Newsletter of the California Cotton Ginners and Growers Associations

The Cotton Chronicle

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April 2014 **Volume 25, Issue 4**

Industry Calendar

April 16
Ginners School —
Corcoran

April 18
Good Friday —
Office Closed

May 27-29
Ginner Industry Mtg —
Monterey

May 29
Ginner Board Mtg —
Monterey

(Visit web calendar for details)

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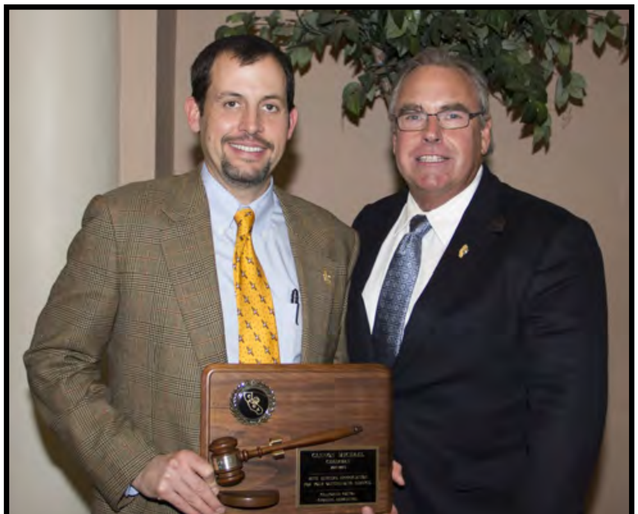
Wilbur Named Chairman of the California Cotton Growers Association

The Board of Directors of the California Cotton Growers Association has elected **Steve Wilbur**



Outgoing Chairman, Cannon Michael (L), Incoming Chairman, Steve Wilbur (R)

as the new Chairman for the California Cotton Growers Association. Steve is from Tulare County and is a partner of SBS AG and has farmed for over 40 years. He oversees the production and operation of alfalfa, black-eye beans, corn, cotton, pistachios and wheat, as well as a dairy operation. Besides the California Cotton Growers Association, Steve is actively involved in community and agriculture service including the M**id-Valley Cotton Growers, Inc., Board President; International Agri-Center, Board President; California Cotton Alliance, Board Member; Cotton Incorporated, Alternate Board Member; and the Tulare First Baptist Church, Past Board Member.** He is a life-long resident of Tulare, California and a graduate of the College of the Sequoias, Visalia, California. Steve Wilbur succeeds outgoing Chairman **Cannon Michael.** In addition to Wilbur being elected Chairman, the following officers were also elected:

1st Vice Chairman – Phil Hansen, Kings County
2nd Vice Chairman – Bryan Bone, Kern County
Secretary/ Treasurer – Gary Martin, Fresno County

CA Cotton Growers Association Annual Meeting 2014: Highlights!

The 24th Annual meeting for the California Cotton Growers Association held at Harris Ranch on March 13th, 2014 was one for the record books! The Growers Association estimated over 170 people in attendance and filled the room from end to end. The high turnout was in large part due to the perfectly timed cast of guest speakers as a myriad of recent California water woes in the news have brought several California water agencies into the spotlight.
The cast of speakers on water quality and water quantity included **Felicia Marcus**, Chair, State Water Resources Control Board; **Gary Bardini**, Deputy Director, Department of Water Re-

sources; **Pablo Aroyave**, Reg. Deputy Director – Mid Pacific Region, USBR. Each speaker addressed the current issues at their respective agencies and fielded questions from concerned attendees. Marcus, chair of the SWRCB, noted her agency's action in doing all they can to ease burdensome regulations and continue to try to move water but admitted that certain conditions including limiting the salinity in the delta for “health and safety” concerns would not be trumped, to which Aroyave echoed. In addition, Marcus touched on groundwater challenges and prioritized clean drinking water as the heart of the issue. Both the State and Federal Directors focused on current and historical hydrologic conditions and addressed the seriousness of the drought and it’s implications to agricultural, urban, and environmental users. This year’s annual meeting was an excellent platform for growers to voice their concerns in regards to water quality, water quantity, and the plague of inaction that has prevented any real movement. Equally important was for growers to hear what actions or positions the agencies would take in the coming months. As always, the California Cotton Growers Association will continue to press upon these agencies the need for urgency and the huge implications their actions or inactions have not just toward California cotton growers but the whole agricultural industry, consumers, and other related businesses!

