



The Cotton Chronicle

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June 2016

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Industry Calendar

July 13

Pima Matching—
Visalia

July 26-28

Grower Owned Gins
Meeting—
Tahoe

August 31

Supima & Western
Cotton Shippers
Annual Meetings—
Harris Ranch

Visit web calendar
for details

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CA Cotton Ginners Host 43rd Annual Meeting

The California Cotton Ginners Association celebrated its 43rd Annual Meeting in Monterey, CA! With a great attendance of gin managers, cotton



organizations and associate membership, attendees for this year's meeting enjoyed a program that kicked off with an industry cocktail hour at the Monterey Marriot looking over the Monterey Bay. The annual golf tournament had a shotgun start the following morning on the renowned Blackhorse Golf Course. That evening, members and guests gathered for the California Cotton Ginners Awards Dinner, where prizes for the competing teams for the morning's golf tournament were distributed. In addition, **Ginners Chairman Tom Pires** awarded **Stephen Taylor** of **Stratford Growers** with the **Ginner of the Year** award and **Dewey Wright**, previously with Langston, was awarded the **Distinguished Service Award**. Both gentlemen were recognized and thanked for their years of work, effort, and dedication that they gave the California cotton industry. The 43rd Annual Meeting concluded with a business meeting regarding the state of the industry, political climates, research updates and industry issues. Speakers for the

meeting included **Ron Craft**, President of the National Cotton Ginners Association, **Ed Hughes**, Research Leader with USDA-ARS, and **Greg Townsend**, Area Director with USDA-AMS. Ron

Craft addressed issues that the industry is facing on a national level and the value that is recognized by having representation and leadership in California. Updates on activities at the gin labs was shared by **Ed Hughes**, including technology that is being researched to reduce lint contamination caused by plastic. **Greg Townsend** provided an annual snapshot of the classing activities/data from the classing offices, installations of automated systems and upcoming events. **George Soares**, Kahn, Soares & Conway, shared the good news of AB2757 (Ag Over-



time) and SB1282 (Neonic Bill) being defeated in Sacramento. Soares noted that the enjoyment of these victories are short lived, he called for industry members to expand their network and let their voices be heard by creating personal relations with their legislators. **Chris McGlothlin** and **Jodi Raley** of the Association provided up-

dates on the current issues that are of concern and that the Association has been engaged in. **President/CEO Roger Isom** provided an update on the state of the cotton industry and closing remarks, assuring that with a highly involved staff and strategic industry alliances that the cotton industry in California remains strong, engaged and at the forefront of agricultural issues. The meeting was a success and we look forward to next year's activities. The Association would like to recognize and thank this year's sponsors for making this annual meeting possible.

Annual Meeting Sponsors

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Golf Contributors

**Eadie & Payne
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CCGGA Co-Hosts United States Senator Roger Wicker

This past month, the Association co-hosted United States **Senator Roger Wicker**, of Mississippi, for a breakfast



United States Senator Roger Wicker fields questions alongside CCGGA President/CEO Roger Isom

meeting at the Association offices in Fresno. Issues discussed included water, immigration, trade, pesticides (in particular neonics), crop insurance and other regulatory matters. **Senator Wicker** sits on the Armed Services, the Budget, the Commerce, Science and Transportation, the Environment and Public Works, and the Rules Committee. Most importantly for our interests, the Senate Environment and Public Works Committee will be involved in any federal legislation involving water supply or attempts to address the Endangered Species Act (ESA). Also participating in the meeting were **Western Agricultural Processors Association, California Citrus Mutual, California Fresh Fruit Association, Nisei Farmers League**, and several individual farmers and ranchers.

Marriott Hotels Plan to Use U.S. Made Cotton Towels

After years of being manufactured overseas, towels and bathmats in **Marriott International Hotels** throughout the country will soon be American-made, the hotel chain recently announced. According to Marriott, nearly 3,000 properties around the country will begin transitioning to U.S.-made towels, a process that could take up to three years. The towels will be made with cotton grown in the United States. Previously, the company's towels were made in Jordan, at a plant operated by Standard Textile. Standard Textile is now moving production here. Standard Textile, which has been manufacturing textiles for Marriott for over a decade, will add roughly 150 U.S. jobs at two manufacturing plants, one in the outskirts of Atlanta, and the other in Union, S.C., as well as in the company's Cincinnati headquarters.

USDA Extends Deadline for Recording Farm Structure

Agriculture Secretary Tom Vilsack has announced a one-time, 30-day extension to the June 1 deadline for recording farm organization structures related to *Actively Engaged in Farming* determinations. This date is used to determine the level of interest an individual holds in a legal entity for the applicable program year. Farming operations will now have until July 1 to complete their restructuring or finalize any operational change. The U.S. Department of Agriculture (USDA) issued the extension in response to farmers and ranchers who requested more time to comply, and to assure that everyone has enough time to provide their information under the new rules. "This one-time extension should give producers who may still need to update their farm structure information the additional time to do so," said Vilsack. The 2014 Farm Bill provided the Secretary with the direction and authority to amend the *Actively Engaged in Farming* rules related to

management. The final rule established limits on the number of individuals who can qualify as actively engaged using only management. Only one payment limit for management is allowed under the rule, with the ability to request up to two additional qualifying managers operations for large and complex operations. The rule does not apply to farming operations comprised entirely of family members. The rule also does not change the existing regulations related to contributions of land, capital, equipment or labor, or the existing regulations related to landowners with a risk in the crop or to spouses. Producers that planted fall crops have until the 2017 crop year to comply with the new rules. The payment limit associated with Farm Service Agency farm payments is generally limited annually to \$125,000 per individual or entity.

