



# The Cotton Chronicle

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www.ccgga.org

July 2013

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## Industry Calendar

July 4  
Independence Day—  
Offices Closed

July 30—Aug 1  
CA Association of  
Grower Gins—  
Lake Tahoe, NV

(Visit web calendar  
for details)

## CCGGA Staff

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## CCGGA Announces the Hiring of Director of Regulatory Affairs

The California Cotton Ginners and Growers Associations (CCGGA) is pleased to announce **Aimee Brooks** has joined the organization as their new Director of Regulatory Affairs. Ms.



Brooks recently graduated from Cal Poly – San Luis Obispo with a degree in Agricultural Communications. Ms. Brooks comes from a farm family near Riverdale, California and will begin her duties on July 1<sup>st</sup>. As the Director of Regulatory Affairs, Aimee will

be responsible for regulatory and legislative issues with respect to cotton growers and ginners, as well as the tree nut hulling and processing industries. She is an energetic and determined young woman who will bring a lot of enthusiasm to the Association and its efforts. We look forward to having Aimee on board, and hope you will get a chance to meet her soon!

## Sticky Cotton

Unfortunately our old nemesis—"Sticky Cotton" raised its ugly head in a few cases last year and the industry is hearing about it from some mills. This is serious business and cannot be tolerated by this unique and shrinking industry. We have a reputation to uphold if we are

to remain competitive. Our quality and dependable supplies of pima and high uplands still command a place in the marketplace. That position must be protected

It starts with the PCA's and the growers in the field. Stop the problem there! If sticky cotton gets to the gin—ginning will be slowed and costly to gin, more money to process and someone has to pay! If sticky cotton reaches the merchant hopefully it's either checked and found, but to be sure the ginner should alert the merchant of the problem to avoid a wreck at the mill that will only come back on the gin. The bale tag is carrying the Gin's identity and can be traced back to the gin and to the grower.

Several gins are already in the cross hairs of several mills because of last year's problems and will probably be singled out by certain mills by refusing cotton from some gins.

Let's as an industry get serious about this potential wreck and solve the problem in the field! We need all your help and cooperation—growers, PCA's, Ginners and Merchants. We've done it before—its time to step up and do it again! Cotton Up! - "No Sticky Cotton"

## FSMA Litigation Update: Court Issues Injunction Establishing Mandatory Deadlines

On June 21, a federal judge issued an injunction requiring the Food and Drug Administration (FDA) to publish all proposed rules required by the FDA Food Safety Modernization Act (FSMA) by November 30, 2013, with the comment peri-



ods to close no later than March 31, 2014. FDA also is required to publish all final regulations no later than June 30, 2015. The order was issued by Judge Phyllis J. Hamilton of the U.S. District Court for the Northern District of California following a previous ruling that held FDA violated FSMA by failing to promulgate regulations by the statutory deadlines.

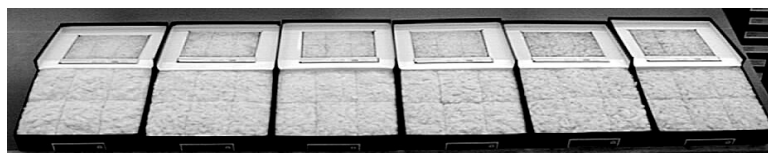
### **Immigration Reform – Call to Arms**

Here we are in June of 2013 with perhaps the most positive outlook for achieving *comprehensive immigration reform* than any time in recent memory. The Senate “Gang of Eight” turned their hard-fought agreement into a bill that has passed the Senate Judiciary Committee. The Border Security, Economic Opportunity, and Immigration Modernization Act, S. 744, will be brought before the full Senate beginning the week of June 10, and enjoys bipartisan support. S. 744 is the result of many hours of negotiations by stakeholders on all sides. Key among the provisions of this bill is an *agricultural component* to meet the needs of our industry, namely, ensuring a qualified, legal, and available workforce now and for the future. The first key agricultural provision grants legal status to agricultural employees currently in the U.S., and permits adjustment to that of “lawful permanent resident” if the individual continues to work in agriculture for at least several years. The second key agricultural provision is a guest worker program will provide non-immigrant visas for employment in agriculture and is intended to be easier to use than the current dysfunctional program. It took much effort and many hours of hard work by the Agriculture Workforce Coalition (AWC), the Agricultural Coalition for Immigration Reform (ACIR), and National Council of Agricultural Employers (NCAE). The time has now come for our best efforts to move this bill through the Senate and bring similar legislation through the House. This effort requires financial assistance from supporters like you that know the importance of immigration reform for agriculture. As we enter this crucial time in our effort, it is important that we build the financial resources to see this through to the finish. Our goal is to raise \$100,000 in California. We are looking for minimum contributions of \$500. Similar efforts to raise funds are happening across



