

STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
MARKETING BRANCH



CALIFORNIA RICE RESEARCH PROGRAM

Effective September 4, 1969 and
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CALIFORNIA RICE RESEARCH PROGRAM

Table of Contents

ARTICLE I - DEFINITIONS	1
SECTION A. DEFINITION OF TERMS.	1
ARTICLE II - RICE RESEARCH BOARD	3
SECTION A. ESTABLISHMENT, MEMBERSHIP, AND TERM OF OFFICE	3
SECTION B. NOMINATION OF MEMBERS OF BOARD.	4
SECTION C. SELECTION AND APPOINTMENT OF MEMBERS OF BOARD. ..	4
SECTION D. FAILURE TO NOMINATE.	4
SECTION E. QUALIFICATION.	5
SECTION F. ALTERNATE MEMBERS.	5
SECTION G. VACANCIES.	5
SECTION H. ORGANIZATION.	5
SECTION I. EX-OFFICIO MEMBERS.	5
SECTION J. COMMITTEES.	6
SECTION K. EXPENSES.	6
SECTION L. DUTIES AND POWERS OF THE BOARD.	6
SECTION M. LIMITATION OF LIABILITY OF MEMBERS OF THE BOARD.	7
ARTICLE III - RESEARCH STUDIES	7
SECTION A. RESEARCH AUTHORIZATION.	7
SECTION B. DISSEMINATION OF RESEARCH INFORMATION.	7
ARTICLE IV - WEATHER DATA	7
SECTION A. WEATHER DATA AUTHORIZATION.	7
ARTICLE V - BUDGETS AND RATE OF ASSESSMENT	8
SECTION A. RECOMMENDATIONS OF BUDGETS AND RATE OF ASSESSMENT BY THE BOARD.	8
SECTION B. APPROVAL OF BUDGETS AND FIXING OF RATE ASSESSMENT BY THE DEPARTMENT.	8
SECTION C. PAYMENT AND COLLECTION OF ASSESSMENTS	8
SECTION D. REFUNDS.	9
SECTION E. BONDS.	9

ARTICLE VI - GENERAL PROVISIONS	10
SECTION A. ADMINISTRATIVE RULES AND REGULATIONS.	10
SECTION B. COORDINATION WITH OTHER STATE OR FEDERAL MARKETING ORDERS.	10
ARTICLE VII - BOOKS AND RECORDS	10
SECTION A. BOOKS AND RECORDS.	10
SECTION B. CONFIDENTIAL INFORMATION.	10
SECTION C. IMMUNITY.	11
ARTICLE VIII - APPEALS	11
SECTION A. APPEALS.	11
SECTION B. EFFECT OF APPEAL.	11
ARTICLE IX - DURATION OF IMMUNITIES	11
SECTION A. DURATION OF IMMUNITIES.	11
ARTICLE X - AGENTS	12
SECTION A. AGENTS.	12
ARTICLE XI - RELATION TO OTHER LEGISLATION	12
SECTION A. ANTI-TRUST LAWS.	12
ARTICLE XII - SEPARABILITY	12
SECTION A. SEPARABILITY.	12
ARTICLE XIII - EFFECTIVE TIME AND TERMINATION	13
SECTION A. EFFECTIVE TIME.	13
SECTION B. TERMINATION.	13
SECTION C. EFFECT OF TERMINATION, SUSPENSION, OR AMENDMENT. . .	13

ARTICLE I - DEFINITIONS

SECTION A. DEFINITION OF TERMS.

