



2023 ANNUAL REPORT

Defining California's Rice Footprint



New Rice Footprint Launched



Sometimes a strategic planning process results in new opportunities jumping off the page. That was the case last year when industry leaders, state and federal advocates, water districts and our conservation partners sat down to think about the next five years in the California rice industry.

The next big idea is the Rice Footprint — the number of acres of rice that are needed to support habitat for waterfowl, shorebirds and other critical species in the Sacramento Valley. It is the acres needed to support our mills, dryers and businesses in the region. It is the number of acres needed to support our communities.

The Rice Footprint, which will be based on UC Davis research, will be the habitat, floodplain and economic argument for a continuing and vibrant rice industry. One that is critical to the Sacramento Valley for the unique benefits that working ricelands provide. The Rice Footprint will be a leverage point for the CRC to work with policy makers to develop voluntary programs to ensure that rice stays in production and viewed less as a source for fallowed acres during the next drought.

A handwritten signature in green ink that reads "Timothy A. Johnson". The signature is fluid and cursive.

TIM JOHNSON

President & CEO
California Rice Commission



“ **THE CRC CONTINUES TO BE A LEADER** utilizing the strategic planning process, being forward-thinking with the innovative rice footprint initiative and delivering results across numerous critical areas for our industry.

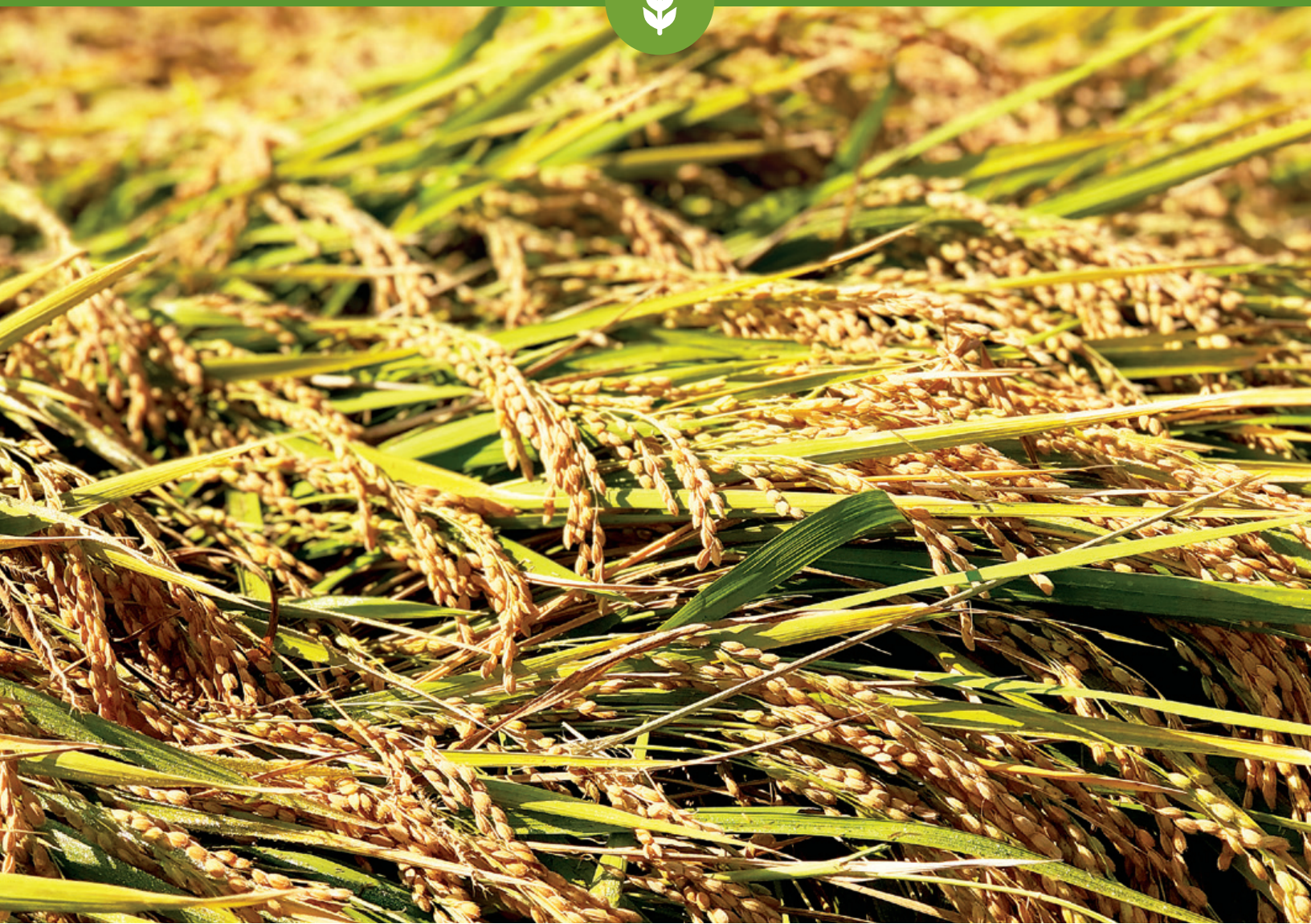
RICK RHODY

Chairman | California Rice Commission



REGULATORY COMPLIANCE

Focus on Crop Protection



The CRC continues its 20-year focus on work to support existing crop protection tools and bring new active ingredients into the market.

Some of the significant wins in 2023 include:

Loyant

Working with Corteva, this material was registered for use after nearly a 7 year effort.

Intrepid

Ending the 8-year cycle of relying on Section 18s for emergency use, Intrepid was fully registered for use on rice to control armyworm.

In addition, significant work on Zembu, a promising new grass material, Coragen for armyworm control, an IR-4 Project to develop residue data on an herbicide as spot treatment for weedy rice, and the herbicide to support the ROXY Rice Production System were ongoing.

We are pleased to report that Roberta Firoved will continue as a pesticide consultant for the CRC, ensuring that this important work is ongoing.

