



New Waterbird program provides widespread benefits

The Waterbird Habitat Enhancement Program (WHEP) is a new effort developed in partnership with the Natural Resources Conservation Service (NRCS) and our conservation partners PRBO Conservation Science, Audubon California and The Nature Conservancy. Offered in six of the rice-producing counties in the Sacramento Valley, the NRCS received nearly 165 applications from rice farmers. The NRCS has committed nearly \$7 million to support the 2012 program thus far. They funded 100 percent of the highly ranked applications and some 40 percent of the medium ranked proposals - approximately 125 contracts overall covering about 45,000 acres of rice. This builds upon the successful 2011 pilot program in which \$2.7 million was invested across some 70 contracts on approximately 27,000 acres.

WHEP primarily focuses on specific practices that fit well with rice cultivation and are beneficial to a variety of bird species and other wildlife, including:

- Promoting wildlife-friendly straw management practices and returning boards back into the rice boxes after harvest to hold more rainwater.
- Enhancements of nesting habitat by modifying rice check berms and creating nesting islands.

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National media focuses on wildlife in rice fields

The tremendous work by California rice growers to aid wildlife received major attention with coverage from the Associated Press.

The story “California Rice Farmers helping migratory birds” involved separate visits by the Associated Press to rice farms in Colusa County. Those interviewed included Audubon California’s Monica Iglecia, PRBO Conservation Science Khara Strum and grower Jim LaGrande.

The story was carried in dozens of newspapers and media outlets, reaching more than five million readers. Coverage included Yahoo! News, the Boston Globe, San Francisco Chronicle, San Jose Mercury News and Washington Post.

We will continue to seek opportunities to gain media coverage of the unparalleled wildlife benefits from California rice farming.



Associated Press photographer Rich Pedroncelli prepares to take a photo as Monica Iglecia of Audubon California scouts for birds.

Farm Bill faces a moment of truth

By The Russell Group, a Washington, D.C. government affairs group specializing in food, agriculture and trade issues

After a month long hiatus from Washington, D.C., the U.S. Congress will return to a full plate of leftovers in September. At the center of that plate is a five-year reauthorization of federal farm and food assistance policy.

The 2012 Farm Bill reauthorization gained momentum throughout June when the Senate approved a five-year, \$970 billion Farm Bill reauthorization spanning crop years 2013 through 2017. The price tag, although large, actually

