



# The Cotton Chronicle

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

[www.ccgga.org](http://www.ccgga.org)

April 2020

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## Industry Calendar

June 3  
CCGGA Board  
Meeting —  
Fresno, CA

Visit web calendar  
for details

## CCGGA Staff

Roger A. Isom  
President/CEO  
[roger@ccgga.org](mailto:roger@ccgga.org)

Christopher McGlothlin  
Director of Technical  
Services  
[chris@ccgga.org](mailto:chris@ccgga.org)

Priscilla Rodriguez  
Director of Regulatory  
Affairs  
[priscilla@ccgga.org](mailto:priscilla@ccgga.org)

Shana Colby  
Administrative Assistant  
[shana@ccgga.org](mailto:shana@ccgga.org)

## CCGGA Annual Meeting Cancelled

Due to the ongoing situation with Covid-19 and the uncertainty surrounding the end of the “Shelter in Place” order, the Board of Directors of the California Cotton Ginners and Growers has voted unanimously to cancel the 2020 Annual Meeting scheduled for May 13<sup>th</sup> in Visalia. Regular business usually conducted at the annual meeting such as the annual financial audit, yearly financials and board actions will be considered at the June 3<sup>rd</sup> Board Meeting in Fresno. Details to attend and participate in the June Board Meeting will be forthcoming when the COVID-19 crisis eventually comes to a close. The Association would like to thank all the sponsors for your continued support, refund checks will be mailed this month.

**CANCELLED**

## Important COVID-19 Update: Governor Orders “Stay in Shelter” Executive Order

By now you have all heard of the Governor’s Executive Order to “Stay in Shelter”. We want to make you aware that agriculture and companies that support agriculture are exempt. The Governor’s Order clearly references new guidance just released by the Department of Home-

land Security that classifies agriculture and the business that support agriculture as “essential critical infrastructure” that must be maintained. Therefore, your operations will continue to be allowed to operate. That guidance lists the following as essential:

### FOOD AND AGRICULTURE

- Workers supporting groceries, pharmacies and other retail that sells food and beverage products
- Restaurant carry-out and quick serve food operations - Carry-out and delivery food employees

## Association Offices Closed, But Staff Still Working!

Due to the Governor’s Stay in Shelter Executive Order, and the City of Fresno’s “shelter in place order” order, the Association offices are closed. However, the staff is telecommuting and working from home. We are having weekly staff meetings via conference call and daily discussions amongst staff, while answering your calls and emails. The staff will still be working and fighting on your behalf as you have come to expect, albeit remotely from our homes. You can reach us via our cell phones, and as a reminder our business cards include our cell phone numbers. If you have any issues, or need assistance, please do not hesitate to reach out to us.

- Food manufacturer employees and their supplier employees—to include those employed in food processing (packers, meat processing, cheese plants, milk plants, produce, etc.) facilities; livestock, poultry, seafood slaughter facilities; pet and animal feed

processing facilities; human food facilities producing by-products for animal food; beverage production facilities; and the production of food packaging

- Farm workers to include those employed in animal food, feed, and ingredient production, packaging, and distribution; manufacturing, packaging, and distribution of veterinary drugs; truck delivery and transport; farm and fishery labor needed to produce our food supply domestically
- Farm workers and support service workers to include those who field crops; commodity inspection; fuel ethanol facilities; storage facilities; and other agricultural inputs
- Employees and firms supporting food, feed, and beverage distribution, including warehouse workers, vendor-managed inventory controllers and blockchain managers
- Workers supporting the sanitation of all food manufacturing processes and operations from wholesale to retail
- Company cafeterias - in-plant cafeterias used to feed employees
- Workers in food testing labs in private industries and in institutions of higher education
- Workers essential for assistance programs and government payments
- Employees of companies engaged in the production of chemicals, medicines, vaccines, and other substances used by the food and agriculture industry, including pesticides, herbicides, fertilizers, minerals, enrichments, and other agricultural production aids
- Animal agriculture workers to include those employed in veterinary health; manufacturing and distribution of animal medical materials, animal vaccines, animal drugs, feed ingredients, feed, and bedding, etc.; transportation of live animals, animal medical materials; transportation of deceased animals for disposal; raising of animals for food; animal production operations; slaughter and packing plants and associated regulatory and government workforce
- Workers who support the manufacture and distribution of forest products, including, but not limited to timber, paper, and other wood products
- Employees engaged in the manufacture and maintenance of equipment and other infrastructure necessary to agricultural production and distribution

Furthermore, we are aware of instances where workers have been stopped by law enforcement in counties where

“shelter in place” ordinances have been adopted. For those situations we have made available a sample letter you can provide each of your employees with in case that happens.

