



The Cotton Chronicle

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www.ccgga.org



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Industry Calendar

Feb 4-6—
National Cotton
Council
Annual Meeting—
San Antonio, TX

Mar 1—
Ginners Annual Mem-
bership Meeting—
Fresno

Mar 1—
Ginners Board of
Directors Meeting—
Fresno

Mar 10—
Growers Annual
Meeting—
Harris Ranch

Mar 10—
Board Of Directors
Meeting—
Harris Ranch

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ARB Passes Cap & Trade Rule

The California Air Resources Board passed their Cap-and-Trade regulation on December 16th on a 9-1 vote. The lone no vote was from Fresno cardiologist John Telles, M.D. The Cap-and-Trade regulation along with changes to the Mandatory Reporting Regulation were adopted with just 48 days of public review. As a result of the limited review of the regulation changes, production ag irrigation pumps would have to be included in both the reporting and Cap-and-Trade! In addition ARB was trying to lump together ag processing facilities with the farm. The Association was able to get ag irrigation pumps excluded in the 15-Day changes that were adopted by the Board. This would have had significant impact to growers that own processing facilities on the farm or are heavy fuel users. Staff has also agreed to work with us over the next few months on further refining the definition of a facility as it relates to ag processing. These last minute changes that CCGGA was successful in getting on the behalf of the ag industry will help keep the majority of agriculture from direct regulation in

Cap-and-Trade! Association Vice President **Casey Creamer** (shown in the picture) was one of only 4 ag representatives to testify before ARB. The indirect impacts on the cost of fuel and increases in energy costs will be closely watched by the Association to minimize the effect on agriculture.

Bipartisan Clean Diesel Bill Reauthorization Passed by the House

Congress has now passed the *Diesel Emissions Reduction Act of 2010* (DERA). **Sen. George V. Voinovich (R-Ohio)**, a senior member of the Senate Subcommittee on Clean Air and Nuclear Safety, and **Sen. Thomas Carper (D-Dela.)** introduced the legislation this year. The legislation is cosponsored by **Sens. Barbara Boxer (D-Calif.) and James Inhofe (R-Okla.)**, the chair and ranking member of the Senate Environment and Public Works Committee, along with 29 other senators. The bill is a five-year reauthorization of their popular 2005 legislation that established a voluntary national and state-level grant and loan program to reduce diesel emissions. The bipartisan bill, which unanimously passed the Senate as part of H.R. 5809 last week, now goes to the president to be signed into law. The DERA Reauthorization will continue to fund the modernization of the old diesel fleet in the United States through voluntary national and state-level grant, loan, and rebate programs. Every year, DERA helps clean up more than 14,000 diesel-powered vehicles and equipment across the country, which has reduced emis-



sions while employing thousands of workers who manufacture, sell or repair diesel vehicles and their components in each state. This bipartisan legislation, cosponsored by 33 senators, extends the program by five years. It is supported by a broad coalition of more than 530 environmental, public, industry and labor groups. DERA is considered one of the most cost-effective federal programs, averaging more than \$13 in health and economic benefits for every \$1 in funding.

Bill Introduced to Increase California Minimum Wage

Well it didn't take long for the new legislature to start take action, and if you were wondering what to expect well... wonder no longer. In December, **Assemblymember Luis Alejo** from the Salinas area, introduced legislation to increase the minimum wage to \$8.50 per hour as of January 1, 2012 and then provide for an adjustment annually thereafter using the California Consumer Price Index. If approved and signed into law, California would become 11th state to adjust minimum wage due to inflation. The California Cotton Ginners and Growers Associations have already weighed in on the issue opposing the increase.

