



The Cotton Chronicle

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September 2015

Volume 25 Issue 9

Industry Calendar

Sept 9
Grower Board
Meeting—
Fresno

Sept 16
Ginners Board
Meeting—
Fresno

(Visit web calendar
for details)

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CCGGA Member Elected as Cotton Foundation Chairman

The Cotton Foundation Board of Trustees held their meeting in conjunction with the American Cotton Producers meeting in New Orleans, Louisiana. **Kirk Gilkey**, CCGGA member and past Ginners



chairman, was elected as the Foundation chairman for the 2015-2016 year. Gilkey manages Cross Creek II Gin in Corcoran, CA. Created in 1955, the Cotton Foundation provides support of general research and education projects to effectively represent, serve and position the U.S. cotton industry as a highly competitive fiber in the global market. This is a great representation of the leadership within our membership! Congratulations Kirk!

Speaker of the Assembly Visits the Valley

The **Speaker of the Assembly** in the California State Legislature **Toni Atkins** was in Fresno, and took time out of her incredibly busy schedule to visit the Association's office for a lunch meeting with a small group of agricultural organizations to discuss critical issues facing agriculture. The **California Cotton Ginners and Growers Associations (CCGGA)** hosted the event. Other organizations involved in the event included the **Western Agricultural Processors Association (WAPA)**,

California Citrus Mutual, California Fresh Fruit Association, Nisei Farmers League and the American Pistachio Growers. As one would expect water dominated the discussion, with talk about the need for increased water storage and the situation in the delta as critical to helping solve the long term water situation in this state. Other matters touched on in the event included climate change, exotic pests, labor issues, transportation and the overall state of agriculture in this time of significant drought. Speaker Atkins has long been a friend to agriculture and we are appreciative she would take time to stop and visit us during her trip to Fresno. Speaker Atkins has previously toured the valley visiting an almond huller, cotton gin and operating a cotton picker. The Speaker will be termed out next year and is considering continuing her work in the State Senate. She currently represents the La Jolla, Pacific Beach, Mission Bay, Old Town, downtown, Coronado Island and Imperial Beach areas of San Diego.



Assembly Speaker Toni Atkins listens to CCGGA President/CEO Roger Isom discuss the impacts of the drought on valley agriculture.

Prop. 65 News – A look at Naturally Occurring Substances

On January 13, 2015, Mateel Environmental Justice, a Proposition 65 Plaintiff's group filed an action against the Office of Environmental Health Hazard Assessment (OEHHA) seeking a declaration that OEHHA's established "maximum allowable dose level" (MADL) for lead, currently established at .5 micrograms per day, is invalid because the administrative record does not provide factual support for such a finding. In addition, on July 2, 2015, the Center for Environmental Health (CEH) filed a petition for administrative rulemaking to repeal or amend the MADL for lead. In response to these actions, OEHHA intends to issue four separate pre-regulatory regulations designed to address the lead MADL and related matters such as the naturally occurring defense, averaging lots and the use of arithmetic mean rather than geometric mean. On October 14, 2015, OEHHA will hold two hearing/workshops in Sacramento. The morning sessions will address the CEH rule making petition and how OEHHA intends to approach new MADLs. These new MADLs will be based upon exposure periods and statistical PBPK modeling. There will be different MADLs for different food groups and different exposure periods. In the afternoon, there will be a workshop to address a naturally occurring background level for lead in soil and the uptake rate for plants. While this proposed regulation addresses lead, it will be a framework for other metals as well, such as arsenic. On October 19, 2015, there will be



two workshops in Oakland. The morning session will address a modification of the naturally occurring defense regulation to disallow the averaging analysis conducted in *Beechnut1* and to discuss an approach where averaging

occurs across lots. How to define and measure "lots" will be the primary topic of this discussion. Stay tuned for more information.

What Happened to the CARB Tractor Regulation?

