

**Producer Review Board**  
Meeting Minutes  
June 15, 2017  
**(DRAFT)**

The Producer Review Board, Board of Directors, held this meeting on June 15, 2017, at 9:00 a.m., at the Modesto Centre Plaza, 1000 K Street, in Modesto. In attendance were:

**Members Present**

Charles Ahlem  
Jarrid Bordessa  
Wes Bylsma  
Ted De Groot  
Arie H De Jong  
Fred Douma  
Joey Fernandes  
Mike Gallo  
Craig Gordon  
Rodney Kamper  
Ron Koetsier  
Scott Magneson  
John Moons  
George te Velde

**Members Absent**

Case Van Steyn

**Alternate Members Present:**

Arlin Van Groningen

**CDFA Executive Office**

Undersecretary Jim Houston  
Michele Dias, General Counsel

**CDFA Marketing Services Division Staff**

Jeff Cesca, Director of Marketing Services  
Candace Gates, FMMO Coordinator  
Hyrum Eastman, Dairy Economic Advisor  
Donald Shippelhoute, Chief of Dairy Marketing  
Lily Ng, Supervising Auditor I  
Steven Donaldson, Research Manager

**Call to Order and Roll Call**

At 9:10 am, Chairperson Kamper welcomed everyone to the Producer Review Board (Board) meeting. Roll call was taken and Thirteen (13) of fifteen (15) members were present, establishing a quorum. Note: One member arrived later increasing attendance to fourteen (14) members present.

**Department Comments**

Chair Kamper introduced CDFA Undersecretary Jim Houston. Undersecretary Houston addressed that the trailer bill is in place and new Food and Agriculture Code Section 62757 will authorize a stand-alone quota program should the proposed California Federal Milk Marketing Order (FMMO) be approved. The stand-alone program would be funded through a producer assessment. CDFA would be authorized to collect data from handlers and cooperatives to carry out the operations. The Secretary would implement the stand-alone program based upon the recommendation of the Producer Review Board and approved through a producer referendum administered pursuant to Section 62716 and 62717 of the Food and Agriculture Code (FAC).

Undersecretary Houston stated the Board would create/provide CDFA the framework and CDFA will draft language based on the Board's recommendations. Draft language would be presented to the Board for adoption and recommendation to Secretary Ross. Upon approval, CDFA would carry-out a referendum anticipated for the fall of 2017. If approved, implementation of the stand-alone program would be contingent on approval of the FMMO.

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A member asked if the vote on the stand-alone program would be among Grade A and Grade B producers. Undersecretary Houston stated Grade A only. It was shared that bloc-voting by cooperatives is not authorized under the pooling sections within the FAC.

Undersecretary Houston briefly spoke that review of the Milk Producer Security Trust Fund (MPSTF) was being carried out to determine what other states do. However a separate process related to the MPSTF will need to be carried out since that is not in the purview of the Board.

### **Review and Approval of May 30, 2017 Meeting Minutes**

The Chair shifted to review of the May 30, 2017 meeting minutes. It was noted that board actions numbers 2015-3 and 2015-4 on page 2 and page 8 should be corrected to state 2017-3 and 2017-4. After correction were noted and made, the following action was taken:

**Board Action #2017-13** It was moved by Mr. Alhem and seconded by Mr. Douma to approve the May 30, 2017 meeting minutes as presented with corrections.

Discussion and Public Comment: No other discussion by the Board and the public.

**Vote on Board Action #2017-13:** The motion passed unanimously with thirteen (13) votes in favor and none in opposition. See attached Exhibit "A" for roll call vote.

The meeting shifted to a recap of prior meeting actions for review and discussion of data requests

### **Milk Subject to the Assessment**

The Chair asked Donald Shippelhoute to go over some of the production data regarding Grade A and Grade B milk producers. Currently forty-three dairies produce Grade B milk within California. Fifteen Grade B dairies (which on a monthly basis represents approximately 3.1 million pounds of milk) have never been Grade A. The remaining twenty-eight Grade B producers marketed Grade A milk at some point and on a monthly basis represent approximately 85.9 million pounds of milk.

