



The Cotton Chronicle

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December 2022

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Industry Calendar

Association Participates in Meeting w/ CDFA Secretary Karen Ross and Fresno State Officials

It was a very special visit last month from the **Secretary of the California Department of Food and Agriculture Karen Ross**, as she toured the school farm at California State University Fresno, and then met with industry officials and the **President of California State University Fresno, Dr. Saul Jimenez-Sandoval**. **Association President/CEO Roger Isom** joined a select group of industry representatives to discuss critical issues facing agriculture and what role the university might play. During the lunch meeting discussion, Isom commented on the role of the **Western Agricultural Processors Association (WAPA) Tree Nut Processing Laboratory** and educating students and prospective employees by highlighting on some recent success stories of recent graduates impacting member operations. Isom also highlighted the critical applied research Fresno State is conducting such as the fusarium research that **Dr. Maggie Ellis** is doing on cotton. Following the discussion several Fresno State researchers made brief presentations on critical work being performed at Fresno State.

US Cotton Trust Protocol Connects with Brands, Industry Leaders

The **U.S. Cotton Trust Protocol** recently hosted brands/retailers for an in-person farm tour, was featured in the Sustainable Brands Flagship Conference and participated in the annual Tex-

tile Exchange Conference. The first of many events during the past month was the **Sustainable Brands Flagship** Conference where attendees were given key insights about consumers from recent research/studies and were able to listen to influential industry leaders. Then, the Trust Protocol hosted a group from global brands on two farms in the Memphis area, which was the first time for many participants to visit a cotton operation. The farm tours allowed for a greater understanding of how U.S. growers produce more sustainably grown cotton. The most recent event had the Trust Protocol attending the Textile Exchange Conference where **Dr. Deepika Mishra** spoke about soil health, regenerative agriculture, best practices and the sustainability initiative's impact/outcomes. All of the events provided valuable opportunities 1) to hear from people throughout the industry on sustainability's importance and 2) for the Trust Protocol to highlight key perspectives from growers and experts. Learn more about the Trust Protocol's [presence](https://www.trustuscotton.org) at Sustainable Brands. To learn more or begin the streamlined enrollment process, visit www.TrustUSCotton.org or reach out to the Grower Helpdesk at growers@trustuscotton.org.

Association Joins Ag Groups Opposing DPR Notification System

Last month, the Association joined several agricultural organizations and hundreds of growers opposing the California Department of Pesticide Regulation's "Proposed Pesticide Application Notification System". The coalition expressed concerns over who would be notified, what products would be covered, and how

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much information would be provided. The coalition also highlighted the lack of success in the four county pilot projects where the majority of people who signed up for the information or accessed the online information were either activists not living anywhere near the applications or the state themselves. The long running pilot in Monterey County has also shown to be a complete debacle where more than 60% of the people signed up for the notification don't even live in the state, and where some of the applications have been held up by activists appealing proposed applications.

CDPR Still Working on Possible Mill Tax Changes

Crowe LLP has released a **Mill Alternatives Concept Paper** to provide their initial proposals for DPR's mill assessment. The primary goals of this Concept Paper are to:

- Outline mill design, usage, and implementation considerations for review and feedback by DPR and its stakeholders that will support the refinement of Crowe's mill assessment recommendations;
- Offer potential mill assessment funding models for review and feedback by DPR and its stakeholders; and
- Communicate the remaining Mill Assessment Study milestones through the end of the contract period (June 2023).

Crowe requests feedback on the Concept Paper be sent via email to **ProjectMillStudy@cdpr.ca.gov** by **January 13, 2023**. Comments received on the Concept Paper will inform the development of Crowe's Mill Assessment Study draft recommendations.

December Webinar Information:

Crowe LLP will be conducting a webinar on December 6, 2022, at 1:30 pm to provide an update on the study. This will focus on Crowe's approach to identifying potential mill assessment alternatives.

When: December 6, 2022, from 1:30-2:30 pm

Where: **us02web.zoom.us/j/82709992198**

To Register: Registration is not required to attend the webinar.

New Proposed Decision Released for Net-Energy Metering (NEM) 3.0

Last month, the California Public Utilities Commission (CPUC) released a new Proposed Decision (PD) for the Net Energy Metering Program, which they are now referring to as Net Billing Tariff (NEM 3.0). Below is a summary of some of the key points:

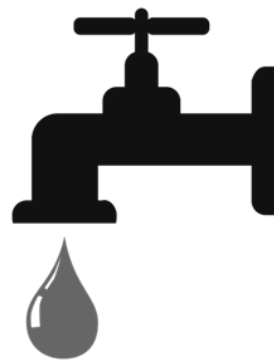
- The PD proposes to maintain an annual true-up.

- The PD proposes no changes to the NEM 1.0 or NEM 2.0 tariffs and customers will be able to remain on those tariffs as long as they do not significantly add to the existing project for 20 years from their initial interconnection date.
- The NEM 3.0 start date is a little vague, but if a completed application (that does not have significant and substantial errors) is submitted within 120 days of the final decision, the project will be able to take service under the NEM 2.0 program.
- The PD proposes for non-residential customers to get credited for excess power based on the "avoided cost calculator." This rate will be approximately between \$0.06-\$0.08/kWh. Projects that have an energy storage component, such as a battery, will get a higher compensation rate.
- The PD proposes no changes to the NEM Aggregation program.

The CPUC hearing is set for next month. The Association will continue to closely monitor the issue. Click <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K526/498526033.PDF> for the full proposed decision.