CCGGA ensuring continued use of Lorsban in Cotton

The California Cotton Ginners and Growers Association is currently taking part in a collaborated effort with the California Department of Pesticide Regulation and the University of California to help identify critical uses of the pesticide Chlorpyrifos (*Lorsban)* to help update the Integrated Pest Management guidelines used for grower decision making. The project will include a series of meetings that gather growers, PCAs and extension specialist in the four largest users of Chlorpyrifos: Cotton, Alfalfa, Almonds, and Citrus. The first meeting for these crop teams was held at the Kearney Ag Center on March 18th, and included the

Exemption Classification Refresher

A recurring theme in wage and hour lawsuits filed this year is misclassification of employees as exempt and the resulting failure to properly pay overtime. Employers may be relieved from the payment of overtime premium—if an employee falls under an exemption. However, the requirements to meet the test of an exemption are very technical and employers should be cautious when classifying employees as exempt. Generally exemptions require a two-step analysis. California law requires that exempt employees be primarily engaged (more than 51% of the time) in duties that meet the test of the applicable exemption and earn a salary that is no less than twice the state minimum wage.

Salary Test:

In order to meet the salary basis test for exempt status, an employee must earn a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment (defined as 40 hours per week). At the present minimum wage of $8.00 per hour, this works out to a monthly salary minimum of $ 2775. ($16.00 per hour times 40 hours per week, times 52 weeks per year, divided by 12 months per year = $2773.33.) Key to this element of the exemption standard is that the required salary may not be prorated for work less than full time. The reason is that exempt employees are paid based on the general value of the services performed, rather than the amount of time spent performing the work. With limited exceptions, employees who perform any work during the week should be paid their contract salary.

The Duties Test:

California law requires that an employee must be primarily engaged in the duties that meet the test of the exemption. This means that the employee is engaged in exempt duties at least 51% or more of the time he or she works. What counts as exempt duties depends on an individual exemption. For example, some exemptions require that an employee exercise discretion and independent judgment in performance of his duties such as personnel management rather than performance of duties that are more routine, ordinary and menial such as filing of documents. Another challenge occurs when an employee performs exempt and nonexempt duties at the same time. For example, a restaurant manager may wipe a table while supervising an employee. In this case it is the nonexempt duty that counts because the occasional performance of nonexempt duties which are not directly or closely related to exempt duties by an exempt employee will not be calculated as a part of the employee’s exempt duties. The only exception to this general rule is when an otherwise exempt employee has to fill in for a nonexempt employee due to an unforeseen emergency. Therefore, if a manager at a restaurant fills in as a waiter because the floor is short-staffed, the nonexempt work performed by the manager cannot be counted as exempt work to meet the primarily engaged (51% or more) test. The burden to establish that an employee is truly exempt is placed on the employer. Therefore, employers should carefully classify workers as exempt or nonexempt by using state guidelines and to refrain from using lofty titles or creative job descriptions to limit or avoid overtime pay obligations.

Counsel to Management:

Improper classification of employees is one of the most common and costliest mistakes made by employers. For help with classification of exempt or nonexempt employees, please contact The Saqui Law Group.

This article was prepared by The Saqui Law Group.

No Sticky Cotton!

Director of DPR, Brian R. Leahy. The Cotton team includes ***President/CEO, Roger Isom; Director of Regulatory Affairs, Aimee Brooks; Growers: Gary Martin, Doug Devaney, and Tony Azevedo; PCAs: Dale DeShane, Nick Groenenberg, Mark Carter; and UC Extension Entomologist, Larry Godfrey.*** The team reviewed the uses of Chlorpyrifos *(Lorsban)* on the numerous pest Cotton attracts and the quantity and efficacy of realistic alternatives where the use of Lorsban isn't critical. Additionally, alternative management practices were also discussed as part of the solution. However, as many in the California cotton industry know, there continues to be fewer and fewer chemicals available to treat pests, thus leading to even larger implications such as resistance. The cotton team was adamant that this concern must be weighed when the updated IPM guidelines are being drafted.
This project is absolutely critical if the agriculture industry wishes to keep Chlorpyrifos in their tool box, as the pesticide has been under unwarranted attack from groups like Pesticide Action Network North America (PANNA). Furthermore, there appears to be a legislative interest in addressing concerns about Chlorpyrifos use. CCGGA remains absolutely committed to this project and to showing concerned parties how proper stewardship (following the label requirements and good agricultural practices) and adherence to an IPM approach addresses the human health and environmental concerns that DPR and others have with Chlorpyrifos.

Upcoming– Western Cotton Ginners School

Registration for the 28th Western Cotton Ginners School is now available. The Ginner School offers three levels of coursework (Level I, Level II, and Level III) on a variety of topics and each level is built off the previous level of instruction. It is recommended that beginning students, even those with great experience, start at Level I. There will be three class locations in 2014. Below is the Western School information and location:

Western Ginners School
May 6 - 8, 2014
Southwestern Cotton Ginning
Research Laboratory
300 E. College St.
Mesilla Park, NM 88047
Contact: **Ed Hughs,** (575) 526-6381
Sign up Online : tinyurl.com/k4e8m35
Print/Mail Registration Form: tinyurl.com/k3sbwht

Good News - Final Decision on AB 327 Net-Metering Transition Period

On March 27, 2014, the California Public Utilities Commission (CPUC) adopted the decision to establish a transition period for existing net energy metering (NEM) customers and those who install a NEM system before the existing NEM tariff expires. The transition period is ***20 years from the date of interconnection*** of the system. This means that a utility customer can continue to receive ***full retail credit*** for electricity generated for 20 years from the date of interconnection of its facility, as long as interconnection (defined as receipt of permission to operate (PTO)) occurs prior to the earlier of:

