Newsletter of the California Cotton Ginners and Growers Association

The Cotton Chronicle

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Industry Calendar

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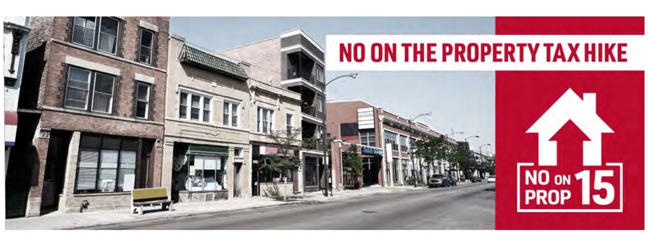
NO on Proposition 15 Campaign - UPDATE

As you all know by now, Proposition 15 is on the ballot this year in November, and if passed would create $12.5 billion in new taxes, the largest tax hike in our state's history. It would do so by eliminating the 1% cap on property taxes for businesses throughout the state, including agricultural processing facilities such as cotton gins. In addition, it would trigger annual reassessments for agricultural fixtures, such as irrigation systems, solar installations on farms and processors, barns, and even permanent crop trees and vines. In a year like 2020, it is difficult to fathom we are facing something like Proposition 15. For tree nut growers, hullers and processors, the time to take a stand is right now! We need every member to contribute! **Therefore, we are respectfully asking each of our members to send us a check for $500 to $1,000 to help specifically on this effort. We have raised over $30,000 to date towards our goal of $50,000!** Please fill out the attached form and make the check payable to **Alliance of California's Farmers and Ranchers** and mail it back to our office at 1785 N. Fine Avenue, Fresno, California, 93727. If you should have any questions, please call our office at (559)455-9272.

For cotton growers and gins, the time to take a stand is right now!



USDA to Provide Additional Direct Assistance to Farmers Impacted by the Coronavirus

U.S. Secretary of Agriculture Sonny Perdue today announced up to an additional $14 billion dollars for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup for the Coronavirus Food Assistance Program (CFAP 2) will begin September 21st and run through December 11, 2020. "America's agriculture communities are resilient, but still face many challenges due to the COVID-19 pandemic," said Secretary Perdue. "We listened to feedback received from farmers, ranchers and agricultural organizations about the impact of the pandemic on our nations' farms and ranches, and we developed a program to better meet the needs of those impacted." Producers can apply for CFAP 2 at USDA's Farm Service Agency (FSA) county offices. This program provides financial assistance that gives producers the ability to absorb increased marketing costs associated with the COVID-19 pandemic. Producers will be compensated for ongoing market disruptions and assisted with the associated marketing costs. CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities.

Price Trigger Commodities

Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres. Payments for price trigger crops will be the greater of: 1) the eligible acres multiplied by a payment rate of $15 per acre; or 2) the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer's weighted 2020 Actual Production History (APH) approved yield. If the APH is not available, 85 percent of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield for that crop will be used.

Flat-rate Crops

Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by $15 per acre. These crops include alfalfa, extra-long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

Eligibility

There is a payment limitation of $250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, limited partnerships may qualify for additional payment limits when members actively provide personal labor or personal management for the farming operation. In addition, this special payment limitation provision has been expanded to include trusts and estates for both CFAP 1 and 2. Producers will also have to certify they meet the Adjusted Gross Income limitation of $900,000 unless at least 75 percent or more of their income is derived from farming, ranching or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

Applying for Assistance

Producers can apply for assistance beginning Sept. 21, 2020. Applications will be accepted through Dec. 11, 2020. Additional information and application forms can be found at farmers.gov/cfap. Documentation to support the producer's application and certification may be requested. All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from farmers.gov/cfap/apply. For existing FSA customers, including those who participated in CFAP 1, many documents are likely already on file. Producers should check with FSA county office to see if any of the forms need to be updated. Customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance. This is a recommended first step before a producer engages with the team at the FSA county office. All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are also required to wear a face covering during their appointment. Our program delivery staff will be in the office, and they will be working with our producers in the office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

Family Leave Bill Signed by Governor

Governor Gavin Newsom has signed SB 1383 (Jackson), which greatly expands employee job protected leave. Under current law, employers with over 50 employees are subject to the California Family Rights Act (CFRA) and the federal Family and Medical Leave Act (FMLA). CFRA and the FMLA can be taken in increments as small as one hour at a time, and provide employees with twelve weeks of unpaid, job protected leave taken:

- for the birth of a son or daughter, and to bond with the newborn child;
- for the placement with the employee of a child for adoption or foster care, and to bond with that child;
- to care for an immediate family member (spouse, child, or parent – but not a parent "in-law") with a serious health condition;
- for medical leave when the employee is unable to work because of a serious health condition; or
- for qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on covered active duty or call to covered active duty status as a member of the National Guard, Reserves, or Regular Armed Forces.