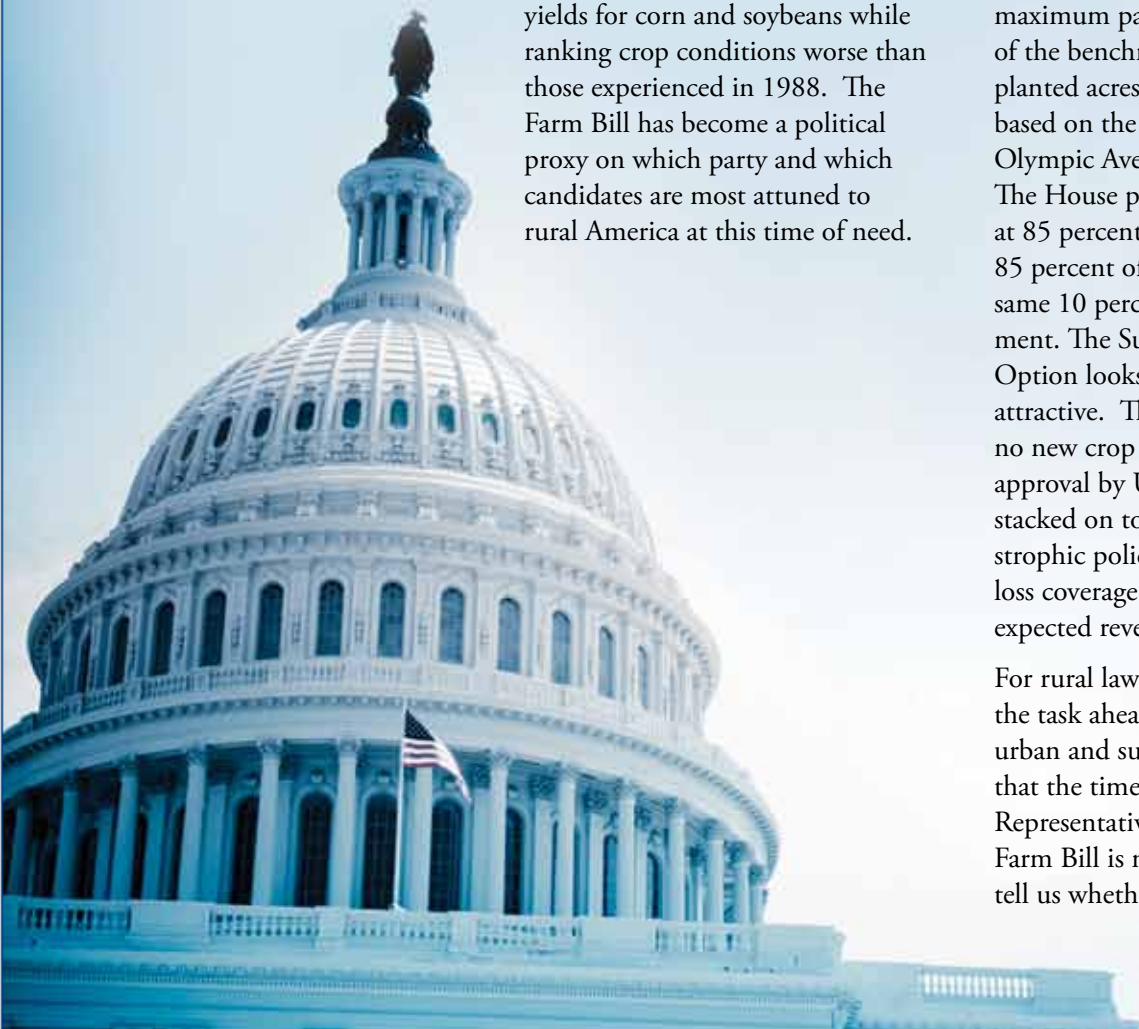
saves \$23 billion from current Farm Bill law. The House Agriculture Committee followed in July by approving a similar measure, cutting nearly \$35 billion from current law while spending \$958 billion. That measure awaits further action while the House Republican leadership searches for the votes necessary to pass it through a chamber where large bills face unpredictable outcomes.

Looming large in the foreground of this debate is a catastrophic drought engulfing the nation's midsection. The USDA has slashed forecast yields for corn and soybeans while ranking crop conditions worse than those experienced in 1988. The Farm Bill has become a political proxy on which party and which candidates are most attuned to rural America at this time of need.

Sifting through the rhetoric in a national election is difficult, but as politicians posture on drought relief it is important to note that this Farm Bill would cover the 2013 crop, not the crops currently being ravaged by drought.

For rice, the key provisions of the Senate and House versions include a revenue loss program and a new Supplemental Coverage Option (SCO) within the crop insurance title. The revenue program as approved by the Senate provides revenue coverage at 89 percent of a benchmark with a maximum payment of 10 percent of the benchmark on 80 percent of planted acres. The benchmark is based on the product of five-year Olympic Average yield and price. The House plan provides coverage at 85 percent of the benchmark on 85 percent of planted acres with the same 10 percent maximum payment. The Supplemental Coverage Option looks increasingly more attractive. The SCO requires no new crop insurance product approval by USDA and can be stacked on top of existing catastrophic policies to provide revenue loss coverage up to 90 percent of expected revenue.

For rural lawmakers in both parties, the task ahead is convincing their urban and suburban colleagues that the time for the House of Representatives to act on a new Farm Bill is now. September will tell us whether they are successful.