### California Extends Tax Deadlines

The Franchise Tax Board (FTB) has announced special tax relief for California taxpayers affected by the COVID-19 pandemic. Affected taxpayers are granted an extension to file 2019 California tax returns and make certain payments until July 15, 2020, in line with Governor Newsom’s March 12 Executive Order. “During this public health emergency, every Californian should be free to focus on their health and wellbeing,” said State Controller Betty T. Yee, who serves as chair of FTB. “Having extra time to file their taxes helps allows people to do this, as the experts work to control the spread of coronavirus.” This relief includes moving the various tax filing and payment deadlines that occur on March 15, 2020, to July 15, 2020. FTB is postponing until July 15 the filing and payment deadlines for all individuals and business entities for:

- **2019 tax returns**
- **2019 tax return payments**
- **2020 1st and 2nd quarter estimate payments**
- **2020 LLC taxes and fees**
- **2020 Non-wage withholding payments**

Taxpayers claiming the special COVID-19 relief should write the name of the state of emergency (for example, COVID-19) in black ink at the top of the tax return to alert FTB of the special extension period. If taxpayers are e-filing, they should follow the software instructions to enter disaster information. The FTB will also waive interest and any late filing or late payment penalties that would otherwise apply.

### US DOL Releases Guidance on Families First Coronavirus Response Act

Recently, Congress passed and the President signed the **Families First Coronavirus Response Act** for those impacted by COVID-19. This Act imposes emergency paid sick leave and family medical leave requirements on employers from April 2, 2020 until December 31, 2020. The U.S. Department of Labor’s Wage and Hour Division (WHD) recently announced its first round of published guidance to provide information to employees and employers about how each will be able to take advantage of the protections and relief offered by the Families First Coronavirus Response Act (FFCRA) when it **takes effect on**

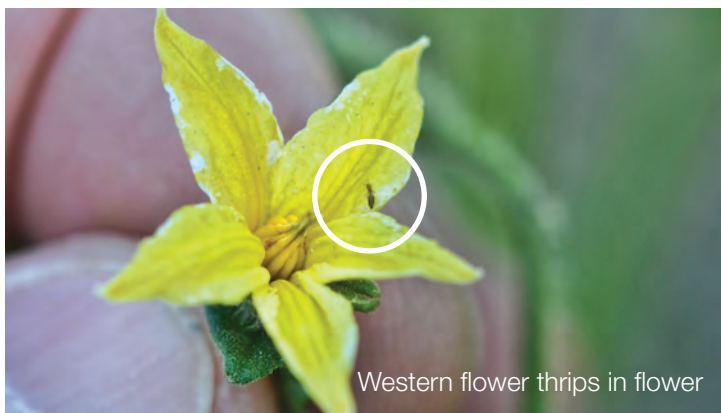
## Thrips in Tomatoes

In tomatoes, thrips, by themselves, generally do not cause economic issues. The damage comes from thrips' ability to vector tomato spotted wilt virus.

University studies continue to try to pinpoint the sources for tomato spot wilt virus, which has been found throughout tomato-growing counties. The main culprit is likely Western flower thrips, which picks up the virus in its larval stage, then can transmit it to tomatoes throughout its short life.

Thrips development and reproduction increase as temperatures increase. All stages of the pest will likely be found in tomatoes (and other host crops like cotton) at the same time.

Radiant<sup>®</sup> insecticide is effective on larval and adult stages of thrips. Radiant has no direct effect on the virus.



Western flower thrips in flower

## Thrips in Cotton

The combination of higher-than-normal thrips populations and cooler-than-normal early-season temperatures can lead to thrips damage in cotton fields. Thrips will cause noticeable damage between cotton emergence and seedling stages.

Thrips feed upon leaves and terminal buds causing leaves to become distorted/crinkled. Leaves may turn brown on the edges. This type of injury slows crop growth and may delay crop maturity as plants cannot "catch-up" during the season and cannot outgrow thrips populations.

