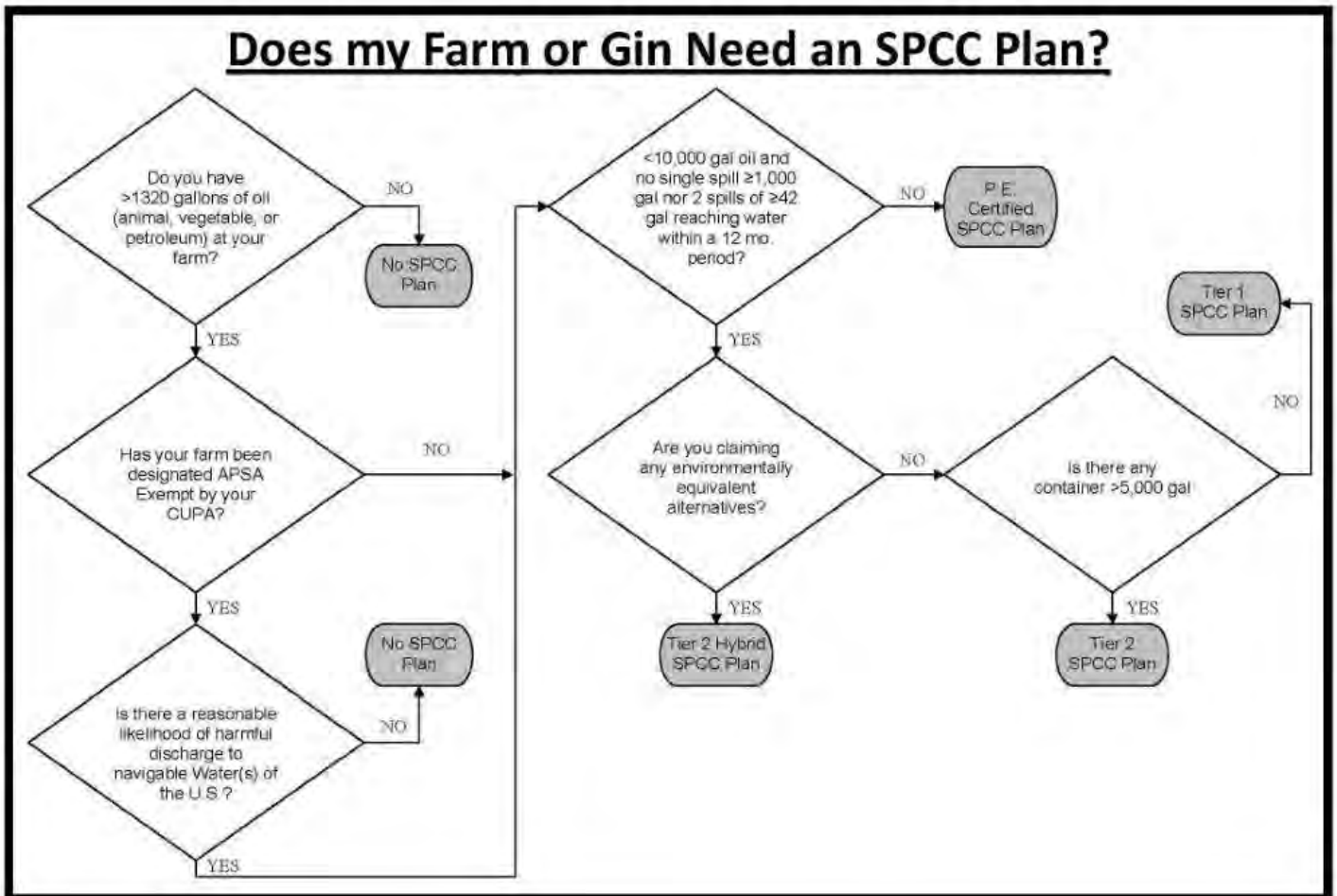


California Cotton Ginners and Growers Associations  
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# The Cotton Chronicle

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November 2011

Volume XXII, Issue 11

## Industry Calendar

Nov 11—

Veterans Day—  
Office Closed

Nov 24-25—

Thanksgiving Holiday—  
Office Closed

Dec 1—

Growers Board Mtg—  
CCGGA Offices

Dec 7—

Ginners Board Mtg—  
CCGGA Offices

*(Visit web calendar  
for details)*

## CCGGA Staff

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## Cotton Gin Study Wraps Up Testing Phase

