



The Clouds are parting over the 2013 Farm Bill

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

As the resplendent cherry blossoms in the nation's Capital marked the official beginning of spring, hope for a new farm bill has moved toward reality. At the time of this writing, the House and Senate Agriculture Committees have each passed bills to their respective chambers. With the calendar turning to June, expect the Senate to complete the farm bill within the next three weeks. Soon thereafter, the House of Representatives will follow with what promises to be a spirited debate with scores of amendments.

In a memo to House Republicans released May 3, House Majority Leader Eric Cantor outlined the summer legislative agenda including the farm bill saying definitively "we will consider a farm bill produced by the Agriculture Committee and Frank Lucas." Now

that leadership has cleared the pathway for full House consideration, the onus will rest on all of agriculture, conservation and hunger relief interests to marshal the support of at least 218 lawmakers in the House of Representatives for a \$950 billion farm bill.

While we expect each chamber to successfully complete farm bill work by the Fourth of July, the key test for many California rice priorities comes

when the House and Senate strive to reconcile difference in both bills through a conference of appointed members from each body. We expect more savings to come from the Commodity program title by lowering the revenue trigger thresholds of the Agriculture Risk Coverage (ARC) program while House Agriculture Chairman Frank Lucas, his Ranking Member Colin Peterson and Ranking Senate Republican Thad Cochran will insist on adoption of a price-loss coverage program set upon reference price levels spelled out in the House farm bill.

Chairwoman Debbie Stabenow of Michigan will press hard to limit cuts to the \$78 billion dollar annual outlay for the Supplemental Nutrition Assistance Program, formerly food stamps. As the Senate bill stands currently, SNAP will be cut by \$4 billion dollars over

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ARB Chair visits a rice farm

The California rice industry's leadership on air quality issues has certainly been recognized over the years. However, this may be the first time our efforts have received first-hand attention from a current Chair of the California Air Resources Board (ARB). Indeed, ARB Chairwoman Mary Nichols recently took the time to visit a California rice field. We appreciate her taking time out of her busy schedule to visit Sutter Basin Corporation's rice farming operation.

Ms. Nichols has become aware of CRC's multi-year collaboration with the Natural Resources Conservation Service and the Environmental Defense Fund to develop a voluntary greenhouse gas (GHG) offsets protocol for rice. This cutting-edge activity is helping answer many questions about designing programs to enable

agriculture to successfully generate voluntary GHG offsets that will be needed by California industries to offset their levels of GHG emissions. Chairwoman Nichols is hopeful that our efforts present opportunities for rice growers to be a part of the solution to climate change.

From left, ARB Chair Mary Nichols tours the farm with grower Tom Butler and the CRC's Paul Buttner.



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10 years. That number will have to increase if a farm bill conference report is to succeed and we believe a consensus target may be \$10 billion or \$1 billion per year out of a yearly SNAP budget nearing \$80 billion.

A fixture of each bill and a likely outcome of the final law will be the creation of a new Supplemental Coverage Option (SCO) for crop insurance

covering shallow yield and revenue losses. The new SCO will be available to producers of all traditional farm bill commodities including rice.

At each committee and within the USDA amongst those tasked with implementing this new law, making certain that California rice price premiums and substantially higher production costs are accounted for

has been the highest farm bill priority for the California Rice Commission. The early response from committee leadership as well as our California lawmakers has been very supportive. Now all of our attention will turn to farm bill completion over the summer months ahead.

Perspectives on Agriculture a promising sign

If there was ever a sign that agriculture is back in the Sacramento region, one need go no further than the recent Perspectives on Agriculture presented by the Sacramento Metro Chamber of Commerce. In nearly 20 years, we have not seen anything like this from this important business group. In fact, it is probably further back than that we just don't have that much institutional memory.

The goal of the chamber was clear – put together a panel of speakers that could tell business and policy leaders how important production agriculture was to the region.

And show the largely urban audience of 500 people the impact of agriculture they did. Bryce Lundberg spoke to the everyday stewardship of the land and value of our natural resources from a farmer's perspective. Pam Marrone of Marrone Bio Innovations talked about technology and the linkage to UC Davis. Professor and Food Scientist Dr. Charlie Shoemaker focused on the great advances in food technology at the university. Mark Jensen of Blue Diamond Growers and Frank Muller of Pacific Coast Processors spoke to the



The panel discussion on the value of agriculture in the region was well received by attendees.



California Rice Commission President & CEO Tim Johnson provides comments. At right is panel member Bryce Lundberg of Lundberg Family Farms.

value of agricultural processing. California Rice Commission CEO Tim Johnson spoke to the huge benefit of exports from the region and chef Patrick Mulvaney tied it all together explaining the Sacramento region's Farm to Fork initiative.

