



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
STANDARDIZATION ADVISORY COMMITTEE MEETING
Coalinga, CA
Meeting Minutes
October 22, 2009**

Members Present

Ruben Arroyo
Mark Perez, Jr.
Dennis Johnston
Marco DiMare
John Eliot, Jr.
Louis Pandol

CDFA Representatives

Steve Patton
Andrew Vallero
Thea Lee

Interested parties

Dennis Bray, Alameda County
Steve Schweizer, Kings County
Scotti Walker, Fresno County
Thomas Nyberg, Fresno County
Tim Pelican, Stanislaus County
Barry Bedwell, CGTFL
Ronald Pummer, San Mateo County
Dale Janzen, CTFA
Tom Reed, San Joaquin County
John Lewis, Santa Clara County

ITEM 1: ROLL CALL

Mr. Steve Patton called the meeting to order at 10:00 am; roll was called and a quorum was established. Mr. Dennis Johnston, Chairman had not yet arrived. Mr. Kerry Whitson, and Mr. Bob Nunes could not attend the meeting. Mr. Johnston arrived at 10:20 a.m. and proceeded to lead the meeting.

ITEM 2: INTRODUCTIONS AND WELCOME NEW MEMBERS

Mr. Patton welcomed the committee. Mr. Patton welcomed new members: Mr. Marco DiMare, Mr. John Eliot, and Mr. Louis Pandol. Self introductions were made.

ITEM 3: APPROVAL OF MARCH 26, 2009 AND APRIL 16, 2009 MEETING MINUTES

In the absence of the Chairman, Mr. Mark Perez, Vice Chairman, lead the meeting. Mr. Perez asked the Standardization (STDZ) Advisory Committee members to review the minutes of the March 26, 2009 meeting and the April 16, 2009 teleconference meeting minutes. Mr. Ruben Arroyo indicated that his name was misspelled on the April 16, 2009 minutes and asked that it be corrected.

MOTION: A motion was made by Mr. Eliot and seconded by Mr. Pandol to accept the March 26, 2009 as presented. The motion passed unanimously.

MOTION: A motion was made by Mr. Eliot and seconded by Mr. Pandol to accept the April 16, 2009 minutes, with the correction. The motion passed unanimously.

ITEM 4: AUDIT UPDATE

Mr. Patton reported that three financial audits had been completed, with a fourth almost complete, out of the five scheduled audits. The purpose of these audits was to make sure handlers were the correct amount of assessments. The results of the audits are for Fiscal Year (FY) 2007/2008 and FY 2008/2009. The first audit showed that the state had overcharged and owed \$300, the second audit showed that for FY 2007/2008 the state owed \$124, but was underpaid in FY 2008/2009, the result was even, and the third audit showed the correct assessment was paid.

Mr. Patton indicated the issue with overpayment is because the code specifies assessment on cartons shipped and many handlers use cartons packed. Mr. Patton indicated that these audits are worthwhile and should continue with five to ten audits per year. Mr. Eliot asked which commodities were audited. Mr. Patton stated that table grapes, lettuce, stone fruit, melon, and citrus had been audited.

ITEM 5: STATE REPORTS

A. AB 945

Mr. Patton updated the members on Assembly Bill (AB) 945. The Standardization program, every five years, has a sunset clause where the program is disbanded without additional legislation to continue it. Mr. Patton indicated that the Western Growers agreed to carry the legislation forward to continue the program. Mr. Patton informed the members that AB 945 had not been signed, but had not been vetoed either. On January 1, 2010, AB 945 will become law and the Standardization Program will continue for another five years.

B. Fund Condition

Mr. Patton reviewed the fund condition handout provided. Mr. Patton stated that the total revenue for FY 2008/2009 was a little over \$1.5 million. Mr. Patton stated that the revenue for FY 2007/2008 was slightly less than \$1.5 million due to the citrus freeze in 2007. Mr. Patton indicated that revenues were pretty stable, but there is a concern for FY 2009/2010 because of the drought, fewer acres are being planted and therefore less revenue will be generated.

Mr. Barry Bedwell had a concern regarding the budget situation and the possibility of the State raiding the reserves. Mr. Patton said that the legislature may borrow money from the fund, but must pay the monies back. The legislature can not just take the money.

C. Noncompliance Report

Mr. Patton provided the members a copy of the noncompliance report, which is based on the amount of noncompliance notifications received from the counties and broken down by commodity. Mr. Patton indicated the number of containers found in violation increased from 223,335 in FY 2007/2008 to 335,560 in FY 2008/2009; the number of noncompliances issued went up 34 percent. Mr. Patton emphasized that this was due to the diligence of the county and state inspectors. Mr. Patton stated that during the Certified Farmers' Market advisory committee meeting, discussions regarding the need for education arose. Discussion ensued regarding registrants not being familiar with the regulations. The major issue is labeling, other issues include maturity and quality. Mr. Patton suggested possibly creating a brochure or a handout that would be sent to all of the handlers registered in the Standardization Program. Mr. Patton stated that events such as the California Small Farm Conference or the World Ag Expo. are informative as well. Discussions ensued regarding best way to get information out to the handlers.

Mr. Johnston inquired if Riverside County is included in the Los Angeles market. Mr. Patton stated that Los Angeles County does not contract with CDFA; handlers must pay an annual fee to Los Angeles County which is how they fund their program. Mr. Arroyo asked if this information is coming off the Report 8. Mr. Patton responded this information comes from the non compliance reports (pink copies) the Standardization Program receives.