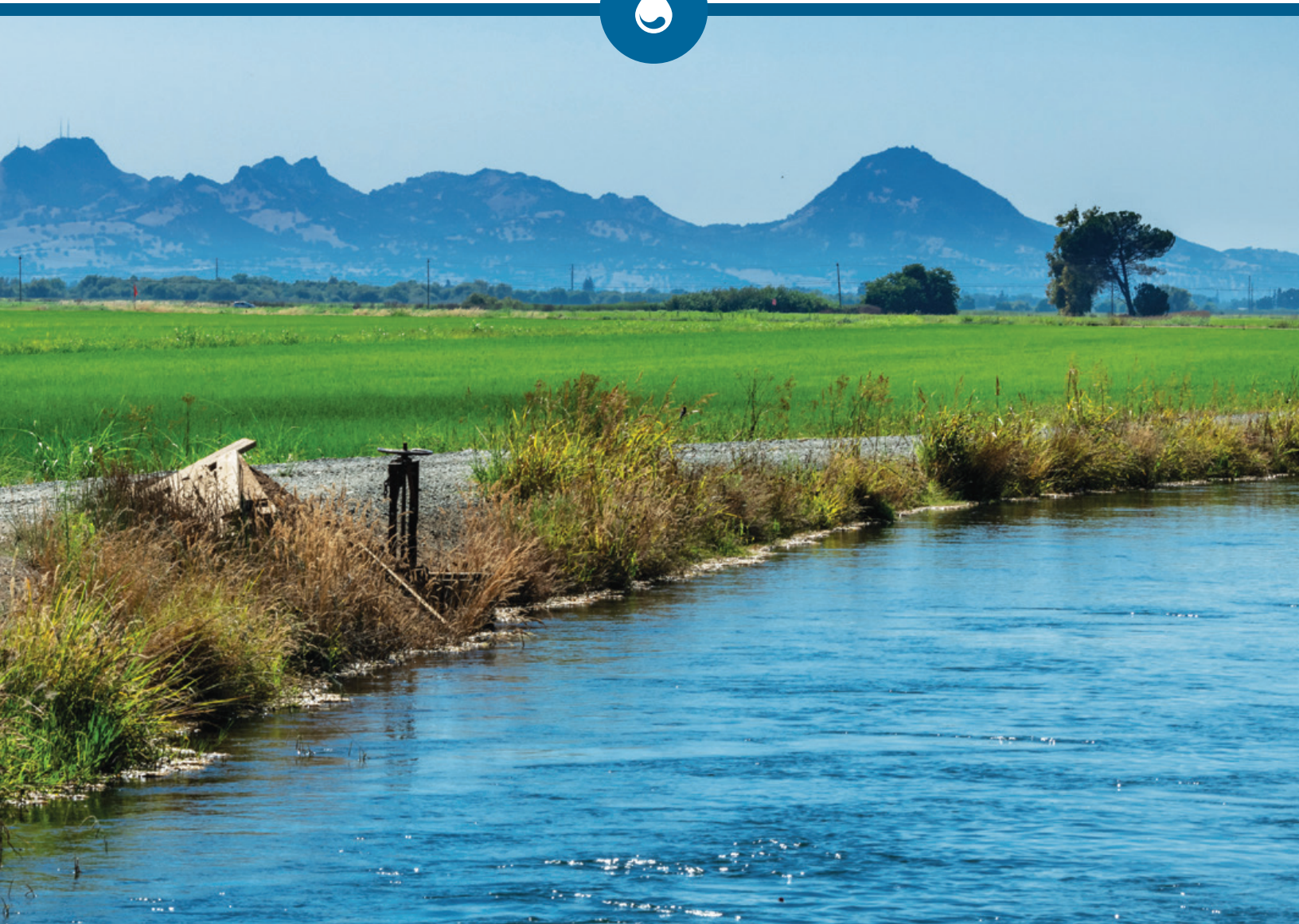


“CHALLENGES FOR OUR INDUSTRY are not new. But the constant champion for us, through it all, has been the CRC.

KIM GALLAGHER | Rice Grower

REGULATORY COMPLIANCE

Water Quality Programs



The CRC continues to proactively manage challenges and regulation in the water quality programs.

The Rice Pesticide Program thiobencarb results reported zero exceedances of water quality objectives and two detections above performance goals in the westside of the Sacramento Valley. The CRC is actively communicating with the Department of Pesticide Regulation, the Regional Water Board and stakeholders to review management practices and address concerns.

The Rice Waste Discharge Requirements (WDR) reported no exceedances of water quality standards in surface water or groundwater.

The Pyrethroid TMDL monitoring reported toxicity detections in water and sediment at one monitoring location. The CRC will address a potential need for pyrethroid management practices with the Regional Water Board.

The CRC is working with industry experts and the Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) to model salinity



contribution from rice cultivation. We are contributing to the Management Zone addressing nitrate impacts to groundwater in a portion of the Yolo subbasin.

Groundwater recharge was a popular topic with the Sustainable Groundwater Management Act (SGMA) practitioners and the agricultural community with above average rain the valley. The CRC produced a report, Rice Land Use and SGMA Implementation, describing the general unsuitable nature of rice fields for groundwater recharge based on industry research. The report was shared with Groundwater Sustainability Agencies, water districts, and other stakeholders.



“ **THE CRC’S STEADFAST APPROACH** in taking regulatory and government issues head-on allows us all to be successful.

JOHN CECIL | Rice Grower

Policy



FEDERAL

There is nothing bigger in Washington D.C. this year for agriculture than the farm bill. Written every 5 years, the landmark bill sets target prices, directs crop insurance and enables conservation programs.

Working with USA Rice in the year ramping up to the bill, we are advocating that crop insurance be maintained at current levels (with flexibility on the 1 in 4 planting requirement for droughts) and an increase in the reference price for rice.