As used in this Program, the following terms shall have the following meanings:

1. "Act" means the California Marketing Act of 1937, Chapter 1, Part 2, Division 21 of the Agricultural Code, as amended, or as the same may be hereafter amended.
2. "Department" means the Department of Food and Agriculture of the State of California.
3. "Rice Research Program" or "Program" means, unless the context otherwise indicates, this Program which is issued by the Department pursuant to the provisions of the Act.
4. "Rice Research Board", "Advisory Board", and "Board" are synonymous and mean the Board created pursuant to Article II of this Program.
5. "Person" means an individual, partnership, firm, corporation, association, subsidiary, affiliate, or other business unit.
6. "Rice", for the purposes of this Program, means all marketable rough or "paddy" rice (*Oryza sativa* L.) produced within the State of California for milling, other commercial, or seed purposes.
7. "Producer" means any person engaged within this State in the business of producing, or causing to be produced, rice.
8. "Hundredweight" or "Cwt." are synonymous and mean one hundred (100) pounds avoirdupois, excluding tare.
9. "Sell" means to offer for sale, expose for sale, have in possession for sale, exchange, barter, or trade, rice.
10. "Ship" means to transport, or cause to be transported by any means whatsoever, rice.
11. "Market", unless the context indicates otherwise, shall be synonymous with the phrase "to market", and shall mean to sell, ship, distribute, or otherwise handle.
12. "Miller" means any person engaged within this State in the operation of milling, or receiving for milling, rice.

CALIFORNIA RICE RESEARCH PROGRAM

13. "Handle" or "Handling" means to be engaged in the business of distributing or processing rice and may include the receiving, assembling, cleaning, grading, milling, storing, or otherwise preparing for market and marketing of rice.

14. "Handler" means to be engaged in the business of handling.

15. "Fiscal Year" or "Marketing Season" are synonymous and mean the period beginning September 1 of any year and continuing through August 31 of the following year.

ARTICLE II - RICE RESEARCH BOARD

SECTION A. ESTABLISHMENT, MEMBERSHIP, AND TERM OF OFFICE

1. A Board to be known as the Rice Research Board is hereby established and shall consist of eleven (11) members to assist the Department in the administration of this Program. The Board shall be composed of producers, as herein defined.

2. There shall be an alternate member for each member of the Board. Each respective alternate shall be selected in the same manner and for the same term as the member to whom he/she is alternate member.

3. Members and alternate members shall be appointed by the Department from nominations received for that purpose.

4. The regular term of office of the members shall be three (3) years beginning with the effective date of this Program and ending July 31 of the applicable marketing season. However, to provide for a staggered term of office for appointees to the initial Board: three (3) members shall serve a one-year term; four (4) members shall serve a two-year term; and four (4) members shall serve a three-year term. The terms of office of the members of the initial Board shall be determined by lot. (*Paragraph regarding term limits amended out 10/1/91 subsequent paragraphs in this section renumbered.*)

5. Representation on the Board shall be by districts as follows:

a. District I - shall have four (4) members and their alternates and shall include all of the counties north of the southern boundaries of Mendocino, Glenn, Butte, Plumas, and Lassen Counties.

b. District II - shall have six (6) members and their alternates and shall be composed of Colusa, Sutter, and Yuba Counties. (Amended December 25, 2010)

c. District III - shall have one (1) member and his or her alternate and shall be composed of the commercial rice producing areas in California not included in Districts I, and II. (Amended December 25, 2010)

6. Notwithstanding other provisions of this Article II, and upon recommendation of the Board, the Department may appoint one (1) member and one (1) alternate member to the Board to represent the general public, in addition to the eleven (11) producer members of the Board provided for in this Section A. Such persons shall not be affiliated in any way with respect to the production or marketing of rice and shall have all the rights and privileges, including voting, of any other member or alternate member of the Board. The regular term of office of any member or respective

CALIFORNIA RICE RESEARCH PROGRAM

alternate member appointed pursuant to this subsection 7 shall be as close as possible to three (3) full years and shall terminate on July 31 during the third year of their appointments.

SECTION B. NOMINATION OF MEMBERS OF BOARD.

1. Nominations for the initial Board shall be made at the public hearing held for the purpose of formulating this Program.

2. For the purpose of obtaining nominations for subsequent Boards, the Department shall cause a meeting or meetings of producers to be held in rice producing areas in California. Such nomination meeting or meetings shall be held annually not later than July 15.