Crop Protection Materials issues update

Thiobencarb reregistration review & biological opinion (BiOp)

Thiobencarb is under a registration review at the U.S. Environmental Protection Agency (U.S. EPA) and consultation with the NOAA National Marine Fisheries Service (NMFS) on a

This is the first positive BiOp written by NMFS. The U.S. EPA further clarifies the finding with, “thiobencarb is not likely to jeopardize, or destroy, or adversely modify designated critical habitat. The term “jeopardy” is reserved to describe endangerment of the species, not individuals.”

farther reaching than pesticides. The bee specialists claim that the use on rice should not impact pollinators due to differences in timing of clothianidin applications to rice in comparison to pollination of other crops. The basic registrant is doing outreach on bee health for apiaries. We are watching the registration status of this class of pesticide on an international level.



From Left, Tony Hawkes of NMFS, Jennifer Parson with Kleinfelder, Thomas Hooper of NMFS and the CRC's Roberta Firoved.

BiOp for the Pacific listed salmonids (Central Valley spring-run Chinook, Sacramento River winter-run Chinook, and California Central Valley steelhead). The BiOps are the consultation process with the U.S. EPA and NMFS under the Endangered Species Act. The inclusion of thiobencarb results from a lawsuit filed by the Washington Toxics Coalition in the states of Washington, Oregon, Idaho and California.

The CRC hosted a one and a half day tour for NMFS biologists and provided information during the writing of the BiOp. As a result, the BiOp finds that the use of thiobencarb may adversely affect but will not likely jeopardize habitat for the listed salmonids. NMFS revised the original finding of “not likely to jeopardize” after considering the status of the listed resources, the environmental baseline, and the direct, indirect, and cumulative effects of the U.S. EPA proposed action on the listed salmonid species. NMFS acknowledges rice growers with the statement, “California rice farmers have implemented local programs that reduce thiobencarb loading in surface waters of California’s Central Valley.”

The U.S. EPA has asked the CRC to provide a summary of thiobencarb monitoring data and use information for the registration review. The date for completion of the reregistration review is 2017. NMFS was under a court order to complete the BiOp by July 2012.

The BiOp includes a recommendation to prohibit thiobencarb applications within one half mile of the Sacramento and Feather Rivers unless there is a positive airflow away from the rivers. Valent has nine months to revise labels, and the CRC is maintaining engagement to make certain the permit conditions do not become part of the label.

Clothianidin (Belay) registration status

The neonicotinoid class of insecticides is effective for Rice Water Weevil control. The product has approval for concurrent registration submission with the U.S. EPA and the Department of Pesticide Regulation (DPR). Neonicotinoid insecticides were originally blamed as negatively impacting bees, but research proves the issue is

Propanil dry formulation worker mitigation

The U.S. EPA is requiring closed systems for mixing and loading the propanil dry formulations in order to mitigate worker exposure. RiceCo and Willowood, the two registrants, are working independently on packaging design to meet the U.S. EPA deadline of December 2012. The CRC continues to follow-up with the registrants and the U.S. EPA to offer additional assistance and information.

Benzobicyclon Herbicide

Gowan has been meeting with the CRC for almost two years on this new active ingredient for the California rice market. The company has been compiling data for fast tracking the registration with the U.S. EPA, which may include a request for concurrent submission to DPR. Gowan is working with the CRC to avail basic information on toxicity and environmental fate. The CRC is aware that Gowan is under pressure to support a Section 18 emergency exemption. Both the CRC and Gowan maintain close communication on the progress of this product development.