Based upon Board Action 2017-5 (To assess all Grade A and Grade B milk produced in the State of CA in order to generate funds for the quota payout. Motion passed 9 to 4) CDFA General Counsel Michele Dias addressed legal considerations regarding assessing Grade B milk and out of state milk. The stand-alone program would be vulnerable to legal challenge as follows:

- Grade B milk would not benefit from a stand-alone program since Grade B cannot own quota
- Assessing out of state milk violates interstate commerce clause
- Assessing Grade A milk going out of state is of no benefit and again violates interstate commerce clause

The Board asked if the legislation could be amended to assess Grade B milk. It was noted that the current timeline does not allow for an amendment. In addition, based upon CDFA legislative hearing testimony, changes would best be introduced next year. One member asked if a producer had never been Grade A, then that Grade B producer would not pay into the program. General Counsel stated that the courts would not view that based upon a previous business decision. One member read the legislation and agreed that would be difficult to assess Grade B milk and milk from out of state. Based upon that understanding the following occurred:

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**Board Action #2017-14:** It was moved by Mr. Douma and seconded by Mr. Fernandes to amend Board Action 2017-5 (from May 30, 2017 meeting) to assess all grade A milk produced and marketed in California, and/or California grade A milk received by a California handler, to fund a stand-alone quota program.

Discussion and Public Comment: The Board was cautioned that legal challenges to assessing Grade B milk and milk from out of state could jeopardize entire stand-alone quota program. A member asked if a producer could depool under the proposed FMMO by switching to Grade B status. Staff shared that under a FMMO, it is the handler that makes the option to depool, not the producer. Another question was asked regarding just making mention of “producer” in order to assess all milk. However, it was shared that California statute for milk pooling refers to a producer with a “market milk” (Grade A) permit, therefore the generic dairy producer term would not allow for assessing all milk regardless of grade or origin.

A member of the public indicated CDFA cannot expand its taxing authority by assessing Grade B producers. In addition, CDFA lost an interstate commerce lawsuit and an assessment imposed on out of state milk would fall within the same parameters. By assessing Grade B producers and/or out of state milk producers, the stand-alone program could be subject to a lawsuit and the court would enjoin the entire stand-alone quota program, whereby quota would not be paid during the court proceedings.

Another individual agreed with the CDFA legal interpretation and felt should maintain the status quo and only assess Grade A producers at this time. Further discussions and questions were asked regarding the difference between the current California Pool Plan and the proposed FMMO:

| Aspects:         | California Pool Plan              | FMMO  |
|------------------|-----------------------------------|---|
| Depool           | Producer can become Grade B       | Plant/Handler (not producer) determines to depool |
| Mandatory Pool   | Class 1 and Class 2 Plant         | Class 1   |
| Grade A Milk     | Pooled when shipped to Pool Plant | Pooled when shipped to Pool Plant                 |
| Grade B Milk     | Not Pooled                        | Not Pooled  |
| Changes to Plan  | Approximately four months         | Approximately two to three years                  |
| Cooperative Milk | Mandatory to Pool                 | Option to Pool                                    |

**Vote on Board Action #2017-14:** The motion passed unanimously with fourteen (14) votes in favor and none in opposition. See attached Exhibit “A” for roll call vote.

The Board took a break from approximately 10:53 a.m. to 11:13 a.m.

**How the Quota payment will be calculated**

Prior meeting Board Action 2017-6 was discussed: The existing fixed spread of \$0.195/pound on solids not fat (\$1.70/cwt equivalent) and the current Regional Quota Adjusters remain the same under a stand-alone quota program. Motion passed 10 to 3.

Staff went over milk movement incentives, which included location differentials, transportation credits and allowances, and Regional Quota Adjusters (RQA). It was noted that specific criteria must be met in order for milk to receive a Transportation Allowance or Transportation Credit.

### Producer-Handler Exempt Quota

Tabled Board Action 2017-7 (from prior meeting) was discussed: Exempt quota should receive the same payout as producer quota and be funded through assessments on the same grouping of milk (Grade A and Grade B) that would fund producer quota.

