



The Cotton Chronicle

1785 N. Fine Avenue, Fresno, CA 93727 • Telephone: (559) 252-0684 • Fax: (559) 252-0551

www.ccgga.org

October 2016

Volume 26 Issue 10

Industry Calendar

December 6
Ginners/Growers
Joint Board Mtg—
Fresno

Save the Date:
May 31—June 2
Cotton Annual
Meeting—
Monterey, CA

Visit web calendar
for details

CCGGA Staff

Roger A. Isom
President/CEO
roger@ccgga.org

Christopher McGlothlin
Director of Technical
Services
chris@ccgga.org

Jodi Raley
Director of Regulatory
Affairs
jodi@ccgga.org

Shana Colby
Administrative Assistant
shana@ccgga.org

Funding Allocated for 2017 Cotton Research Projects

Research for the California cotton industry was



reviewed and allocated funding last month as

the **California Cotton Industry Research Committee** met for its annual proposal consideration. The **California Cotton Growers Association**, **California Cotton Alliance** and the **Cotton Incorporated: State Support Committee** joined forces

to review all cotton research proposals requesting funding for the 2017 year. This newest format, adopted last year, allows for the three entities to examine where grower funds can be best put to use for advancing cotton research. Research proposals considered comprised of eight continuing projects including Pima, Upland, Acala Variety Trials, FOV Resistance Breeding, Cotton Pest Management, Insecticide Efficacy for Brown Stink Bug, and Cotton Production under No Tillage conditions. In addition to these historically funded projects, the committee was presented with four new proposals, including the first ever proposal from Fresno State. Continuing

proposals are required to submit annual reports or updates to continue to be considered for funding. Additionally, any project proposal submitted is rigorously reviewed by the committee to ensure that every dollar of the grower contributed research funds is spent to ensure development and enhancement of cotton production. Below is a list of projects that were recommended for funding by the California Cotton Research Committee. The California Cotton Growers Association Board of Directors moved to fund the recommend projects for CCGA. New project funding is approved however is contingent upon California Cotton Alliance approval.

Continuing Proposals			
Project Title	PI Last Name	2017 Amount Requested	2017 Amount Funded
1) Variety Trials	Hutmacher	\$62,000.00	CCGA - \$29,000.00 CI:SSC - \$33,000.00
2) Field Screening Support	Hutmacher	\$12,000.00	CCA - \$12,000.00
3) Grower Payment – Fusarium Research	Hutmacher	\$16,100.00	CCGA - \$16,100.00
4) Fusarium Assessment in SJV Cotton	Hutmacher	\$43,000.00	CCA - \$43,000.00
5) FOV Resistance Breeding	Hutmacher	\$210,000.00	CCGA - \$105,000.00 CCA - \$105,000.00
6) Cotton Pest Management	Godfrey	\$56,773.00	CI:SSC - \$56,773.00
7) Brown Stink Bug	Barlow	\$21,250.00	CCGGA - \$21,250.00
8) Cotton Production – No Till	Mitchell	\$6,000.00	CCGGA - \$6,000.00

New Proposals			
Project Title	PI Last Name	2017 Amount Requested	2017 Amount Funded
9) Equipment Upgrade	Hutmacher	\$10,000.00	CCGA - \$5,000.00 CCA - \$5,000.00
10) Cotton Disease Development	Ellis/ Hutmacher	\$33,336.00	CCGA - \$16,668.00 CCA - \$16,668.00
11) Canopy Penetration	Burrow	\$5,000.00	CCGA - \$2,500.00 CCA - \$2,500.00

**** Note: 50/50 funding split for all new projects is contingent on CCA approval**

Ginners and Growers Associations Propose to Merge – Up for Membership Vote

This past year the Board of Directors of the **California Cotton Ginners Association** and the Board of Directors of the **California Cotton Growers Association** appointed a joint committee to consider the merging of the two Associations into one organization. On September 14th, 2016, after several months of meetings, the Board of Directors of both Associations voted to recommend to the membership to merge the two Associations. Both Associations currently utilize the exact same staff and office, and this effort is proposed to the membership to streamline the Association's operations.

The highlights of the merger include the following:

- Maximize staff resources and time by
 - ◊ Reducing board meetings from eight (8) per year to (4)
 - ◊ Reducing annual meetings from two (2) to one (1)
 - ◊ Reducing banking accounts by half
- Save money by
 - ◊ Only needing one independent audit, instead of two
- New Association will have a 24 member Board of Directors
 - ◊ 12 Ginners
 - ◊ 12 Growers
- Association activities and efforts will remain the same
- Membership dues will remain the same



This movement is an important evolution for the cotton industry in California, and will not impact our effectiveness in representing California cotton gins and cotton growers in any way. **To finalize this effort, we need you to vote yes or no on the proposed merger.** A memo and ballot has been mailed to each member. If you are a cotton grower and have not received your ballot, please contact the office (559) 252-0684 or shana@ccgga.org.