According to UC Extension, early damage to plant terminals creates an atypical growth response, where the apical dominance is transferred to multiple growing tips.

Thrips damage is most prevalent in cool conditions where plant growth is slowed. But even in hot, dry conditions, thrips will migrate from host plants – like weeds and grasses – to succulent, irrigated crops like cotton.



Leaf damage by thrips

## Radiant<sup>®</sup> Insecticide

Radiant continues to be the standard for thrips control in many crops, including cotton, tomatoes, onions and leafy vegetables. Radiant provides excellent control of thrips – adults and nymphs – as well as beet armyworm and loopers. Pests are controlled through contact and ingestion activity. Radiant also has translaminar movement (into the leaf) which helps to reach pests out of the direct line of spray.

## Application Info

- REI:** 4 hours
- PHI:** 1 day (tomatoes), 28 days (cotton)
- Adjuvant:** A penetrating surfactant may help for thrips
- Resistance Management:** Maximum two consecutive applications of an IRAC Group 5 insecticide before rotating to another effective class of chemistry.

### Banded Applications

When cotton or tomato plants are small, banded applications can be very economical. Nozzles can be set up two per seedline or three per seedline. By treating anywhere from 1/4 to 1/2 the area, rates can be dropped to as low as 2 ounces per acre.

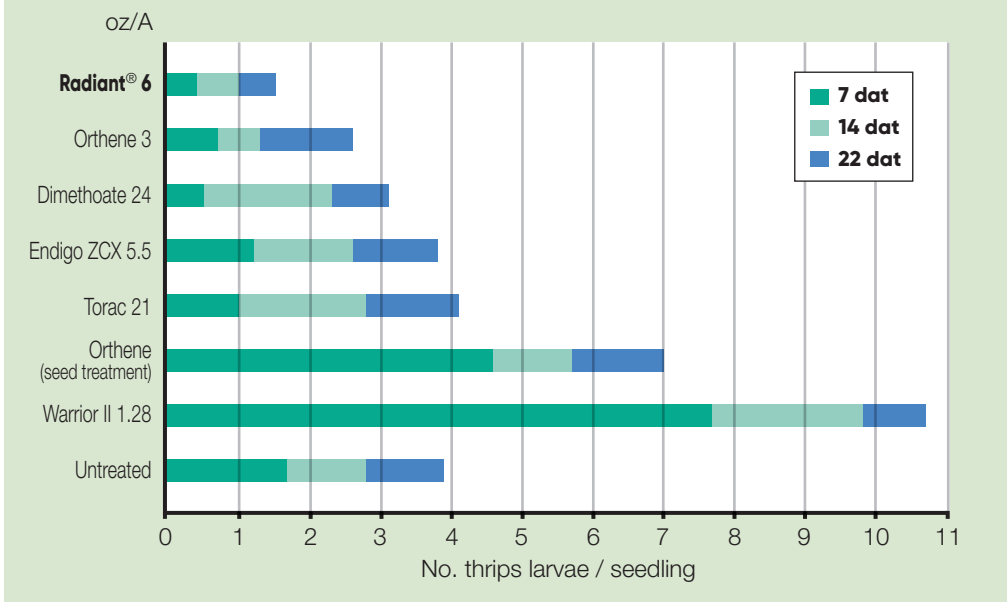
#### Rates

Standard broadcast rate for worms	4.5-6 oz/A
Thrips rate	6 oz/A
Banded (1/2 area) with reduced spray volume	3-4 oz/A
Banded (1/4-1/3 area) with reduced spray volume	2 oz/A



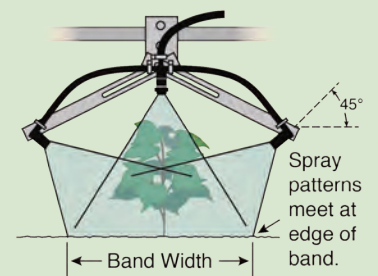
### Western Flower Thrips Efficacy Trial – Cotton