Association Co-Hosts With Assemblyman Jim Patterson
The **California Cotton Ginners and Growers Associations (CCGGA)** hosted a meeting with **Assemblyman Jim Patterson** of the 23rd Assembly District at the Association



CCGGA President/CEO Roger Isom talks biomass with Assemblyman Jim Patterson

offices in Fresno. Key issues discussed included the biomass facility closure issue, water, labor issues and the State Water Board's effort to completely redo the Irrigated Lands Program. Assemblyman Patterson is Vice Chairman on Labor and Employment Committee, Vice Chairman on the Utilities and Commerce Committee and sits on the Budget Subcommittees #3 and #6, one of which oversees the budget for the State Water Resources Control Board. Participating in the meeting were the **Western Agricultural Processors Association (WAPA)**, **California Citrus Mutual**, **California Fresh Fruit Association** and **the South Valley Water Association**.

Ag Overtime Legislation is Defeated!

As a result of an ag group effort by all in agriculture, including the Association, the effort to reduce the trigger for overtime pay in agriculture was officially defeated on a vote of 38 to 35! Assembly Bill 2757 (Gonzalez) would

have enacted the Phase-In Overtime for Agricultural Workers Act of 2016, by phasing in a reduction in the trigger for overtime pay for "agricultural workers" as follows:

- ◆ **July 1, 2019** – trigger would be **9½ hours per day or 55 hours per week**
- ◆ **January 1, 2020** – trigger would be **9 hours per day or 50 hours per week**
- ◆ **January 1, 2021** – trigger would be **8½ hours per day or 45 hours per week**
- ◆ **January 1, 2022** – trigger would be **8 hours per day or 40 hours per week**

The bill was defeated in large part thanks to the "NO" votes by several key urban legislators including Assemblymembers **Ken Cooley**, **Jim Cooper** and **Bill Quirk**, and by those that did not vote including Assemblymembers **Jacqui Irwin**, **Richard Bloom** and **Adrin Nazarian**. Disappointingly, Assemblyman **Rudy Salas** of Bakersfield voted for the bill. Thanks to all in agriculture who worked so hard to oppose this important legislation.

East San Joaquin Petition Workshop Held

On May 17th, State Water Resources Control Board held a workshop on the proposed changes to the Waste Discharge Requirements in the East San Joaquin Water Quality Coalition. Over 300 interested stakeholders attended the workshop, with many taking the opportunity to comment on the effects the changes to the current order will have throughout the state. State Water Board staff heard from coalition groups, as well as a panel of technical experts who participated in the Expert Panel report development, and finally a panel comprised of experts on the Southern San Joaquin Valley Water Quality Coalition. **CCGGA's President/CEO Roger Isom** provided public comment on the effectiveness of grower participation in various other programs, such as the CMP rules for PM10 as well as the Ag ICE program for diesel pump engines. Isom also discussed the importance of grower participation on rule and program development, such as the East San Joaquin petition. The **Association's Director of Technical Services, Chris McGlothlin**, also provided comments on a few key issues. McGlothlin touched on the concern over the Regional Board's capacity to handle the new responsibilities that the proposed changes would incur, the fear of bio-attacks against landowners if private information is made public, as well as asking the Board to trust the efforts being made on addressing water quality issues within the Central Valley. State Water Board Chairwoman, **Felicia Marcus**, commended attendees and commenters at this workshop for providing a valuable

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perspective on the effects the Ag industry will face if the proposed rules are implemented. The Association submitted comments, addressing our concerns with the petition to change the East San Joaquin's Waste Discharge Requirements. Some of the points that were discussed included the fear of extremist attacks against landowners whose information will be made public, the fear of effectiveness of government programs that function with the help of grower buy-in, as well as the necessity to trust the programs in place that are working to address drinking water quality.

Cotton Ginning Cost Share Program

On June 6, 2016, the U.S. Department of Agriculture (USDA) launched the Cotton Ginning Cost Share (CGCS) program, providing cost share assistance payments to cotton producers to expand and maintain the domestic marketing of cotton. Through the Cotton Ginning Cost Share program, eligible producers can receive a one-time cost share payment, which is based on a producer's 2015 cotton acres reported to FSA multiplied by 40 percent of the average ginning cost for each production region. The regional payment rates are \$47.44 for the Southeast, \$56.26 for the Mid-South, \$36.97 for the Southwest and \$97.41 for the West. The average assistance to cotton pro-

ducers from the program is estimated to be about \$4,200 per farm or \$8,100 per producer on average. For comparison, the 2014 Cotton Transition Assistance Program (CTAP) provided about \$2,600 per farm or \$5,200 per producer on average. Since 2011, cotton fiber markets have experienced dramatic changes. As a result of poor U.S. market conditions for cotton and, in part, as a result of a large amount of excess stocks of cotton held in China, cotton producers are facing economic uncertainty that has led to many producers having lost equity and having been forced to liquidate equipment and land to satisfy loans. The ginning of cotton is necessary prior to marketing the lint for fiber or the seed for oil or feed. While the Cotton Ginning Cost Share program makes payments to cotton producers for anticipated cotton ginning costs, the benefits of the program will be felt by the broader marketing chain associated with cotton and cottonseed, including cotton gins, cooperatives, marketers and cottonseed crushers and the rural communities that depend on them. Signup for the program will begin June 20 and run through Aug. 5, 2016 at your local FSA office. Payments will be processed as applications are received and are expected to begin in July. For more information, contact Kent Politsch: Kent.Politsch@wdc.usda.gov 202-720-7163.