This showcase is just one example of an important recognition in the region on the value of agriculture to the economy, environment and quality of life by groups such as Valley Vision, Sacramento Area Council of Governments and Sacramento Regional Technology Alliance.

Far better than the days when the sole focus of the region was on a rice festival!

Updates on water quality programs

Rice Pesticide Program

The program continues to be specific to thiobencarb with no changes for 2013. A new thiobencarb product is available this year. League MVP is a granule with 10 percent thiobencarb and imazosulfuron 0.43 percent. All thiobencarb permit conditions apply to League MVP. You can access the permit conditions on the Department of Pesticide Regulation website at:

www.cdpr.ca.gov/docs/enforce/compend/vol_3/append_c_2.pdf.

Irrigated Lands Regulatory Program

We have an extension of our conditional surface water program for this year. The extension is effective due to the delay in approval of a permanent, long-term program. We will coordinate with the Sacramento Valley Water Quality Coalition on monitoring at three of our historical sites this year.

Long-term Irrigated Lands Regulatory Program

The CRC anticipates approval of our Waste Discharge Requirement (WDR) Order by the end of 2013. The WDR Orders include surface and groundwater monitoring programs and

management plans. Anticipate public workshops this summer if we remain on this timeline.

We are working with the regional water board staff to develop a permanent program. The final approval may be delayed due to circumstances from a lawsuit filed with the state.

Outstanding issues for the rice industry include final details to our Groundwater Assessment Report, the scope of our well monitoring program for groundwater and the toxicity testing and pesticide analysis in the surface water program.

We may start the process of developing templates if our approval is delayed. The objective is to spread out expenses budgeted to the LT-ILRP. We need to develop templates for Farm Evaluations, Nutrient Management Plans and a format for reporting information to the rice commission. We will work on a process that maintains confidentiality of our member information as specified in the rice commission statute.

Our focus is to continue positioning ourselves to move forward with the most comprehensive WDR Order in the region for ultimate benefit of the rice industry.

Propanil container update

The CRC has provided the rice industry updates on final decisions to propanil regulations and the reregistration dating back to 2004. From the data available for reregistration, the U.S. Environmental Protection Agency (U.S. EPA) identified a concern for worker protection.

Working with the propanil registrants, we removed the condition for closed cabs. However, concerns still exist for workers mixing and loading propanil. We were able to demonstrate a probe system to the U.S. EPA. Language for using the probe in lieu of a lock-in-load closed system is available on the propanil label for barrel or drum containers. The outstanding issue was implementation of a closed system for the dry formulation.

Registrants RiceCo and Willowood have worked to develop closed, or modified closed systems for this use season. The CRC received information that concerns exist with disposal of the bag used for the modified closed system. Please contact your company representatives for further information.

We need to stress the importance of properly using the new propanil conveyance systems for the dry formulation. Misuse during mixing and loading could result in future prohibitions against the conveyance system. No conveyance system means no dry formulation. Any necessary improvements to the new conveyance systems comes through positive feedback from those properly using the mixing and loading process for the dry formulations.



Special Truck Regulation Provisions clarified for Rice

Recent questions were raised regarding the ability of trucks enrolled in the Air Resources Board's (ARB) special agricultural truck program related to rice industry operations. Specifically, the ability of rice trucks to haul paddy rice from storage/drying facilities and how those trucking operations had to be managed were brought into question.

The CRC was confident about the special accommodation the ARB offered to rice and other farm commodities to continue to make these types of hauls, on a limited mileage basis, through 2022. Therefore, we engaged in special discussions with the ARB about the questions being raised and ultimately requested them to issue special clarifying guidance. We are very pleased to report that the ARB took swift and effective action in this area.

To best clarify the issue, the ARB posted the following two questions and answers on its website:

Question 1:

Can I transport rice from a dryer to a mill if I am using the agricultural vehicle extension?

Answer:

Yes, a truck that transports rice between the dryer and the mill remains eligible for the agricultural vehicle extension as long as the rice is in paddy form whether the truck is farmer owned or is for hire. If the rice has been processed (or milled) and is no longer in paddy form, it cannot be transported by a truck that is using the agricultural vehicle extension.

Question 2:

Can a farmer-owned truck be hired if the truck uses the agricultural vehicle extension?



Answer:

Yes, a farmer can use the agricultural vehicle extension for trucks that are used for work on the farm, to get supplies for the farm, and to take harvested crops to the first point of processing. A farmer-owned truck can also be hired by others to take harvested crops from the farm to the first point of processing just like other non-farming business can when using the agricultural vehicle extension. The truck does not qualify for the agricultural vehicle extension if it is used for non-agricultural uses, or if it transports other goods like canned goods, finished lumber or other products on a for hire basis.

