

PRESS RELEASE

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American AgCredit Donates \$25,000 To Support Russian River Grower Community Water Rights

SANTA ROSA, CA (October 2011) -- American AgCredit, the nation's 8th largest Farm Credit cooperative, has agreed to donate \$25,000 to the California Farm Bureau Federation (CFBF) to support efforts to overturn the recently-adopted Russian River Frost Regulation, passed on September 20th by the State Water Resources Control Board (SWRCB).

According to the regulation, beginning March 15, 2012, through May 15, 2012, any diversion of water from the Russian River stream system for frost protection purposes is unreasonable unless it is diverted in accordance with a board approved water demand management program (WDMP), which requires water users to prove that their diversions do not contribute to changes in stream stage that may strand young fish. The WDMP would require water users to develop a comprehensive stream stage monitoring program established in coordination with the National Marine Fisheries Service (NMFS) and California Department of Fish and Game (DFG) to track usage and enforce WDMP compliance. In addition, wherever that monitoring program indicates that a diversion may contribute to stranding, the WDMP is required to develop corrective actions that the individual water user is then required to implement. The regulation itself affects Mendocino and Sonoma Counties downstream of Lake Mendocino and Lake Sonoma.

"While American AgCredit acknowledges the importance of monitoring and tracking water usage, enforced compliance sets a dangerous precedent," said American AgCredit CEO Ron Carli. "By singling out frost protection over other uses creates an undue burden on the region's growers. We

believe that this issue deserves another look, and should focus on preserving the watershed for all uses."

The petitioners against the regulation include four individual area growers, and a coalition group called Russian River Water Users for the Environment. They intend to challenge the regulation through litigation and by challenging the State Water Board's authority over such regulation.

According to Jack Rice, Associate Counsel of the California Farm Bureau Federation, "Farmers in the region have, and are continuing to make real world improvements for our fishery resources. Disregarding this extraordinary progress, the SWRCB used the wrong process to adopt a regulation that is not adequately supported by science, does not take into account whether individuals are actually posing a threat of stranding, and disregarded the value and integrity of water rights. By saying a diversion is unreasonable unless certain conditions are met, the Water Board is basically saying that there isn't a water right unless those conditions are met. For these reasons we are reaching out to the agricultural community to protect their water rights by supporting efforts to ensure the SWRCB uses sound science and follows the proper procedure when making decisions that significantly affect water rights."

Rice added that the CFBF is assisting its members by gathering supporting funds to overturn the regulation.

A copy of the adopted regulation can be found on the SWRCB website: http://www.waterboards.ca.gov/waterrights/water_issues/programs/hearings/russian_river_frost/docs/adptd_reg092011.pdf.

About Farm Bureau

The California Farm Bureau Federation is a non-governmental, non-profit, voluntary membership California corporation whose purpose is to protect and promote agricultural interests throughout the state of California and to find solutions to the problems of the farm, the farm home and the rural community. Farm Bureau is California's largest farm organization, comprised of 53 county Farm Bureaus currently representing approximately 76,500 agricultural and associate members in 56 counties. Farm Bureau strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California's resources.

The policies and programs of Farm Bureau are developed from grassroots recommendations originating at the community and county Farm Bureau levels. From these recommendations, tentative

policy resolutions are prepared and submitted to the CFBF House of Delegates for action at its annual meeting each December.

About American AgCredit

Founded in 1916, American AgCredit is part of the cooperative nationwide Farm Credit System, and is the nation's 8th largest Farm Credit cooperative. American AgCredit specializes in providing financial services to agriculture and rural customers throughout California, Nevada, central Kansas and northern Oklahoma, as well as to capital markets customers in 31 states across the nation.

Financial services provided by American AgCredit include production and mortgage financing, crop insurance, equipment and vehicle leasing, lines of credit, and the Young, Beginning and Small farmer program. In addition, the Association provides interest-free loans for qualifying 4-H and FFA AgYouth programs, as well as college scholarships to young people interested in agriculture.

For more information about American AgCredit's financial services, call 800-800-4865 or visit the website at www.agloan.com for a listing of offices by region.

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