Newsletter of the California Cotton Ginners and Growers Association



The Cotton Chronicle

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Industry Calendar

September 12 **Board Meeting**— Fresno, CA

September 12 **Cotton Harvest Safety** Seminar-Hanford, CA

September 27 **Cotton Harvest Safety** Training-**Five Points, CA**

Visit web calendar for details

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Packed Workshops Hear ARB & SJVAPCD

Over 60 people attended this past month's San

Joaquin Valley Air Pollution Control District's workshop on the PM2.5 plan for the San Joaquin Valley, and similar numbers were present for the California Air Resources Board's Community Meeting on the proposed plan. And what they heard was not good news for agricultural interests. At the Air Dis-

trict level, attendees learned that irrigation pump engines, both diesel and natural gas, will once again become targets for a further tightening of the regulations governing those sources. Tier 3 pump engines will now have to be replaced with Tier 4 engines or electric motors. In addition, the Air District is going to tighten the **Conservation Management Practices regulations** to control fugitive dust from farms, specifically tightening restrictions on land preparation and how lands are fallowed. On the State side, CARB confirmed the information released recently stating they will be regulating tractors and harvesters for the first time. CARB is looking at replacing 12,000 tractors by the end of 2024! While they will focus on the use of incentives first, it was made abundantly clear there will be a "drop dead date" by which older tractors and harvesters will have to be replaced. These mandates are a result of a very tight Federal EPA ambient air quality standard for PM2.5. The Association was present at both meetings, and Association President/CEO Roger Isom provided testimony opposing the fugitive dust and engines requirements, and questioning CARB on wheth-

> er the incentive funds will be there to meet the 12,000 tractor goal. The plan is expected to be adopted by the SJVAPCD in November and the ARB in December.



New Opportunity for Producers with Generic Base

Article written and provided by K COE Isom

Producers with generic base acres can now make updates with FSA. Application period for elections on generic base acres is now open through December 7, 2018. The United States Department of Agriculture (USDA), through the Farm Service Agency (FSA), has opened the application period for elections to be made on generic base acres. The Bipartisan Budget Act of 2018 designated Seed Cotton as a program crop and eliminated generic base acres and the base allocation process. Now, producers with generic base will have a one-time opportunity to allocate those generic base acres to program crop base acres (including the new seed cotton base) and make the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) selections on the seed cotton base. Farm owners will also have the opportunity to update payment yields for seed cotton. The options for reallocation of generic base are:

80% of generic base is allocated to seed cotton base and 20% is allocated as unassigned base with no payments possible on unassigned base

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(default).

- New seed cotton base will equal the average cotton acres (planted or prevented) from 2009-2012, not to exceed the generic base total.
- Generic base is allocated in proportion to average planted and prevented planted crops from 2009-2012 (must be program crops).

Producers must make the ARC or PLC election on all farms with new seed cotton base. If the election is not made by December 7, PLC will be the default election. The FSA halted approval of all ARC/PLC 861 contracts on farms with generic base. They must be updated with new base acres, programs, and yields before the approval will happen. Farm owners will have two options to update PLC payment yields for seed cotton:

- Multiply the existing upland cotton Counter-Cyclical yield by 2.4 (default)
- 90% of the average yield of planted upland cotton for years 2008-2012

Should producers not choose PLC, there is still an opportunity to update to maximum yields.

While the planted and prevented planted history was sent out to producers by FSA, many producers have reported that they have not received letters. Producers can request that history from the FSA to help make decisions.

Huge Turnout for Sacramento Water Rally

Over 1,000 farmers, farmworkers, business owners, teachers, medical agency staff, students and elected officials showed up at the Capitol to protest the "State Water Grab" contained in the State Water Resources Control Board's (SWRCB) proposed Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (the "Bay-Delta Plan") and the supporting proposed final Substitute Environmental Document ("Final SED"). The proposal would require "unimpaired flows" on the Stanislaus, Tuolumne and Merced rivers during critical times of the year, which would ultimately mean a loss of 40% to 60% of the water used in those areas. This will be devastating not only to agriculture but to everything in Merced, Stanislaus and San Joaquin Counties. In interviews following the Rally, Association President/CEO Roger Isom, who participated in the Water Rally, stated "this is not only a water grab, it is a clear signal that the State Water Board has no consideration for life in the San Joaquin Valley. Anyone who questions that should look no further to the west side of the San Joaquin Valley devastated by similar measures that eliminated water coming to that area. Fresno County went from being the number one cotton producing county in the world to outside of the top 100. More than 20 cotton gins and the over 1,000 people involved in those operations lost their jobs, and the populations of salmon and delta smelt are no better off today, then they were back then. This new proposal will have the same impact to the economies of Merced, Stanislaus and San Joaquin counties and towns like Denair and Ballico will look like Mendota and Firebaugh. Today is the day we stand up and say enough is enough. And today the state's agricultural industry did just that!"

Ratepayers Left Holding the Bag for Wildfire Damages

This past week, the legislature passed SB 901 (Dodd) that will without a doubt increase our members' electric bills for those located in the PG&E territory. Despite Association pressure and the fact this adds thousands of dollars per month to electricity rates, the legislature gave PG&E the blank check they were looking for. Less than a week prior, with little notice and even less transparency, in typical "last week of session fashion", the legislative conference committee tasked with addressing the wildfire and utility liability issue jammed through a massive bailout for PG&E standing with their shareholders over ratepayers, including businesses and homeowners in California who will experience skyrocketing energy bills. The legislation, SB 901 would require ratepayers to cover whatever damages are beyond the cap placed on PG&E, even if PG&E is found negligent in the massive 2017 fires. At \$10 billion in liability, customers will pay an additional ½ cent per kWh for every kilowatt hour for the next 20 years! The Association fought the bill vigorously alongside many ag groups, such as Western Growers Association, Ag Energy Consumers Association, California Citrus Mutual and others. Association President/CEO Roger A. Isom stated "Our members cannot afford any more rate increases to the already highest industrial electricity rates in the country. To put this on our backs is unequivocally unacceptable. We refuse to pay for their negligence and wholeheartedly oppose this legislation."