3. Insofar as practicable, producers shall nominate not less than three (3) producers eligible to serve as a member of the Board for each member position available. The purpose of three (3) or more nominees shall be to provide at least one (1) nominee for member, and at least one (1) nominee for alternate member, and at least one (1) nominee to hold in reserve (reserve alternate).

4. The Board shall recommend nomination procedures for Boards subsequent to the initial Board, including the establishment of districts, should districts be desirable.

SECTION C. SELECTION AND APPOINTMENT OF MEMBERS OF BOARD.

In appointing the members and alternate members of the initial Board, the Department shall select eleven (11) members and eleven (11) alternate members from the persons nominated at the public hearing held for the purpose of formulating this Program and such other nominations as may be received. In appointing the members and alternate members of subsequent Boards, the Department shall select the number of members and alternate members whose terms are then expiring from nominees obtained from nomination procedures held pursuant to this Program for that purpose. Appointments by the Department to the Board shall be consistent with the provisions of Sections A and B of this Article II. Insofar as practicable, the Department shall include in his appointments to the Department producers from the various geographical producing areas who are otherwise broadly representative of the rice industry of California.

SECTION D. FAILURE TO NOMINATE.

In the event nominations are not made pursuant to this Article II and within the time specified herein, the Department may select members and alternate members without regard to nominations, but who otherwise meet the requirements for members and alternate members set forth in this Article II.

CALIFORNIA RICE RESEARCH PROGRAM

SECTION E. QUALIFICATION.

Any person appointed by the Department as a member or as an alternate for a member shall qualify by filing with the Department a written acceptance and such other documents as may be required.

SECTION F. ALTERNATE MEMBERS.

An alternate member of the Board shall, in the absence of the member for whom he is alternate, sit in the place and stead of such member at any meeting of the Board and shall have all the powers, duties, and privileges of the member while attending any such meeting. In the event of the death, removal, resignation, or disqualification of the member, his/her alternate shall act in his place and stead until a successor to such member is selected and has qualified.

SECTION G. VACANCIES.

The Department shall fill any vacancies occasioned by the removal, death, resignation, or disqualification of any member or alternate member of the Rice Research Board. In making such selection, the Department may take into consideration any reserve nominees and nominations made by the remaining members of the Board.

SECTION H. ORGANIZATION.

1. The Rice Research Board shall not perform any of its duties nor exercise any of the powers herein granted when more than four (4) vacancies in its membership exist.
2. Six (6) members of the Board shall constitute a quorum if and when the Board consists of eleven (11) members and their respective alternates. Seven (7) members and their respective alternates shall constitute a quorum if and when the Board consists of twelve (12) members and their respective alternates. Any recommendation of the Board to the Department shall require an affirmative vote of a majority of the members present or alternates present and acting in the place and stead of members.

SECTION I. EX-OFFICIO MEMBERS.

Each year the Board may recommend, and the Department may approve, the participation of ex-officio members in any or all deliberations of the Board; provided, that such participants shall not be counted in determining the presence of a quorum nor may they participate in voting on matters under consideration by the Board.

CALIFORNIA RICE RESEARCH PROGRAM

SECTION J. COMMITTEES.

The Board may recommend, and the Department may appoint, such committees as may be deemed necessary to assist the Board and the Department in performing the duties authorized pursuant to this Program.

SECTION K. EXPENSES.

The members and alternate members of the Board, including ex-officio members, and of any committees established pursuant to Section J above, may be reimbursed for allowable expenses necessarily incurred by them in the performance of their duties and in the exercise of their powers hereunder. But no such member or alternate member shall receive a salary for the performance of such duties.

SECTION L. DUTIES AND POWERS OF THE BOARD.