Initial State Water Project Allocation set at 5%

The California Department of Water Resources (DWR) announced an initial State Water Project (SWP) allocation of 5 percent of requested supplies for 2023. The SWP provides water to 29 public water agencies that serve 27 million Californians. As the state prepares for a fourth dry year and continued extreme drought conditions in California, DWR will also assess requests for additional water that may be necessary for health and safety including



minimum domestic, sanitation, and fire suppression needs. "This early in California's traditional wet season, water allocations are typically low due to uncertainty in hydrologic forecasting. But the degree to which hotter and drier conditions are reducing runoff into rivers, streams and reservoirs means we have to be prepared for

all possible outcomes," said **DWR Director Karla Nemeth**. Lake Oroville, the State Water Project's largest reservoir, ended Water Year 2022 about 400,000 acre-feet higher than the previous year, which was the lowest storage level on record. However, Oroville remains just 55 percent of average for this time of year. DWR is conserving existing storage in Lake Oroville in the event dry conditions

continue. The initial 5 percent allocation would be met by flows from winter storms entering the Delta as well as stored water in San Luis Reservoir. If storage levels in Lake Oroville improve as the wet season progresses, DWR will consider increasing the allocation if warranted. The lowest initial SWP allocation was zero percent on December 1, 2021, with limited water designated only for any unmet human health the safety needs. Last year's final allocation was 5 percent plus unmet health and safety needs. Four of the 29 State Water Contractors ultimately requested and received additional health and safety water supply.

State and Federal Agricultural Agencies Come Together for Conservation

Agricultural agency leaders in California formally committed to an innovative new strategy to deliver conservation services to California's farmers, ranchers, and non-industrial forestland owners. **USDA Natural Resources Conservation Service State Conservationist Carlos Suarez, California Department of Food and Agriculture Secretary Karen Ross, University of California's Vice President for Agriculture and Natural Resources Glenda Humiston, and President of the California Association of Resource Conservation Districts Don Butz** were the signatories on a new Memorandum of Agreement to commit to delivering better and more efficient conservation services to California's agriculture stewards. "I am proud of our achievement today for California's agricultural stewards," said Suarez. "This agreement is our recommitment to delivering comprehensive technical assistance to our customers. We now can provide that set of keys to our customers to open all the doors and services the four of us have to offer at the same time." Together, hundreds of millions of dollars are invested annually into helping agriculture stewards address hundreds of conservation activities throughout the State. But that investment starts with the leg work of analyzing and strategizing the conservation activities on a property-by-property basis. This new innovative strategy will modernize these activities for a new generation of California agriculture. "With the climate crisis in front of us and the important role natural and working land play in fighting climate change, it is important that we take our technical service to a higher level," concluded Butz. "This agreement will bring tools and resources to the RCDs to be better able to provide high quality services to the farmers, ranchers and communities we serve. This is a great

day for farmers and ranchers in California."

Join The Cotton Board for Cotton & Coffee on December 13th

On December 13th, The Cotton Board's CEO, Bill Gillon, and Director of Communications, Stacey Gorman, will provide an overview of the organization's efforts to keep Program stakeholders informed about The Cotton Research and Promotion Program. They will also go over the results of a recent third-party evaluation of the Program's economic effectiveness. This session is open to all U.S. cotton producers, importers, and industry partners. Pre-registration is required to attend. Please visit <https://www.cottonboard.org/cotton-coffee> to register.

Stakeholder Transparency

Results from the Economic Effectiveness Study of the Cotton Research & Promotion Program

With The Cotton Board's
Bill Gillon & Stacey Gorman

**December 13, 2022
7:30 am Central
Via Zoom Web Call**

In the time it takes to drink your morning cup of coffee you can join us on a Zoom call and get an update from The Cotton Board. On December 13th, Cotton Board CEO, Bill Gillon, along with Cotton Board Director of Communications, Stacey Gorman, will provide an overview of The Cotton Board's efforts to keep stakeholders informed about the Cotton Research and Promotion Program. They will also discuss the results from a recent economic effectiveness study of the Program.

Changes to IC Engine Compliance

Last month, the San Joaquin Valley Air Pollution Control District (Air District) released updated changes to Rule 4702 – Ag Equipment Emissions Standards. This change applies directly to on-farm internal combustion (IC) engines. Rich burn IC engines will be required to submit either an updated *Agricultural IC Engine – Compliance with Rule 4702* application, a Permit Exempt Equipment Registration (PERP) form, or an Emission Control Plan with the Air District as soon as possible. The updated forms require that these forms be submitted as soon as possible. Additionally, grant funding is still available to assist growers to help pay for upgrading existing equipment to the latest technology. If you have any questions, please contact the Association's Director of Technical Services, Chris McGlothlin at (559) 547-0288, or contact the Air District at (559) 230-6000.

NRCS Accepting EQIP Funding Requests

The U.S. Department of Agriculture's Natural Resources Conservation Service is currently accepting applications for Fiscal Year 2023's Environmental Quality Incentives

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Program (EQIP) and Conservation Stewardship Program (CSP) funding programs. The EQIP Program provides financial assistance to agricultural producers to address natural resource concerns. Program funds can be used towards improved water and air quality projects, irrigation efficiency improvements, reduced soil erosion and sedimentation, forest restoration, and creating or enhancing wildlife habitat on farm. EQIP funds have also been utilized to assist the Central Valley in the ongoing effort to reduce emissions associated with older tractors, and help the ag industry meet the commitment to reduce 11 tons per day of Nitrous Oxide emissions. Applications are accepted throughout the year, but the first batch of projects

are to be set by **December 9th**. If you are interested in applying, please visit the agency's website at nrqs.usda.gov.

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