

California's Rice Industry Outlook

2009 Spring Ag Outlook
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CRC Overview

- In place by law - Food & Ag Code
- Represent all rice growers and handlers
- Funded by member assessment
- 40 member board of directors
 - 20 Growers
 - 20 Handlers
- 6 Committees
- Grow 90% japonica, medium grain rice
- 49% rice shipped to Japan



CRC Objectives

- Favorable business climate for profitable rice production
- Advocate in regulatory & legislative arenas by educating regulatory community and opinion leaders on rice
- Inform and educate industry
- Promote increased use of rice
 - Provides one-half billion dollars to the State's economy

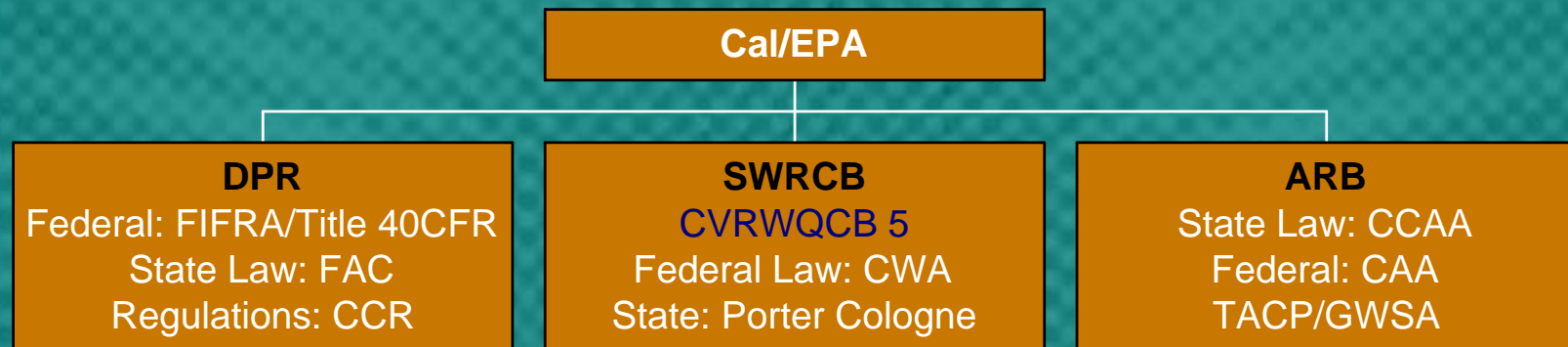


Pesticide Regulation in CA

- Future Pesticide Regulation
 - Water Quality
 - Surface Water Monitoring
 - Groundwater in the Future
 - Air Quality
 - Volatile Organic Compounds (VOC)
 - Greenhouse Gas Emissions
 - Diesel Engine Rules
 - Truck Rules
 - Tractor Rules



Major Laws & Regulations



Three Significant Anniversaries in 2000

- U.S. EPA 30 years
- Cal/EPA 10 years
- State of CA 100 years regulating pesticides



What is Driving Regulation?

- Increasing Urbanization
 - Ag a Minority Population
- Decreasing Knowledge
 - Ag Related Issues
- Distrust in Businesses
 - Improving in Several Areas
- Save the World Mindset



What is Driving Regulation?

- Too Much of a NOW Society
 - Science Driven Regulation
 - Currently, Regulation Driving Science
- Examples
 - Pyrethroid Reevaluation
 - Pesticide VOC Regulations
 - ILRP vs. Rice Pesticides Program
 - TMDL
 - Groundwater



Examples

- TMDL
 - Irrigated Lands Regulatory Program
 - Pesticides as Contaminants
 - Setting numeric standards
- Groundwater
 - Irrigated Lands Regulatory Program
 - Management based approach
 - Updating List
 - Education



How Does This Affect Rice?

- Regulatory Decisions
- Loss of Historical Knowledge
 - More Decisions Based from Assumption
 - Defensive Mode
 - Constantly Defend and Educate
 - Reactive and not Proactive
- Look to Rice for Answers



How Does This Affect Rice?

- Changes in cultural practices
 - Application Methods
 - Product Formulations
 - Application Timing
 - Timing of all Activities



Other Industry Regulations

- Fumigant Regulations
 - Field use
 - Not rice issue, but rice watching
- Precedence Setting
- Fast Track Regulations
- Regulations will dictate what is grown where
- Next phase is EC pesticides



Other Industry Regulations

- WDR Existing Milk Cow Dairies
- Green Compost
- Food Processing
- POTW - Public Utilities
 - Wastewater
 - Sanitation
- Resorts
- Lumber/Timber



Changes in Air Quality

- Air Quality Standards
 - New non-attainment areas
- Greenhouse Gas (GHG) Regulations
 - Adopted in 2006
 - Regulatory objective through 2020
- Diesel Exhaust Risk Reduction
 - Retire older diesel equipment
 - Trucks, Tractors, Pumps
 - Ag industry revisions to the rule



Biofuels and Energy Issues

- Ethanol Production from Rice Straw (Cellulosic)
 - Technology 3-5 years out
- State and National Energy Policies
 - Energy and GHG concerns drive policies
- Alternative Clean Power Generation
 - Solar, wind, biomass combustion



Conservation Opportunities

- Future Green Farm Bill or other Federal Policy
 - Increasing habitat on private land
- Public and Environmental Interest in Wildlife Biodiversity
 - Working lands, rotational, retirement ideas
- Marketing “Ecosystem Services”
 - Compensation for: Wildlife habitat; Clean energy, air, water quality solutions; Floodwater Management; GHG reductions/sequestration



Value Added Benefits

- Water quality and conservation
 - Goes beyond growing a crop
 - Current industry education on use
- Value added
 - Provides 300,000 acres of habitat to the Pacific Flyway
 - Approximately \$1 Billion benefit
 - Shorebird habitat of international significance



Key Areas of Engagement

- Government Agencies
 - DPR Relationship
 - County Agricultural Commissioners
 - U.S. EPA Relationship
 - SWRCB Relationship
 - CVRWCB 5 Relationship
 - ARB and other Cal/EPA BOD



Key Areas of Engagement

- Increasing Collaboration
 - Stakeholders
 - Registrants
 - Consultants
 - Other Commodities
 - Other Coalitions
- University
- UC Cooperative Extension



Questions & Answers

"If you focus on results, you will never change.
If you focus on change, you will get results."
-- Jack Dixon

"The most significant message I can convey to
the rowing athlete is: Just row the race. Think,
about the process. Don't dwell on the result until
it's history."
-- Larry Gluckman, Varsity Heavyweight Coach,
Princeton University