The Board shall have the following duties and powers which may be exercised subject to the approval of the Department:

1. To administer the provisions of this Program.
2. To recommend to the Department administrative rules and regulations relating to this Program.
3. To receive and report to the Department complaints of violations of this Program.
4. To recommend to the Department amendments to this Program.
5. To assist the Department in the assessment of members of the industry and in the collection of such assessments to cover expenses incurred by the Board and the Department in the administration of this Program.
6. To assist the Department in the collection of such necessary information and data as the Department or the Board may deem necessary to the proper administration of this Program and of the Act.
7. To keep minutes, books, and records which will clearly reflect all of its meetings, acts, and transactions and to provide the Department with copies of the minutes duly certified by an authorized officer of the Board. Said minutes, books, and records shall, at all times, be subject to examination by the Department or his duly authorized representatives.
8. To employ such personnel as may be deemed necessary and to fix their compensation and terms of employment.

CALIFORNIA RICE RESEARCH PROGRAM

9. To negotiate and enter into contracts or agreements for such goods and services as may be necessary to carry out the purposes and objectives of the Rice Research Program.

SECTION M. LIMITATION OF LIABILITY OF MEMBERS OF THE BOARD.

The members and alternate members of the Rice Research Board, ex-officio members, or members and alternate members of any committees hereunder duly appointed by the Department, and the employees of such Board shall not be responsible individually in any way whatsoever to any producer or any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, person, or employee, except for their own individual acts of dishonesty or crime. No such person or employee shall be held responsible individually for any act or omission of any other member or the Board, committee, or employee. The liability of the Board, its committees, or employees shall be several and not joint and no member or alternate member shall be liable for the default of any other member or alternate member.

ARTICLE III - RESEARCH STUDIES

SECTION A. RESEARCH AUTHORIZATION.

The Rice Research Board, subject to the approval of the Department, is hereby authorized to carry on, or cause to be carried on, any necessary and proper research relating to the production, handling, marketing, or utilization of rice and to expend monies for such purposes.

SECTION B. DISSEMINATION OF RESEARCH INFORMATION.

The Advisory Board, with the approval of the Department, may release, distribute, and disseminate the results of research studies, surveys, and information obtained as a result of research to appropriate parties. Amended 4/27/79

ARTICLE IV - WEATHER DATA

SECTION A. WEATHER DATA AUTHORIZATION.

The Rice Research Board, subject to the approval of the Department, is hereby authorized to gather and disseminate or cause to be gathered and disseminated, weather data to rice producers, and to any persons providing services relating to the production of rice when the data is necessary to aid in any manner in the production or harvesting of rice. Amended 5/3/85

ARTICLE V - BUDGETS AND RATE OF ASSESSMENT

SECTION A RECOMMENDATIONS OF BUDGETS AND RATE OF ASSESSMENT BY THE BOARD.

At the beginning of each fiscal year hereunder and as may be necessary thereafter, the Board shall recommend to the Department, budgets of estimated expenditures and reserves for the administration of this Program and the activities authorized hereunder. The Board shall also recommend a rate of assessment calculated to provide adequate funds to defray the proposed expenditures and reserves as set forth in such budget or budgets; provided, such recommended rate of assessment shall not exceed eight cents (\$0.08) per hundredweight (Cwt), or the equivalent thereof, of dry rough ("paddy") rice (Amended 8/4/1980, 9/7/1994, and 3/1/2004)

SECTION B. APPROVAL OF BUDGETS AND FIXING OF RATE ASSESSMENT BY THE DEPARTMENT.

If the Department finds that the recommended budgets and rate of assessment are proper and equitable and calculated to provide such funds as may be necessary to properly carry out the provisions of the Program, the Department may approve such budgets and rate of assessment; provided, however, that in no event shall such rate of assessment exceed eight cents (\$0.08) per hundredweight (Cwt), or the equivalent thereof, of dry rough ("paddy") rice. (Amended 9/7/1994 and 3/1/2004)

SECTION C. PAYMENT AND COLLECTION OF ASSESSMENTS

1. Assessments on Milled, etc., Rice. The obligation to pay assessments under this Program shall apply to the producer for all rice marketed by him/her. To facilitate collection, each miller or handler of rice shall pay the applicable assessment on all rice received by him /her from a producer at the rate approved by the Department pursuant to the provisions of this Program. The miller or handler may, however, deduct any assessment paid for and on behalf of a producer from any money owed by the miller or handler to the producers.