<u>USDA Announces Details of Assistance Program for</u> <u>Farmers Impacted by Trade Issue</u>

U.S. Secretary of Agriculture Sonny Perdue has announced details of actions the U.S. Department of Agriculture (USDA) will take to assist farmers in response to trade damage from unjustified retaliation by foreign na-

tions. USDA will authorize up to \$12 billion in programs, consistent with our World Trade Organization obligations. These programs will assist agricultural producers to meet the costs of disrupted markets:

- USDA's Farm Service Agency (FSA) will administer the Market Facilitation Program (MFP) to provide payments to corn, cotton, dairy, hog, sorghum, soybean, and wheat producers starting September 4, 2018. An announcement about further payments will be made in the coming months, if warranted.
- USDA's Agricultural Marketing Service (AMS) will administer a Food Purchase and Distribution Program to purchase up to \$1.2 billion in commodities unfairly targeted by unjustified retaliation. USDA's Food and Nutrition Service (FNS) will distribute these commodities through nutrition assistance programs such as The Emergency Food Assistance Program (TEFAP) and child nutrition programs.
- Through the Foreign Agricultural Service's (FAS) Agricultural Trade Promotion Program (ATP), \$200 million will be made available to develop foreign markets for U.S. agricultural products. The program will help U.S. agricultural exporters identify and access new markets and help mitigate the adverse effects of other countries' restrictions.

Background on Food Purchase and Distribution Pro-

gram: The amounts of commodities to be purchased are based on an economic analysis of the damage caused by unjustified tariffs imposed on the crops listed below. Their damages will be adjusted based on several factors and spread over several months in response to orders placed by states participating in the FNS nutrition assistance programs.

Food Purchases (all commodities not listed)

Commodity	Target Amount (in \$1,000s)
Pecans	\$16,000
Pistachios	\$85,200
Walnuts	\$34,600
Total	\$1,238,800

Program details yet to be determined (all commodities not listed)

Commodity	Target Amount (in \$1,000s)
Almonds	\$63,300
Total	\$174,800

Truck and ATV Portion of FARMER Funding Proposed

Right in line with the Association's suggested protocols, the California Air Resources Board announced proposed funding parameters for the truck and ATV funding portions of the FARMER incentive funds. The tractor portion has already been decided and air districts have already started processing applications. For trucks, FARMER

funding will fund new and used trucks (w/ less than 650,000 miles) at an incentive level up to 65%. Eligible trucks must have been registered in the ARB's TRUCRs database or they will not be able to receive funding. Electric ATVs, like the John Deere Electric Gator, can be purchased to replace a diesel or gasoline powered ATV at a funding level up to 75% of the cost. These details should be finalized and approved by CARB in the next couple of weeks and funding of these projects should begin around the first week of October. For questions, please call our office at (559)455-9272.

New Prop 65 Regulations

As of August 30, 2018 new regulations regarding Prop 65 warning come into effect. Most safe harbor warnings for consumer products will require a new exclamation point icon (with the exception of foods), change the wording of the Prop 65 statement, require the inclusion of the names of one or two Prop 65 listed chemicals that cause the warning to be provided as well as provide the URL of the new OEHHA Proposition 65 warnings website (www.p65warnings.ca.gov). Additionally, products that provide any consumer information in non-English languages must also provide a Prop 65 warning in that language. Warnings will also be required to appear on websites and in catalogs that are selling those products. The new regulations also make an effort to note that when it comes to manufacturers and retailers of Prop 65 goods, the manufacturer has the primary responsibility for providing the warning. Manufacturers will be required to provide notice to the distributor, importer and/or retailer of possible exposure of a listed chemical. Unless optedout through a contract, manufacturers must also provide warning signs and materials to the other parties. For additional information on these new regulations please contact our offices or visit www.p65warnings.ca.gov.

Federal Ruling on Chlorpyrifos

On August 9th, the U.S. Court of Appeals for the 9th Circuit ruled that EPA failed to justify former Administrator Pruitt's decision to reverse the Obama-era ban on chlorpyrifos. This recent decision calls for the revocation of all U.S. tolerances and the cancellation of all registrations for the product within 60 days. While the decision had no immediate effect on the use and sale of the product, time is ticking. EPA has until September 24th to decide if the agency will request a rehearing on the matter. If requested, it would put a pause on the mandate until a

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final decision is made. However, if September 24th comes and goes with no rehearing request from the agency, a seven-day window of time is given for the Agency to prepare to comply with the mandate, effectively beginning the revocation and cancellation within 60 days starting October 1st. We will keep you posted with any further developments.

FREE Cotton Harvest Safety Seminar

A FREE Cotton Harvest Safety Seminar will be held September 12th from 8-11 a.m. at the Kings Fairgrounds in



Hanford. The sessions will include general equipment safety, chemical safety, road safety, and much more! To register, call the UC Cooperative Extension at 559-684-3300 or register the day-of from 7:30-8:00 a.m.

Cotton Harvest Safety Training

FCFB and California Cotton Ginners and Growers Association will host their annual Cotton Harvest Safety Training

in English and Spanish on Thursday, September 27, from 8 to 10 a.m., at the UC West Side Research and Extension Center, 17353 W. Oakland Ave., Five Points. The training will be provided by Zenith Agribusiness Solutions.

