Newsletter of the California Cotton Ginners and Growers Association

The Cotton Chronicle

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Industry Calendar

CCGGA Research Meeting
Sept. 15

CCGGA Board Meeting
Sept. 16

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USDA AMS Visalia Classing Office Hosts Pima Matching Summit

More than 30 participants attended the 2026 American Pima Guide Box Review and Standards Matching Meeting at the USDA AMS Cotton Classing Office in Visalia, California. This important event provides an opportunity for cotton industry representation to review, comment on, and approve the official American Pima Grade Standards. The guide boxes have now been approved, and the standards will become effective immediately. Several representatives from USDA AMS were on hand for the event. Attending on behalf of the Association was **President/CEO Roger Isom.**

Ag is Target of Environmental Justice Community Again

The California Air Resources Board (CARB) held a hearing on the 2026 State Implementation Plan Revisions for California Extreme Ozone Nonattainment Areas. At the hearing, more than 90% of the speakers attacked agriculture urging CARB to adopt regulations to reduce emissions from pesticides, fertilizers and a mandatory replacement of agricultural tractors. One CARB Board Member **Dr. John Balmes** commented "Ag has gotten a free pass from air quality regulations for a long time, and I think it is ridiculous." Then, the ag member of the board, **John Eisenhut,** commented that while he has previously supported the use of incentives for tractor replacement, "the time has come to regulate ag tractors". This was echoed by several of the board members, and a motion was made to include agriculture equipment into the SIP. Despite these comments, there was some lengthy discussion, and coming out of a meeting break, the board rescinded the motion and moved forward with the approval of the SIP as planned, and without a mandatory tractor replacement rule. **Association President/CEO Roger A. Isom** responded to the comments by stating "It is unfortunate that we could not respond at the meeting to these completely unfounded remarks. It is equally unfortunate and quite surprising that the one agricultural person on the board would advocate for farmers to mandatorily replace their tractors without incentive funds. Agriculture has made huge strides reducing emissions from tractors, pump engines, trucks, ag burning, and dust from farms, and that should have been recognized!" This was the closest it has ever come to happening, and we will have to fight even harder moving forward.

Single Use Packaging Regulation Summary of Reporting Requirements

Now that CalRecycle has finalized their single use packaging regulations, those that have registered must complete reporting requirements. The Association's law firm of Kahn, Soares and Conway has issued an updated summary of the SB 54 Reporting Requirements. For those that have registered we encourage you to call our office and request a copy of the Reporting Requirements. Of particular importance is the Individual Source Reduction (ISR) Plan which is due August 1. Should you have any questions, please let us know.

USDA FSA Launches New Online Scheduling Tool

The U.S. Department of Agriculture is offering them a new option to schedule appointments online with their local Farm Service Agency (FSA) office. Following a successful pilot program, FSA is now using a digital appointment platform across the agency to allow producers to make farm program or farm loan appointments online at their convenience. "Farmers and ranchers work around the clock and should be able to schedule appointments with their local offices at their convenience," said **FSA Administrator Bill Beam**. Producers can schedule appointments through FSA's digital platform, Microsoft Bookings, using a mobile device, tablet, laptop or desktop computer. To assist producers in finding their local FSA office to make an appointment. Each county office contact page has a unique link for producers to make an appointment online and shows contact information for the local FSA office and the farm loan team. Appointments may be in-person or virtual with the local FSA office depending on producer preference. Producers can conveniently schedule appointments for a variety of services with both farm program and farm loan staff. For more information, producers can contact their local FSA office.

Department of Interior Finalizes Rule on Endangered Species Act

The Department of the Interior and the Department of Commerce have announced they have finalized a rule rescinding the outdated regulatory definition of "harm" under the Endangered Species Act. The action returns the interpretation of the ESA back to its actual text and original intent, which will end years of federal overreach. This reform is based on the Supreme Court's 2024 decision in Loper Bright v. Raimondo, which requires agencies to follow the single best meaning of a statute rather than contorting laws to fit political agendas. Using the legally justifiable standard, the Services determined that the prior definition of "harm" was an unlawful regulatory intrusion that interfered with private property rights. "For years, federal agencies abused the ESA to obstruct lawful land use and burden American families and businesses," said **Department of the Interior Secretary Doug Burgum**. "That approach turned routine activity into a regulatory trap, drove up costs that impacted people's lives, and expanded federal authority beyond what Congress intended. This action restores common sense, respects private property, provides much-needed certainty for landowners and follows the statute Congress actually passed." **Department of Commerce Secretary Howard Lutnick**, stated "We're returning the ESA to its foundational purpose to ensure legitimate conservation goals are met without sacrificing economic growth and American prosperity." The ESA's core protections remain firmly in place. Actions that directly injure or kill listed wildlife will continue to be prohibited. Existing permits and incidental take statements remain valid and unchanged.

