CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

June 4, 2020

REFERENDUM NOTICE

To Consider a Proposed Assessment Rate Cap Increase for the California Rice Commission

Voting Deadline: August 3, 2020

To the California Rice Producer Addressed:

At the request of the California Rice Commission (Commission), the California Department of Food and Agriculture (Department) is conducting a referendum among California rice handlers and producers to consider an increase in the Commission's maximum allowable assessment rate of fifteen cents ($0.15) per hundredweight (cwt.). Such an increase is allowed by the Commission Law provided it is approved by handlers and producers in an industry vote.

Proposed Changes

The proposed change to the Commission Law is to increase the maximum allowable assessment rate from fifteen cents ($0.15) per cwt. to twenty cents ($0.20) per cwt., split equally between handlers and producers. The proposed change to Article 6 is presented below with additions shown in blue italics and deletions are shown in red strikethrough.

ARTICLE 6. Assessments and Records

71120. (a) The commission shall establish the assessment for the marketing season not later than September 1 of each year or as soon thereafter as is possible. The assessment shall not exceed ~~fifteen cents ($0.15)~~ *twenty cents ($0.20)* per hundredweight for rice delivered to handlers by producers. Of the assessment, not more ~~than seven and a half cents ($0.075)~~ *ten cents ($0.10*) per hundredweight shall be assessed against handlers, and not more than ~~seven and a half cents ($0.075)~~ *ten cents ($0.10)* per hundredweight shall be assessed against producers. The assessment rate shall be the same for handlers and producers.

The Commission is proposing the increase in the assessment rate cap to ensure access to adequate funding in the future to address increased environmental regulatory programs, including the Rice Waste Discharge Requirement, and to maintain the level of services the Commission currently provides to the industry. The Commission's practice of setting an assessment rate annually would not be affected by the proposed change.

Voting Materials & Criteria for Voting

Enclosed with this mailing are a ballot and postage-paid return envelope for your use in this referendum. The ballot contains instructions on how to properly certify your voting eligibility and how to cast your vote. Please be sure to sign your ballot and complete the volume certification section. Your volume information is important to ensure the accurate tallying of your ballot when

determining whether the requirements set forth in the Commission Law to change the assessment rate cap have been met.

ELIGIBILITY:

- Pursuant to Section 71032 of the Commission Law, "Producer" means any person who produces rice or causes rice to be produced.
- Each producer entity is entitled to ONE vote. If you are affiliated with a separate legal entity that did not receive a ballot, please call the Department at (916) 900-5018 to obtain an official ballot for that entity.
- If you no longer qualify as a rice producer, please let us know by checking the box in the top right corner of the ballot, sign the ballot, and return it in the enclosed return envelope.

In order for the proposed change to be made effective, the Commission Law specifies that:

- At least 40% of the California rice handlers on record and at least 40% of the California rice producers on record must cast valid ballots, and one of the following must occur for both handlers and producers:

  (a) At least 65% of the eligible entities who vote in the referendum must vote in favor of the proposal, and they must represent a majority of the total voted quantity of rice produced/handled in the preceding marketing season, **OR**
  (b) A majority of the eligible entities who vote in the referendum must vote in favor of the proposal, and they must represent at least 65% of the total voted quantity of rice produced/handled in the preceding marketing season.

Voting Period

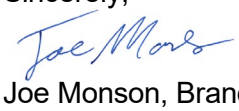
In order for your ballot to be counted, it must be properly signed, completed and received by the Department, *postmarked no later than August 3, 2020.*

Voting Results

The Department encourages all rice handlers and producers to vote in this referendum. The Department will announce a summary of the referendum results following tabulation of the ballots. All individual votes will be kept confidential.

If you have questions regarding the referendum, please call Kacie Fritz of the Department's Marketing Branch at (916) 900-5095. If you have specific questions about the activities of the California Rice Commission, please call Tim Johnson, President and CEO of the Commission, at (916) 387-2264.

Sincerely,



Joe Monson, Branch Chief
Marketing Branch

Enclosures