

The Cotton Chronicle

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Industry Calendar

Board Meeting
March 10th
Via Zoom

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More than 200 Organizations Push Congress to Address Western Water Infrastructure

A national coalition of over 200 agricultural organizations and urban and rural water districts including the Western Agricultural Processors Association urged President Joe Biden and congressional leadership to address aging Western water infrastructure in any potential infrastructure or economic recovery package. The coalition includes organizations from 15 states that collectively represent \$120 billion in agricultural production, nearly one-third of all agricultural production in the country, and tens of millions of urban and rural water users. In separate letters to President-elect Biden and congressional leaders, the coalition said existing Western water infrastructure is in desperate need of rehabilitation and improvement. Most of the federal water projects in the West were built more than 50 years ago and were not designed with the present and future population demands and climate conditions in mind. Without immediate attention, the coalition said, the Western water system will quickly prove inadequate to meet the needs of urban and rural users and the environment. The coalition encouraged the federal government to invest in a diversified water management portfolio that enhances water supply and quality for urban and environmental uses while keeping water flowing to Western farms. Specific recommendations include funding for:

- Water conservation.
- Water recycling, reuse and desalination projects.
- New water storage facilities, both surface and groundwater.
- Watershed management, fish passage and recovery, and habitat restoration.
- Federal financing mechanisms for water projects.
- Loans for local districts operating and maintaining federally owned irrigation projects.
- Water quality improvement for rural communities.

Beyond financial support, the coalition also called on the federal government to ensure the timely con-

struction of water projects by streamlining the regulation and permitting processes. Association President/CEO Roger A. Isom stated the time is absolutely now! We have gone too many years without upgrades to our water infrastructure.”

Governor Proposes \$227 Billion Budget – Good News/Bad News for Agriculture

This past week, Governor Gavin Newsom presented his proposed \$227 billion budget for the 2021-2022 fiscal year, of which \$164.5 billion is from the General Fund. The Governor’s proposed budget relies heavily on one-time expenditures, avoiding long-term liabilities, since the State’s out year projections predict reduced revenues. The resulting budget provides some good news, as well as some bad news for agriculture. This proposed budget prioritizes the Governor’s goals of economic recovery, equity, climate resiliency and emergency response. Governor Newsom was clear that every budget allocation was made in an effort to achieve these four goals. On the good news side of the ledger, the Governor included significant money for tractor and harvester replacement in Funding Agricultural Replacement Measures for Emission Reductions (FARMER), specifically \$170 million one-time Greenhouse Gas Reduction Fund (\$90 million in 2020-21 and \$80 million in 2021-22) for the Air Resources Board. He also included \$30 million for California Department of Food and Agriculture’s (CDFA) Healthy Soils Program to provide grants for on-farm soil management practices that sequester carbon. The proposed budget also includes \$60 million for Sustainable Groundwater Management Act (SGMA) Grants, and \$40 million to CDFA for the State Water Efficiency and Enhancement Program (SWEEP) Grants that help farmers reduce irrigation water use and reduce greenhouse gas emissions from agriculture pumping. Unfortunately, the proposed budget also included some significant bad news, and that is the Administration proposed a four-year phased in mil assessment increase for pesticides. The mil will be tiered

based on EPA hazard designations, with the pesticides with highest toxicity being assessed the highest. At the end of the four years, those products will be paying approximately 45 mils. This is the biggest sticking point, because fumigants fall into that category and will unfairly be assessed the most. WAPA has been very vocal on this aspect, with President/CEO Roger Isom specifically stating “This proposal will not accomplish the goals it set out to accomplish, and unfairly targets the tree nut industry and those that use fumigants. Many times we have to use fumigants as a requirement of trade requirements. We have no choice in the matter.” The Administration has admitted this is something that needs to be looked at. The proposed budget will now go to the legislature for review and debate so stay tuned as to what actually gets approved later this year.