Top Minimum Wages Across U.S.	
State	Hourly Minimum Wages
Washington	\$8.55 (rises w/ inflation)
Oregon	\$8.40 (rises w/ inflation)
District of Columbia	\$8.25
Connecticut	\$8.25
Illinois	\$8.25
Nevada	\$8.25 (rises w/ inflation)
Vermont	\$8.06
Massachusetts	\$8.00
California *	\$8.00
<i>*Note: San Francisco goes to \$9.92 on January 1, 2011!</i>	

U.S. EPA Proposes to Disapprove California's Air Quality Plans for South Coast and San Joaquin Valley

The U.S. Environmental Protection Agency is proposing to disapprove California's air quality plans for fine particles - also known as PM2.5 - for failure to achieve adequate emissions reductions in the South Coast and San Joaquin Valley air basins. States are required to submit plans to EPA that identify how air quality standards will be attained in areas not meeting federal air quality standards. The plans submitted by the California Air Resources Board (CARB) aim to bring these areas into attainment with the national health based standards for PM2.5. EPA claims

they cannot approve the plans since they rely heavily on emissions reduction from rules that are being revised and have not been submitted to EPA for review. The state must submit the rules and also show how these rules will achieve the plans' air quality goals. Specifically, EPA is talking about the California Air Resources Board's Truck Rule (to be adopted in December) and the Farm Equipment Rule (to be considered in late 2011 or early 2012). "California has a history of adopting aggressive rules to tackle some of the worst air quality in the nation, but we need to redouble our efforts," said **Jared Blumenfeld, Regional Administrator for EPA's Pacific Southwest Region**. EPA intends to make a final decision on the plans in 2011, after reviewing public comments. In the event the agency finalizes these proposed disapprovals and the state fails to correct the deficiencies in a timely manner, certain sanctions would apply. More stringent facility permitting requirements may be imposed after 18 months and highway funding restrictions may be imposed after 24 months from the date of final disapproval.

ARB Truck Rule is Relaxed!

After a year of deliberations, the California Air Resources Board (CARB) has approved slight changes to the Truck Regulation. After all of the workshops, meetings and phone calls, staff has provided a couple more years before changes have to be made including installing diesel particulate filters (DPFs) or replacing the truck with a 2010 or newer truck. The Association testified at the hearing in December supporting these changes. It should also be noted that the Air Resources Board has reopened the registration for ag trucks. However, there is no guarantee for trucks that will be registering as "specialty trucks", such as cotton module movers. Those who registered during the first time around are guaranteed in, but those who registered afterwards may not be. There is currently a cap on the number of "specialty vehicles" that can be registered of 1,100 in the San Joaquin Valley and 2,200 in the entire state of California. If you have not registered your trucks, you should do so as soon as possible. If you need the proper forms, please contact our office at (559)252-0684 or visit our website at www.ccgga.org. Also, each truck



must have a special size sticker with the letters AG place on both sides of the truck. These stickers cost 45¢ each and can be purchased through our office as well.

CCGGA Members – Want to Save Energy Costs?

Your business could be eligible to save money by participating in a Demand Response program. Demand Response is one of the rare programs where your business, the end use energy customer, can actually get paid by the utility company to reduce your energy usage for short periods of time. Participation is straight forward. If you are interested, please contact **Eric Baty of Verde Energy, Inc.** at (805)748-3584 or email Eric at ebaty@verde-energy.com to learn more. Verde Energy is a new Associate member of both Associations. Be sure to tell him you’re a member of the California Cotton Ginners or Growers Association!

Ginners Director Elections Report

Every year, 5 director positions are up for election to 3 year terms. Nomination forms were mailed to all members in October of 2010. Only five nominations were received to fill the 5 vacancies so the board of directors at their December meeting waived the need for a ballot election and confirmed the re-election of **Hugh Bello, J.G. Boswell; Greg Gillard, Anderson Clayton; Louie Colombini, Westside Farmers Cooperative; Tom Pires, West Island Cotton Growers.**

The fifth director elected is **Russ Patterson, Buttonwillow Ginning Company** replacing longtime director and officer, David Alderete who resigned from the board due to his gin’s closure.

Congratulations to the 4 returning directors and the one new director. Special thanks to **David Alderete**, the retiring director after many years of exemplary service to this organization and California’s cotton industry.

Growers Director Election Report

The three year terms of directors from Kings and Tulare Counties expired at the end of 2010 so nomination petitions were mailed to all cotton growers of record in those respective counties in October.

Kings County has 4 director positions and Tulare County has 2 director positions.

