a triage where you have to abandon red imported fire ant . . . or we have one new pest. I think it's going to be a . . . A new number is going to come out, one new pest every 30 days. And when you're dealing with limited budget and one new pest every 30 days, a lot of them are going to go by the wayside. And what happens then is then it falls into the bailiwick of the advisors and the researchers of having to either try to find biological control, probably classical bio control where we go to country of origin, or developing integrated pest management programs to control these pests. But once we do that, when the numbers start to mount and with the ability of these things to really multiply and thrive in their urban incubator, I think we're looking at a ticking time bomb here, not only in terms of threat to agriculture . . . But let's take *Diaprepes* root weevil: I'm predicting that *Diaprepes* root weevil is a ticking time bomb in the urban landscape; and within, maybe, 10 years (hopefully after I retire), we're going to see plant death throughout the urban landscapes, very expensive specimen trees and shrubs dying or being weakened to the point that they now become more susceptible to another organism that normally would not be damaging. And we're going to see millions and millions of dollars of damage occur in this urban arena. And so, for those of you who represent an urban area, I think that's a very important aspect economically, quality of life wise.

I did my Ph.D. work on red imported fire ant. When that funding was lost, that was extremely problematic to me that that could happen. And when I saw the national budget for fire ant and then the budget for fire ant in California, that kind of addressed your question of how is USDA looking at some of these pests. It's the way it has to be looked at. But when it came to California, we realized quickly—and this is something that we see over and over now—something that spread throughout the

southeast quickly, you know, hundreds of miles a year, when it hit California, it was limited to the irrigated landscapes. And it was a whole different situation; a whole different strategy allowed us to very effectively almost eradicate it before the funding was cut.

So I'm very gratified to have heard your introduction and how well versed you are in the impact that it's having on the urban environment. And I just wanted to be here to emphasize that point, that the citizens of California have a high stake here in getting the government to start really looking at the impacts that these things are having both on quality of life and economics. But also the time bomb of all of that mutation going on in there and populations building that we may not notice, like the Asian citrus psyllid, until we have to go back and say, "Well, has that really spread or are we just looking at where it's at now because it's already spread?"

Thank you.

SENATOR CANNELLA: Well, thank you. And that's one of the reasons we're having this hearing in the largest urban area in the State, because we recognize that it is a significant threat. And I can tell you that my yard is landscaped well. My wife designed it. If we lose our trees, I'm in big trouble. So we'll do what we can to correct that.

With that, we'll turn it over to Mr. Babineau. He's with Village Nurseries.

MR. MIKE BABINEAU: Thank you. I'm really pleased to be here today to present to the Committee a point of view that you may or may not hear that often and that is the nursery industry point of view and how we're impacted by these invasive pests. And just going back to a comment Senator de León said earlier, we are all linked. And certainly, the nursery industry is linked in a very big way to agriculture in this state and the entire population.

I got in this industry because I wanted to make the world a more beautiful place. I never thought I'd be sitting in front of a committee like this today, and the reason I'm here, besides being invited and feeling an urgent need for our point of view to be expressed, is because I realized that unless we have a voice that our interests sometimes can be overlooked. And certainly, these invasive pests I look as a threat to my livelihood and the livelihood of all the people in our industry.

Village Nurseries, the company I've worked for for 19 years, owns or leases about 700 acres of land in five different counties in California. We farm currently,

actively on 575 acres, and we employ over 550 people. Our annual sales are \$40- to \$50 million, and that's down significantly from what it used to be before the economy turned south. We ship to the Western United States, middle states, and Canada.

Just a little bit about our industry: We have a statewide farm gate value of \$3.29 billion. Our retail sales value is 11.74 billion. We have 3,549 producers and over 11,000 retail outlets throughout the State.

SENATOR de LEÓN: Mr. Babineau, these are statewide figures for the industry as a whole?

MR. BABINEAU: These are statewide figures, yes.

SENATOR de LEÓN: And what is it that you grow specifically?

MR. BABINEAU: Our nursery grows ornamental trees and shrubs, flowering perennials.

SENATOR de LEÓN: Okay.

MR. BABINEAU: The amount of employment that our industry provides is over 192,000 jobs throughout the State. And we have a total payroll of 6.5 billion.