Clincher Granule Herbicide

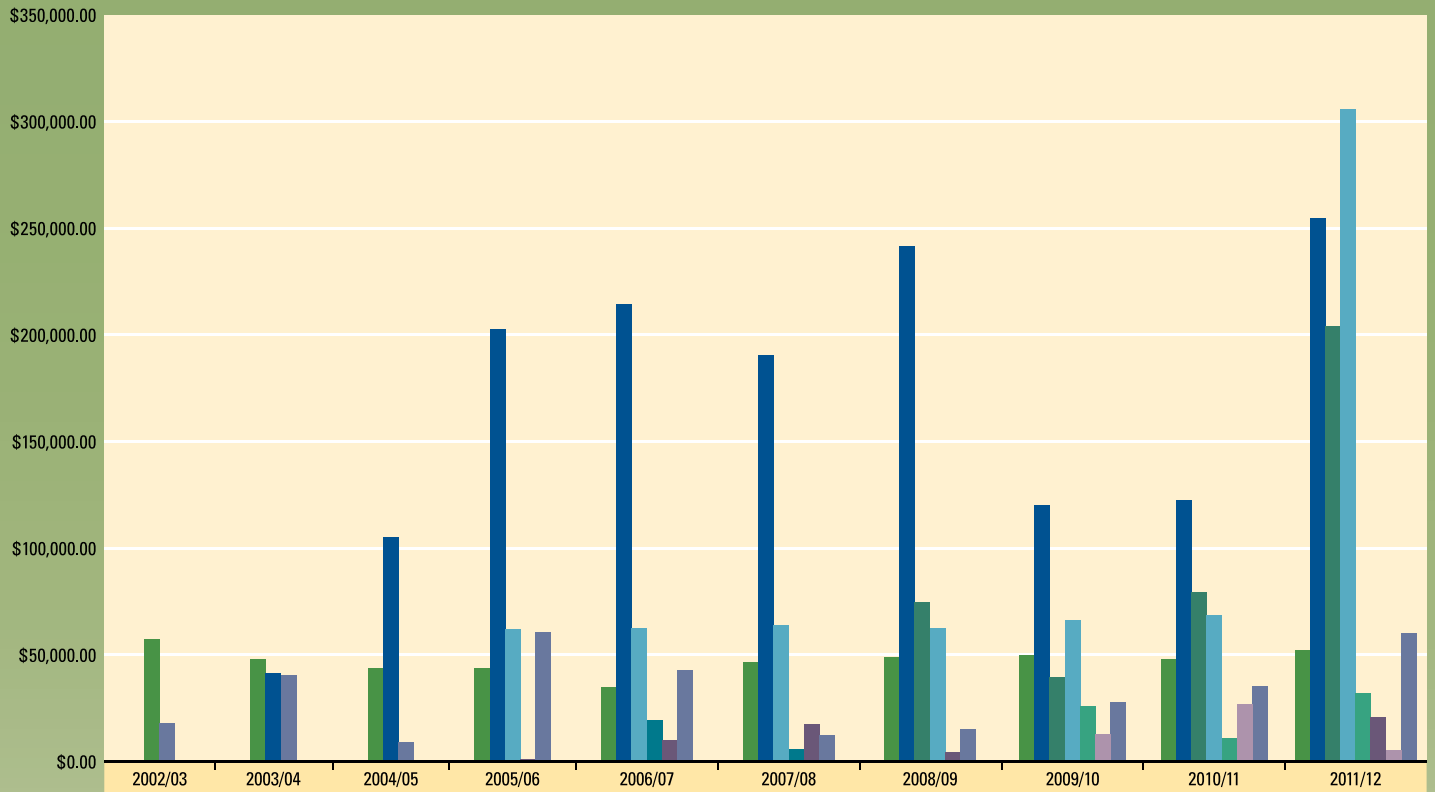
The newly formulated cyhalofop-butyl herbicide recently received registration in California. Dow AgroSciences supports a “soft launch” in 2013. Dow AgroSciences wants to evaluate commercial use of the new formulation and provide stewardship along with proposed recommendations for Clincher Granule applications.

Water quality costs continue to rise

Ten years ago it would have been difficult to foresee water quality regulation as the largest expenditure in the CRC budget. Our initial increase began when the CRC took over management of the Rice Pesticide Program from the Department

of Pesticide Regulation. The introduction of the Irrigated Lands Regulatory Program (ILRP) brought additional costs. Revisions to the ILRP include expansion into groundwater regulation as the CRC maintains a commodity specific coalition. Add to that other

water quality programs impacting rice. Our largest expense is the legislatively mandated fee paid to the State Water Resources Control Board for ILRP administration, implementation and enforcement. The fee went from 12 cents an acre to 56 cents an acre due to state budget shortfalls.



Note: the CRC fiscal year (FY) is September 1 to August 31.