Our advocates in Washington expect a farm bill in early 2024 and are confident that crop insurance will remain intact. Achieving an increase in reference price will be a more politically driven outcome set in the context of a closely divided congress.



STATE

Collaborating with NCWA, rice joined others in agriculture to beat back three bills that would have fundamentally changed water rights in the state. A unified message and great advocacy resulted in decisive wins.

We also worked closely with Assemblymember Aguiar-Curry to successfully pass a bill that allowed for growers and handlers impacted by the 2022 drought to still run for CRC board seats.



“ WITH THE CRC, we get a voice and a vote in the next Farm Bill.

TOM BUTLER | Rice Grower

Trade



The 2023 rice crop increases the likelihood of export recovery in 2024.

The 2022 crop year brought a lot of challenges in maintaining export markets with record high prices caused by slim supplies available outside of the domestic market. However, with a recovery of acreage in 2023, we should also see a recovery of traditional exports.

Marketers have laid the groundwork for a return to “normal” with customers in Korea, Japan, and Taiwan. Additionally, with travel restrictions fully lifted, marketers also returned to the traditional trade shows like Gulfood Show in Dubai, SIAL Paris, and ANUGA in Germany.

With sufficient stocks and competitive pricing, Calrose shipments to the Middle East are expected to pick up after a several-year hiatus. Planning has begun for a seminar with Middle Eastern buyers at the Anuga food show in Frankfurt and a reverse trade mission with Turkish buyers in 2024.

USDA announced in September that they would provide nearly \$1.4 billion to assist in international marketing and promotions, building on the success of the Market Access Program and Foreign Market Development Programs. USA Rice plans to apply for a portion of this significant funding that will allow the industry to develop a larger, longer-term investment in recovering lost export markets, build new markets, and overcome continuous hurdles, like maximum residue levels.

As for specific CRC-funded promotions to help move the 2023 crop, the International Marketing & Promotion Committee increased its promotion efforts by funding new contracts for promotional campaigns in Jordan and West Bank.