We appreciate the ARB staff taking action to eliminate any confusion on this issue in such a timely and responsive manner. Their responsive action

also shows that they are willing to stand behind their policy agreements and work to clarify the original intent when necessary.

Please remember that as an owner of a vehicle enrolled in the agricultural vehicle extension program you have one main responsibility - all such fleet owners must submit annual reports on these vehicles by January 31 of each year. This is very important for you to maintain compliance and receive your annual compliance certification. You may also be requested by handlers contracting for your hauling services as proof of compliance with the regulation.

Information on this requirement, along with other useful information, can be found at <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>.

Historic Site Celebrated

Hundreds gathered for the 3rd annual Wakamatsu Farm Festival near Placerville. This event brings attention to the Wakamatsu Tea and Silk Colony Farm – the first Japanese settlement in North

America. Attendees enjoyed Japanese arts, music and dance, historic farm tours and live music. For the third straight year Mikuni and Chef Taro Arai provided hundreds of servings of sushi and Japanese cuisine.



The Placerville Tomodachi Dance Group were among the talented entertainers.



The sake barrel breaking ceremony included, from left, CRC President Tim Johnson, Mikuni's Taro Arai, American River Conservancy President Linda Sanford and Assembly Member Mariko Yamada.

Deadlines fast approaching for 2013/14 Board Elections

The CRC election cycle has begun for the 2013/14 board elections. In the coming weeks, growers will have an opportunity to nominate individuals to serve on the CRC Board for three-year terms. Nomination forms and information on the seats open in each district will be mailed to every grower by June 14. Nomination forms must be returned or postmarked by July 15, 2013.

If you do not receive information for nominating board members shortly after June 14, please contact the CRC office immediately at (916) 387-2264, so we can ensure that a ballot is mailed to you.

Rice Scholarships for high school seniors

Dow AgroSciences is sponsoring a National Rice Month scholarship contest through the USA Rice Federation. High school seniors in the current school year from rice-growing counties are eligible to apply. Three scholarship prizes will be awarded ranging from \$1,500 to \$4,000 and a trip to the USA Rice Outlook Conference in St. Louis, Missouri.

To qualify, students must do a rice promotion activity in their local community during September. Entries must provide details of the rice promotion, and be submitted by October 1, 2013. For more information, visit www.usarice.com and click on Scholarship Information in the lower right corner.

Spill Prevention Regulation reminder

An important regulatory deadline has arrived related to a new U.S. EPA program in agriculture called the Spill Prevention, Control and Countermeasure Program (SPCC). The official deadline for farms to be compliant with these provisions was May 10. However, the U.S. EPA is prohibited from taking any enforcement action before October 1, 2013.

SPCC requires spill plans to be prepared for farms that meet ALL of the following:

- Stores, transfers, uses, or consumes oil or oil products, such as diesel fuel, gasoline, lube oil, hydraulic oil, adjuvant oil, crop oil, vegetable oil, or animal fat.
- Stores more than 1,320 US gallons in aboveground containers or more than 42,000 US gallons in completely buried containers.
- Could reasonably be expected to discharge oil to waters of the US or adjoining shorelines, such as interstate waters, intrastate lakes, rivers, and streams.

If you think you might be affected by this regulation, you can find some helpful information at http://www.epa.gov/osweroe1/content/spcc/spcc_ag.htm#spcc. This site includes information on some possible streamlined compliance options for farms with storage capacity of 10,000 US gallons or less.



Radio Hosts talk California Rice

A replica of a rice seeding airplane caught the attention of Jack Armstrong and Joe Getty. The toy plane proved a perfect vehicle for the radio hosts as they shot a video on the aerial seeding of rice fields. You can see the video by going to CalRice.org and clicking on the YouTube icon on the top of the home page.



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Rice partners with Pacific Flyway Decoy Association

As we have done now for nearly a decade, the CRC has partnered with the Pacific Flyway Decoy Association on its annual Classic Wildlife Art Festival. The 43rd annual event will be held on July 13 and 14 at the Double Tree Hotel Sacramento.

Each year we sponsor two bird-carving categories of birds that use rice fields. This year's subjects will be the Snowy Egret--one of the very iconic wading birds that use California rice fields extensively and the Wilson's Phalarope--one of about 14 shorebirds that benefit from rice fields.

As always, the Pacific Flyway Decoy Association offers our members a complimentary admission to this great event with the enclosed coupon. We highly encourage you to make the trip down to Sacramento to see the amazing creations on display. These artists are very talented!



43rd Annual Wildlife Art Festival

July 13th and 14th, 2013
9:00 a.m. - 4:00 p.m. 9:30 a.m. - 4:00 p.m.
DoubleTree Hotel • Sacramento, CA

Antique Decoys • Wildlife Fine Art & Sales
Dinner Auction • Contemporary Carvings

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