



# *The Cotton Chronicle*

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## Industry Calendar

**Beltwide Cotton  
Conference**  
January 7-9, 2026

**NCC Annual  
Meeting**  
February 9-12, 2026

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## Association Speaks Out Against PG&E Rate Increases at CPUC Hearing

The California Public Utilities Commission (CPUC) held a hearing to open the discussion on PG&E's 2027 General Rate Case (GRC) where they are proposing additional rate increases of 23.5% from 2027 to 2030! Keep in mind this increase does not reflect the additional Wildfire Mitigation Fund, the undergrounding of electrical lines or any infrastructure improvements necessary to meet the State of California's "all electric mandate". **Association President/CEO Roger A. Isom and Assistant Vice President Priscilla Rodriguez** both testified in opposition to the proposed increases. **Isom** stated "We cannot afford any more increases. With 1.5 million PG&E customers behind on their bills, people are having make the

choice of keeping the lights on or putting food on

the table. Meanwhile, PG&E set record profits of \$2.24 billion in 2023 and \$2.47 billion in 2024! "We urge the CPUC to deny this increase!"

**Rodriguez** added "We cannot compete with the rest of the country or the world marketplace. According to a recent PPIC report California electric rates are more

than 80% higher than the rest of the country, and the federal government's own Energy Information Administration (EIA) says the systemwide average rate for electricity is 30.01 ¢/kWh, while the US average rate is 15.2 ¢/kWh. We can't charge more for our agricultural products simply because our electric rates are higher. We urge the CPUC to reject this increase!"



## Administration Revises Endangered Species Act Regulations to Strengthen Certainty, Reduce Burdens and Uphold the Law

Last month, the Department of the Interior's U.S. Fish and Wildlife Service announced four proposed rules to restore Endangered Species Act regulations to their proven 2019 and 2020 framework. The proposals, two of which were issued in coordination with the Department of Commerce's National Oceanic and Atmospheric Administration's National Marine Fisheries Service, would revise regulations finalized in 2024 that expanded federal reach, creat-

ed unnecessary complexity and departed from the statute's clear language. These actions implement Executive Orders under President Trump, which direct agencies to remove regulatory barriers that hinder responsible resource development and economic growth while maintaining core conservation commitments. "This administration is restoring the Endangered Species Act to its original intent, protecting species through clear, consistent and lawful standards that also respect the livelihoods of Americans who depend on our land and resources," said **Secretary of the Interior Doug Burgum**. The four proposed rules are:

- **Listing and critical habitat (50 CFR part 424):**  
The services jointly propose to restore the 2019 regulatory text governing listing, delisting and critical habitat determinations. The proposal ensures decisions are based on the best scientific and commercial data available while allowing transparent consideration of economic impacts. It reestablishes the longstanding two-step process for designating unoccupied habitat, restores clarity to the definition of "foreseeable future" and reinstates flexibility to determine when designating critical habitat is not prudent.
- **Interagency cooperation (50 CFR part 402):**  
The services jointly propose to return to the 2019 consultation framework by reinstating definitions of "effects of the action" and "environmental baseline," removing the 2024 "offset" provisions and restoring section 7 procedures consistent with the statutory text. These changes respond directly to the Supreme Court's decision in *Loper Bright Enterprises v. Raimondo*, which overturned the Chevron deference standard and reaffirmed that agencies must adhere strictly to the law as written.
- **Threatened species protections (50 CFR part 17; section 4 (d)):**  
The Fish and Wildlife Service proposes to eliminate the "blanket rule" option and require species-specific 4(d) rules tailored to each threatened species. This approach reflects the single best reading of the statute under *Loper Bright* and ensures that protections are necessary and advisable to conserve each species without imposing unnecessary restrictions on others. It also aligns service policy with the National Marine Fisheries Service's longstanding species-specific approach.
- **Critical habitat exclusions (50 CFR part 17; section 4(b)(2)):**  
The Fish and Wildlife Service proposes to reinstate its 2020 rule clarifying how economic, national security and other relevant impacts are weighed when determining whether to exclude areas from critical habitat. The revised framework provides transparency and predictability for landowners and project proponents while maintaining the service's authority to ensure that exclusions will not result in species extinction.

"These actions reaffirm our commitment to science-based conservation that works hand in hand with America's energy, agricultural and infrastructure priorities," said **Fish and Wildlife Service Director Brian Nesvik**. "By restoring clarity and predictability, we are giving the regulated community confidence while keeping our focus on recovery outcomes, not paperwork."

