

DEPARTMENT OF FOOD AND AGRICULTURE
PROPOSED CHANGES IN THE REGULATIONS
Title 3. California Code of Regulations
Article 22. Citrus

INITIAL STATEMENT OF REASONS

DESCRIPTION OF THE PUBLIC PROBLEM, ADMINISTRATION REQUIREMENT, OR OTHER CONDITION OR CIRCUMSTANCE THE REGULATION IS INTENDED TO ADDRESS

The proposed changes are intended to protect the consumer from sub-standard citrus damaged by freezing temperatures. These changes will also provide flexibility in setting assessment rates for enforcement of inspection programs, acreage surveys and crop estimation services.

SPECIFIC PURPOSE AND FACTUAL BASIS

Current regulations allow enforcing officers to take a representative sample of oranges for later inspection that they suspect may have been damaged by a freeze. All other citrus is not subject to the same regulation. This amendment will allow the holding of all citrus to the same level of freeze inspection.

To fund a program designed for inspection based on weather (freeze) is difficult. The California Citrus Advisory Committee maintains a reserve used solely for inspection during freeze years. This reserve is built over time accumulating unused maturity inspection funds. The cost of inspection for freeze damage can vary widely based on the severity of temperatures, location and time of year when the freeze occurs, and the entire reserve could possibly be spent in one year. Giving the Secretary the flexibility to adjust assessment rates by regulation within the scale allowed by legislation is necessary to ensure adequate funding should a rare occurrence such as consecutive years in which a freeze occurs. It also allows the lowering of assessments should the reserve become adequate to cover future costs.

Crop estimates and acreage surveys are a vital counterpart of the citrus industry that provides the necessary data for producers throughout the state in determining and projecting volume, associated costs and marketability trends to facilitate their decision making.

This accessible data is also crucial in order to make the appropriate changes needed due to unforeseeable factors such as water availability, climate variations, economic factors and changing trends that may have a detrimental effect on marketability channels.

The Secretary as duly authorized and with recommendations from the California Citrus Advisory Committee needs the ability to adjust the assessment rate allocations for crop

estimates and acreage surveys to ensure that the necessary resources are available in providing the data needed on a continuous basis to secure sound information to the consumer, producer and general public.

FACTUAL BASIS FOR THE DEPARTMENT DETERMINING THE NEED FOR THE AMENDMENT OF THESE REGULATIONS:

The Secretary of the Department has proposed these regulation changes based upon recommendations from the California Citrus Advisory Committee (CCAB) and a petition received from California Citrus Mutual.

The California Citrus Advisory Committee is advisory to the Secretary on the amendment, repeal, and adoption of legislation and regulation pertaining to the administration and enforcement of the citrus industry. CCAB is comprised of eight producers, of which five are involved in the production of oranges, two involved in the production of lemons, and one involved in the production of mandarins, along with four handlers, all located in various parts of the state.

California Citrus Mutual is a grower-based organization representing over 121,000 citrus producing acres and over 2000 growers.

DOCUMENTS RELIED UPON

The Department is relying upon the following documents pertaining to the proposed regulation changes:

- Petition received from Robert D. Blakley Director of grower services for California Citrus Mutual.

ALTERNATIVES

The Department has initially determined that no alternative considered by the Department would be more effective in carrying out the purpose for which these regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulations.

ESTIMATED COSTS OR SAVINGS TO PUBLIC AGENCIES OR AFFECTED PRIVATE INDIVIDUALS OR ENTITIES

The Department of Food and Agriculture has initially determined that these proposed regulations do not impose a mandate on local agencies or school districts. The Department has also initially determined that no savings or increased costs to any State agency, no reimbursable costs or savings under "Part 7 (commencing with Section 17500) of Division 4 of the Government Code to local agencies or school districts, no nondiscretionary costs or savings to local agencies or school districts, and no costs or savings in federal funding to the State will result from the proposed action.

SMALL BUSINESS IMPACT STATEMENT

The Department has initially determined that the proposed changes to the regulations would result in no added costs to small businesses affected by these proposed changes. The proposed changes allow the assessments to be commensurate with program costs, not to exceed the maximum assessment already set by Food and Agriculture Code, Section 48002 (a). The proposed changes create a level playing field for all citrus freeze inspections.

ECONOMIC IMPACT ON AFFECTED BUSINESSES

The Department has initially determined that the proposed regulations would result in no costs to private businesses or individuals affected by these proposed regulations. This is based on the fact stated in the "SMALL BUSINESSES IMPACT STATEMENT."