

Date of Hearing: March 15, 2023

ASSEMBLY COMMITTEE ON AGRICULTURE  
Robert Rivas, Chair  
AB 454 Aguiar-Curry – As Amended March 8, 2023

**SUBJECT:** California Rice Commission: board membership

**SUMMARY:** The bill would authorize the California Rice Commission (CRC) to issue a drought declaration that would allow a board member who is a rice producer or handler to continue on the board, even if they did not hand or produce rice recently due to drought conditions. Specifically, *this bill*:

- 1) Makes legislative findings related to rice production in California has been greatly curtailed due to extreme drought. This has an impact on future of the California Rice Commission and its many environmental, water quality, trade, and public education programs are also jeopardized.
- 2) Declares that to protect communities and wildlife, board member eligibility and district representation for CRC must be adaptive to current climate conditions.
- 3) Allows CRC, before the beginning of each marketing season, to review drought conditions in the state and evaluate the impact of these conditions on the production and handling of rice.
- 4) Allows, If the CRC determines that the drought conditions had a detrimental impact upon the production and handling of rice, CRC to issue a declaration that requires the following provisions to be operative for the next marketing season:
  - a) Requires a person be eligible to serve on CRC as a producer member or alternate producer member if either or both of the following conditions are met:
    - i) The person meets the eligibility requirements as a producer or their alternative and is not ineligible to serve due being 90 days or more delinquent in the payment of assessments, as specified.
    - ii) The person received an indemnity payment from the prevented planting program as specified, and is not ineligible to serve due being 90 days or more delinquent in the payment of assessments, as specified.
    - iii) A person received an indemnity payment from the prevented planting program is not eligible to serve on the CRC if the person voluntarily sells or transfers water during the marketing season that results in the person not producing rice on any portion of the field acreage, as specified.
  - b) Requires a person be eligible to serve on CRC as a handler member or alternate handler member if either or both of the following conditions are met:

- i) The person meets the eligibility requirements as a handler or their alternate and is not ineligible to serve due being 90 days or more delinquent in the payment of assessments, as specified.
  - ii) The person has met the eligibility requirements as a handler or their alternate in the same calendar year that the declaration is issued or in one or more of the four calendar years before the issuance of the declaration and is not ineligible to serve due being 90 days or more delinquent in the payment of assessments, as specified.
- 5) For purposes of the calculation related to members per district, the “total number of acres in the state planted in rice” and the “acreage planted in rice in each district” shall include both of the following:
  - a) The total number of acres planted in rice in the state or district, as applicable, in the immediately preceding marketing season.
  - b) The total number of prevented planted acres of rice in the state or district, as applicable, in the immediately preceding marketing season.
- 6) Requires CRC to undertake reviewing the need for a declaration as soon as possible after this bill is enacted.
  - a) Requires CRC, if a declaration is enacted, to address issues related to board member and growing survey quickly
- 7) Defines the following:
  - a) “Prevented planted acre” means an acre of land that was not planted in rice for which a person received an indemnity payment as part of the prevented planting coverage program.
  - b) “Prevented planting program” means the prevented planting coverage provisions administered by the Risk Management Agency within the United States Department of Agriculture Risk Management Agency pursuant to the Federal Crop Insurance Act (Subchapter I (commencing with Section 1501) of Chapter 36 of Title 7 of the United States Code).
- 8) Adds an urgency statute clause that is necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect.
- 9) Make conforming and technical changes.

**EXISTING LAW:** Creates the CRC with a prescribed membership and authorizes the commission, among other things, to promote the sale of rice, educate and instruct the wholesale

and retail trade with respect to proper methods of handling and selling rice, and conduct scientific research. *Food and Ag Code 71000 - 71138*

**FISCAL EFFECT:** Unknown

**COMMENTS:** The CRC, established in 1999, functions as a quasi-governmental entity within CDFA, providing for the orderly production, milling, and marketing of California rice and the associated environmental benefits. CRC's board is comprised of rice producers and handlers. To be eligible to serve on the CRC, producers and handlers must actively produce or handle rice. The number of producer/handler board representatives is dependent upon the total number of acres planted in that district.

Year-over-year catastrophic drought conditions and water shortages have severely constrained rice production in the Sacramento Valley, with growers planting less than half of their typical acreage. For this reason, many producers and handlers would no longer be eligible to serve on CRC's board, even though they are actively participating in the Prevented Planting Program managed by the U.S. Department of Agriculture (USDA). Likewise, because of reduced acreage in production, the allocation of CRC board seats by district would be dramatically impacted.

This bill would provide greater flexibility regarding CRC eligibility during drought periods to maintain representation of all rice farmers and handlers, including those impacted by drought.

This bill would allow CRC to annually review and evaluate state drought conditions and make a determination as to whether drought conditions have had a detrimental impact to the production and handling of rice. If warranted, CRC would have authority to issue a drought declaration. Under a drought declaration, the commission would be able to authorize a handler or producer to serve on CRC board if they historically produced or handled rice, or if they participated in the Prevented Planting program at USDA.

In addition, this bill would allow the number of handler and producer representatives on the Commission to be calculated based on both acres of rice produced and acres planted but claimed as prevented plantings, per the Prevented Planting Program at USDA.

**Committee recommend amendment:**

Every five years CDFA is required to conduct a referendum of eligible handlers and processors to determine the future of CRC. Eligible member of CRC vote to either continue or disband the CRC. The next referendum must be held before August 2024. Under the current law, those producers and handlers afflicted by drought circumstances may be ineligible to vote in the referendum. To address this issue, **the committee may wish to consider** the following amendment:

FAC 71135. (a) Every five years, commencing with the fifth marketing season following the certification pursuant to Section 71104, the secretary shall conduct a referendum among handlers and producers, **as defined in Article 2 or who are eligible pursuant to section 71050.5**. The operations of the commission shall continue unless the secretary determines from the referendum that a majority of the eligible handlers and a majority of the eligible producers voting in the referendum voted in favor of terminating the operations of this chapter.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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