U.S. Fish and Wildlife Service Director Brian Nesvik, commented "We can protect species and respect communities at the same time." According to the Department of Interior, the final rule will reduce unnecessary permitting, cut compliance costs, and eliminate confusion for landowners, small businesses, energy producers, farmers, ranchers and local governments. It brings long overdue financial and regulatory relief to citizens who faced unpredictable delays and unnecessary costs due solely by interpretations that went far beyond the statute.

Cal/OSHA Continues Work on Sliding and Swinging Gate Safety Standard

The Cal/OSHA Standards Board Advisory Committee met on July 23 to continue discussions on proposed revisions to Title 8, Section 3324, which would expand safety requirements for horizontal sliding gates and establish new requirements for swinging gates. The proposal could require facilities to retrofit existing gate or design changes and new inspection, maintenance, and repair requirements. The meeting focused on refining the scope of the proposal and reviewing draft requirements for sliding gates. Committee members discussed issues including design standards, positive stops, gate size thresholds, and qualified person requirements for installation and repairs. Cal/OSHA requested additional stakeholder feedback and cost information before preparing the next draft.

OEHHA Proposes Inhalation Unit Risk Factor for Acrolein- Why Should You Care?

The California Office of Environmental Health Hazard Assessment (OEHHA) has proposed an Inhalation Unit Risk (IUR) Factor of 7.9×10^{-4} ($\mu g/m^3$). Put another way, the risk from acrolein in estimated to be 1,300 excess cancer cases in a million. So, what does that mean? For agriculture this will be a big deal. First, acrolein can be found in many places, but primarily as a product of combustion. It can also be found in tobacco smoke, wildfire smoke, pesticides and food processing. More importantly, the level of the IUR is the concern. At the proposed level, the risk is 10 times higher than that of benzene and is in the same range as diesel exhaust in total. If adopted as is, more pressure would be put on mobile sources to convert to electric. It should be noted that there are large uncertainties associated with the draft proposal and the Association is part of a large coalition digging into the proposal and pushing back on the lack of information and suspect data used to make the proposed determination. This is one everyone should monitor closely in the coming months.

CDPR Publishes Comments on SprayDays California System

The California Department of Pesticide Regulation (DPR) has reviewed and published all public comments received on ***SprayDays California***, the state's pesticide application notification system. DPR gathered the comments from March 10 through May 1, 2026, alongside the release of the system's first annual status update. SprayDays is a relatively new system that allows people statewide to be provided advance notifications and details about scheduled applications of restricted material pesticides, which require approval from a county agricultural commissioner before use. The regulation behind SprayDays requires DPR to gather public input and report on the system's progress. This year, DPR completed these required activities, issuing the system's first annual status update, holding an extended public comment period, and presenting updates to DPR's Environmental Justice Advisory Committee and to the California State Board of Food and Agriculture. Environmental justice and anti-pesticide activists submitted numerous comments focused on urging CDPR to revise the program to include the specific location of each application rather than the 1 mile by 1 mile section currently reported, and to expand the list of reported pesticides beyond those considered as restricted materials. The Association part of a coalition of ag groups who submitted comments opposing further changes and specifically opposing the listing of the exact location. These comments are available to view on DPR's SmartComment page(external link).

CCIRC Research Request for Proposal

The California Cotton Industry Research Committee, made up from the three principal funding groups for California cotton research, sends out a "Request for Proposal" each year to researchers and educators known to the cotton industry as having interests and involvement in research that could benefit the cotton industry in California. By combining the research funding efforts from these three groups into one, projects are funded through a more streamlined process and effective process. This research request is for 2026- 2027 projects. Please note that the deadline for receipt of proposals at the address shown below is 5:00 PM (close of business day) on Monday, August 31, 2026. This is a firm deadline. No extensions will be granted due to the need to reproduce proposals, distribute them to the committee, and allow time for review prior to the Committee meeting. If you have any questions, please reach out to priscilla@ccgga.org .