- **RPP**
Rice Pesticide Program
- **ILRP**
Irrigated Lands Regulatory Program
- **LT-ILRP**
Long-term ILRP
- **SWRCB Fees**
State Water Resources Control Board Fees
- **TMDL**
Total Maximum Daily Load (for pesticides)
- **CV-SALTS**
Central Valley Salinity Alternatives for Long-Term Sustainability
- **Methyl Mercury TMDL**
- **DWPWG**
Drinking Water Policy Work Group
- **Legal Fees**
Expenses for Legal Consultation

Rice Leadership applications due soon

The deadline is fast approaching for rice industry members who would like to participate in the 2013 Rice Leadership Development Program. This program provides participants tours and programs during a two-year period to help strengthen their leadership skills. Applications must be postmarked no later than **October 6, 2012**.

For more information on the Rice Leadership Development Program, please contact Chuck Wilson at 870-673-7541, cwilson@usarice.com, or Roberta Firoved at 916-387-2264, rfiroved@calrice.org. Additional information and application forms can be found at www.usarice.com and then clicking on the Leadership Development Program icon.

Long-term Irrigated Lands Regulatory (LT-ILRP) Update

The CRC continues to support the rice industry as a commodity specific coalition under the LT-ILRP. Our date for implementation of a Waste Discharge Requirement (WDR) Order was moved up a year to 2013. The CRC realizes the abundance of groundwater data available in the region. As a result, we spent resources to compile the mandatory Groundwater Assessment Report (GAR) in advance of our WDR Order. The scientific approach is similar to the process we used to develop the rice specific ILRP for surface water discharges.

Our approach to the WDR Order is slightly different in that we are using science to develop the most efficient and feasible program specific to rice. The CRC must adhere to similar conditions as the other coalitions. Those conditions may include well monitoring, on-farm evaluations and nutrient management plans. It is our hope that the GAR will define the areas we need to focus our efforts in contrast to a broad, data gathering program of multiple monitoring wells.

To further our efforts, we hosted a tour for Regional Water Board staff and,



Rice grower Steve Butler with the regional water board's Jenny Lester-Moffitt and Jon Constantino.

more recently, board members to better educate them on rice cultural practices and water management. The structure of the water board tours includes farmers, consultants and researchers. The purpose is to show our level of engagement with the industry and the scientific research supporting our claims for water use and nutrient availability. Some of our biggest hurdles

in advancing a scientifically sound program are overcoming negative perceptions about nutrient management. We credit success with the positive engagement the CRC has within the rice industry and strong support of the consultants and researchers supported by the Cooperative Extension, University of California, Rice Research Board and Rice Experiment Station.