The emissions testing on the last of seven cotton gins was conducted this past month in North Carolina. One of the important aspects on this particular test was that Federal EPA was on hand for a portion of the testing to see first hand how the sampling was being conducted. The purpose of the testing is to measure PM2.5 to determine what the actual PM2.5 emissions are from cotton gins, as Air Districts in the state prepare to move forward on proposing and implementing control measures to reduce PM2.5 emissions. Cotton gins were one of the emissions sources identified as a potential significant source based on preliminary estimates that had PM2.5 emissions at a level equivalent to 33% of total particulate emissions, which would be significant. However, preliminary results from the first four cotton gins tested have the PM2.5 emissions somewhere between 3% and 6%. This testing is very critical in determining whether or not cotton gins will have to install additional control technology beyond the “enhanced 1D-3D” cyclone technology currently required for cotton gins in most air districts in California. The testing is being con-

ducted by the USDA ARS cotton gin labs along with Reliable Emissions Measurements (REM), the emissions testing company used for most cotton gin testing in California. The study is being funded by a large collaboration of entities including Cotton Incorporated, all of the State Ginning Associations, the California Air Resources Board, and the San Joaquin Valley Air Pollution Control District. It is hoped that a final report will be published some time in 2012.

## Sign of Things to Come: DPR Proposes Restrictions in Urban Areas to Protect Water Quality

Businesses that provide structural pest control would be required to follow strict new controls that limit where pesticides are applied around structures to protect water quality under regulations proposed today by the California Department of Pesticide Regulation (DPR). “Surface water monitoring data collected for the state’s regional water quality control boards and monitoring by our staff continue to show that pesticide runoff in both urban and agricultural waterways exceed levels toxic to some small aquatic organisms,” DPR Chief Deputy Director Chris Reardon said. “Most people don’t realize that pesticides used to control ants, spiders and other pests in and around homes, commercial and industrial buildings and landscapes can affect aquatic life.” While pesticide use is closely associated with agriculture, more than half of the products regulated by DPR are for commercial, industrial and home use, Reardon explained. The rules would restrict the use of 17 pyrethroid insecticides by businesses that apply them to homes, other structures and landscaped areas -- not pesticide use by individual consumers. In addition to decreasing the



amount of insecticides used around structures, the regulations would prohibit pest control applicators and maintenance gardeners from making applications when it rains, when puddles are present and over drains and natural drainage areas. The intent of the regulations is to reduce pesticide contamination in runoff from homes and other urban structures, driveways and landscaped areas into surface water. Pest control businesses and maintenance gardeners apply more than 70 percent of the pyrethroids targeted by the proposed regulations. Following adoption of the proposed regulations, DPR plans to follow up with additional restrictions on pesticide use in agricultural areas in 2013 to protect surface water from further contamination.

### **CCGGA Continues Education of Urban Legislators**

Partnering with members of the Agribusiness Presidents' Council, the California Cotton Ginners and Growers Associations, the California Rice Commission, the California Agricultural Aircraft Association, and the Western Agricultural Processors Association (WAPA) conducted a day long farm tour of the Sacramento Valley with **Assemblyman Dr. Richard Pan** of California's 5<sup>th</sup> Assembly District.

Dr. Pan is a pediatrician who was elected to the Assembly last year and represents Sacramento, Citrus Heights and Folsom.

As part of the tour Dr. Pan visited the **Super Squirrel Nut Company** in Winters, a walnut processor and WAPA member. In the pictures shown here, Dr. Pan can be seen at the walnut processor and in a walnut orchard discussing issues with **Guy Garcia**, the owner of **Super Squirrel Nut Company** and CCGGA Executive Vice President **Roger Isom**. The issues discussed included prices, varieties, water availability, labor, energy and environmental issues. The tour included visiting a rice mill and farm, where Dr. Pan actually rode in a rice harvester, as well as an aerial applicator operation, where Dr. Pan was able to fly in one of the planes. While not every tour will turn legislators around to ag's way of thinking, these events go along way in educating the folks making the decisions that affect our op-



erations. And considering that the overwhelming majority of the 120 representatives in the State Legislature have never been on a farm, this is a daunting, but absolutely necessary effort. Look for more in next month's newsletter when we will report on our next tour occurring in November in the San Joaquin Valley with three more urban legislators from San Diego, Long Beach and San Francisco! They will be visiting a cotton gin and actually picking cotton!