USDA Cost of Ginning Survey Results Released

The cost of ginning cotton is an important concern for producers and ginners. Every three years, the USDA Agricultural Research Service (ARS) conducts a survey of ginning costs by region. Data from this survey allows gin management to compare their operation to regional and national data, and provides information about key variable costs as a component of the overall cost of ginning cotton. The data helps to identify trends of gin operation and document how the adoption of new technologies in cotton harvesting and ginning has impacted ginning cost. In their most recent survey conducted in 2019, the USDA ARS has now released the preliminary results. While a cost discrepancy is expected for the West compared to the rest of the cotton belt, the significance of the amount of the discrepancy was not! The results clearly demonstrate the un-level playing field between California and the rest of the cotton belt. The largest impacts are felt in labor costs, as a result of California’s high minimum wage; and electricity rates, where California’s energy and environmental policies heavily impact rates. Overall, cotton gins in California have costs more than \$14 per bale higher than any other cotton growing state. That is up more \$4 per bale from the last comparison in 2016, when the discrepancy was only \$10 per bale. In the charts shown here, California makes up 90% of the “West” cost numbers. In looking at labor costs, California was more than \$6.73 higher than the next highest region, and

more than \$7 higher than the beltwide average! Upon reviewing electricity costs, California is \$4.88 higher than the next highest region and \$4.73 than the beltwide average. The survey was conducted for the 2019 cotton crop, which produced 19.4 million running bales (USDA-NASS, 2020) and 5.9 million tons of cottonseed (USDA-NASS, 2021). This crop was gathered from 11.6 million acres with an 823 lb/acre average yield. In 2019, there were 531 operating gins, averaging a little over 36,500 bales per gin.



Trust Protocol Enrollment Urged

U.S. cotton producers are encouraged to learn about U.S. Cotton Trust Protocol participation benefits and to begin or complete their Trust Protocol enrollment at www.trustuscotton.org. A producer tutorial on the enrollment process is at www.youtube.com/watch?v=AcbwQfHx3B8&t=90s. A list of upcoming 2021 Trust Protocol educational webinars and recordings of recently held educational webinars will be available at this webpage. Click here to learn more about your benefits in enrolling. If you have any questions, please reach out to growers@trustuscotton.org.



Safety Training Workshops

Due to the social distancing and limited gathering guidance – we are continuing to provide our membership with trainings via Zoom. WAPA kicked off the **2021 Training Webinar-Workshops** for our members and associate members with the Tractor Train-the-Trainer workshop last month. We have several more workshops coming up – Aerial Devices, Loader, Forklifts, Lockout, and Stockpile Yard Equipment. The webinar-workshops are for Owners, Managers, Supervisors, Safety Personnel or **those who are**



responsible for training on agricultural equipment. Each workshop attendee will be provided with the information needed for understanding the rules, regulations and conducting effective safety training. Please visit our events page <https://www.wapa-events.com/workshops> for additional information.

Bi-Weekly Bull Sessions with Saqui Ag Labor Team

WAPA and the Saqui Ag Labor Team are scheduling “**Bi-Weekly Bull Sessions**” for our members that will take place on the first and third Wednesdays of every month beginning February 3, 2021. Sessions will take place via Zoom and will be approximately one hour each, and members can join one of three (1 of 3) offerings at their leisure at the following times: 11:00 a.m., 1:00 p.m., and 3:00 p.m.



Cal/OSHA New COVID-19 Regulation Webinars

Cal/OSHA Consultation Services are hosting several webinars on the new COVID-19 regulations, which became effective on November 30, 2020, and these webinars will review the employer responsibilities under the new regulations. Please click <https://www.dir.ca.gov/dosh/coronavirus/Webinars.html> for schedule – attendance is FREE, but you must register in advance to reserve your space.



Register for NCC Annual Meeting

The NCC's 2021 Annual Meeting will be conducted in a virtual format to minimize risks to industry members due to the COVID-19 pandemic. Committee meetings will begin Tuesday, January 19, and end with the convention's final event, the General Session, on Thursday, February 11. The schedule-at-a-glance is available at <https://bit.ly/2MvIRRR>. For registration visit <https://bit.ly/3iMVitX>. The pre-meeting registration deadline is 10:30 PM CST, February 11. For more information please visit <https://bit.ly/3aceTJU>.



Governor Newsom Announces Actions to Expedite Vaccinations

Governor Gavin Newsom has announced a series of improvements to the state's vaccination plan. Incorporating lessons learned from efforts to increase the pace of vaccination, these new steps will make it easier for people to know when they are eligible for vaccination and how to make an appointment, accelerate the administration of vaccines on hand and improve the state's ability to track vaccination data. California has tripled the pace of vaccinations from 43,459 per day on January 4 to

131,620 on January 15. The ten-day effort to ramp up vaccinations exposed key improvements needed to administer even more vaccines when increased supply becomes available. Governor Newsom has announced actions to address these challenges by simplifying the eligibility framework, standardizing vaccine information and data and ensuring the available supply of vaccine is administered as quickly as possible.