the country. We hope to have a strong showing from California agriculture because we know how crucial a reliable workforce is to our industry. We are closer to achieving comprehensive immigration reform than any other time in recent memory; closer than we were in 2001 and closer than we were in 2007. To get where we need to go in this effort we need the personal support of people like you and the financial resources to see that comprehensive immigration reform becomes a reality. If you are interested in contributing to this effort, please make your checks payable to A.C.I.R. and send them to our office at 1785 N. Fine Avenue, Fresno, CA 93727.

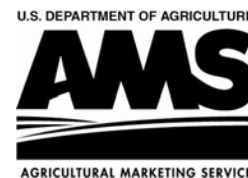
**2013 American Pima Grade Standards Guide Box Review**  
**And**  
**Standards Matching**  
**Tuesday, July 23, 2013**  
**Visalia, CA Classing Office**  
**10:00am**



Please join us to review, comment, and approve the six guide boxes of the 2013 American Pima Grade Standards. Once approved, the guide boxes will be used as the reference to match all of the 2013 American Pima Grade Standards. The guide box review and the standards matching will both take place the morning of July 23<sup>rd</sup>. Industry participation is key to this process and we hope you all can come and be a part of this important annual event.

### **For additional information please contact:**

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### **Fiscal year 2013-2014 Sales Taxes and Excise Taxes on Fuel**

By March 1 of each year, the BOE is required to set the prepayment sales tax rate for motor vehicle fuel, diesel fuel, and aircraft jet fuel. The rates remain in effect from July 1 of the subsequent year to June 30 of the following

year. The rate varies depending on the type of fuel involved, and may be adjusted each year or more often, if necessary. At its February 26, 2013, Board meeting, the Board Members only changed the diesel fuel prepayment rate. The sales tax pre-payment rates for gasoline and jet fuel did not change. The diesel fuel prepayment rate dropped to \$0.28 per gallon. The rates will be in effect from July 1, 2013, through June 30, 2014.

The excise tax rate on gasoline was increased to \$0.395 per gallon. The excise taxes on diesel fuel and jet fuel did not change. The new tax rate on gasoline will be in effect from July 1, 2013 to June 30, 2014. **Additionally, on July 1, 2013, the sales tax rates for diesel fuel will decrease from 9.67 percent to 9.44 percent, plus applicable district taxes.** The sales tax rate on gasoline remains at 2.25 percent, and aircraft jet fuel at 7.5 percent, plus applicable district taxes.

**PG&E Proposes Rate Increase**

With PG&E, it’s business as usual in regards to their latest General Rate Case filing, and that means another proposal to increase rates. In their 2014 General Rate Case filing PG&E proposes to increase agricultural rates by 3%, which with Street Lights is the highest increase of all rate classes!

<b>PG&amp;E Company Bundled Class Revenue Based on Proposed Rates</b>			
Rate Class	Revenue at Current Rates (\$000)	Revenue at Proposed Rates (\$000)	Class Average % Change in Revenues
Residential	\$5,304,222	\$5,386,142	1.5%
Small L&P	1,478,181	1,494,645	1.1%
Medium L&P	1,399,575	1,357,588	-3.0%
Schedule E-19	1,601,158	1,553,123	-3.0%
Streetlights	71,362	73,503	3.0%
Standby	58,597	59,388	1.3%
<b>Agriculture</b>	<b>759,943</b>	<b>782,741</b>	<b>3.0%</b>
Schedule E-20	1,242,347	1,223,981	-1.5%
System	\$11,915,385	\$11,931,111	0.1%

Also, PG&E is proposing to consolidate agricultural rate schedules and move the entire agricultural class to five-period TOU rates as a way to harmonize the agricultural and commercial TOU paradigms. Specific elements of this proposal are as follows:

- ◆ Three new schedules – AG-S, AG-M and AG-L – would be offered for small, medium and large agricultural TOU service.
- ◆ AG-S would be provided to all customers under 35 horsepower (HP), with AG-M and AG-L available for customers above this HP level.