Air Quality Efforts



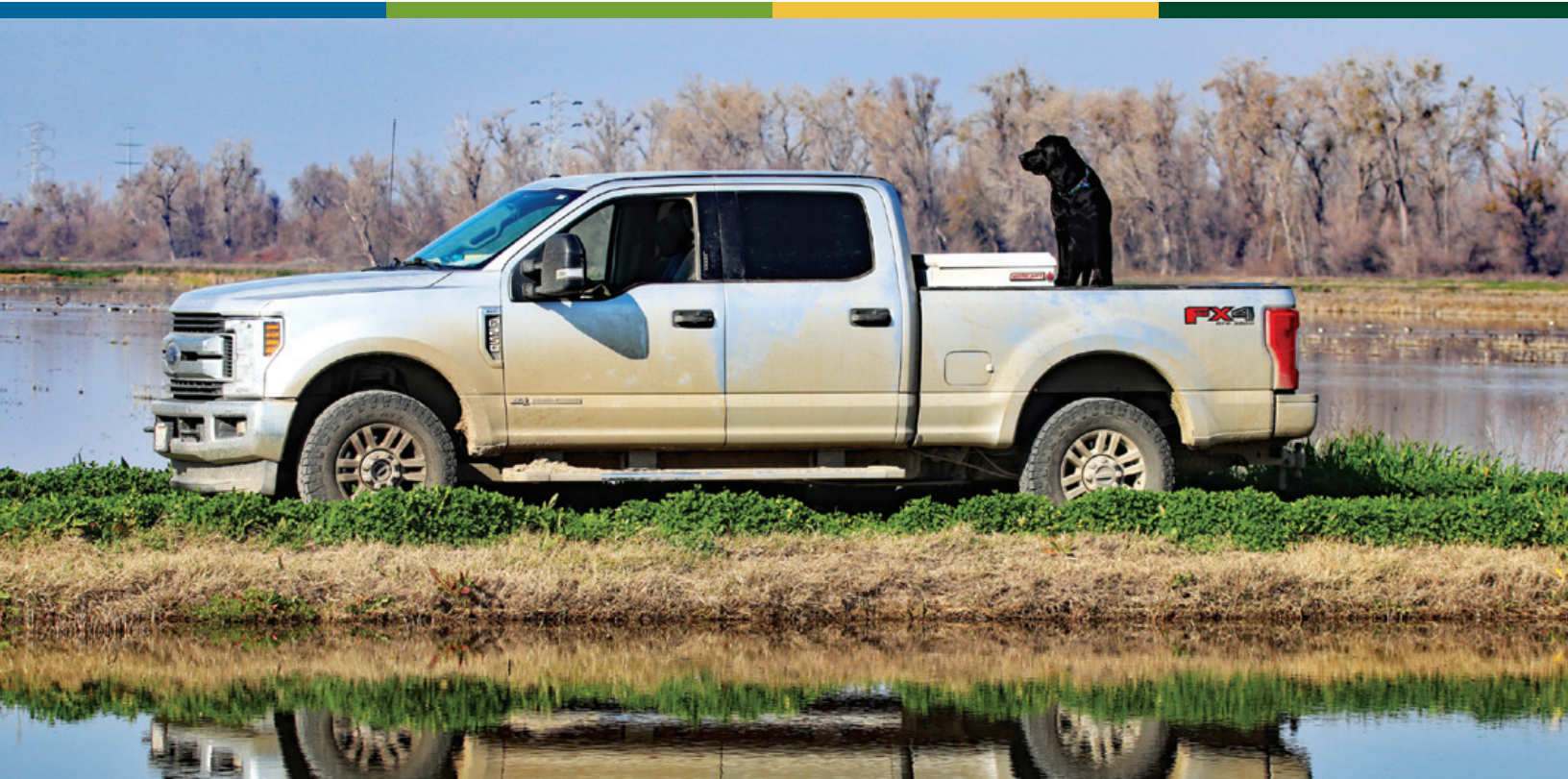
Zero-emission Vehicles (ZEV) and climate-related regulations continued to dominate the California air quality regulatory agenda in 2023.

Fueled by aggressive climate pollution reduction targets established by State policies, these initiatives will change on-road and off-road equipment used in agricultural operations in the coming decades.

CRC continued its work with other agricultural groups to weigh-in on California's ZEV measures affecting agriculture and we are hopeful our efforts working with the Air Resources Board (ARB) will lead to more reasonable final proposals by the ARB, which now delayed into 2024. They will set forth a sweeping regulation to gradually electrify most agricultural forklifts which has been a significant focus for CRC as we've participated in this ongoing rulemaking process for multiple years. We have raised significant

concerns over cost-effectiveness and the ability for timely upgrades in needed electrical grid capacity and charging infrastructure to support the program, especially in many rural agricultural areas.

Climate policy is also advancing at the federal level as we have become engaged in the USA Rice Federation's \$80 million Climate-Smart Commodities Program, awarded by USDA. Look for voluntary opportunities, including many prioritized by CRC, to be made available for California rice farmers who are willing to implement new innovative practices supported by an estimated \$10 million in federal incentive funding expected to be allocated to California rice projects.



Wildlife Conservation



WATERBIRD PROGRAMS

CRC continued to work with state and federal agencies and other conservation partners to develop and implement conservation programs in rice and wetlands that support our riceland's unique contributions to wildlife conservation in California and beyond.

Drought Relief Waterbird Program (DRWP):

CA Dept of Water Resources (DWR) initiated this program in 2021 to help create flooded habitat on both rice fields and private wetlands during severe drought. This past year, DRWP created over 76,000 acres of habitat for waterbirds. Since 2021, DWR has provided more than \$13 million to support flooding habitat. We appreciate this DWR partnership to help wildlife during the critical drought period and continuing habitat investments.