L. Godfrey, UC Extension, Shafter, CA – 2016

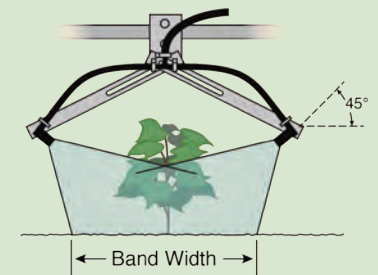


### Spray Pattern Options

#### 3 Nozzles

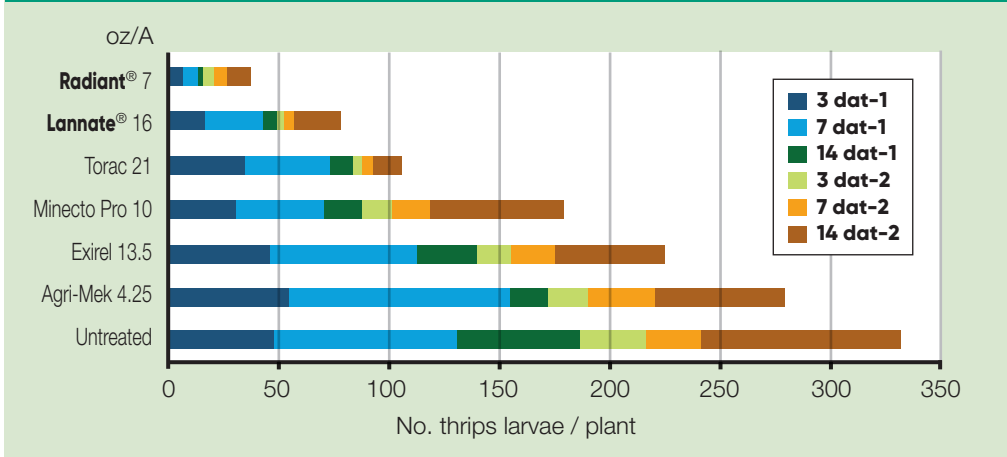


#### 2 Nozzles



### Western Flower Thrips Efficacy Trial – Lettuce

J.C. Palumbo, Yuma, AZ – 2018

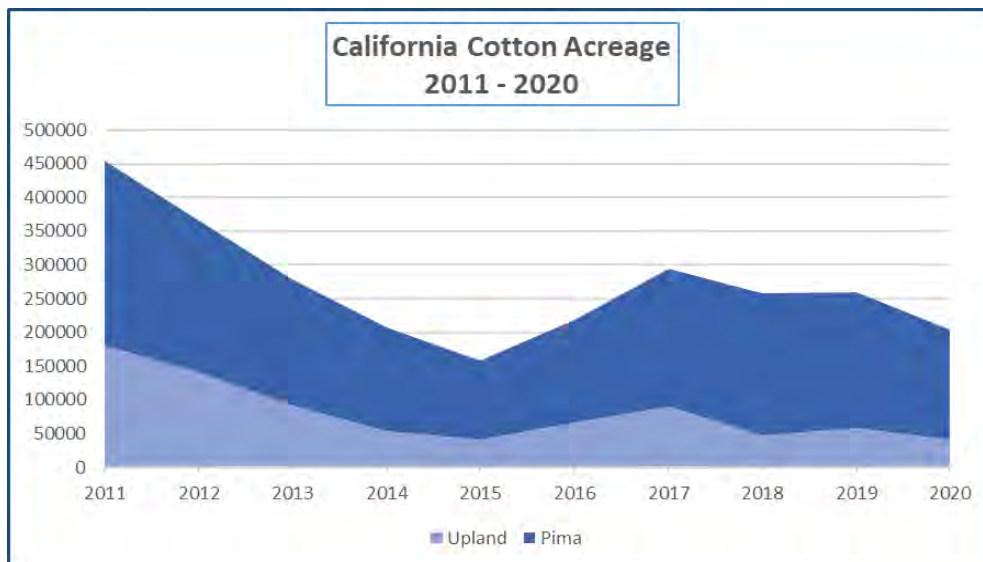


dat = days after treatment

**April 1, 2020.** The FFCRA will give all American businesses with fewer than 500 employees, funds to provide employees with paid leave, either for the employee's own health needs or to care for family members. The guidance – provided in a [Fact Sheet for Employees](#), a [Fact Sheet for Employers](#) and a [Questions and Answers document](#) – addresses critical questions, such as how an employer must count the number of their employees to determine coverage; how small businesses can obtain an exemption; how to count hours for part-time employees; and how to calculate the wages employees are entitled to under this law. There is also a workplace poster required for most employers that will be published later this week, along with additional fact sheets and more Q&A.

