

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CA CITRUS ADVISORY COMMITTEE MEETING (CCAC)
Bakersfield, CA
Meeting Minutes
September 25, 2008

Members

Robert LoBue
David Hines
Ron Matik
Doug Carman
James Sherwood
Etienne Rabe
Brett Kirkpatrick

CDFA Representatives

Rick Jensen
Amadou Ba
Steve Patton
Jeff Cesca
Andrew Valero
Brian Cote

Interested Parties

Thomas Nyberg, Fresno County
Myron Kimmel, Kern County
Ruben Arroyo, Kern County
Marilyn Kinoshita, Tulare County
Bob Blakely, CCM
Vic Tolomeo, NASS
Henry Gonzales, Ventura County
Kerry Dufraim, Ventura County
Bob Salcedo, CCGA

ITEM 1: ROLL CALL

Mr. Brett Kirkpatrick called the meeting to order at 10:09. Roll was called and a quorum was not established.

ITEM 2: APPROVAL OF MEETING MINUTES

Action items held until next meeting.

ITEM 3: CDFA REPORTS

A. Citrus Assessment Regulation Update

Dr. Amadou Ba provided an update on the citrus assessment regulation. On May 2, 2008, the California Department of Food and Agriculture (CDFA) published a proposed regulation concerning citrus assessments with the Office of Administrative Law (OAL) for a 45-day comment period. After consultation with CDFA's Legal Office and OAL staff, the proposed regulation was modified for resubmittal as a 15-day notice. In the 15-day proposed rulemaking, the Department is proposing to add a new regulation section 1430.142 which will principally implement FAC sections 48000 through 48003 by providing for "Citrus Assessments" paid by producers of Naval oranges, Valencia oranges, lemons, and mandarin citrus grown in specified counties in the State. The assessment rates on the various types of citrus are set at the maximum rates permitted by Food and Agricultural Code section 48002(a), to permit the replenishment of the reserve fund used for citrus inspections during freeze years. In this rulemaking, regulation section 1430.44.5 is proposed for repeal. This regulation provides for an assessment on Naval and Valencia oranges based upon previously existing language of

FAC sections 48000 through 48004. This regulation is obsolete and overlaps with the adoption of new regulation section 1430.142. Dr. Ba announced that CDFA requested the proposed citrus assessment change to take effect on October 1, 2008.

Dr. Ba highlighted the financial display, which was included for review in the 15-day proposed rulemaking record. The new assessment is expected to provide approximately \$133,313 to the freeze reserve. Mr. Rick Jensen provided a timeline of the efforts for implementing the proposed regulation. The members subsequently discussed issues related to the proposed citrus assessment change.

B. Crop Acreage Survey Update

Mr. Vic Tolomeo presented an update to the committee on the crop acreage survey. The Citrus Acreage Survey was designed to collect all citrus acreage in California. The National Agricultural Statistics Service (NASS) maintains a fruit acreage database, which serves as the main source for questionnaire mailing. In January 2008, growers on this database were sent a questionnaire with previously reported crop, variety, trees, acreage, and planting information preprinted. In August, a second mailing was sent to all operators who had not responded to the first. In addition, a sample of operations, which had reported earlier in the year, was re-contacted to verify current acreage numbers. NASS personnel conducted telephone follow-ups of mail non-respondents. Field personnel made personal visits to large growers and those NASS could not contact by mail or telephone. Mr. Tolomeo indicated the difficulty of obtaining a 100 percent enumeration and some growers were missed. Mr. Tolomeo added that this year's response to the survey has been good. The survey report will be released November 21, 2008. Right now, in the central valley 130,000 acres of navels were recorded. The major aspects to the acreage survey are, 1) get a number, 2) get the varieties, and 3) get the trees per acre, where they are planted and the age of the trees, and from this information, selective measurements samples are taken. Every year brings in new information from previous year. The members' discussion continued on survey details.

Copy of survey is attached as Exhibit A.

C. Navel OM Forecast

Mr. Tolomeo presented an update on the navel objective measurement survey. Fieldwork started on July 21 – August 19, 2008 for the September 1 forecast. Once a grove is randomly chosen and grower permission is granted, two trees are randomly selected. Trunk and branch measurements, along with fruit counts, are then made on each tree. Fruit diameter measurements are made on the right quadrant of four trees surrounding the two trees of every third grove. Mr. Tolomeo explained that the samples, by county, fairly closely match what the samples are in the number of acres. Over time, the average set per tree and the trees per acre have gone up nicely from

2000 to current. This year's forecast is 64,000,000 cartons, which the industry believes to be low. The members continued discussions.

D. State Pro Rata and Departmental Service Charges

Dr. Ba discussed the state pro rata and departmental service charges. CDFA Financial Services wanted to charge all programs a service charge that would have come to \$90,000 for the Citrus Program. However, Financial Services decided to rescind the service charges. The state pro rata will continue to be applied to the committee's budget; however, the departmental services fee will not be applied. Mr. Jensen explained that pro rata is an overhead assessment to fund state operations, the fair share of conducting business. Department of Finance gives each State Department an amount and that is divided between all Continuously Appropriated budgets, which is currently approximately five percent of the total budget.