#### **EPA Releases New Proposed WOTUS Rule**

This U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin, together with Assistant Secretary of the Army for Civil Works Adam Telle, announced a proposed rule that would establish a clear, durable, common-sense definition of "waters of the United States" (WOTUS) under the Clean Water Act. The proposal follows the Supreme Court decision in *Sackett*. The agencies developed this proposed rule using input from multiple sources, including a pre-proposal recommendations docket, information from nine public listening sessions, and consultation comments from states, tribes, and local governments. Including comments submitted by the Association in 2022 seeking clarification and appropriate definitions to what is navigable. Key proposed revisions include:

- **Defining key terms like "relatively permanent," "continuous surface connection," and "tributary" to appropriately delineate the scope of WOTUS consistent with the Clean Water Act and Supreme Court precedent.**
- **Establishing that jurisdictional tributaries must connect to traditional navigable waters either directly or through other features that provide predictable and consistent flow.**
- **Reaffirming that wetlands must be indistinguishable from jurisdictional waters through a continuous surface connection, which means that they must touch a jurisdictional water and hold surface water for a requisite duration year after year.**
- **Strengthening state and tribal decision-making authority by providing clear regulatory guidelines while recognizing their expertise in local land and water resources.**
- **Preserving and clarifying exclusions for certain ditches, prior converted cropland, and waste treatment systems; Adding a new exclusion for groundwater; and**
- **Incorporating locally familiar terminology, such as "wet season," to help determine whether a water body qualifies as WOTUS.**
- **In addition, the limitation to wetlands that have surface water at least during the wet season and abut a jurisdictional water will further limit the scope of permafrost wetlands that are considered to have a continuous surface connection under the proposed rule. These proposed changes are intended to provide clarity and consistency to the continuous surface connection definition.**

When finalized, the rule is intended to cut red tape and provide predictability, consistency, and clarity for permitting under the Clean Water Act. *“In recent decades, the regulatory uncertainty caused by changing and complicated definitions of Waters of the United States unduly burdened the American people and undermined our nation’s economic competitiveness,”* said Assistant Secretary Telle. *“Now, we are proposing a definition that follows the law as affirmed by the Supreme Court and will deliver the clear and durable regulatory certainty Americans deserve from the federal government.”* The definition of WOTUS influences Clean Water Act implementation, including whether farmers, landowners, and American businesses must secure permits before they can pursue projects that might impact surface water quality. The proposed rule will be published in the *Federal Register* and open for public comment for 45 days. EPA and the Army will host two hybrid public meetings.

### **CARB Updating Agricultural Emission Inventory**

Last month, the Association co-hosted a very important meeting on the statewide emissions inventory for agricultural operations at our office in Fresno. The high level meeting included 17 CARB Staff either in-person or online, and five staff from the San Joaquin Valley Air Pollution Control District. Leading the CARB staff was **Air Quality and Planning Division Chief Matthew Lakin, Mobile Source Control Division Chief Michelle Buffington, Special Assessment Branch Chief Yanju Chen, Mobile Source Analysis Branch Chief David Quiros, Research Division Chief Elizabeth Scheele, and Atmospheric Sciences Branch Chief Michael Fitzgibbon.** The focus of the meeting was on updates to the agricultural operations emission inventory, which will play a major role in what is regulated going forward. Topics included harvesting, particularly tree nuts, unpaved roads, land preparation and mobile sources. A lot of the discussion centered on the change in the agricultural landscape due to the impact of the Sustainable Groundwater Management Act (SGMA) and changes in crop type over the past 20 years and what that looks like going forward. Additional meetings will be

held to address specific action items including updates to estimates of vehicle miles traveled for specific commodities as equipment and practices have changed over the past 20 years. Co-hosting the meeting with the Association was the Nisei Farmers League and Milk Producers Council.

