



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
SHIPPING POINT INSPECTION ADVISORY COMMITTEE (SPI)
April 22, 2021 Meeting Minutes
Teleconference**

MEMBERS PRESENT

Louis Pandol – Chair
Christine Ivory

MEMBERS ABSENT

Patrick Smith

INTERESTED PARTIES

Alexander Wladyszewski – United States Department of Agriculture (USDA)
Jimmy Leggett – USDA
Sabrina Thomas – California Agricultural Support Services (CASS)
Ian LeMay – California Fresh Fruit Association (CFFA)
Adam Borchard - CFFA

CDFA

Steve Patton
Kevin Batchelor
Thomas Osborn
Mitch Randhawa
Mitchell King
Theresa Stewart

ITEM 1: CALL TO ORDER – INTRODUCTIONS/ROLL CALL

The meeting was called to order by Louis Pandol, Chair, at 10:02 a.m.

ITEM 2: INTRODUCTIONS/ROLL CALL

Roll was called by Mitchell King, a quorum was established, and self-introductions were made.

ITEM 3: ELECTION OF OFFICERS

Following a period of discussion, it was decided that the election of officers would be postponed until the next meeting. Kevin Batchelor reminded the committee members that their current terms are valid until December 31, 2021.

ITEM 4: PUBLIC COMMENTS

Ian LeMay, California Fresh Fruit Association, stated that industry is expecting a strong growing season for stone fruit and other commodities.

ITEM 5: REVIEW OF MEETING MINUTES

Chair Pandol requested a motion to approve the April 30, 2019 and April 30, 2020 Meeting Minutes as presented.

MOTION: Christine Ivory moved to approve the April 30, 2019 Meeting Minutes as presented. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

MOTION: Christine Ivory moved to approve the April 30, 2020 Meeting Minutes as presented. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 6: COMMITTEE VACANCY AND TERMS REPORT

King provided the vacancy and terms report. Current vacancies include: six members who are a shipper of fruit and vegetables using the inspection certification services of CDFA; one public member; and nine alternate members. King also provided the names of members who will be eligible for reappointment as of December 31, 2021.

ITEM 7: REVIEW OF THE PROPOSED CDFA FISCAL YEAR 2021/22 BUDGET

Batchelor presented the Proposed Fiscal Year (FY) 2021/22 Budget. The total for Personal Services is \$1,712,700; Operating Expenses and Equipment totaling \$16,432,793; Departmental expenses totaling \$1,685,922; and a \$200,000 Gas Tax credit, for a Total Program Budget of \$19,631,415.

Steve Patton explained that the Secretary of CDFA had approved an increased spending authority amount for the Shipping Point Inspection Program, as part of the program's FY 2021/22 Proposed Spending Plan. This adjustment increased the program's spending authority amount from approximately \$16.7 million to \$19.6 million.

Chair Pandol noted that FY 2020/21 actual expenditures appear on track to exceed the program's authority, with \$10,566,367 spent from July 2020 through January 2021. Patton explained the majority of the costs associated with the program's contract with the Cooperative Agricultural Support Services Authority (CASS) are incurred in the first half of the FY. Additionally, because the program's budget is Continuously Appropriated, the program may request additional FY 2020/21 spending authority from the Secretary, provided that the program has the fund reserve levels necessary to accommodate the additional expenditures.

MOTION: Christine Ivory moved to approve the Proposed CDFA FY 2021/22 Budget as presented. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

i. Fund Condition Update

Batchelor presented the Fund Condition Update. As of January 31, 2021, the program's beginning fund balance was \$17,094,765. Total revenue was \$13,653,064, and available cash was \$30,747,829. Total expenditures were \$6,804,764, cash adjustments were \$475,717, with an ending operating reserve balance of \$23,467,348. Thomas Osborn noted that because Shipping Point Inspection is a Special Fund program, the program's reserve balance in the CDFA Agriculture Fund carries over from one FY to the next.

Batchelor explained that CDFA continues to experience issues in financial data being available in a timely manner due to lags in the Fi\$Cal accounting system. Because of

this, program staff have been utilizing their internal revenue reports to track the program's operating reserve levels.

ITEM 8: PROGRAM UPDATES

Batchelor provided the Program Updates. Batchelor presented a commodity report for FYs 2018/19 and 2019/20.

Almond production has decreased from FY 2018/19 to 2019/20; however, the number of inspections has increased. Almonds (Incoming) experienced the largest crop on record, with 2,481,486,301 pounds in FY 2019/20.

Production of cherries, onions, kiwis, and other commodities have all increased from FY 2018/19 to 2019/20.

Production of table grapes, pistachios, and potatoes have all decreased from FY 2018/19 to 2019/20.

In total, staff performed 197,527 inspections, and issued 101,565 certificates during FY 2019/20.

Batchelor noted that the number of Leafy Green Marketing Agreement Audits performed decreased from 338 in FY 2018/19 to 310 in FY 2019/20, due to the resignation of an auditor in February of 2020. An additional auditor had also taken medical leave as of October 2020. Batchelor went on to state that the number of California Cantaloupe Advisory Board, Good Handling Practices/Good Agricultural Practices, and Harmonized USDA Audits performed had all increased from FY 2018/19 to 2019/20.

ITEM 9: NEXT MEETING/AGENDA ITEMS

A period of discussion ensued pertaining to the next meeting date. It was determined that the committee would meet during Spring 2022, unless the program's FY 2020/21 close-out fund condition balance necessitated an additional meeting in Fall 2021. A Doodle Poll will be conducted to determine the meeting date.

ITEM 5: ADJOURNMENT

The meeting was adjourned at 11:07 a.m. by Chair Pandol.

Respectfully submitted by:

Kevin Batchelor, Program Supervisor
Inspection and Compliance Branch
Inspection Services