California leads the nation with over 30 percent of the production in the country of nursery products and retail garden sales. Urban and geographically, we are diverse, as there is farming, plant farming going on in 55 out of the 58 counties in this state. And we provide farmers with young plants to grow food crops from berries to vegetables, fruit and nut trees as well. And we provide a quality of life, beauty, and value to the places we all live, recreate, and work.

As California—and I know this has been mentioned before—is kind of the gateway to global imports and has those favorable environments, our industry is on the frontline when it comes to the regulation of these invasive pests. Because we have the ability to ship throughout the State, we're one of the first people that are approached as far as regulation and control. And we recognize that this responsibility comes with our lot as far as our industry and what we do. But the current funding scenario and resulting control protocols present ever costly, burdensome, and sometimes disjointed requirements that affect our industry. Certainly over the last several years, we face significant challenges because of the economic downturn and the housing downturn as well. This has reduced demand for our products and created some significant consolidation and associated job loss and increased operating

costs in our industry. And we're rapidly changing as an industry in this state and constantly looking for opportunities to develop future economic growth.

As far as pest-related activities, just speaking for our company, we spend on an annual basis to control about six or seven different major pests, invasive pests, \$212,000 on chemicals and over \$200,000 on labor to control these invasive pests, just in our company. That amount of money approaches what we're probably going to make in a net profit this year. The effects to our business really are fairly significant in how we operate and how we provide customer service. Our delivery times are impacted by the protocols because we have certain reentry times that we have to abide by when we treat chemicals before shipping plants, which is required by these protocols.

We expect to lose 11 shipping days in 2012 because of furloughs and budget cutbacks on the state and county level. That represents about 4 percent of our shipping days on an annual basis.

Every new pest requires a new protocol and its associated costs and hoops to jump through. Many of the protocols the nursery industry is required to follow are created to meet the demands of foreign trading partners where California ships food products, not necessarily because the insect is a problem on a particular plant that we grow. So while the Department and others consider nursery when they discuss economic benefits to our state, we are often singled out and treated differently than others when it comes to pest issues. I don't say this to complain, but rather it's a reality we face as a diverse agricultural state.

As far as solutions that I would recommend to the Committee: You know, with the budget cutbacks, we have seen an ever-increasing shift of cost through increases in cost of programs directly to our business in the form of fees and less ability to participate from a government level as far as control and eradication of these pests. We bear a lot of extra costs, as I outlined in my presentation earlier, and these programs are expensive. We could use a lot less chemicals and produce a lot more revenues, tax revenues for the state, if we didn't have to deal with as many of these costs because we could put that money into growth and development of our businesses, which would increase employment and increase the taxable income.

Really, I think that pest exclusion should be funded by the General Fund because it is . . . at least a piece of it should be, because it affects the entire State and

the entire State's population; and that's been outlined by many of the people that have spoken here today. The environments that we live in are impacted by that.

Some of the pests that we have to deal with we don't necessarily have a direct association to as far as impacting our business would be SOD (sudden oak death). We bear a tremendous cost in trying to prevent that from being spread around the State; but our industry does not benefit from that economically at all, that has to do with our forests and our environment. And so, that is an area where those costs are being covered, but they're not directly benefiting our industry.

Another example would be red imported fire ant that's been talked about already. We spend a considerable amount of money on chemicals to put in our soil mix to make sure that that pest does not proliferate in our nursery; and yet, those pests don't really impact us growing plants, that is for the public good.

I think the biggest thing that I'd like to see—and we've talked about it as an industry and John has been involved—is that if we had an all-inclusive best management program and cleanliness standards that would apply to all invasive pests, possibly on a tiered level for different levels of activity, that would help us to consolidate our resources and be more effective on a wide-scale basis as opposed to reacting to every invasive pest that comes along. The mode that we're in right now is we have to react to all these pests, and there's a different protocol and a different set of chemicals. And if there was a way that we could develop something that would help us cover all these invasive pests then there probably would be a lot less chemical applied as far as what we do to control these pests, and it would reduce some costs.

I think it's real important that, you know, interception and exclusion continues to happen because, as everybody else has said, we save money if we prevent it from getting established in this state as opposed to having to react to it afterwards. And so, you know, our borders are very important and our ports of entry are very important as far as intercepting all of these pests.

That's really what I have to say. I appreciate the opportunity to be here and would like to help to be a resource for this committee and happy to be able to contribute.