Energy Commission Releases Updated IEPR Report

As California charges ahead towards its climate change goals of "carbon neutrality" by 2045, many wonder how we are going to get there and what will California look like when the time comes. History has shown that California often sets ambitious goals without ever understanding what it takes to get there or if it is even achievable. The CARB truck rules immediately come to mind, as does High Speed Rail, solving the homeless problem, and the list goes on. One might think the state's decision to reconsider shutting down the PG&E Diablo Canyon Nuclear Plant might be a wakeup call that California does not have enough power right now. How about in 2022, when the California Independent System Operator warned residents not to charge their electric cars overnight due to an overwhelmed electric system? No, rest assured this state is never going to let reality get in the way.

To try and truly understand where we are and what the future looks like the California Energy Commission (CEC) is required every two years to prepare the Integrated Energy Policy Report (IEPR). The IEPR is a biennial energy report that contains an integrated assessment of major energy trends and issues facing California's electricity, natural gas, and transportation fuel sectors. The report provides policy recommendations to conserve resources, protect the environment, ensure reliable, secure, and diverse energy supplies, enhance the state's economy, and protect public health and safety. The CEC just recently released its final 2025 IEPR, and its findings are in a word – SHOCKING! No pun intended.

The 2025 IEPR looked at current energy demand in 2025 and then forecasted what it might look like in 2045 if the state were to continue to work towards meeting its climate change goals. In reviewing the findings, let's take a quick look at its baseline assumptions. First, it assumes California will continue to grow its population at an average rate of 0.3% each year. The report then considers all the factors that will impact energy demand over the next 20 years.

Data Centers

One of the largest demands will be the rapidly increasing demand for data centers. According to the IEPR, "Data centers are a leading source of growth in electricity demand, and efforts to forecast the magnitude and timing of that growth continue to evolve as more information becomes available. Recent increases in the demand for artificial intelligence (AI) have contributed to a rise in utility energization requests for data centers. Uncertainty remains regarding the number of applications utilities will receive, the number of proposed projects that will ultimately be completed, timelines of projects, the anticipated load for each project, and longer-term market conditions." The IEPR reports that 5,086 data centers are currently under agreement, an additional 9,587 data centers have submitted applications, and another 8,604 have submitted inquiries for a total of **23,278 facilities** all with high electricity demand.

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What will it take to power these data centers? The 2025 IEPR estimates there is currently less than 10,000 gigawatt hours (GWh) of demand in 2024. But by 2040, the IEPR projects the demand will grow to 40,000 GWh in its mid-case projections and an incredible 57,000 GWh in its high case projections. To put this in perspective, the PG&E Diablo Canyon nuclear power plant produces 18,000 GWh annually, meaning we will need to build the equivalent of at least 3 more Diablo Canyon power plants to energize all these new data centers.