“Vaccines are the light at the end of the tunnel, and I am focused on taking the steps needed to get Californians safely vaccinated as quickly as possible,” said Governor Newsom. Moving forward, there will be a single statewide standard and movement through the tiers. The state will continue through 65+, health care workers, and prioritize emergency services, food and agriculture workers, teachers and school staff. From there, the state will transition to age-based eligibility, allowing California to scale up and down quickly, while ensuring vaccine goes to disproportionately impacted communities. The state is also launching My Turn, a new system for Californians to learn when they are eligible to be vaccinated and a place to make an appointment when eligible as well as a mechanism to easily track vaccination data. Through My Turn, individuals will be able to sign up for a notification when they are eligible to make an appointment and schedule one when it is their turn. Based on recent learnings, the Governor has also directed his Administration's vaccine team to move to a unified statewide network that aligns the health care system, providers and counties with the strengths of each part of the health care system and ensures equitable and efficient vaccine administration, with a focus on communities disproportionately affected by COVID-19. To increase available supply based on existing in-state vaccines, the Department of Public Health announced a process that will allow for the reallocation of vaccines from providers who have not used at least 65 percent of their available supply on hand for a week and have not submitted a plan for administering the remaining vaccine to prioritized populations within four days of notice. Increasing the vaccine supply is the state's top priority for the federal government as California accelerates the pace of vaccination. To date, California has received more than 4 million doses of COVID-19 vaccine, roughly enough for 2 million people at two doses each. California has 3 million health care workers and nursing home residents, 6 million people 65+, and 2.5 million Californians who work in education and child care, emergency services and food and agriculture.

Reminder – Yearly PSIP Requirements

With the mileage reporting deadline for California Air Resources Board's (CARB) Truck and Bus Regulation closing, the Association would like to remind you to have your heavy-duty diesel trucks certified through the Periodic Smoke Inspection Program (PSIP). PSIP's are required yearly for diesel trucks with a GVWR of 26,000 pounds or more. CARB included the PSIP requirement in recent years to ensure that older diesel equipment still in operation are still meeting opacity limits set

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by the Truck and Bus Regulation, PSIP records also detail the mileage of a specific truck. Typically, if there are issues with your mileage reporting during the Truck and Bus reporting time frame, CARB will request PSIP records to ensure that trucks are still meeting the compliance limitation on mileage for a given truck. There are many different mechanic companies that offer PSIP services in various communities throughout California. PSIPs are only required once every year if you have vehicles older than 2010.

California Farmers to Share Lessons Learned in Improving Soil Health During Virtual Cotton Farmer Showcase

Davis, February 2, 2021 – UC's Conservation Agriculture Systems Innovation Center in conjunction with The Soil Health Institute (SHI), the non-profit charged with safeguarding and enhancing the vitality and productivity of soils, invite you to join San Joaquin Valley cotton farmers, John Teixeira, Cannon Michael, and Gary Martin, regenerative agriculture consultant, Cary Crum, Sustainable Cotton's Marcia Gibbs, and Rebecca Burgess of Fibershed, at the virtually held Healthy Soils for Sustainable CA Cotton Farmers Showcase, at 11 a.m. (PST), February 23, 2021. In this Showcase, panelists will discuss the unique financial, regulatory, and agronomic challenges of implementing soil health systems for cotton in the SJV, what specific practices local farmers have been implementing and with what outcomes, and progress being made on more attractive pricing scenario negotiations that are under way with buyers to reward American cotton farmers for their good production practices.

The CA episode on February 23rd of the Healthy Soils for Sustainable Cotton Farmer Showcase is a series of eight online discussions with U.S. cotton farmers and soil health experts that will be livestreamed beginning 11 a.m. (PST), Tuesday, February 2, 2021, and run every Tuesday through March 23, 2021. Cotton producers, consultants and other interested parties may register one time to attend all eight episodes. Registration is free but required to participate.

To register for the Healthy Soils for Sustainable Cotton Farmer Showcase and learn more about other episodes in the event, visit <https://soilhealthinstitute.org/soil-health-training/farmer-showcase/>.

This event is part of the Healthy Soils for Sustainable Cotton project, which provides farmer-focused education and training events delivered by Soil Health Institute scientists, partnering with local soil health technical specialists and farmer mentors who have implemented successful soil health management systems. The project aims to increase the adoption of soil health management systems among cotton producers while documenting environmental and economic benefits.

Healthy Soils for Sustainable Cotton is supported through the generosity of the Wrangler® brand, the VF Corporation Foundation and the Walmart Foundation. For more information about the project, visit <https://soilhealthinstitute.org/soil-health-training/>.