Please be sure to vote!

2017 Changes for Next PG&E General Rate Case

While the actual rate increases are proposed to be modest, the Pacific Gas and Electric Company (PG&E) is proposing a number of profound rate design changes in its 2017 General Rate Case (GRC). The utility recommends a small agricultural class rate increase, whereby average bundled agricultural class rates would rise by 0.41 percent above the Phase 1 system average increase of 4.2 percent. AG-A customers would receive a 0.13 percent rate hike, AG-B customers would see a 0.15 percent uptick, and AG-C customers rates would jump by 0.58 percent. There would be significant changes in the Time of Use (TOU) and Seasonal Periods proposed in the proceed-

ing, including changing the summer season from six months to four months. This includes making October a “winter month”, a change long advocated by the Association and very advantageous to hullers. Also of note are significant changes that move the peak periods to much later in the day. The proposed changes are as follows:

- **Summer Season: June to September**
- **Winter Season: October to May**
- **Peak: 5 p.m. to 10 p.m. summer and winter, daily**
- **Partial-Peak: 3 p.m. to 5 p.m. and 10 p.m. to midnight summer only, all days**
- **Off-Peak: all remaining hours outside of super off-peak, including 8 a.m. to 3 p.m. daily**
- **Super off-peak: March, April and May, 10 a.m. to 3 p.m. daily.**

To go along with these changes, PG&E will be proposing revised rates to reflect these new TOU periods. In addition, PG&E is proposing to simplify agricultural rates, by consolidating the existing 13 rate schedules into three basic default tariffs. The proposed rate restructuring would preserve the 35 horsepower dividing line between schedules, and reduce the current 1,500 hour per year AG-5B break-even pumping hours versus AG-4B to 1,100 hours per year, in an attempt to make rate selection easier and less risky for customers. They are also proposing to increase “customer charges” for most agricultural customers to “better reflect cost of service.” Proposed levels represent a 20 percent jump above charges currently paid by the vast majority of agricultural customers. We will be analyzing the rate impacts over the next few months for tree nut hullers and processors and to seek the best possible outcome for the tree nut industry. We will be working through our staff, our consultants and the **Ag Energy Consumers Association (AECA)**. Intervenor testimony is due in mid-January 2017.

Port of Oakland's Largest Terminal Says Night Gates Here To Stay

After a three month trial, “Night gates” are here to stay at the **Port of Oakland's** busiest marine terminal. The Port announced today that Oakland International Container Terminal will make evening operations permanent. The decision makes Oakland one of the few U.S. ports open late for container pick-up or delivery. The Port said night gates will continue to take pressure off busier daytime



operations. “This is an important step,” said **Maritime Director John Driscoll**. “We’re making it easier for customers to do business with us by saving time and improving efficiency.” Oakland International Container Terminal launched night gates June 27. They’re open Monday-through-Thursday, 6 p.m. to 3 a.m., for truck drivers to haul cargo. According to data compiled by the terminal and the Port, here’s the difference they’re making:

- **About 1,300 container transactions nightly have migrated from day to evening.**
- **The average transaction time for truck drivers has dropped from 96 minutes in August to 79 minutes last week.**
- **Thirty percent of trucking companies at the port have reduced congestion surcharges assessed to customers for picking up containers.**

The Port surveyed cargo owners and found that 74 percent of those queried use Oakland night gates. The reason: there’s less terminal crowding at night. Sixty-five percent said transaction times have improved thanks to night gates. That’s important because cargo owners have lobbied hard for faster container-handling, the Port said. “The system is working and customers are paying less,” said **Scott Taylor, CEO of GSC Logistics**, one of the largest trucking companies at the Port. “Things are better and we’re saving time.” Oakland International Container Terminal said it will continue to charge customers a \$30 fee to finance night gates. The terminal assesses the levy on all loaded import and export containers. About 6,000 trucks pass through the terminal’s gates daily, making it one of the busiest in the U.S. It handles 70 percent of the containerized cargo in Oakland.

New Overtime Provisions Signed by Governor

The **Governor** has now signed **AB 1066 (Gonzales)**. **AB 1066**, known as the **Phase-In Overtime for Agricultural Workers Act of 2016**, will make significant change to the IWC’s Wage Order 14 covering all employees subject to the Wage Order 14. Here are the important details.