Based upon a data request from the prior meeting, Staff went over Table 7 Average Monthly Value of Producer-Handler (PH70) Exempt Quota. Calculations use monthly data from the Milk Pooling Branch from January 2013 through March 2017.

|   | Value of<br>Exempt<br>PH70<br>Production<br>at Class 1<br>Price<br>(\$) | Value of<br>Exempt<br>PH70<br>Production<br>at Quota<br>Pool Price<br>(\$) | Value of<br>PH70<br>Exempt<br>Quota per<br>Pound<br>Of SNF<br>(\$/lb.) | Value of<br>Regular<br>Producer<br>Quota<br>Per Pound<br>of SNF<br>(\$/lb.) | Total Value<br>of PH70<br>Exempt<br>Quota per<br>Pound of<br>SNF<br>(\$/lb.) |
|---|---|--|--|---|--|
| Average                                 | \$4,108,915   | \$3,773,089  | \$335,825  | \$0.186   | \$0.195  |
| Percent of Regular Producer Quota Value |   |  |  |   | 100.00%      195.63%   |

Staff then went over Table 8 which is an estimate of an additional assessment rates needed to fund the Producer Handler exempt quota under a stand-alone quota program. Table 8 indicated assessment amounts needed to convert exempt quota to regular quota and convert exempt quota to a full producer handler quota value.

A member indicated the PH70's should either be able to convert the quota or that PH70's should receive the Class 1 price in order to maintain their asset. The members stated that PH70's could be given quota to make up for the taking. However it was indicated there is no authority for CDFA to increase the quota holdings for PH70's. Only legislation can grant authority to issue more quota, such as what occurred with "Blue Sky" quota issued in 1978

**Board Action #2017-15:** It was moved by Mr. De Jong and seconded by Mr. De Groot to convert Producer-Handler Type 70 exempt quota to regular quota using a ratio of 1.9563 SNF pounds to every 1 SNF pound.

Discussion and Public Comment: A member asked if a legal analysis has been done, as it appears CDFA did not have a solution/answer to the PH70 issue as it did with the Grade B/out of state milk assessment. One member indicated that only through legislation has the PH70 exemption been maintained and no other legal authority exists that would allow for compensation in excess of what is currently allowed. Another member questioned whether the motion would make PH70's whole as it is not the intent to take away from any producer. It was asked if an auxiliary assessment could fund the PH70 exemption. It was shared that a legislative change would be needed to have authority to add an auxiliary assessment. One member stated that the proposed FMMO removes the PH70 exemption and therefore no authority exists to allow for additional compensation or higher quota payment beyond the \$0.195/lb. of SNF.

A member of the public stated there are consequences to going to a FMMO and that California pooling would go away. The PH70 exemption will be removed under the FMMO due to the violation with the AMMA rules for equal compensation based upon congress's mandate for a uniform price. In order to solve the PH70 exemption issue, the industry would need to forego implementation of the proposed

FMMO. Another member of the public felt there was legal authority to honor and maintain the PH70 exemption based upon USDA's statement that CDFA could operate a stand-alone quota program. However in response it was shared the USDA stated CDFA should determine the PH70 exemption under a stand-alone program and based upon current legislation, CDFA does not have authority to issue a higher quota price other than the specified \$0.195/lb. of SNF.

**Vote on Board Action #2017-15:** The motion failed with five (5) votes in favor and nine (9) votes in opposition. See attached Exhibit "A" for roll call vote.

Based upon above discussions the following motion occurred to take action on Board Action 2017-7 from the prior meeting:

**Board Action #2017-16:** It was moved by Mr. Douma and seconded by Mr. Gordon to take action on tabled Board Action 2017-7 (Tabled by Board Action 2017-8 at May 30, 2017 meeting).

**Vote on Board Action #2017-16:** The motion passed with eleven (11) votes in favor and three (3) votes in opposition. See attached Exhibit "A" for roll call vote.

The Board discussed that Board Action 2017-7 as needed to be amended in order to be consistent with Board Action 2017-14 and therefore the following occurred:

**Board Action #2017-17:** It was moved by Mr. Koetsier and seconded by Mr. Douma, to amend Board Action 2017-7 in order to be consistent with assessed milk requirements set by Board Action #2017-14.

**Vote on Board Action #2017-17:** The motion passed with eleven (11) votes in favor and three (3) votes in opposition. See attached Exhibit "A" for roll call vote.

**Board Action #2017-7 (AS AMENDED by Board Action 2017-17):** It was moved by Mr. Douma and seconded by Mr. Magneson, that exempt quota should receive the same payout as producer quota and be funded through assessments on all grade A milk produced and marketed in California, and/or California grade A milk received by a California handler, to fund a stand-alone quota program.