E. Conduct of Audit by the Market Enforcement Branch

Dr. Ba explained that he attended a meeting with the Market Enforcement Branch, which has knowledge of auditing at a reasonable cost, about \$600.00 per audit. The plan is to develop a Memorandum of Understanding (MOU) with the Market Enforcement Branch for implementing some audits in the near future with cost sharing between the Standardization and Citrus Programs. Mr. Jensen stated that outreach is needed so that everyone receives a letter outlining what we are collecting and what the audit is covering. After discussion, the CCAC members agreed that CCAC has limited resources right now and will defer their participation in the auditing process to a future date. The members subsequently discussed issues related to the definition of a standard shipping container.

Mr. Jensen suggested a subcommittee be created, to work with Standardization on identifying what the citrus industry wants to do regarding starting regulations to assess fees on standard shipping container or on weight. The following members volunteered to be on the subcommittee:

Mr. James Sherwood
Mr. Ron Matik
Dr. Etienne Rabe (Subcommittee Chair)

The subcommittee would get input from Mr. Bob Blakely of California Citrus Mutual and Mr. Vic Tolomeo and report back to the CCAC. The aim is to have this finished by the middle of 2009. The subcommittee will present a report at the next meeting.

ITEM 4: AGRICULTURAL COMMISSIONER'S REPORT

Mr. Ruben Arroyo discussed AB2168, and 861 regarding the regulation of 200 lb rule, and proof of ownership for roadside vendors. The Coast Commissioner group pushed forward some changes in section 861, foremost they are trying to eliminate the 200-pound rule on products sold to create a tighter reign on people stealing fruit and then re-selling them.

Kern County: Mr. Arroyo explained that Kern County is pushing a Light Brown Apple Moth resolution to support CDFA in eradication efforts. A Mexican Fruit Fly wing was found in a set trap several months ago, one life cycle so far; nothing more was found. Mr. Arroyo explained that Kern County is anticipating picking navel oranges the second to third week of October.

Ventura County: Mr. Henry Gonzales introduced himself as the new Agricultural Commissioner in Ventura County.

Tulare County: Ms. Marilyn Kinoshita reported that there are some citrus growers wanting to harvest tangerines for the Los Angeles markets; that currently have no color. Ms. Kinoshita understands that in Asian markets they use tangerine peels in tea, but tangerines need to be orange/yellow in color before harvesting.

ITEM 5: CHAIRPERSON'S REPORT

Mr. Kirkpatrick informed the committee that he is moving to work for Grimway Farms, a citrus packing firm in Kern County. Mr. Kirkpatrick thinks there is a mistake on page 2 of the minutes, which need to be corrected at the next meeting.

ITEM 6: NEW BUSINESS

Mr. LoBue announced due to the interest generated in the Brim A maturity test, CCM has applied for a CDFA crop grant to do a consumer study to compare Brim A to the standard 8 point ratio that is currently used. If approved, a consumer study will be done over 2-days with 200 consumers in the Chicago area in November, and again over a 2-day period in December for a total of 400 consumers. The sampling consumer group is divided into two sets, one set of people will sample the standard ratio and the other set will sample using the Brim A samples, no samples will be blind to the consumer they will know what they are tasting. Results will be made public in March 2009.

Dr. Rabe discussed the necessity of having some uniformity on the size of containers and the standardized container used by USDA is 37.5-pound which is different from the 40-pound container commonly used by the industry. Mr. David Roberts reported back

that they met with USDA and with NASS and are encouraged that USDA is willing to look at standardizing on National level.

Mr. Kirkpatrick announced that several terms are expiring; several do not want to continue on the committee. Mr. Brian Cote explained that there are six terms expiring on September 30. Mr. Cote advised Mr. LoBue that he still needs a letter of recommendation; still needs all materials for Mr. Kent Chipcase, Mr. Ron Matik, and Mr. Brett Kirkpatrick. Mr. Cote received notification that Mr. Doug Carmen and Mr. Damon Corry do not wish to continue as members. Mr. Jensen explained that the next step would be to do an announcement, a press release, and then receive recommendations and nominations.

Mr. Jensen acknowledged Mr. Cote for all the help he has provided at the meetings as he is leaving to go to Department of Corrections as of October 1, 2008.

ITEM 7: NEXT MEETING

December 11, 2008 1:00 p.m. Tulare County Agricultural Commission's Office, 4437 S Laspina Street, Tulare, CA 93274.

ITEM 8: ADJOURNMENT

The meeting adjourned at 12:14 p.m.

Respectfully submitted by:

Amadou Ba, Supervisor
Standardization Program
Inspection and Compliance Branch

AB/bc