Key Impacts & Changes –

- ◆ Changes overtime triggers from 10 hours per day and 60 hours per week in a phased-in approach.
- ◆ Removes exemption for irrigators, as irrigators will now become subject to the new overtime provisions
- ◆ Removes exemption for drivers, as regulated by the Federal DOT or CHP will now become subject to the overtime provisions
- ◆ Agricultural workers under Wage Order 14 were previously exempt from the mandatory 7th day off. Under this Act, agricultural workers must provide one day’s rest every seven days.

- ◇ However, there is a provision that the one-day-of-rest requirement may be met by accumulating days of rest when the nature of the employment reasonably requires that the employee work seven or more consecutive days, provided that in each calendar month the employee receives days of rest equivalent to one day’s rest in seven.

Timeline –

The Act becomes effective on January 1, 2017, as per the following schedule:

Employers with more than 25 employees:

January 1, 2019: Overtime must be paid for work in excess of **9 ½ hours per workday** or in excess of **55 hours per week**.

January 1, 2020: Overtime must be paid for work in excess of **9 hours per workday** or in excess of **50 hours per week**.

January 1, 2021: Overtime must be paid for work in excess of **8 ½ hours per workday** or in excess of **45 hours per week**.

January 1, 2022: Overtime must be paid for work in excess of **8 hours per workday** or in excess of **40 hours per week**. Any work in excess of **12 hours in one day** must be compensated at the rate of no less than **twice** the employee’s regular rate of pay.

Employers with 25 or fewer employees:

January 1, 2022: Overtime must be paid for work in excess of **9 ½ hours per workday** or in excess of **55 hours per week**.

January 1, 2023: Overtime must be paid for work done over **9 hours per workday** or in excess of **50 hours per week**.

January 1, 2024: Overtime must be paid for work in excess of **8 ½ hours per workday** or in excess of **45 hours per week**.

January 1, 2025: Overtime must be paid for work in excess of **8 hours per workday** or in excess of **40 hours per week**. Any work in excess of 12 hours in one day must be compensated at the rate of no less than **twice** the employee’s regular rate of pay.

A full legal summary will be posted on our website.

CCGGA Testifies for Aboveground Water Storage

The **California Cotton Ginners and Growers Associations (CCGGA)** traveled to Sacramento to testify before the California Water Commission (CWC) in an effort to ensure



that aboveground water storage is constructed in California. **President/CEO Roger Isom** spoke at the CWC’s public hearing regarding the proposal of regulations regarding funding for Chapter 8 (water storage) in the Water Bond.

California Cotton Ginners and Growers Associations
1785 N. Fine Avenue
Fresno, CA 93727

PRESORTED STANDARD
US POSTAGE PAID
FRESNO, CA
PERMIT NO. 2509

www.ccgga.org

Isom and **Director of Regulatory Affairs Jodi Raley** spent several days reviewing the proposed regulations and drafted comments reflecting concerns that are held in the current draft. CCGGA highlighted the critical state California agriculture is in due to the drought as well as informing the board of the pending implications once SGMA is enforced. While SGMA regulations have yet to be developed, it is anticipated the regulation will drastically cut water pumping in the Central Valley. This coupled with little to no surface water deliveries leave the certainty of the future of agriculture in California in question. Isom noted that with above-ground water storage, such as Temperance Flat, growers would be able to better sustain agricultural operations once SGMA is in full force as Temperance Flat would be able to tie into critical groundwater recharge projects. Additionally, the Associations noted serious concern over the proposed inclusion of climate change modeling for 2030 & 2070. Such studies would be costly, delay the process and cause all projects eligible for funding (Temperance Flat, Sites Reservoir, etc.) to guess or speculate on conditions that are over 50 years in the future. CCGGA remains intimately involved in this issue and will take part in drafting detailed comments to the CWC. We look forward to reporting any updates as the process goes forward.

Doing Business With EDD Electronically Is Way of the Future for California Employers

With the passage of Assembly Bill 1245 (Chapter 222, Statutes of 2015), employers will be required to electronically submit employment tax returns, wage reports, and payroll tax deposits. Effective **January 1, 2017**, employers with 10 or more employees must meet the requirements of AB 1245. All other employers must do so beginning **January 1, 2018**. Filing and paying electronically reduces paper and mailing costs. Also, it offers encryption to protect your information, and provides electronic records of your transactions with the EDD. You don't have to wait for the deadline to sign up! Make your transition today and stay one step ahead. Enroll now in e-Services for Business. It's fast, easy, secure, and available 24/7. **For assistance with your transition, contact the EDD Taxpayer Assistance Center at 888-745-3886, Monday through Friday, 8 a.m. to 5 p.m. (Pacific Time).**



e-Services for Business
Manage your employer payroll tax accounts online,
24 hours a day, 7 days a week!

- ✓ Register
- ✓ File
- ✓ Pay
- ✓ Update

Enroll or Log in Today [LEARN MORE >](#)