



# The Cotton Chronicle

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

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## Industry Calendar

Board Meeting—  
June 3  
Conference Call

Visit web calendar  
for details

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## 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. The annual financial audit, yearly financials and board actions will be considered at the June 3<sup>rd</sup> Board Meeting in Fresno. Details on that meeting will be forthcoming when the COVID-19 crisis eventually comes to a close.

**CANCELLED**

## Two Remaining 2020 Ginner Schools Also Cancelled

National Cotton Ginners Association Executive Vice President **Harrison Ashley** said a decision was made to cancel the Stoneville and Western ginner schools given the many uncertainties regarding the COVID-19 restrictions -- specifically whether facilities and states will allow re-openings and if instructors will be allowed to travel. Visit the NCC's COVID-19 Resources page at [www.cotton.org/issues/members/covid19](http://www.cotton.org/issues/members/covid19) for new and updated information about assistance and relief options being provided by various federal agencies.

## Association Pleads with State and Federal Legislatures for Relief for Cotton Industry

This past month the Association wrote to Congress and the California legislature on behalf of

the over 800 cotton growers and 23 operating cotton gins throughout the State of California, to convey the unprecedented and overwhelming impact of the COVID-19 crisis on the cotton industry in California. First of all the price of cotton has dropped by more than 30% since the beginning of 2020 and it was low to begin with. Since the start of the COVID-19 crisis, the retail sector has been in a freefall, experiencing unprecedented drops in sales, and being hit with the biggest reductions in sales of all of the retail sectors by far. According to the Department of Commerce, retail and food services sales in March dropped by 8.7% in the month of March. This is the largest single monthly drop ever recorded, and one that will more than likely be eclipsed in April, as April will be the first full month to experience the full impact of the COVID-19 crisis. The previous record had been 4% during the recession in 2008. To put a finer point on it, the clothing sector took the biggest hit in March with a more than 50% reduction in sales from February to March, and a 52% reduction from last year for sales in the month of March. As a result of these reductions in sales, the US textile industry has reported cancellations of 90% of their orders for 2020, according to the National Cotton Council. Impact in the US isn't the only problem. Clothing factories around the world have closed in such places as Sri Lanka, Bangladesh, Indonesia, Albania, India, Pakistan, Cambodia, Myanmar and countries in Central America. This is devastating to US cotton, since most of it is exported, including 100% of California cotton. While there has been some relief, at least to some degree, from USDA and the SBA; it has done little to stem the tide or even partially offset the losses being experi-

enced by the cotton industry at this time, especially ELS cotton. We are very appreciative of USDA's support, but it doesn't help California cotton very much. Cotton in California is grown on large farms and is more than 70% ELS, meaning that our growers hit payment limitations, may not even qualify, or aren't eligible for a lot of this support. Furthermore, this does not account for the additional costs being experienced by the lockdown including storage, interest, insurance, demurrage, detention, additional interior and ocean freight costs associated with destination displacement due to the closure of the countries referenced above. These costs are currently estimated to exceed \$700 million. With this in mind, the California cotton industry provided this information in advance of a request for some much needed specific assistance to help mitigate this devastating impact. We need meaningful financial assistance, and an opportunity to provide regulatory relief that can mitigate some of this devastating economic loss. We are convinced the retail industry and all that goes into it, including cotton production, ginning and milling, is by far one of the most impacted industry sector by the COVID-19 Crisis.

#### **Association Joins Others in Urging Congress and the White House to Address Western Water Challenges**

The Association joined a coalition of 150 organizations representing water and agricultural interests in the western U.S. in urging Congress and President Trump to address aging Western water infrastructure as further measures are considered to help the U.S. economy recover from the ongoing coronavirus crisis. "The COVID-19 pandemic underscores the importance of safety and stability provided by domestic food production," the groups stated in separate letters to Congress and the President. "As this crisis has pointed out, a stable domestic food supply is essential and of national security interest. For farmers and ranchers to survive, and for food to continue to be produced here in the American West, a stable water supply is a necessary part of any conversation about our national food security." President Trump has stated his belief that renewed efforts to meet the systemic infrastructure demands of the nation will be an important step in combating the long-term impacts of the pandemic. "We strongly agree," the organizations stated in the letter to the White House. "In particular, we urge you to advance critically needed investments that address the shortcomings of our aging Western water infrastructure." Existing water infrastructure in the West needs rehabilita-

tion and improvement. Most of the federally funded water infrastructure projects that benefit the large cities, rural communities and small farms in the West were built more than 50 years ago. As hydrological conditions in the West change and populations continue to expand, failure to address water security has become increasingly critical. "Failing to improve water infrastructure and develop supplies will inevitably result in additional conflict as pressure grows to 'solve' urban and environmental water shortages," the groups stated in the letter to Congress. "Moving water away from Western irrigated agriculture will surely contribute to the decline of our national food security." The coalition letters emphasize that water conservation, water recycling, watershed management, conveyance, desalination, water transfers, groundwater storage and surface storage are all needed in a diversified management portfolio. "If and when additional infrastructure funding is discussed as part of a larger economic stimulus package, we need your help to ensure that federal dollars flow to the water infrastructure needs mentioned above," the letters conclude.