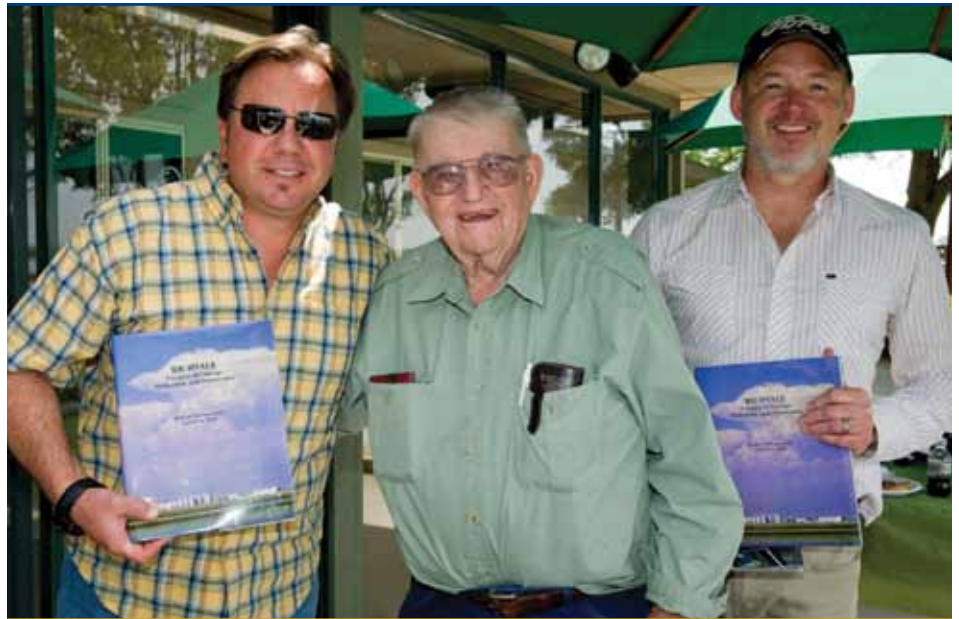
What's at Stake? A Lot Actually

Using the age-old truism that we often only appreciate what we have once it is lost, the CRC and Northern California Water Association (NCWA) have published the second in a series of publications that focus on the value of water in the Sacramento Valley.

The brochure entitled "What's at Stake?" highlights the rural communities, wildlife, strong economies and places to get outdoors that are all directly linked to the continued availability of abundant water in the Sacramento Valley.

While it is easy for us to realize what is at stake, our urban neighbors, especially those hundreds of miles from rice country, may never put the pieces together. This new publication helps them do just that – realize what would be lost if the abundant natural resources of the area are lost for any reason. The publication also makes it clear that once resources are lost you can't get them back.

The brochure can be viewed electronically at calrice.org and clicking on "Press Room."



Radio personalities Joe Getty and Jack Armstrong with rice grower Dennis Lindberg during their Sacramento Valley trip.

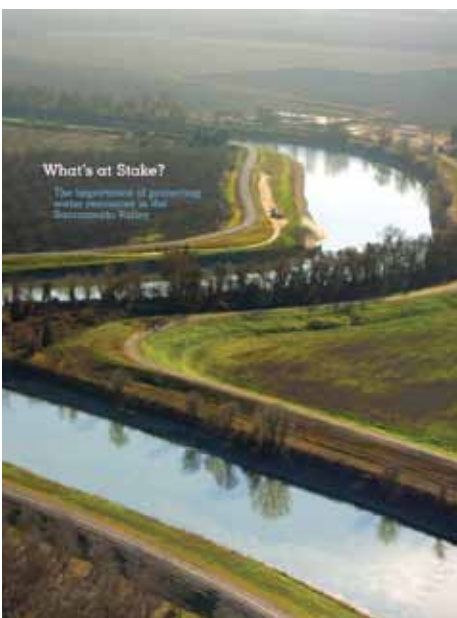
Armstrong & Getty resume California Rice promotions

After six successful months of testimonials about California rice, radio personalities Armstrong & Getty are back promoting this industry.

The live testimonials helped raise awareness of California rice among key audiences, including Legislators, decision makers and opinion leaders. The spots also helped drive record interest in the Calrice.org website. Total hits to

the website surpassed 4.5 million in the just-concluded fiscal year and are more than double the level of two years earlier. When these personalities promote California rice, website activity is most often significantly higher than days without commercials.

We will maintain our work with Armstrong & Getty on their understanding of California rice and providing them subjects to convey to their listeners. Key subjects will continue to be the history and family tradition of rice farming, environmental contributions from rice fields and the efficient use of water to grow California rice.



Waterbird

Continued from page 1

- Enhancing duration and types of fall and early spring habitat created when intentionally flooding fields in the winter season.
- Installing nesting and roost structures for certain non-waterbird species such as hawks, eagles and owls.
- A suite of other traditional conservation practices offered by NRCS for rice and other crop types.

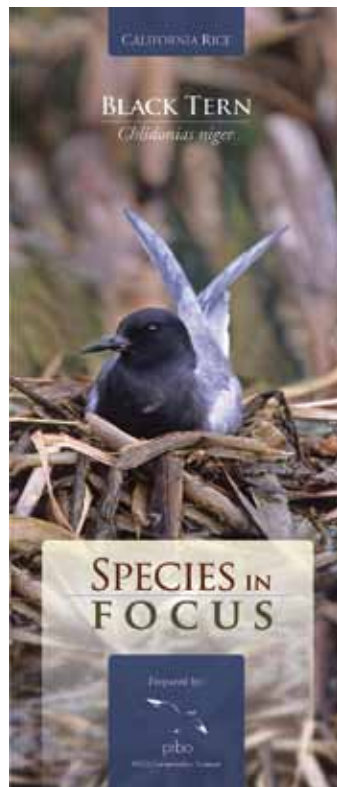
Thank you to our primary conservation partners involved in the development of this exciting new conservation program that fits so well with rice farming on working lands. Without the funding and expertise provided by NRCS, this opportunity would not be possible. The expertise of Audubon and PRBO, to provide technical assistance to NRCS and monitoring of the conservation practices has been invaluable to supporting implementation and documenting results.