Filing official nomination petitions for re-election with the required signatures from 10 Kings County cotton growers were current directors, **Michael Boyett, Sam Carreiro and Charles Meyer.** Filing a petition for the first time was **Philip Hansen.**

CLASSING AVERAGES - December 24, 2010

Visalia Classing Office

Bales Classed	2009		2010	
CA Saw Upland	129,106		216,839	
CA Roller Upland	67,824		74,122	
Pima	CA	282,967	ALL	329,081
CA Saw Upland	2009		2010	
Mike Avg.	4.27		3.94	
Color Grade % 21+	34.9		43.9	
Color Grade % 31	49.3		48.7	
Color Grade % 41	13		5.9	
Length Avg.	37.35		37.52	
Strength Avg.	33.1		33.11	
Uniformity Avg.	81.6		81.68	
Leaf Distribution 1	3.8		5.6	
Leaf Distribution 2	36.4		53.7	
Leaf Distribution 3	53		37	
Leaf Distribution 4	5.9		3.3	
CA Roller Upland	2009		2010	
Mike Avg.	4.53		4.25	
Color Grade % 21+	39.6		23.2	
Color Grade % 31	48		16.8	
Color Grade % 41	7.2		16.8	
Length Avg.	39.12		39.59	
Strength Avg.	33.81		34.37	
Uniformity Avg.	83.54		83.77	
Leaf Distribution 1	0.9		2.2	
Leaf Distribution 2	68.7		62.8	
Leaf Distribution 3	29.6		31	
Leaf Distribution 4	0.8		3.4	
All Pima	2009		2010	
Mike Avg.	4.02		3.84	
Color Grade % 1	30.8		25.2	
Color Grade % 2	54.4		60.2	
Color Grade % 3	12.8		11.9	
Color Grade % 4	1.8		2	
Length Avg.	47.5		48	
Strength Avg.	41.31		41.72	
Uniformity Avg.	85.59		85.55	
Leaf Distribution 1	12.6		18.1	
Leaf Distribution 2	58.4		60	
Leaf Distribution 3	24.3		18.7	
Leaf Distribution 4	4		2.9	

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Filing official nomination petitions with the required signatures of 10 Tulare County cotton growers were current directors, **Steve Martin and Steve Wilbur**. With only 4 official nomination petitions filed for the 4 positions to be filled in Kings County and 2 official nomination petitions filed for the 2 positions to be filled in Tulare County, the board of directors waived the need for a ballot election at their December board meeting confirming the election of **Michael Boyett, Sam Carreiro, Charles Meyer and Phillip Hansen** of Kings County and **Steve Martin and Steve Wilbur** of Tulare to 3 year terms beginning in 2011.

Congratulations to the returning directors and to the new Kings County director **Phillip Hansen** of Corcoran.

ICE Audits: Coming to You in 2011?

The Immigration and Customs Enforcement Office of Homeland Security has increased its efforts to crack down on the number of illegal workers in order to protect the jobs of workers who are legally authorized the work through audits of employers around the country. ICE has been in the news in Minnesota this month after ICE audits of Chipotle Restaurants and two cattle hide processing facilities led to hundreds of workers being fired by their employers after they could not supply

documentation of their eligibility to work in the United States.

Employers who don't take the time to audit their own I-9 forms and processes to identify deficiencies may be subject to sizeable fines, criminal penalties, media attention, and disruption of its workforce. In September, 2010, a \$1,047,110 settlement was reached with Abercrombie & Fitch for violations of the Immigration and Nationality Act due to deficiencies in its I-9 processes, even though there were no instances involving the knowing hiring of illegal workers. On November 1, 2010, Catholic HealthCare West reached a \$257,000 settlement to resolve allegations that it discriminated against non-US citizens by requiring them to provide more documentation of work authorization than is required for purposes of Form I-9.

COUNSEL TO MANAGEMENT: Employers are required to verify employment eligibility of persons hired after November 9, 1986 using the Employment Eligibility Verification Form I-9. Employers must retain completed I-9 forms for all employees for three years after the date they hire an employee, or one year after their termination, whichever is later. Review your I-9 policies and practices now to avoid possible liability issues should ICE be heading your way one day soon.

Article by: *The Saqui Law Group*