Discussion and Public Comment: There was a suggestion to table this motion again in order to come up with a solution. However staff indicated that this would push the timeline out, thus creating the need for a fourth meeting, and delaying a vote in the fall. In addition, legislative authority to pay PH70's an additional amount would have to occur and based on current timeline, would not be feasible this year.

It was shared that because someone does not have what they had under the California pooling program does not provide grounds to sue based upon formation a FMMO. General comments were both in favor and against the 1 to 1 conversion of PH70 exempt quota.

**Vote on Board Action #2017-7:** The motion passed with nine (9) votes in favor and five (5) votes in opposition. See attached Exhibit "A" for roll call vote.

**The Board took a lunch break from approximately 1:11 p.m. to 2:04 p.m.**

## **Data Collection**

Prior meeting action was discussed:

- Motion: CDFA obtain the necessary information from the CA dairy industry by requiring entities to report directly to CDFA with just the specific information required to run a stand-alone quota program. Motion passed unanimously with 13 votes.

It was shared that the data collection dates will be tailored similar to the FMMO due dates. CDFA would continue collecting production by producer, but would not need to continue collection of plant receipts and usage. The Board took no further action on this item.

## **Revenue Distribution**

Prior meeting action was discussed:

- Motion: CDFA will use a settlement fund and require handlers to help manage the quota payout monies. Handlers would deduct the monies from their producers that would be required to pay an assessment and make a payment to their producers that would receive a quota payout. Handlers would either make a payment to a settlement fund or receive a payment from a settlement fund based on the difference between the total monies their producers would be assessed and the total monies their producers would receive in quota payments. Motion passed unanimously with 13 votes.

The Board took no further action on this item.

## **Funding To Operate A Stand-Alone Quota Program**

Prior meeting action was discussed:

- Motion: Use the current Milk Pooling authority and assessment rate as the basis for establishing the assessment provisions to operate the stand-alone quota program. Motion passed unanimously with 13 votes.

Staff shared that Section 62718 of the Food and Agriculture Code allows CDFA to collect an assessment up to 2.0 cents/cwt to operate the program, with the current approved assessment rate is at 1.2 cents/cwt. Based on the prior meeting request, staff anticipated the governmental cost to operate a stand-alone quota program would be approximately \$800,000 - \$900,000 per year, which would equal an assessment of approximately 0.2 cents/cwt to 0.3 cents/cwt.

The Board took no further action on this item.

## Other Quota Issues

The Board discussed other items that needed to be addressed under a stand-alone quota program (specifically):

- Shipping requirements to maintain quota-ownership qualifications
- Quota transfers

Staff shared the Food and Agriculture Code and the Pool Plan provide requirements for the ownership of quota and the eligibility to receive a quota payout from the pool. Since a stand-alone quota program will differ from the current Pooling program, criteria relating to a stand-alone quota program are required.

Current requirements include:

- Only dairies holding a market milk permit may own and receive a quota payout from the pool
- A dairy must ship to a qualified CA pool handler in order to receive a quota payout from the pool
- Quota payments cannot be made without a Grade A milk shipment associated with it to a qualified CA pool plant
- A dairy must ship milk to a pool plant or cooperative association every 60 days to retain ownership of quota
- After 60 days, quota reverts back to the pool or CDFA
- A producer may not purchase quota if the dairy has sold any quota within the last 24-month period
- A producer may not sell any quota if the dairy has purchased quota within the last 24-month period
- The PRB hears hardship cases regarding shipping and ownership requirements and provides the Secretary a recommendation either for or against relief

General discussion occurred regarding the above requirements and clarification pertaining to how milk qualifies and does not qualify as to be eligible pooled milk and therefore receive a quota payment. The Board worked on addressing what was needed under a stand-alone quota program.

**Board Action #2017-18:** It was moved by Mr. Bordessa and seconded by Mr. te Velde the following:

- Only milk subject to assessment is eligible to receive a quota payment;
- Quota payments shall not exceed the SNF quota shipped during the month;
- A dairy must ship milk qualified for a quota payment at least once every 60 days, or the producer's quota reverts back to CDFA to handle the quota as it does currently;
- A cooperative member's quota will be assigned to the cooperative and the cooperative will be treated as a single producer;
- A producer may not purchase quota if the dairy has sold any quota within the last 24-month period;
- A producer may not sell quota if the dairy has purchased any quota within the last 24-month period; and
- The PRB will continue to hear hardship cases as currently is the practice.