### **What is 2020 Cotton Acreage Look Like for California?**

Depressed cotton prices and a short water supply have weighed heavily on predicted cotton acreage in California this year as we start the 2020 planting season. As a result, **California is preliminarily expecting a 22% decrease in overall cotton acreage for 2020.** According to preliminary planting intentions survey conducted by the California Cotton Ginners and Growers Association this month, the Association is **currently estimating approximately 145,300 acres of pima, 17,300 acres of Hazera and 40,900 acres of upland statewide for the 2020 cotton season plus or minus 10%.** This survey is based on surveys from all of the gins in California and things could change when planting is actually completed and final field surveys are completed by CDFA. If it plays out, it will represent a 20% decrease in pima acreage and a 27% decrease in upland acreage in California as compared to 2019. Again, this is preliminary, but reflects what all gins are reporting.



### **Western Gin School Postponed**

Due to the Covid-19 (Coronavirus) and the restrictions placed on USDA facilities and now state restrictions that include social distancing, the **Western Gin School** in Las Cruces, New Mexico has been postponed. **The new dates for the Western**

### **School are July 28-**

**30.** The Stoneville Schools will be held as scheduled June 2

-4. Students who were enrolled at the Southwestern

School may want to

consider these two schools as options. Registration and school details can be found at <http://www.cotton.org/ncga/ginschool/index.cfm>

**POSTPONED**

### **New Payroll Protection Program Available**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was just passed and allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses. Most importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward. The Paycheck Protection Program (PPP) is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Small Business Administration will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. Due to likely high subscription, it is anticipated that

no more than 25% of the forgiven amount may be used for non-payroll costs. This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19. The Paycheck Protection Program will be available April 3, 2020 through June 30, 2020. Starting April 3<sup>rd</sup>, small businesses and sole proprietorships can apply for the loan. Starting April 10<sup>th</sup>, independent

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Fresno, CA 93727

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contractors and self-employed individuals can apply. For more information, summary, guide and application, visit our website.

Late this week, the SBA issued interim final rules implementing the Paycheck Protection Program which are effective immediately. Here are a few quick updates/changes to the information below:

1. **PPP loans will be funded First-come, First-served.**
2. Average monthly payroll is determined by looking at your payroll over the last 12 months (different from below)
  - a. Payroll costs consist of compensation to U.S. Employees in the form of Salary, wages, commissions or similar compensation; payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for employee benefits (group health (including dental and vision) and retirement) and payment of state and local taxes assessed against the employer on compensation of employees
  - b. Max is \$100,000 per employee (including their portion of employee benefits and state taxes).
  - c. Payments to Independent contractors do not count for purposes of calculating average monthly payroll.
    - i. No guidance was issued related to Professional Employer Organization (PEO) or farm labor contractors.
      1. Please discuss these situations with your SBA lender.
3. Max loan amount is the lesser of \$10M or 2.5 times your average monthly payroll + the outstanding amount of an EIDL made between 1/31/2020 and 4/3/2020 (new EIDLs issued after 4/3

will not be rolled into PPP Loans)

4. Maturity of the unforgiven loan will be 2 years
5. Interest Rate on the unforgiven loan will be 1%
6. Interest will accrue from the start but payments will be deferred for 6 months.
7. The amount of loan forgiveness can be up to the full principal amount of the loan and any accrued interest.
8. Only 1 loan application will be allowed so apply for the Maximum.
9. Not more than 25% of loan forgiveness amount may be attributable to non-payroll costs (Rent, utilities and mortgage interest)
  - a. All forgiven amounts must be paid over the eight-week period following the date of the loan.
10. Final rules on loan forgiveness will be issued at a later time.

*Note: Provided by Robin Pippin, CPA, EA, Tax Manager | Moss Adams*

### 2020 Ginner School Postponed

Due to concerns over COVID – 19, we are postponing the 2020 Ginners School for now. We will have our Ginners School Committee reconvene in three weeks once we have had a chance to reassess the COVID – 19 situation and speaker availability. We apologize for the inconvenience, but as I am sure you can understand this situation is completely out of our hands.