Monica Iglecia of Audubon California and Khara Strum with PRBO Conservation Science at a Colusa County rice farm.



Alan Forkey (NRCS) and Rodd Kelsey (Audubon California) describe WHEP elements to Devin Rhinerson of Senator Feinstein's Office and Dan Frisk of the US Fish and Wildlife Service.



Rice birds get the spotlight

The CRC recently started a new project with PRBO Conservation Science to shine the spotlight on a few wildlife species that are significantly benefitted by California rice. Nearly 230 species use rice and some are more closely linked than others. This year we unveil four new Species in Focus brochures highlighting the role of rice in helping the Bald Eagle, Northern Pintail, Black Tern and American Bittern. All of these species have an “above average” relationship to rice.

More rice growers are seeing the beautiful Bald Eagle in their fields. Some of the smaller wildlife in rice fields provide a significant portion of their diet. Ever wonder about that gulping sound coming from your fields, especially in the quiet evenings, that sounds like water going down a drainpipe? It's the American Bittern living off of the wide variety of aquatic animals in the fields. Both of these are crowd favorites too, which is why we are using these beautiful tri-fold brochures, written by the experts at PRBO, to tell your wildlife story. We expect the Northern Pintail and Black Tern brochures to be equally effective in conveying the value of ricelands for wildlife.

Please call the CRC office at 916-387-2264 to request a copy.

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Rice Wildlife shines at Wildlife Art Show

The CRC sponsored another spirited competition of waterbird decoy carvers at the recent Wildlife Art Show in Sacramento. This was our ninth consecutive year

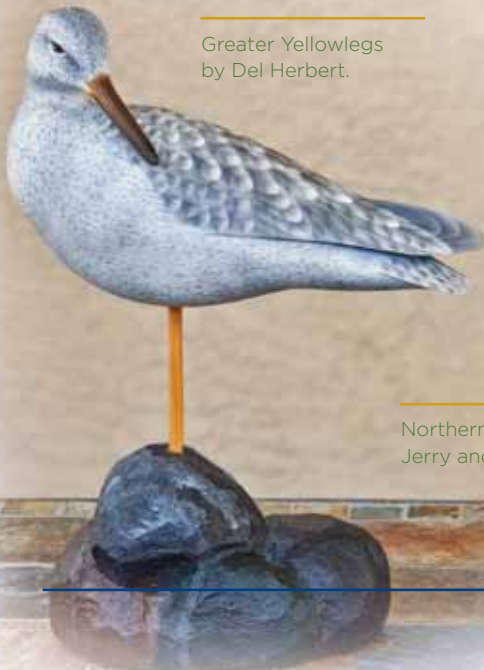
helping to sponsor waterbird carving categories.

This year we sponsored two categories—the Greater Yellowlegs and Northern Pintail. Several great birds were submitted for each of these competitions. One of the winning carvers, Del Herbert of the San Diego area, is no stranger to carving rice waterbirds, winning several shorebird categories during past festivals. We congratulate him again this year for his wonderful

rendition of a Greater Yellowlegs.

We also had a couple from the Sacramento Valley who carved this year's winning pintail. Jerry and Beverly Carson of Citrus Heights got the winning nod from the judges. This was a particularly difficult category to judge with several very nice birds submitted.

We appreciate our partnership with the Pacific Flyway Decoy Association year over year as we highlight the importance of California rice to the Pacific Flyway to all attendees.



Greater Yellowlegs
by Del Herbert.



Northern Pintail carving by
Jerry and Beverly Carson.