Discussion and Public Comment: Members discussed the value of quota and the ability to maintain quota as an asset even if a dairy were to go out of business. In addition questions were asked about the 24

month prohibition to sell quota if bought within that period of time. It was clarified that the 5 year prohibition to sell quota pertains to new issue quota.

**Vote on Board Action #2017-18:** The motion passed unanimously with fourteen (14) votes in favor and none in opposition. See attached Exhibit "A" for roll call vote.

**The Board took a break from approximately 2:25 p.m. to 2:41p.m.**

### **PERIODIC REVIEW AND RENEWAL**

Staff addressed a review and re-approval component to the stand-alone program that would be consistent with other programs assessed under the Food and Agriculture Code. Most marketing order programs are subject to a review and re-approval process once every five years. This helps determine whether or not a program is needed by the industry assessed. Staff shared that a hearing could occur where witnesses would provide testimony related to the program's continuation. Depending on testimony, CDFA could submit the re-approval to a continuation referendum.

Members indicated concern that a re-approval process devalues quota and puts into question the viability of the asset. Since the nature of the quota based program is different than that of a promotion or research program (such as the California Milk Advisory Board) it did not make sense to have a re-approval process.

**Board Action #2017-19:** It was moved by Mr. Gordon that the stand-alone quota program require a periodic review and renewal every 5 years to determine support for continuation of the program. Motion failed to move forward for lack of a second.

Discussions with CDFA staff occurred about re-approval processes. Members discussed that grievances could be addressed by the Board as an alternative to the re-approval process, thus protecting quota as asset.

**Board Action #2017-20:** It was moved by Mr. te Velde to require any changes to the stand-alone quota program start with a petition to the Producer Review Board. Motion failed to move forward for lack of a second.

Based on further discussion among the Board and CDFA the following motion occurred.

**Board Action #2017-21:** It was moved by Mr. De Jong and seconded by Mr. Gordon that no five year (periodic) review of the stand-alone program occur and any grievances or petitions be taken to the Producer Review Board. After discussion, Mr. Gordon withdrew the second and therefore motion failed to move forward for action.

Staff indicated they would take the Board's concerns back for review at CDFA.

15 minu

## CONCLUSION OF RECOMMENDATIONS

The Board concluded work needed to set up a framework for the stand-alone quota program. Members indicated their gratitude to CDFA through the following motion:

**Board Action #2017-22:** It was moved by Mr. te Velde and seconded by Mr. Ahlem that it is the Producer Review Board's desire to thank Secretary Ross for her time and support with the industry's efforts to implement a stand-alone quota program to work in conjunction with the proposed FMMO. The Board wishes to give additional thanks to CDFA staff for assisting Secretary Ross and the Board with information and data in order to make sound decisions in relation to the stand-alone quota program. The motion passed unanimously with fourteen (14) votes in favor and none in opposition.

## Next Meeting Date/Agenda Items

Based upon progress at this meeting Staff indicated six weeks would be needed to draft a proposal for the next meeting which would be scheduled for late July or early August. The Board and the public will have an opportunity to view and discuss proposed language for a stand-alone quota program at that meeting

There being no other business, the Chair adjourned the meeting at approximately 4:03 p.m.

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Milk Pooling Branch

**EXHIBIT "A"**  
**Board Motion and Roll Call Vote Tally:**

**Board Action #2017-13** It was moved by Mr. Alhem and seconded by Mr. Douma to approve the May 30, 2017 meeting minutes as presented and with corrections. The motion passed unanimously with thirteen (13) votes in favor and none in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Ted De Groot, Arie De Jong, Fred Douma, Joseph Fernandes, Michael Gallo, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by: None**

**Board Action #2017-14:** It was moved by Mr. Douma and seconded by Mr. Fernandes to amend Board Action 2017-5 (from May 30, 2017 meeting) to assess all grade A milk produced and marketed in California, and/or California grade A milk received by a California handler, to fund a stand-alone quota program. The motion passed unanimously with fourteen (14) votes in favor and none in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Ted De Groot, Arie De Jong, Fred Douma, Joseph Fernandes, Michael Gallo, Craig Gordon, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by: None**

**Board Action #2017-15:** It was moved by Mr. De Jong and seconded by Mr. De Groot to convert Producer-Handler Type 70 exempt quota to regular quota using a ratio of 1.9563 SNF pounds to every 1 SNF pound. The motion failed with five (5) votes in favor and nine (9) votes in opposition.