California Winter Rice Habitat Incentive Program (CWRHIP):

In 2021, CA Dept of Fish and Wildlife invited CRC to administer this program. This transfer allowed for more flexibility which helped to increase participation. This work is important in maintaining post-harvest flooding, which is so critical to the Pacific Flyway.

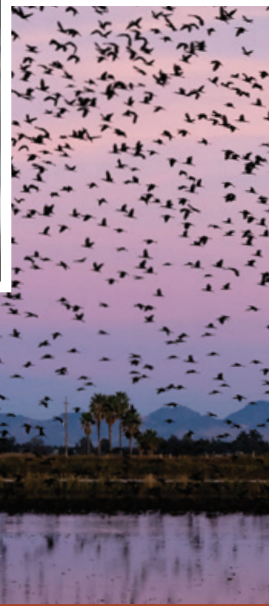


Regional Conservation Partnership Program (RCPP):

This program was approved in 2020 and provides financial assistance (more than \$2 million so far) to implement an array of conservation practices on agricultural lands, including flooding for habitat, cover cropping and other habitat enhancements.

California Ricelands Waterbird Foundation (Bid4Birds):

Our Foundation continues to expand and provide growers with opportunities to create critical habitat by implementing targeted seasonal flooding for migratory birds.



“ THE CRC'S CONSERVATION PROGRAMS further expand the incredible environmental benefits our land creates. The work done on habitat programs directly connects to the work we do in the field, benefitting waterfowl, fish and other at-risk species.

PETER RYSTROM | Rice Grower

GREAT FIELD SEASON FOR OUR RICELANDS SALMON PROJECT

Our primary objective for our fieldwork this last season was to practice the draft salmon management practice on a full-sized rice field and quantify the number of natural-origin or “wild” salmon that used the 125-acre Sutter Bypass rice field after the floodwaters had receded and to use acoustic tags on hatchery-origin salmon to evaluate outmigration success to the Pacific Ocean.

We counted 389 wild salmon that exited the field. However, due to a second bypass flood event in mid-March, we were unable to drain the whole field and count all wild fish. However, based upon the capture of nearly 400 wild salmon, we estimate there were as many as 6,000 wild salmon using the project field and potentially much more.

Near perfect bypass flooding conditions enabled us to demonstrate our ability to safely implement the management practice with federally-listed runs of salmon (winter- and spring-run) present. About 14% of the salmon were comprised of these



two runs. Using 4,500 hatchery salmon, we also replicated previous years’ results by demonstrating that the fish moved freely through all the field checks using the specially-modified rice boxes allowing for fish passage. Of the 462 acoustic-tagged fish released, more than 30 percent made it out to the San Francisco Bay.

Finally, we want to thank our major funders — USDA’s Natural Resources Conservation Service, Syngenta, State Water Contractors — and many other supporting project sponsors listed on the project website (Salmon.Calrice.org) for making this multi-year project possible.



Communications



PUBLIC EDUCATION

In a continuous effort to spread the message that California rice is a unique part of the Sacramento Valley, we are using the three tiers of media, social media and launching a new series of digital advertising campaigns to deliver our message cohesively on all fronts.

Media

Following our busiest year of media, we are still seeing high numbers with nearly 100 media inquiries. We incorporated a “News” section on the [CalRice.org](#) homepage, a compilation of positive media stories and trustworthy facts for media to source from. We continue to work side-by-side with industry members as media requests come in.

Social Media

In showcasing the unique environmental and economic benefits planted rice can offer, we are leveraging Facebook, X (formerly Twitter), Instagram and YouTube individually, to communicate with the general public or honing in on key Legislative members and policy makers.

Digital Advertisements

January 2024 will mark the launch of a new endeavor of highly-targeted digital ad campaigns. The newly developed series of ads will target legislators, their closest sphere of influencers, the civically-engaged, rice lovers and curious consumers. We are confident we can increase the level of knowledge and affinity for California rice, while also driving users to our [CalRice.org](#) webpage.