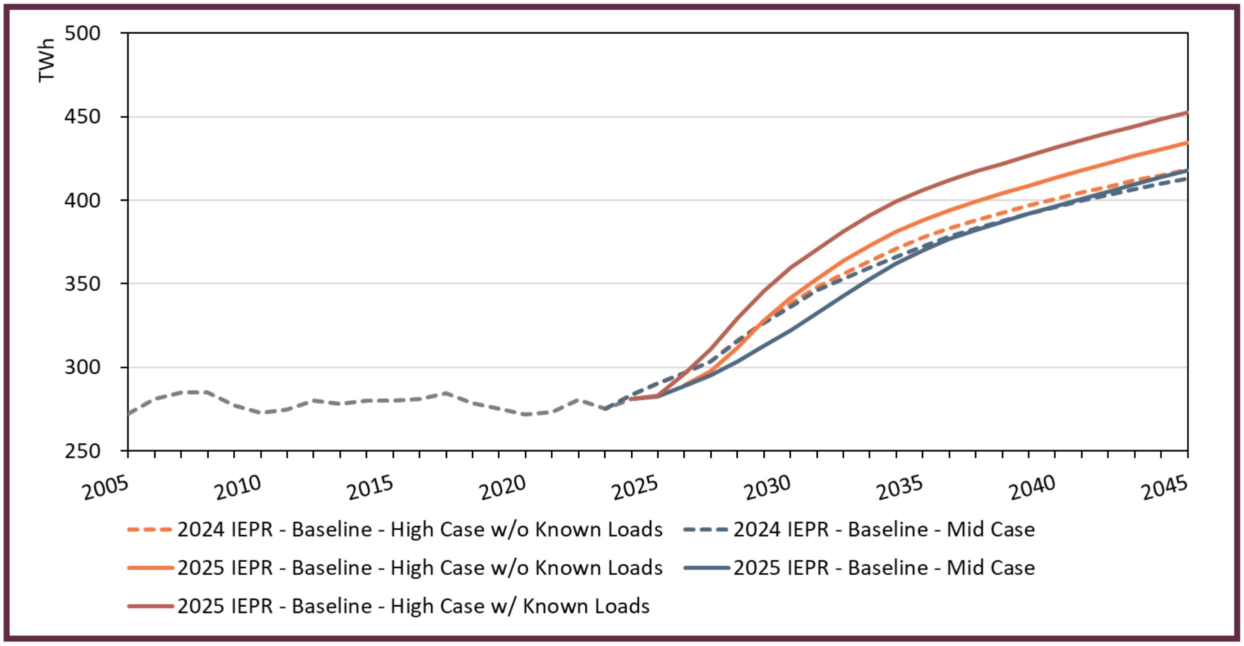
Transportation-

One of the biggest and most controversial state actions over the past two years has been the drive to electrify the entire transportation system from cars and trucks to forklifts and tugboats. The California Air Resources Board (CARB) estimates that there are more than 1.7 million heavy duty trucks operating in California. To charge a heavy duty truck it takes a 1 MW electric charger. If you add all the medium and light duty trucks, and cars to this demand, it seems like that would be a staggering number. It is. The 2025 IEPR estimates that on-road transportation currently consumes less than 10,000 GWh in 2025 but will climb to more than 70,000 GWh in its baseline scenario and over 100,000 GWh in its high case scenario. To meet the high case scenario, we would need an additional 5½ Diablo Canyon power plants!

So, considering AI data centers, transportation electrification and all the other conversions to electric, what will it take to get to zero carbon impact in 2045? The 2025 IEPR estimates current peak demand is 47,000 MW. In the CEC planning forecast, the CEC assumes a growth rate of 1.7% annually to get to a peak demand of 66,025 MW in 2045. In its local reliability scenario, the CEC assumes a growth rate of 2.2% to get to a peak demand of 71,175 MW by 2045. In once again looking at the Diablo Canyon comparison, it can provide a peak demand of 2,200 MW, meaning we need more than 30 more Diablo Canyon power plants to provide enough power to meet peak demand. From an electric usage standpoint, the IEPR said California consumed 281,000 total GWh in 2024. Based on its forecasting, the IEPR estimates California will consume 417,000 GWh in 2045 in its mid-case scenario and 452,000 GWh in its high-case scenario.

To meet this annual level of electricity consumption we would need the equivalent of 25 more Diablo Canyon power plants.

Statewide Baseline Electricity Consumption -



Costs

So far, we have only discussed peak and annual electricity demand. What about the cost of all this? And how will natural gas prices be affected by practically eliminating the need and demand for natural gas? The 2025 IEPR report assumes that with this huge increase in demand for electricity, the price of electricity will remain relatively constant for the next 20 years. Based on the past 20 years, we don't believe this to be the case, but that is what the CEC and their 2025 IEPR report assume. Now natural gas prices are a different issue. While demand is expected to drop precipitously due to regulations prohibiting natural gas combustion, the costs to transport and distribute are expected to rise. Dramatically. According to the 2025 IEPR report there will be huge increases in natural gas rates due to increasing revenue requirements and decreasing demand as conversion to electric continues. For Southern California Gas the IEPR report estimates under the base demand case, total customer rates start at $1.74/therm in 2025 and grow to $5.50/therm in 2050. Under AAFS Scenario 2, total customer rates rise from $1.76/therm in 2025 to about $43.17/therm by 2050. For PG&E, the IEPR Report predicts under the base demand case, total customer rates rise from $2.52/therm in 2025 to $8.32/therm in 2050. Under AAFS Scenario 2, total customer rates rise from $2.57/therm in 2025 to about $90.19/therm by 2050.

No, California isn't ready. And it's not even close.