### **USDA Announces Rollout of Phase 2 of the Supplemental Disaster Relief Program**

USDA announced it will continue to support farmers and will release billions in disaster assistance for those recovering from natural disasters across the country. *“The continued financial success of our farming and ranching operations is a national security priority,”* said Secretary Brooke Rollins. *“USDA is doing whatever it takes to make good on President Trump’s promise to expedite disaster recovery assistance to U.S. farmers and ranchers, ensuring viability, prosperity, and longevity for these men and women who dedicate their entire lives to our nation’s food, fiber and fuel production. Most payments from the first stage are already in the hands of producers helping them prepare for and invest in the next crop year.”* USDA’s Farm Service Agency (FSA) is delivering more than \$16 billion in total Congressionally approved [SDRP assistance](#). This is on top of over \$9.3 billion in Emergency Commodity Assistance Program ([ECAP assistance](#)) to over 560,000 row crop farmers and over \$705 million in Emergency Livestock Relief Program ([ELRP assistance](#)) to over 220,000 ranchers. Stage Two of SDRP covers eligible crop, tree, bush and vine losses that were not covered under Stage One program provisions, including non-indemnified (shallow loss), uncovered and quality losses. For Stage Two program details, including fact sheets, please visit [fsa.usda.gov/sdrp](https://fsa.usda.gov/sdrp) or your local FSA office. The first

stage, announced in July, remains available to producers who received an indemnity under crop insurance or the Noninsured Crop Disaster Assistance Program (NAP) for eligible crop losses due to qualifying 2023 and 2024 natural disaster events. FSA county offices will begin accepting SDRP Stage Two applications on November 24, 2025. Producers have until April 30, 2026, to apply for both Stage One and Stage Two assistance.





### **Equipment Phase Out Notice – Tier 3 Portable Diesel Engines**

The California Air Resources Board recently notified stakeholders of the upcoming phase out deadline for Tier 3 portable diesel engines on December 31<sup>st</sup>, 2025. **Please note**, this update is for CARB registered equipment. The San Joaquin Valley Air Pollution Control District has a different set of requirements. The model year specifications for the CARB registered equipment are as follows:

- PERP Units owned by small fleets and built prior to 2009, rated at 50 bhp up to 750 bhp
- PERP Units owned by large fleets and built on or after 2009, rated between 50 bhp to 750 bhp

If this equipment was registered under CARB's Portable Equipment Registration Program (PERP), or otherwise subject to CARB's Portable Diesel Engine Airborne Toxic Control Measure, they will no longer be able to operate in California after the December 31<sup>st</sup> deadline.

There are phase out exemptions allowed in order to maintain use of the affected equipment. Exemptions are provided to facilities that can provide written documentation that:

- The equipment operates less than 200 hours per calendar year
- Is limited to emergency use only
- Or has been retrofit with level-3 verified emission control technology

The first two exemption provisions must be applied for between January 1<sup>st</sup> – 31<sup>st</sup>, and must include photos of the hour meter read on January 1, 2026. The third exemption option listed must be applied for prior to December 31<sup>st</sup> of this year. Stay tuned for more updates.

### **State Announces Initial 10% Water Allocation for SWP**

The Department of Water Resources (DWR) has announced an initial State Water Project (SWP) allocation of 10 percent of requested supplies for the new water year. The SWP is contractually required to make an initial allocation forecast by December 1 each year. Since it is so early in the season, the initial allocation typically reflects current hydrological conditions, existing reservoir storage, and an assumption of dry conditions through the rest of the year. So far, the wet season is off to a good start with beneficial rain falling in Northern California and Southern California already seeing significant rainfall following a dry year last year. "Recent history has shown us that anything can happen during a California winter, so it's important that our early season allocation for the State Water Project is conservative," said **DWR Director Karla Nemeth**.

"Traditionally our wettest months are yet to come. With improvements to forecasting and science, we are better prepared to capture water supply during wet periods if Mother Nature delivers." Across the state, California's water supply starts the season in good shape with statewide reservoir storage just above average at 114 percent. Lake Oroville, the SWP's largest reservoir, is at 100 percent of average for this time of year, slightly above where it was at last December. Each year, DWR provides the initial SWP allocation based on available water storage, projected water supply and water demands. Allocations are updated monthly as snowpack, rainfall and runoff data is analyzed, with a final allocation typically determined near the end of the season in May or June.

### **Minimum Wage Going Up Again – Effective January 1, 2026**

California law gradually increases the statewide minimum wage and requires an automatic increase in the minimum wage of up to 3.5% to account for any increase in inflation over 7% as determined by the Consumer Price Index. The California Department of Finance Director officially certified that beginning January 1, 2026, California's minimum wage will increase from \$16.50 per hour to \$16.90 per hour for all employers, regardless of size. This hourly increase also affects the minimum salary requirements for full-time exempt employees, which currently is \$68,640 per year in gross wages. Beginning January 1, 2026, the minimum salary for a full-time exempt employee will be \$70,304 per year in gross wages.