2. Assessments on Seed Rice. Assessments on seed rice shall be due at the time such rice is marketed or used as seed and may be collected from the handler performing the cleaning or from the producer or other person for whom the cleaning is performed. In the event that a handler who cleans seed rice pays the assessment, such handler may add such assessment to any amount charged to the producer or other person for whom such cleaning service is performed.

3. Assessments on CCC Rice. Assessments on rice put under loan to the Commodity Credit Corporation (CCC) or any successor to said CCC may be collected through arrangements with said CCC for the deduction and payment of such assessments on behalf of producers, or such

CALIFORNIA RICE RESEARCH PROGRAM

assessments may be collected from millers or other handlers who handle such rice on behalf of producers, or such assessments may be collected directly from producers. The Department may verify that proper payment has been made pursuant to this subsection.

4. Failure to Pay - Penalty. Any assessment levied hereunder shall be payable only one time, shall constitute a personal debt of every person so assessed, and shall be due and payable to the Department upon demand. In the event of failure of any person to pay any assessment hereunder, the Department may file a complaint against such person in a State court of competent jurisdiction for the collection thereof pursuant to the provisions of Section 58929 of the Act. The Department may add to any unpaid assessment a collection expense penalty not to exceed ten percent (10%) of such unpaid assessment.

SECTION D. REFUNDS.

Any money collected as assessments during a marketing season and not expended in connection with this Program may, at the discretion of the Department, be refunded after the close of any marketing season upon a pro rata basis to all persons from whom assessments were collected; or all or a portion of such money as may be recommended by the Board and approved by the Department may be carried over into the next marketing season if the Department finds that such money may be required in defraying the costs of this Program in such succeeding season.

SECTION E. BONDS.

The Department may require that any and all persons handling substantial funds collected pursuant to the provisions of this Program shall execute and deliver to the Department a bond or bonds in such amount as the Department may designate with surety thereon satisfactory to the Department, conditioned upon the faithful performance of the duties of such person pursuant to the provisions of this Research Program.

CALIFORNIA RICE RESEARCH PROGRAM

ARTICLE VI - GENERAL PROVISIONS

SECTION A. ADMINISTRATIVE RULES AND REGULATIONS.

Upon the recommendation of the Rice Research Board, the Department is authorized to issue and make effective administrative rules and regulations and interpretations of terms as provided for under Article 18 of the Act.

SECTION B. COORDINATION WITH OTHER STATE OR FEDERAL MARKETING ORDERS.

Insofar as may be practicable, the administration of this Program may be coordinated with any other marketing order or agreement or program that may be made effective for rice under either State or Federal Statutes, or may be coordinated with State or Federal marketing orders or agreements or programs for any other commodity.

ARTICLE VII - BOOKS AND RECORDS

SECTION A. BOOKS AND RECORDS.

Any and all persons subject to the provisions of this Program shall maintain books and records reflecting their operations under this Program and shall furnish to the Department or its duly authorized or designated representatives, such information as may be, from time to time, requested by them relating to operations under this Program and shall permit the inspection by said Department, or its duly authorized or designated representatives, of such portions of such books and records as relate to operations under said Program.

SECTION B. CONFIDENTIAL INFORMATION.

Any information obtained by any person pursuant to the provisions of this Article shall be confidential and shall not be disclosed to any other person save to a person with like right to obtain the same or any attorney employed by the Department or the Board to give legal advice thereupon or by court order.

CALIFORNIA RICE RESEARCH PROGRAM

SECTION C. IMMUNITY.