#### **Association Weighs in Against Workers Comp Proposal**

The Association joined several other agricultural organizations in expressing opposition to a potential Governor's Executive Order to address COVID-19 under workers com-



pensation that could place a massive economic burden on California businesses even in cases where it had nothing to do with work. We are hearing that Governor Newsom is considering the following:

- Creating a conclusive presumption – i.e., no ability to dispute that an injury was work related – for anyone deemed “essential” on the attached, very expansive list applying during the COVID-19 response time, *in-*

**cluding all farm workers, restaurant workers, workers in food processing, workers in transport, laundry services, cannabis shops, and health care workers.**

This would allow millions of workers in the state of California to get workers' compensation funds from employers regardless of whether they contracted COVID-19 at work or otherwise.

- Extending the definition of an injury to "exposure" to COVID-19 even without symptoms or actual illness. ***This would create payments from business for individuals with no injury at all.***
- Adding additional costs to business for temporary housing to quarantine workers recommended for quarantine, ***regardless of actual illness.***
- The ability to have a presumption of injury arise, without any formal testing, if a doctor of any type able to treat in workers' compensation (chiropractors, orthopedists, podiatrists), concludes someone has COVID-19. This is very similar to the primary treating presumption that tripled rates for business in the early 2000 period.

Unfortunately, one company, State Compensation Insurance Fund, has already adopted some of these provisions in advance of any directive. Nonetheless, the Association remains opposed and will continue to fight this and other regulatory burdens being placed on the agricultural industry even during these unbelievably critical times.

### **CARB Workshops 2020 Mobile Source Strategy**

CARB staff held a webinar last month to discuss their 2020 Mobile Source Strategy. The Mobile Source Strategy is the combined efforts of several different regulations and rulemaking efforts, covering passenger vehicle standards to medium/heavy duty truck transportation throughout the state, ocean going vessels, locomotives, tractors and construction equipment to name a few.

To highlight some of the major Ag sector equipment efforts, here is a summary of the objectives from CARB staff. Specific to medium and heavy-duty trucks, CARB Staff anticipates the effects of the Truck and Bus Rule to ultimately achieve a large share of the emissions reductions. For the heavy-duty equipment, CARB is also exploring clean diesel technology and renewable fuels that would lessen the demand on diesel fuel. For both medium-duty and heavy-duty equipment, CARB also anticipates achieving further Nitrous Oxide (NOx) and greenhouse gas (GHG) reductions through the Advanced Clean Truck Regulation. This proposed regulation would push equipment manufacturers to increase their Zero-Emission



Vehicle (ZEV) fleet, and require that a percentage of a manufacturer's annual sales be of ZEV equipment. Staff anticipates ZEV fleets to make up 76% of the statewide fleet inventory by 2045. On the tractor side, CARB Staff identified their strategy as supporting incentive measures, much like the FARMER program. Staff identified that FARMER has accelerated the anticipated turnover of older farm equipment, and that rulemaking efforts would only slow the demand for equipment replacement until it was absolutely necessary. The Association remains engaged on CARB's multitude of equipment regulations and rulemaking efforts, stay tuned for more updates.

### **Association Part of the Push for Water Infrastructure in Letter to Governor Newsom**

The Association took part in the push for water infrastructure along with over 70 organizations representing water and agricultural by urging Governor Newsom to increase water supplies to farmers. While California farmers have adapted and developed new ways to grow the nation's food supplies, these trying times have revealed weaknesses in agriculture that must be addressed. The letter states "Unlike other essential industries, farmers and ranchers work on nature's schedule. They must start planning production operations a year in advance. To ensure next year's food supply keeps grocery store shelves full it is essential that California's farmers have all the tools they need to grow the crops they are planting now. A reliable water supply is at the top of this list of tools farmers need to grow the food that will appear in grocery stores later this summer, this fall and next year. Making sure farmers have the water to grow next year's food supply is as important as making sure grocery store shelves are stocked today." This current water year we have seen limited

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snow pack and very little rain and when you compound that hydrology with restrictions on groundwater and surface water supplies, it is very discouraging. "We urge you to direct state agencies to find creative and balanced means to maximize water supplies for farmers. Where possible, rules that limit farm water supplies should be suspended, modified, or postponed during this critical time" said the organization through the letter. The group recommended an outline for state and federal stimulus efforts to address the water supply infrastructure 1) repair and modernize existing water supply and conveyance infrastructure 2) accelerate and support existing programs and 3) expand current water supply infrastructure. The group also urged the state's administration to work cooperatively with the federal administration on water management, as they also conveyed to the California Congressional delegation, in a recent letter. "A cooperative federal-state management scheme should be applied in all those critical watersheds where the federal government has made significant investments. In this way, we can be assured that state and federal water management coordination is maximizing water supplies while respecting our state's commitment to the environment. As your administration has recognized

in other areas, cooperation between the state and federal administrations is the best way to solve the new and unprecedented challenges we face." The letter concludes with one last urge to the Governor "Now is the time to take a second step in our response to COVID-19 by protecting the ability of the state's farmers to keep grocery store shelves stocked with safe, healthy food grown in California. We respectfully request that your administration look for every possible way to increase water supplies to farmers to ensure this year's crop meets next year's need."