SB 1383 expands CFRA by applying the 12 weeks of leave to all employers with five or more employees. An employee is only required to provide an employer with "reasonable notice," and an employer must track the time off as "CFRA leave" or it may not count against the 12 weeks. SB 1383 also changes requirements for qualifying for CFRA leave by amending the definition of family member for whom the employee can take leave by including a child of a domestic partner, grandparent, grandchild, sibling, or domestic partner. Additionally, SB 1383 removes the requirement that a "child" be under the age of 18 or a dependent adult child. This means that the FMLA and CFRA's qualifying requirements no longer conform with each other and an employee of an employer with 50 or more employees could take 3 months of leave under CFRA to care for a domestic partner, child of a domestic partner, grandparent, grandchild, or sibling, return to work, and then take another 3 months off under FMLA for the employee's own medical condition or the medical condition of a spouse, child or parent or for the birth, adoption or foster care placement of a child. The leave mandated under SB 1383 is enforced through a private right of action that includes compensatory damages, injunctive relief, declaratory relief, punitive damages, and attorney's fees. Any employee who believes an employer did not properly administer the leave, interfered with the leave, or denied the leave, can commence litigation. The requirements of SB 1383 will go into effect on January 1, 2021.

Housing For The Harvest Program Expands To Kings, Riverside And Tulare Counties, Providing Temporary Housing To Agricultural Workers Exposed To Covid-19

The California Department of Food and Agriculture (CDFA) has announced that the counties of Kings, Riverside and Tulare will participate in Housing for the Harvest, a program announced by Governor Gavin Newsom in July to provide temporary hotel housing options for farm and food processing employees to self-isolate if they are COVID-19 positive and do not require hospitalization, or have been exposed and cannot properly self-isolate at home. Six counties are now participating in Housing for the Harvest: Kings, Riverside, Tulare, Santa Barbara, Fresno and San Joaquin. The state is securing hotel rooms in participating counties, with local governments identifying administrators to manage the program and local community organizations to provide additional services, like meals, wellness checks and in-language assistance. Local administrators will serve as a point of contact for eligible workers. "Counties across the state are stepping up to provide a safe, temporary housing solution to protect agricultural workers who need to isolate," said CDFA secretary Karen Ross. "These hardworking men and women are on the front lines of the pandemic and it is critical that we protect them, their families, and local communities." Housing for the Harvest will ultimately be made available statewide and provide opt-in housing support for any counties or regions that are interested. California has received FEMA approval for this program during the COVID-19 pandemic and will seek federal reimbursement for 75 percent of hotel costs. Please note that personal information gathered through this process will be kept confidential. For agricultural business on-site testing scheduling, please visit www.thehealthyharvest.org.

Reminder – PSIP's Required for TRUCRS Compliance

A couple of years ago, the California Air Resources Board (CARB) voted to require that heavy duty diesel trucks must be have their engines and emissions systems certified through the Periodic Smoke Inspection Program (PSIP). PSIPS are emissions evaluations that note the mileage of the truck pre-inspection, and also validate that a truck is meeting specific emissions standards based on the model year and size of the equipment. Heavy-Duty diesel trucks must have a PSIP done for each piece of equipment every year. PSIP's have also become more important to maintain compliance for the Truck and Bus Regulation. Often times, when a mileage error is entered into CARB's TRUCRS portal, CARB staff will immediately ask for the most recent PSIP reading to ensure that the truck is meeting emissions standards as well as note the mileage to ensure that a truck's mileage compliance option has not been exceeded. With three years left to comply with the Truck and Bus Regulation, PSIP's are extremely important.

CARB Unveils Revised Mobile Source Strategy

On the heels of Governor Newsom's Executive Order N-79-20 earlier this month, the California Air Resources Board (CARB) has released their updated 2020 Mobile Source Strategy (MSS). The MSS targets emissions within a wide variety of sources; heavy duty cargo transportation, passenger vehicle travel, carbon sequestration on farms, farming equipment, ocean-going vessels, forklifts, Transportation Refrigeration Units (TRU) and other sources for equipment are all connected through ARB administered regulation under the Mobile Source Strategy. The current Statewide State Implementation Plan (SIP), developed by the San Joaquin Valley Air Pollution

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Control District (District) and approved by CARB, aimed to require tractors to meet Tier 3/Tier 4 standards by 2025. Under the previous MSS draft, CARB relied heavily on incentives to turnover older, higher polluting pieces of equipment within the agricultural industry. Through programs like the Carl Moyer program, the FARMER fund as well as NRCS incentives, emission sources attributed to the equipment were making a huge impact on the reduction of emissions within the Central Valley.

Governor Newsom's Executive Order N-79-20 requires industry to transition equipment to zero-emission for passenger cars, drayage trucks as well as off-road equipment by 2035. Heavy-duty trucks have the same zero-emission conversion requirement for 2045. This latest initiative by the Governor is at direct odds with the existing State Implementation Plan (SIP), and is having a direct impact on the proposed MSS. Through the Executive Order, tractors would be required to be transitioned to Tier 5 engine standards, existing TRU's would also have to be converted to electric and off-road forklift would be required to meet electric/zero-emission design would be implemented for use in the field.

The Association testified at the latest hearing, highlighting several points of contention in regards to the recent updates. The Association pointed out that no engine manufacturer has come public with any designs for Tier 5 technology, that mandated electric TRU's put a costly burden on the industry and is not required anywhere else in the country, and that electric forklifts have yet to meet standards for conditions that would be met in the field. Other issues with the revised rule include the inability to pass along the massive cost that would be connected to the required conversion, as well as the current unreliability of the electrical grid within California. The Association is committed to fighting against the proposed changes, and we will keep you updated on any changes to the Plan.