

BOYCOTT ISRAEL? PROTECT THE WATER? BOYCOTT PISTACHIOS!

Today, the bulk of America's pistachio trade is controlled by one firm: the **Wonderful Company**, made famous by **Steven Colbert** ads. The *Wonderful Company* is owned by Beverly Hills billionaires Stewart and Lynda Resnick. Its success was based on "a *heist of epic proportions*." President Carter's 1979 embargo on Iran was what gave birth to America's pistachio business. Historically, pistachios imported from Iran had dominated global markets, including in the US. When America was suddenly cut off from Iran's pistachio supply after Carter's economic blockade in the wake of the Iranian hostage crisis, it left a giant hole in the market and created the need for an alternative source of pistachios. At the time, pistachio farming happened on a small scale in the United States — the bulk of it in California's Central Valley. Sensing a perfect business opportunity, farmers in California stepped in to fill the void. At that time, Stewart Resnick had just gotten into agriculture. He was a shrewd businessman and he seized the moment. From then on, America's pistachio industry grew at crazy pace, with domestic output more than doubling every 5 years. In 2008, forty years after the embargo, America finally surpassed Iran as the world's dominant producer of pistachios.

It turns out that Stewart and Lynda Resnick have been pumping their money into some of the most militantly pro-Israel think tanks in Washington, including the American Jewish Committee and the Washington Institute on Near East Policy (WINEP) where they have been on and off the board for over a decade. Both of these outfits have lobbied heavily for sanctions on Iran and against the Iran nuclear deal. WINEP has been extremely hawkish on Iran. One WINEP executive, Pat Clawson, has even called on the US to stage a false flag attack that could trigger a war with Iran.

Stewart Resnick, along with Sheldon Adelson, has also long been a board member and backer of American Friends of IDC, a not-for-profit foundation that serves as the fundraising arm of the Interdisciplinary Center *Herzliya*, a think tank with close links to the Israeli intelligence and military establishment, and which has long advocated an aggressive approach to Iran. And through their family foundation, the Resnicks have also funneled money to the American Jewish Committee, which is one of the most active lobbyists pushing for a sweeping Iran sanctions bill that was eventually signed into law by Obama in 2010.

Whether or not they fund these groups solely for business purposes or because of their personal commitment to supporting Israel — well, that's a hard thing to untangle. They are politically active and are major political donors. They donate widely across the political spectrum, but ostensibly, they are liberals. They said glowing things about Obama's 2008 victory, they hosted a party for Democratic senator Dianne Feinstein, Arianna Huffington is a close friend of theirs, and they have Stephen Colbert in tow as a brand spokesperson. They rarely speak to their views around issues of real consequence, whether it's about Israel, Iran, or even California and American politics.



The Resnicks use every tool they have to restrict and suffocate Iran's pistachio industry. The Wonderful Company is very media and PR savvy so its executives and spokespeople don't go out calling for war on Iran. But they are honest about Iran being their prime competitor and target. As one of their executives — in a very understated manner - told the press not so long ago: "We don't mind stealing share from the Iranians."

So battling and taking over Iran international marketshare — whether in Europe, China, South Korea Russia, India or Israel — has been a prime objective of the Resnicks and the greater pistachio lobby. This is done with sanctions, but it is also done with free trade agreements — lobbying countries through American government trade reps to raise tariffs on Iranian pistachios, while lowering tariffs on American pistachios to zero.

What makes pistachios different from other crops grown in California is that they grow on trees and cannot be fallowed in a dry year. With crops like cotton or alfalfa or lettuce or strawberries, farmers can simply not plant in a drought year when there is not enough water. But with pistachio trees it's different. If you don't water them, the trees die — which destroys years of investment that it took to bring them to maturity. **There can be no water cutoff** for pistachio orchards — they require a constant, year-round supply of water. But California has seasonal rainfall and periods drought. So in order to maintain their constant supply of water, California farmers — led by the Resnicks — have been draining aquifers and rivers at an alarming rate and are currently pushing through a devastating plan to siphon off of two largest rivers in California — all in order to feed the pistachio boom. *The company's* farm single-handedly soaks up more water than the entire city of Los Angeles.

Allowing Iranian imports would not make American pistachio farmers very happy, but it would not solve California's water crisis either. The problem now is that through clever and aggressive marketing, the Resnicks have driven a global demand for pistachios on a scale that had never existed before. And today global demand outstrips supply — which is why pistachios are such a lucrative crop to plant and why so many farmers are converting their fields to pistachio orchards.

Ironically, Israel has been a **leading importer of Iranian pistachios**, which are **considered the best in the world**. They do so through third parties like Turkey with whom they enjoy semi-normalized relations. About a decade ago there was a scandal in Israel when it turned out that the country was turning a blind eye on the

importation of Iranian pistachios through Turkey, which were rebranded as "*Turkish pistachios*." Turns out that if given the choice, Israelis would rather eat Iranian pistachios rather than American ones, which they consider to be of inferior taste.

The **US ambassador** to Israel at the time wrote an angry letter to Israel's Finance Minister accusing him of willfully turning a blind eye to this practice and of violating Israeli laws. The media in Israel went wild with accusations that **anyone who bought Iranian pistachios was directly financing terrorists** and helping Iran build a nuclear bomb that would be used to wipe Israel off the map.

Israel consumes more pistachios per-capita than any other country in the world. It's a tiny country, but its market is valued at just over \$30 million dollars — which is about 10% of the entire pistachio market in China, the world's biggest importer of pistachio in the world with a population of 1.4 billion. It's not peanuts, so of course the Resnicks have a stake in making sure that the market is dominated by American pistachios. Since it's already illegal to import Iranian pistachios in Israel, the American pistachio lobby has been putting pressure on Israel to enact trade policies that would make the stealth importation of pistachio from Iran even harder: things like increasing tariffs on pistachios imported from Turkey, while dropping tariffs on American pistachios to zero. And that is where the situation is today: **American pistachios come in duty free** while everyone else pays a steep tax.

Thanks to **Max Blumenthal**
-grayzoneproject.com

Journalist **Yasha Levine**
& filmmaker **Rowan Wernham**.



For more on their film in the making:

'Pistachio Wars' - go to:

www.kickstarter.com/projects/7331688/pistachio-wars-killing-california-for-a-snack-food



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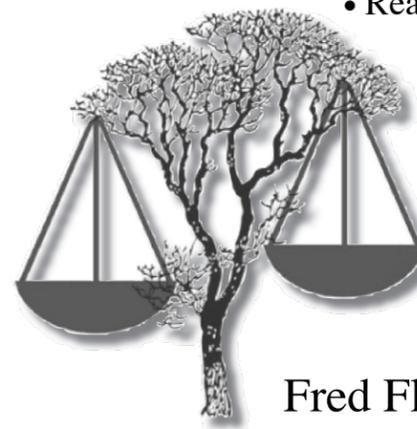
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