



March 24, 2009

**Referendum to Consider an Increase in the
Maximum Allowed Assessment Rate for the
California Rice Commission**

Voting Period Extended from March 19, 2009 to April 18, 2009

If you have already voted, please disregard this notice.

TO THE CALIFORNIA RICE HANDLER ADDRESSED:

The California Department of Food and Agriculture (Department) is currently conducting a referendum on behalf of the California Rice Commission (Commission) to consider an increase in the Commission's maximum allowable assessment rate. A summary of the change is provided below:

Summary of Proposed Change	
Current Assessment Provision	Proposed Assessment Revision
Current language in Article 6, §71120(a) allows the Commission to establish an assessment rate of up to ten cents (\$0.10) per hundredweight split equally between handlers and producers.	This proposed change would allow the Commission to establish an assessment rate of up to fifteen cents (\$0.15) per hundredweight split equally between handlers and producers.

The Commission is proposing the increase in the assessment rate cap to ensure adequate funding to address increased environmental regulatory programs and to ensure adequate funding in the event of drought.

The Commission Law states that an assessment rate greater than ten cents (\$0.10) per hundredweight may not be charged unless approved by handlers and producers pursuant to procedures in a rice industry referendum.

Voting Period Extended:

The original industry referendum was scheduled to run through March 19, 2009, but the voting period is now being extended through April 18, 2009. Such an extension is authorized under § 71102 of the Rice Commission Law in order to allow affected producers and handlers an additional opportunity to participate. The 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 submit ballots within the specified voting period in order for the referendum to be valid. This level of participation was not achieved during the original voting period. Therefore, we are extending the voting deadline. It is important to note that if this initial requirement is not met within the extended voting period, the vote fails and the proposed increase in the assessment rate cap will not be implemented.



Additional Requirements for Passage of the Proposed Increase in the Assessment Rate Cap:

If the 40% minimum participation requirement (described above) is met then one of the following must occur for both handlers and producers for the referendum to pass:

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

OR

(b) At least 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 the commodity produced/handled in the preceding marketing season.

Voting Materials:

Enclosed with this notice you will find:

- 1) A Referendum Ballot
- 2) A Postage Paid Return Envelope

Ballots have been re-mailed to all rice handlers and rice producers on record with the Commission and the Department from whom we have not yet received a ballot. Due to a lag in mailing services, it is possible that recently mailed ballots may have not yet been received and counted. Therefore, if you have already mailed your ballot, please do not resubmit another. If you qualify as an eligible rice handler and you have not yet voted, please complete the enclosed ballot and return it in the enclosed postage-paid return envelope to the Department. If you do not qualify, please check the box in the middle of the ballot indicating that you do not qualify, and return it in the enclosed postage-paid return envelope without completing the ballot.

Please note that only original ballots will be counted. Please do not copy the ballot as duplicate ballots are invalid and will not be counted. Each legal entity is entitled to ONE vote. If you are affiliated with a legal entity that did not receive a ballot, please call the Commission at (916) 387-2264 to obtain an original ballot for that entity.

Please be sure to sign your ballot. Your ballot will be invalid and will not be counted if it is unsigned.

**Please make sure that your ballot is postmarked no later than April 18, 2009.
Ballots postmarked after April 18, 2009 will be invalid and will not be counted.**

The Department encourages all handlers and producers to vote in this important referendum. Once the referendum is complete, the Department will tally the votes and notify the industry of the results. If you have questions regarding the referendum, please contact Mr. Tim Johnson, President and CEO of the California Rice Commission, at (916) 387-2264, or Jeanne Wexler at this office.

Sincerely,



Robert Maxie, Chief
Marketing Branch