ITEM 6: COMMISSIONER REPORT - ASSEMBLY BILL 905

Mr. Arroyo, Kern County, provided handouts on AB 905 which amended the Food and Agriculture Code (FAC) Sections 861 and 862. Mr. Arroyo stated that previously any person with product over 200 lbs. had to provide proof of ownership; this bill decreased that 200 lbs. to 25 lbs. Mr. Arroyo noted that the bill was amended and chaptered 487 on October 11, 2009.

Mr. Patton stated that the Certified Farmers' Market members are happy about AB 905 because if they sell product to someone who is going to resell, a restaurant for example, they are required to give a memo or a receipt with the same information as a label, the identity of the product, who is selling it, and the quantity. The 25 lbs. will automatically trigger the need for the receipt.

ITEM 7: COUNTY ENFORCEMENT RESULTS FOR FY 2008/2009

Mr. Arroyo, Kern County provided handouts for several counties because the Agricultural Commissioners were unable to attend. Mr. Arroyo reviewed the following counties inspection results: Merced County and Riverside County. Mr. Patton added that Riverside County contracts for a full time Standardization Inspector who is able to visit many more locations in the Los Angeles area; most counties however utilize either

seasonal or biologists for specific commodities. Mr. Arroyo continued with the review of San Bernardino, Yolo, and Kern counties.

Mr. Dennis Bray, Alameda County provided a handout to the members and reviewed the inspection results for FY 2008/2009. Mr. Bray indicated that they have a small program, but that their presence is making a difference.

Mr. Steve Schweizer, Kings County provided a handout and reviewed the county's report. Mr. Schweizer emphasized that most of the rejections were for maturity reasons.

Mr. Tim Pelican, Stanislaus County provided a handout to the members and reviewed the breakdown of the county inspector report. Mr. Pelican stated that this was the first year in several years that the county had a contract with the State, the total contract was \$25,000; billed around \$16,000.

Mr. Ronald Pummer, San Mateo County provided a handout to the members and reviewed the county report. All inspectors work at the Golden Gate Produce terminal so there is no mileage charged.

Mr. Thomas Nyberg, Fresno County provided a handout to the members and indicated that the county significantly under spent on cherry inspections because of a major packer's closure.

Mr. Tom Reed, San Joaquin County provided a handout to the members. Mr. Reed indicated that there were not a lot of quality issues because they didn't have any rain. Mr. Reed noted that the county billed about half of what was contracted.

ITEM 8: SUBCOMMITTEE REPORT (ACTION)

A. Enforcement Locations

Mr. Patton informed the committee that Mr. Kerry Whitson, who was unable to attend the meeting, had an issue with the lack of enforcement at roadside stands and flea markets. Mr. Patton informed the members that Mr. Whitson's suggestion was to redirect some of the county funds to do more inspections of roadside stands. Member discussion ensued regarding roadside stands and flea markets.

Mr. Patton stated that a motion should be made at the March 2010 meeting after the counties have their budgets in place, to redirect some funding and do more enforcement at roadside stands and flea markets.

B. County Contract Process

Mr. Patton explained that in March the counties present proposals as to funding needed to do enforcement work; traditionally, the request would be approved because funding

was available. The number of counties participating went from seven to twelve which caused an increase in funding for FY 2003/2004. Funding went from \$450,000 in FY 2003/2004 to an increase this past year of \$795,000. The fact that there might be less revenue presents a problem. Mr. Patton explained possible solutions:

- A. Raise the assessment fee - which is not recommended.
- B. Start a midyear budget projection process, such as the State does, in January in order to know what the revenue is for approximately six months, then compare the revenue to the previous year's revenue, and use this to project the next six months.

Mr. Patton stated that based on the midyear projections CDFA will allocate funding amounts to the counties and the counties will submit a work plan based on those amounts. Discussions ensued regarding changing the contract proposal process.

MOTION: Mr. Perez made a motion to have the counties submit work plans based on a predetermined amount of funding available. Mr. DiMare seconded. The motion passed unanimously.

ITEM 9: CITRUS ASSESSMENT RECOMMENDATION

Mr. Patton reported that at a recent California Citrus Advisory Committee (CCAC) meeting, members discussed changing the way containers are assessed. The CCAC would like a standard 40-pound container used as their measure. This change will not affect the assessment the Citrus industry pays to the Standardization Program; they pay per container.

ITEM 10: TOMATO TRACEBACK: IMPERIAL COUNTY

Mr. Patton informed the committee that Ms. Charlotte Murray, Imperial County, had an issue with tomatoes this year arriving at Imperial County before being shipped to Mexico. Mr. Patton indicated that these containers could not be cleared for shipment because they did not have a grower and a lot identification number. Mr. Patton indicated that not having the grower and a lot identification number does not meet marking requirements so the product could not be shipped. Discussions ensued regarding the produce trace back system.

ITEM 11: OTHER BUSINESS

Mr. Patton distributed the Division of Inspection Services 2008 Annual Report to the members. Mr. Patton stated that he received a call from Sacramento County regarding AB945. Mr. Patton stated that Sacramento County is interested in doing inspections based on the new law. Sacramento County had questions about the Report 8 document that counties send in every month to the State. Mr. Patton indicated that some counties don't have a Standardization contract, but use the Report 8 to send a copy to the State.

Mr. Patton informed the group that the question was if Sacramento County goes out and does inspections and issues a citation for the 25 lb. violation, where would that be recorded on the form? Discussion ensued regarding the Report 8 and where such information should be recorded.

ITEM 12: NEXT MEETING

Mr. Patton will contact the committee in January 2010 to arrange the March 2010 meeting.

ITEM 13: ADJOURNMENT

The meeting was adjourned at 11:14 a.m. by the chairperson.

Respectfully submitted by:

Steve Patton, Branch Chief I
Standardization Program
Inspection and Compliance Branch

SP/tl