No person shall be excused from attending and testifying or from producing documentary evidence before the Department in obedience to the subpoena of the Department on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transactions, matter, or thing concerning which he may be so required to testify, or produce evidence, documentary or otherwise, before the Department in obedience to a subpoena issued by the Department.

ARTICLE VIII - APPEALS

SECTION A. APPEALS.

Any person affected by this Rice Research Program may petition the Department to review any order or decision of the Board or any of its committees. Any such petition must be filed in writing setting forth the facts upon which it is based.

SECTION B. EFFECT OF APPEAL.

Pending the disposition of any appeal set forth in Section A of this Article, the parties shall abide by the order or decision of said Board, unless the Department shall rule otherwise. The Department shall, if the facts stated show reasonable grounds, grant any order or decision upon which an appeal is taken.

ARTICLE IX - DURATION OF IMMUNITIES

SECTION A. DURATION OF IMMUNITIES.

The benefits, privileges, and immunities conferred by virtue of the provisions hereof shall cease upon its termination, except with respect to acts done under and during the time the provisions hereof are in force and effect.

CALIFORNIA RICE RESEARCH PROGRAM

ARTICLE X - AGENTS

SECTION A. AGENTS.

The Department may, by designation in writing, name any person or persons, including officers or employees of the California Department of Food and Agriculture, to act as its agent or agents, with respect to any provision of this Rice Research Program.

ARTICLE XI - RELATION TO OTHER LEGISLATION

SECTION A. ANTI-TRUST LAWS.

In any civil or criminal action or proceeding for violation of the Cartwright Act, the Unfair Practices Act, the Fair Trade Act, Section 16600 of the Business and Professions Code, or any rule of statutory or common law against monopolies or combinations in restraint of trade, proof that the act complained of was done in compliance with the provisions of this Program and in furtherance of the purposes and provisions of the Act shall be a complete defense to such action or proceeding.

ARTICLE XII - SEPARABILITY

SECTION A. SEPARABILITY.

If any provision hereof is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder hereof, or the applicability thereof to any other person, circumstance, or thing, shall not be affected thereby.

ARTICLE XIII - EFFECTIVE TIME AND TERMINATION

SECTION A. EFFECTIVE TIME.

This program shall become effective on the date specified by the Department and shall continue in effect until suspended or terminated by the Department or by operation of law in accordance with the provisions of the Act; provided, that beginning in 1985 and every fifth (5th) year thereafter, the Department shall conduct a referendum of producers to determine whether or not this Program should be terminated or continued. If the Department finds that a majority by number of those producers voting in the referendum have voted in favor of continuation, the Department shall continue the Program. (Amended 9/7/94)

SECTION B. TERMINATION.

Pursuant to the provisions of Section 59081 of the Food and Agricultural Code, the Department shall suspend or terminate this Program, or any provision thereof, whenever he finds, after public hearing duly noticed and held in accordance with the provisions of Article 6 of Chapter 1, Division 21 of said Food and Agricultural Code, that this Program, or any provisions thereof, is contrary to or does not tend to effectuate the declared purposes or provisions of the Act within the standards and subject to the limitations and restrictions therein imposed; provided, that such suspension or termination shall not become effective until expiration of the then current marketing season. The Department shall also suspend the provisions or terminate this Program in accordance with the provisions of Sections 59082, 59084, or 59085 of the Act.

SECTION C. EFFECT OF TERMINATION, SUSPENSION, OR AMENDMENT.

Unless otherwise expressly provided for in the notice of amendment, suspension, or termination, no amendment, suspension, or termination of the Program issued by the Department shall (a) affect, waive, or terminate any right, duty, obligation, or liability which shall have arisen or may thereafter arise in connection with any other provisions of said Program not so amended, suspended, or terminated; (b) release, condone, or dismiss any violation of said Program occurring prior to the effective time of such amendment, suspension, or termination; (c) affect or impair any right or remedy of the Department or of any person with respect to any such violation; or (d) affect any liabilities pursuant to the provisions of this Program.