As the state of California begins actually replacing trucks and construction equipment in 2015 as required by state air pollution laws, many in agriculture have wondered what happened to the farm equipment regulation that the California Air Resources Board (CARB) indicated would be in effect as of January 1, 2014. Let me start by saying that it did not go away, unfortunately. No, the federal ambient air quality standards are such that this state will need eve-

ry single pound of emissions reductions they can get their hands on, and that still won't be enough in areas like Los Angeles or the San Joaquin Valley. The farm equipment regulation has only been delayed. The primary reason is the farming community has stepped up in a big way.



Through the use of incentive funds, from local air districts and programs like the Carl Moyer Program, the Diesel Emission Reduction Act (DERA) and the farm bill funding from USDA Natural Resources Conservation Service (NRCS), farmers have been conducting early replacement of tractors and harvesters since 2012 in anticipation of the impending regulations. In the 2008 State Implementation Plan (SIP), CARB proposed to generate 5 to 10 tons per day of oxides of nitrogen (NOx) emission reductions from the implementation of a new tractor replacement regulation by 2017. Through the use of the incentive monies, several thousand tractors have been replaced, and according to Air District and USDA NRCS officials we have now eclipsed the 10 tons per day mark of NOx emission reductions. It should also be noted through several meetings with CARB officials, there is now recognition that agriculture should be treated differently with this regulation. Unlike the truck regulation or the construction equipment regulation, agriculture is unable to pass along the cost of the regulation and must absorb any costs associated with purchasing equipment before it is necessary. With that in mind and in response to industry pressure, CARB has commissioned California Polytechnic State University at San Luis Obispo (Cal Poly) to conduct an economic study on the potential farm equipment regulation. Specific farms from the San Joaquin Valley are being studied to determine the direct impacts, from which regional economic models will be developed to estimate and forecast the impact on the California economy. Work on this study began this past year with 22 individual farms opening up their books to be analyzed. This includes four nut farming operations. All four of these are primarily almond operations of various sizes and locations specifically, two (2) small (< 50 acres) almond operations in Fresno County, a medium almond operation in Stanislaus County (between 50 and 250 acres) and a large almond operation (> 250 acres) from Kern County. Also included in the study are two citrus, two tree fruit, four grape (table, wine and raisin), two cotton, five forage and three tomato growers to round out the 22 farming opera-

tions. This important effort will postpone any rule development into 2016. Additionally, it is our hope that the results of the economic study will confirm that the most effective way for CARB to implement a tractor regulation is to simply continue their incentive programs and work to help additional federal funding.

Pacific Gas and Electric GRC Update:

The PG&E General Rate Case (GRC) was approved at the late August CPUC meeting. In the end the agricultural class will see a 4.57 percent increase; 3.67 percent from the total system increase (Phase One) and a 0.9 percent increase specific to the agricultural class (Phase Two). PG&E was seeking a 3 percent increase for the agricultural class in Phase Two (above the total system increase) and other parties were seeking increases for agricultural rates of as much as 10 percent. The Association as a member of the **Ag Energy Consumers Association (AECA)** fought hard to keep the increase as small as possible. The battle on this particular General Rate Case was especially tough and AECA fought an incredible fight on our behalf. There were several other issues resolved in Phase Two:

- **Continuation of AG-R and AG-V rates.**
- **The existing AG-ICE program is scheduled to sunset at the end of 2015. Existing AG-ICE customers will be migrated to a traditional tariff and could see an estimated 50-74% increase, depending on operations and usage patterns. AECA and PG&E agree that something needs to be done because of the broader air quality benefits the program provides. Under the Phase Two settlement, parties have agreed to discuss opportunities to reduce impacts to existing participants and to extend the program to additional conversions. Specific program options will need to be developed and adopted by the CPUC.**
- **Drought impacts: As a result of lack of surface water deliveries, increased groundwater pumping is resulting in much greater electricity usage by agricultural customers. Farm groups and PG&E have agreed to try and better understand these trends going forward and how to mitigate impacts and ensure they do not result in overpayments by agricultural customers.**
- **Long Term Agricultural Rate Reform: PG&E and farm groups will initiate a collaborative process to look at the potential of rate consolidation and reform, with the main goal trying to make rates and tariffs less complicated, provide better price signals for agricultural customers and provide real opportunities to reduce costs going forward. Optimizing the use of energy and water resources is another goal.**