- ◆ The new schedules would be available on an opt-in basis in 2015, becoming mandatory for all agricultural customers with interval meters in March 2016.
- ◆ The requirement to have 12 months of interval data to be placed on a time-variant rate would be eliminated in March 2016.
- ◆ Fully revenue neutral versions for each of the current 12 agricultural rate schedules would be developed, effective upon 2014 GRC Phase II implementation.

Under PG&E’s proposal, agricultural rates, which generally consist of basic service, demand and TOU energy charges, would be adjusted to facilitate rate consolidation. PG&E proposes to gradually eliminate the connected load charges currently paid by agricultural customers with smaller loads, and replace them with demand charges applicable to metered demands. It should also be noted that PG&E to provide educational opportunities to agricultural customers in the fall of 2015, and winters of 2015 and 2016, so that the mandatory transition to the new rate structure could be implemented beginning in March 2016, to avoid conflicts with planting in spring of 2014. CCGGA will be engaged in this process through the Ag Energy Consumers Association (AECA), where CCGGA Executive Vice President is the current President, and Ginners Board Member Stan Creelman, Manager for Mid Valley Cotton Growers, also sits on the AECA Board of Directors with Isom.

**Pink Bollworm 2013 Cotton Acres**

The CDFA—Pink Bollworm Program has released their first survey numbers on total cotton acres planted in California for 2013. The numbers listed below are the total first round numbers not including Sacramento Valley which is always mapped at a later date.

Total acres excluding Sacramento Valley at this point is 278,115 acres. Last year the Sac Valley had about 3,400 acres so for our purposes at this time we have added 3,000 acres of cotton in Sac Valley for 2013 giving us a total acreage number for California for 2013 of 278,115 acres statewide. Below are the comparisons of changes from last year by counties.

In about 30 days we should be receiving the Pink Bollworm numbers from their second survey which will give us the splits on Pima and upland acres for 2013. Our current guess based on the total of 278,115 acres would be 180,000 acres of pima and 98,115 acres upland. As soon as we have the actual we’ll be reporting the

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same. In the interim the USDA is off the reservation with their June 28th estimate of 330,000 acres in California with 210,000 pima and 120,000 upland. Wish it were true, but unfortunately they are way off!

<b>California Cotton Acres 2012 vs 2013</b>			
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>CA State Acreage Totals</b>	<b>366,409</b>	<b>278,115</b>	<b>-24.10%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Fresno County</b>	<b>102,715</b>	<b>62,100</b>	<b>-39.50%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Kern County</b>	<b>55,940</b>	<b>46,320</b>	<b>-17.20%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Kings County</b>	<b>112,785</b>	<b>97,405</b>	<b>-13.60%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Madera County</b>	<b>995</b>	<b>1,455</b>	<b>46.20%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Merced County</b>	<b>52,125</b>	<b>35,245</b>	<b>-32.40%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Tulare County</b>	<b>20,440</b>	<b>16,290</b>	<b>-20.30%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>*Sacramento Valley</b>	<b>3,394</b>	<b>3,000</b>	<b>-11.60%</b>
	<b>2012</b>	<b>2013</b>	<b>% +/-</b>
<b>Southern California</b>	<b>18,015</b>	<b>16,300</b>	<b>-9.50%</b>
<b>* Estimated</b>			

**DPR Director Visits with CCGGA**

CCGGA staff Earl Williams, Roger Isom and Casey Creamer, recently conducted a farm tour with **Brian Leahy**, the Director of the California Department of Pesticide Regulation and Chief Deputy, **Chris Reardon**. The tour began by viewing current pesticide management practices with **Ted Sheely** of AzCal Management and later a helicopter tour of central valley agriculture. During the trip there was significant discussion on the importance of all crop protection tools and specifically chlorpyrifos. CCGGA relayed the critical importance of these tools and the careful manner in which they are used today.



Diversified grower Ted Sheely discusses the importance of crop protection tools with DPR Director Brian Leahy in a cotton field.