CalRice.org

48,000 page views



Facebook

31,100 followers
Reach — 400,000



YouTube

1,500 subscribers
Views — 44,000



Twitter

4,300 followers



Instagram

4,805 followers



INDUSTRY COMMUNICATIONS

Utilizing the CalRiceNews.org website and eCommunications, our members are continually informed of the latest policy, regulatory and conservation news impacting them.

Total # of eComs — **77**

News — **42**

Conservation — **19**

Drought Relief — **8**

WDR — **8**

Most read eCom: **Rice Field Day, Aug 30**

Sign up for eComs at CalRiceNews.org



“ THE NEXT CHAPTER FOR OUR INDUSTRY IS CRUCIAL and the CRC continues to outline a clear vision and set forward significant programs. The Rice Footprint will ultimately shield our industry, local communities and environment from future threats.

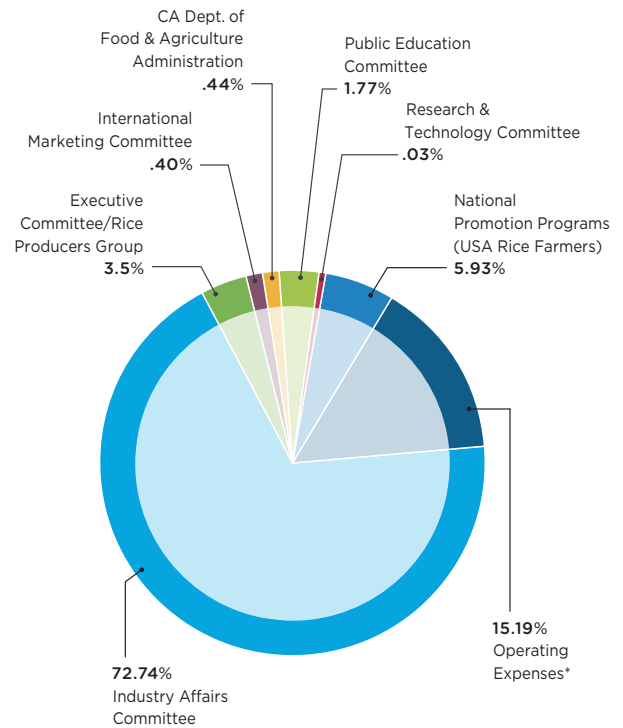
CARL HOFF | President and CEO
Butte County Rice Growers Association

Financials

STATEMENT OF FINANCIAL POSITION

	2023	2022
ASSETS		
Cash & Investments	\$13,124,176	\$11,260,784
Receivables	954,988	729,219
Prepaid Expense	247,828	36,778
Deferred Program Expense	0	0
Equipment	14,545	16,690
TOTAL ASSETS	\$14,341,539	\$12,043,471
LIABILITIES		
Accounts Payable	\$426,287	\$1,087,901
Contracts Payable	136,079	135,020
Accrued Vacation Payable	50,361	48,960
Deferred Program Revenue	4,341,630	2,573,283
Accrued Expenses	23,570	1,820
TOTAL EQUITY	\$9,363,612	\$7,705,243
TOTAL LIABILITIES & NET ASSETS	\$14,341,539	\$12,043,471

FISCAL YEAR 2022/23



STATEMENT OF ACTIVITIES

	2023	2022
Revenue	\$14,827,383	\$12,078,139
Promotion & Regulatory Expense	11,543,686	9,471,902
Operating Expense	2,078,405	2,032,569
CDFA Departmental Expense	60,510	55,998
Change in Unrestricted Net Assets	1,144,781	517,670
Unrestricted Net Assets <i>Beginning of Year</i>	12,043,471	8,610,949
Unrestricted Net Assets <i>End of Year</i>	\$14,341,539	\$12,043,471

*NOTE: Chart represents direct spending by category; operating expense not allocated to programs. Audited financial statements available upon request.

"Draft" numbers as of 12/18/23, prior to financial audit completion.

The State of California engaged in the services of the CRC to deploy groundwater, through contracts, to rice and wetland owners.

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