Cotton Harvest Safety Training Set for Sept. 17th

Fresno County Farm Bureau (FCFB), California Cotton Ginners and Growers Associations (CCGGA), California Highway Patrol (CHP), Proteus Inc. and State Compensation Insurance Fund will host the annual Cotton Harvest Safety

Training on Thursday, Sept. 17, at the West Side Research and Extension Center, 17353 W. Oakland Ave., Five Points. The free program will begin with registration at 7:30 a.m. and conclude with lunch at noon.

Registration forms are available online at www.fcfb.org. For more information, or to register, contact FCFB at 559-237-0263 or info@fcfb.org



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Cotton Board Elects New Chairman and Officers

The Cotton Board elected new officers, during its Annual Meeting Business Session, to guide the Program. **Aaron Barcellos** was elected to serve as Chairman for the 2015/2016 Program year. Barcellos, a cotton producer from Los Banos, California commented on his election, saying, “Over the years I’ve grown very attached to the cotton industry, and I am grateful for this opportunity to give back just a portion of what it has meant to me and my family. My goal for the coming year is to continue to foster the excellent relationship we have with Cotton Incorporated and to use all of our resources to help reverse the current downtrend in cotton’s market share. There are many people in the cotton industry who are depending on us to make a difference, and I believe that together we can.” Before passing the gavel to Barcellos outgoing Chairman David Grant, a cotton producer from Garysburg, North Carolina, said “Aaron has a distinguished record of service to the Cotton Board. He consistently tackles challenges with great character, thoughtfulness, and determination and I know he’ll do the same as he leads our Program.”

The full slate of newly elected Cotton Board officers is as fol-

lows: Aaron Barcellos, Producer from Los Banos, California, Chairman; Janet Ydavoy, Importer from Yardley, Pennsylvania, Vice-Chair; George LaCour Jr., Producer from Morganza, Louisiana, Secretary; and Peter McGrath, Importer from Dallas, Texas, Treasurer. All officers serve one-year terms.



Pictured Left: New Cotton Board Chairman, Aaron Barcellos, presents a silver plate to outgoing Chairman, David Grant.

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CA Secretary of State Visits Valley Ag Leaders

California's Secretary of State, Alex Padilla visited the offices of the California Cotton Ginners and Growers Associations (CCGGA) to gather with CCGGA and Central Valley agriculture leaders to receive an update and discuss the hard-hitting agriculture issues. CCGGA representatives included President/CEO **Roger Isom**, Director of Technical Services **Chris McGlothlin**, Director of Regulatory Affairs

Jodi Raley and Ginners Chairman **Tom Pires**. Padilla, a southern California native, served in the California State Senate from 2006-2014 visiting the valley on multiple occasions, familiarizing himself with the agricultural climate and economic engine that drives the Central Valley. Participants in the meeting included representatives from the tree nut, cotton, citrus, raisin, dairy, fresh fruit, and olive oil industries. Issues discussed included the lack of administration support on agricultural call-to-actions, how the ag industry can appeal to the Bay-Area and southern Californian voters and the importance of how water conveyance systems be established to deliver quality water to the most needed areas.

With Padilla's roots in southern California along with an established interest in California agriculture, he encouraged the industry representatives to visit the Bay Area and southern Californian legislators within their home district. Relationships such as these will assist in maintaining communication and oversight to the regulatory agencies that have the most impact on the agricultural industry.



Ginners Association Chairman Tom Pires visits w/ Sec. of State Alex Padilla