

May 15, 2009

**CALIFORNIA RICE COMMISSION
ASSESSMENT RATE MAJOR AMENDMENT REFERENDUM
INVALID DUE TO LOW PARTICIPATION**

TO THE CALIFORNIA RICE PRODUCER/HANDLER ADDRESSED:

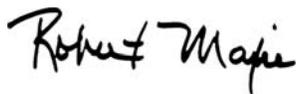
The California Department of Food and Agriculture (Department) recently conducted a referendum on behalf of the California Rice Commission (Commission) to consider whether California rice producers and rice handlers supported an increase in the Commission's maximum allowable assessment rate. After counting the number of ballots received, the Department determined that an insufficient number of rice producers returned ballots to meet the required participation rate of 40 percent, and as a result the referendum is declared invalid.

Article 6, §71120(a) of the Commission Law allows the Commission to establish an assessment rate of up to ten cents (\$0.10) per hundredweight split equally between handlers and producers. The proposed change would have allowed the Commission to establish an assessment rate of up to fifteen cents (\$0.15), per hundredweight split equally between handlers and producers.

Commission Law requires that the for proposed change in the assessment rate to occur, at least 40 percent of the California rice handlers on record and 40 percent of rice producers on record must participate by submitting valid ballots within the specified voting period. The voting period for this referendum ended on April 18, 2009. It is important to note that if this participation requirement is not separately met for both handlers and producers, then the referendum is not valid and the proposed increase in the assessment rate cap cannot be implemented. The Department counted the ballots received and found that only 32 percent of producers submitted valid ballots. Since the 40 percent participation requirement was not met, the referendum is not valid, and the increase in the maximum cap of the assessment rate will not occur.

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