- ***July 1, 2017***, or
- the date that Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric ***reach their NEM program limits*** of 5% of each utility's aggregate customer peak demand.

oAs of December 31, 2013 PG&E was at 2.04% of capacity, SCE was at 1.54% of capacity as of February 28, 2014, SDG&E was at 1.98% of capacity as of February 28, 2014.
In addition:

- The proposed decision clarifies that non-material replacement of system components that increase the production of an existing system by 1 kW or less will not trigger a shift to the new NEM tariff, but any increase in production in excess of 1 kW would (at least for the additional production).
- If an existing system is sold to a new owner during the 20-year transition period, it would remain on the existing NEM tariff (i.e., it would not be shifted to the new tariff).
- PG&E, SCE and SDG&E will be required to post their progress towards reaching the NEM Cap transition trigger level on a monthly basis so that the public will be alerted if it looks like the existing NEM tariff will be ending prior to July 1, 2017.

This summary was prepared by Beth Olhasso, Ag Energy Consumers Association (AECA).

CCGGA provides valuable input for Ginning Research

The California Cotton Ginners and Growers Association has always had a long standing commitment to research both for cotton growers and cotton ginners. In March, CCGGA ventured to the USDA ARS Southwest Cotton Ginning Research Laboratory in Mesilla Park, NM to prioritize new areas of research for the gin lab to focus on. The facility is the only remaining Ginning Research Laboratory that can specialize in roller gin research and remains critical to the many roller gins operating in California looking for advancements.

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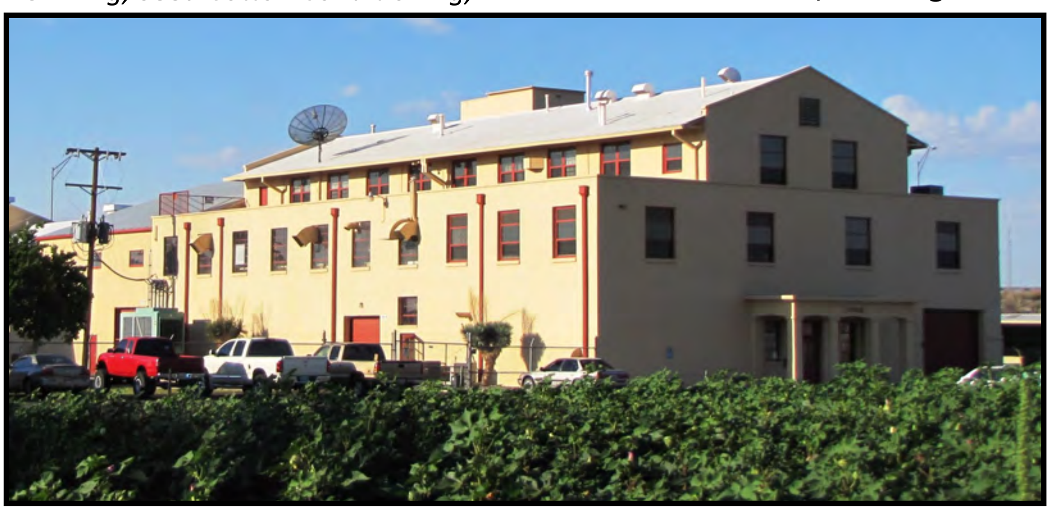
The meeting included discussion regarding the various areas of research interest for the Gin Lab such as: *Cotton Production, Harvesting, and Storage; Management, Marketing, and Economics; Material Handling; Air Pollution; Roller Ginning; Saw Ginning; Seed Cotton Conditioning; Fiber Conditioning; and Companion and Specialty Crops.* The two day event allowed for various cotton ginning organizations including: CALCOT, Lummus Corp., Texas Cotton Ginners Association, Cotton Inc., National Cotton Ginners Association, Arizona Cotton Ginners Association, New Mexico Cotton Ginners Association and many others to brainstorm and prioritize the research needs of the ginning industry. From harvest to the mills, many concerned parties shared their experiences and offered up potential new areas of research.



CCGA representatives included **Greg Gillard; Current Chairman of California, Cotton Ginners Association, Tom Gaffney; Board of Directors, California Cotton Ginners Assocation, CCGGA Dir. Of Reg. Affairs Aimee Brooks, and CCGGA President, CEO Roger Isom.** The CCGA representatives offered up important areas of research specific for California gins and that included advances in the ginning of sticky cotton, and in decreasing the overall stickiness of the cotton before it is ginned, which received a "high priority." Also included in research discussions, were ways for the Southwest Cotton Ginning Research Laboratory to diversify their research into different areas including tree nut harvesting, and walnut drying as a means of self-preservation with tightening federal budgets.