### **NRCS Conservation Programs Deadline Fast Approaching**

For those farmers and ranchers interested in applying for Fiscal Year 2012 Farm Bill conservation program-financial assistance, the USDA Natural Resources Conservation Service (NRCS) in California has set **Friday, Nov. 18, 2011**, as the application cutoff for ranking consideration. This deadline includes all California Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentives Program (WHIP) and existing Agricultural Water Enhancement Program (AWEP) project priorities. The deadline for NRCS's National Initiatives (EQIP Organic, High Tunnels, Energy and Air Quality) will be provided at a later date. Landowners with a conservation plan for their operation receive priority for financial assistance. NRCS staff is available to help landowners create conservation plans on a first-come, first-served basis. Applications can be submitted throughout the year, but those received after November 18 will be held until the next funding cycle. Farmers and ranchers are encouraged to apply now to ensure consideration for this funding cycle. Through EQIP, agricultural producers receive technical and financial assistance to implement projects that address resource concerns such as water conservation and water and air quality. WHIP is a voluntary program for private landowners who want to develop or improve wildlife habitat on private farms and ranch lands. It provides both technical and financial assistance to help establish and improve fish and wildlife habitat. AWEP is a voluntary conservation initiative that provides financial and technical assistance to agricultural producers to implement agricultural water enhancement activities on agricultural land to conserve surface and ground water and improve

water quality. As part of EQIP, AWEF operates through program contracts with producers to plan and implement conservation practices in project areas established through partnership agreements. For additional information, landowners are encouraged to contact their local NRCS Service Center. Service center locations and more information on the programs can be found at [www.ca.nrcs.usda.gov](http://www.ca.nrcs.usda.gov).

### **CCGGA “Weighs In” on Scale Fee Increase**

As the State cuts back on funding to counties and cities, these agencies are proposing fee increases to make up the differences. The California Cotton Ginners and Growers Associations (CCGGA) recently opposed a 67% increase in scale fees by the County of Fresno. As a result of our comments and concerns raised by others, the County has shelved the fee increase for now. While CCGGA prevailed in this particular case, rest assured this is only the beginning.

### **USDA FSA Increases Guaranteed Loan Limit**

USDA Farm Service Agency (FSA) **California State Executive Director SED Val Dolcini** announced that the loan limit for the Guaranteed Loan Program will increase to \$1,214,000. The limit is adjusted annually based on the "Prices Paid to Farmers Index," compiled by the National Agricultural Statistics Service (NASS).

“Raising the guaranteed loan limit will allow FSA to better meet the financial needs of eligible California farmers and ranchers” said Dolcini. “Farming and ranching are capital-intensive business activities,” he said. “Costs for inputs, fuel and equipment are climbing every year.”

Another change to the guaranteed loan program will affect the one-time loan guarantee fee charged on all FSA loans obligated after October 1, 2011. The one-time loan guarantee fee will increase from 1.0 percent to 1.5 percent of the guaranteed portion of the loan.

During Fiscal Year 2011, the capital FSA extended to California farmers and ranchers grew by 1.9% to \$119,474,270. That represents 675 direct and guaranteed loans made by FSA staff to Golden State producers. Notably, 59.7% of those California loans were made to socially disadvantaged and / or beginning farmers and ranchers, two important target markets for FSA financing.

Guaranteed Loans by FSA allow other lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a commercial

lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Producers who are unable to obtain financing through a commercial lender or through a guaranteed loan, could be eligible for an FSA Direct Loan. These Direct Loans have a limit of \$300,000 with the exception of Emergency Loans with a ceiling of \$500,000. The maximum allowable combined guaranteed and direct indebtedness is now \$1,514,000.

For more information on FSA's farm loan programs, please contact an FSA Farm Loan staff member near you by calling a local FSA Office or by calling 530-792-5520.

### **Oil Spill Prevention Plans**

In previous newsletters we have discussed the need for gins and farms to complete spill prevention control and countermeasure plans or SPCC plans. Gins and farms in California are subject to the Federal EPA SPCC rule as well as the California Aboveground Petroleum Storage Act (APSA). Recently, EPA announced that it was extending the deadline to complete SPCC plans from November 10, 2011 to May 10, 2013. While this is good news for some, California gins and farms need to be aware that this extension does ***not*** relieve them of compliance responsibility. First of all, the California law applies to ag processing facilities and farms with a single tank over 20,000 gallons and 100,000 gallons of total storage. If you meet those criteria, you are subject to the California law requiring an SPCC plan and you are not covered under the extension. Also for farms, the extension from Federal EPA SPCC rule only applies to farms that came into existence after August 16, 2002. If your farm was established prior to that date, then you are not covered under the time extension and need a plan as soon as possible. Farms and gins are subject to SPCC plan requirements if total oil storage at a site has a capacity to hold more than 1,320 gallons. A template plan is available for those whose storage capacity is between 1,320 and 10,000 gallons. A professional engineer will have to sign off on a plan for any facility or farm that has storage over 10,000 gallons at any one location. For more information on the SPCC/APSA requirements you can visit [www.ccgga.org](http://www.ccgga.org) and go to the Industry Issues page under Environmental, see diagram on back page, or call **Casey Creamer** at **(559) 252-0684**.