**YES Votes by:** Ted De Groot, Arie De Jong, Michael Gallo, Craig Gordon, and Rodney Kamper,

**NO Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Fred Douma, Joseph Fernandes, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**Board Action #2017-16:** It was moved by Mr. Douma and seconded by Mr. Gordon to take action on tabled Board Action 2017-7 (Tabled by Board Action 2017-8 at May 30, 2017 meeting).

Tabled Board Action #2017-7 reads as follows: It was moved by Mr. Douma and seconded by Mr. Magneson, that exempt quota should receive the same payout as producer quota and be funded through assessments on the same grouping of milk (Grade A and Grade B) that would fund producer quota.

The motion passed with eleven (11) votes in favor and three (3) votes in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Fred Douma, Joseph Fernandes, Craig Gordon, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by:** Ted De Groot, Arie De Jong, and Michael Gallo

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**Board Action #2017-17:** It was moved by Mr. Koetsier and seconded by Mr. Douma, to amend Board Action 2017-7 in order to be consistent with assessed milk requirements set by Board Action #2017-14. The motion passed with eleven (11) votes in favor and three (3) votes in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Fred Douma, Joseph Fernandes, Craig Gordon, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by:** Ted De Groot, Arie De Jong, and Michael Gallo

**Board Action #2017-7 (AS AMENDED by Board Action 2017-17):** It was moved by Mr. Douma and seconded by Mr. Magneson, that exempt quota should receive the same payout as producer quota and be funded through assessments on all grade A milk produced and marketed in California, and/or California grade A milk received by a California handler, to fund a stand-alone quota program.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Fred Douma, Joseph Fernandes, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by:** Ted De Groot, Arie De Jong, Michael Gallo, Craig Gordon and Rodney Kamper

**Board Action #2017-18:** It was moved by Mr. Bordessa and seconded by Mr. te Velde the following:

- Only milk subject to assessment is eligible to receive a quota payment;
- Quota payments shall not exceed the SNF quota shipped during the month;
- A dairy must ship milk qualified for a quota payment at least once every 60 days, or the producer's quota reverts back to CDFA to handle the quota as it does currently;
- A cooperative member's quota will be assigned to the cooperative and the cooperative will be treated as a single producer;
- A producer may not purchase quota if the dairy has sold any quota within the last 24-month period;
- A producer may not sell quota if the dairy has purchased any quota within the last 24-month period;
- The PRB will continue to hear hardship cases as currently is the practice.

The motion passed unanimously with fourteen (14) votes in favor and none in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Ted De Groot, Arie De Jong, Fred Douma, Joseph Fernandes, Michael Gallo, Craig Gordon, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by:** None

**Board Action #2017-19:** It was moved by Mr. Gordon that the stand-alone quota program require a periodic review and renewal every 5 years to determine support for continuation of the program. Motion failed to move forward for lack of a second.

**Board Action #2017-20:** It was moved by Mr. te Velde to require any changes to the stand-alone quota program start with a petition to the Producer Review Board. Motion failed to move forward for lack of a second.

**Board Action #2017-21:** It was moved by Mr. De Jong and seconded by Mr. Gordon that no five year (periodic) review of the stand-alone program occur and any grievances or petitions be taken to the Producer Review Board. After discussion, Mr. Gordon withdrew the second and therefore motion failed to move forward for action.

**Board Action #2017-22:** It was moved by Mr. te Velde and seconded by Mr. Ahlem that it is the Producer Review Board's desire to thank Secretary Ross for her time and support with the industry's efforts to implement a stand-alone quota program to work in conjunction with the proposed FMMO. The Board wishes to give additional thanks to CDFA staff for assisting Secretary Ross and the Board with information and data in order to make sound decisions in relation to the stand-alone quota program. The motion passed unanimously with fourteen (14) votes in favor and none in opposition.

**YES Votes by:** Charles Alhem, Jarrid Bordessa, Wes Bylsma, Ted De Groot, Arie De Jong, Fred Douma, Joseph Fernandes, Craig Gordon, Michael Gallo, Rodney Kamper, Ron Koetsier, Scott Magneson, John Moons, and George te Velde

**NO Votes by:** None

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