SENATOR CANNELLA: Okay. Thank you very much. Appreciate your testimony.

As far as . . . you mentioned . . . jumping into questions . . . the nursery industry. Because as I understand it, if there's a threat or some species is found and it's at the nursery, you get quarantined, right? You can't sell outside of the quarantine area; is that correct? I mean, I would imagine that's a financial . . .

MR. BABINEAU: Well, that's a very common occurrence, yeah.

SENATOR CANNELLA: Has that happened before?

MR. BABINEAU: Oh, it happens all the time. We have a quarantine right now in San Diego for a new Q-rated mealybug that no one seems to know very much about yet, and we have a huge amount of inventory on hold right now we can't sell.

SENATOR CANNELLA: Now, is that on hold until that quarantine is lifted and then you can sell it? I mean is there a . . . I would imagine that's a large economic loss if something like that happens?

MR. BABINEAU: Well, it just delays potential sales; and so, it affects our ability to service our customers, yes. But we have those types of situations come up on an increasing basis with the increase in pests coming one every 30 days, and it's probably going to be more than that.

SENATOR CANNELLA: And what did you say your company spends to fight invasive pests right now?

MR. BABINEAU: Over \$400,000 a year.

SENATOR CANNELLA: \$400,000. And then you said you had \$40 million a year in sales, and you said that's going to exceed your profit. That's a tough business model right now.

MR. BABINEAU: No, not exceed it. I said it approaches our profit for this year. I mean, with the economy the way it is and the increase in cost that we're experiencing, including the cost to comply with these treatment protocols, are affecting our business.

SENATOR CANNELLA: Yeah. Well, you don't have a whole lot more to give, it sounds like, if your profit . . .

MR. BABINEAU: No, we don't. I mean, the nursing industry in California, at least certain segments of it, is very, very challenged right now; and we have seen a lot of big wholesale nurseries in the State go by the wayside.

SENATOR CANNELLA: Let me ask you a question: So it sounds like it's a lot of controls on the nursery industry in this state and for good reason, right? It could

be you could spread a lot of bad stuff out there very quickly. What are the controls on nurseries out of the State that want to sell to the consumers? Are there any?

MR. BABINEAU: Well, I think that the CDFA has their own requirements as far as how plants get into the State, and they have inspections in order to prevent those pests getting in here. So for instance, when we buy plant material from another state, it's certified as being pest free. Or if it's not certified, it has to be inspected before we can put it out on the nursery.

SENATOR CANNELLA: They don't necessarily have to abide by the same rules you do, right? They would inspect it or if they get a certificate or something then they can ship their materials into the State and sell them, I would imagine?

MR. BABINEAU: Yes. And that, again, that coming in from, through the borders, that would be where that type of issue would be taken care of. I'm not sure actually what the rules are as far as importation from other nurseries selling into this state.

SENATOR CANNELLA: Okay. Thank you. Senator de León?

SENATOR de LEÓN: I think I'm fine.

SENATOR CANNELLA: Okay. All right. Well, thank you very much for your testimony. It was very informative. And we really appreciate your time.

At this time, is there anybody from the public that would like to speak? If so, you're welcome to do that.

All right. Seeing none. Again, thank you so much for being here. Senator de León, thank you so much for being a part of this. And thank you for hosting us today.

UNIDENTIFIED: Oh, absolutely.

SENATOR CANNELLA: And, really, our goal is to continue to understand this. In fact, the Senate leadership . . . I believe it's at Rules now to start a select committee for invasive species, a subcommittee, rather, for invasive species; and Dr. Spence, that's his area. So we take this very seriously, and we're going to do all we can to help combat this. So thank you, again, for coming today.

SENATOR de LEÓN: Thank you. Let me add one thing, too. And I'm looking forward to working together with you, Senator, to do everything we can possible, given the economic constraints, so we can be proactive. A lot of great information, a lot of expertise today with regards to . . . I learned a lot today.

So I think this is a great example of sort of bipartisan approach—Republican, Democrats working together. Who would've ever thought that we would be intrinsically linked on an issue like this, you know, but we very much are so. So I'm looking forward to working with you, and hopefully, we can produce some good results so we can protect agribusiness as well as the nursery business here in the state of California.

SENATOR CANNELLA: Great. Thank you again. We are going to adjourn this hearing.