

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)  
CALIFORNIA ORGANIC PRODUCTS ADVISORY COMMITTEE (COPAC)  
Meeting Minutes  
May 7, 2008  
Sacramento, CA**

**MEMBERS**

Blake Alexandre  
Garff Hathcock  
David Will  
John Foster  
Melody Meyer, Chair  
Steve DeMuri  
John Ashby  
Lauree Bradley  
Sajeemas Pasakdee  
Sean Swezey, Vice Chair  
Karen Klonsky  
Julie Spadow  
Aaron Turner

**ALTERNATES MEMBERS**

Gary Edwards  
Dave Martinelli  
Myron Cooper  
Thomas Chapman  
Martin Guerena  
Brian McElroy

**CDFA**

Nate Dechoretz  
Rick Jensen  
Ray Green  
Dave Carlson  
Amadou Ba  
Sharon Parsons  
Brian Cote

**Interested Parties**

Steve Beckley, OFAC  
Pat Matteson, Cal/EPA  
Cynthia Ortegón  
Randy Rickert, Unilever  
John Fritz, Sac-Yolo MVCD  
Scott Mason, Organic Farmer  
Jake Lewin, CCOF  
Claudia Reid, CCOF  
Chris Simas, Tremont Group

**ITEM 1: INTRODUCTIONS**

The meeting was called to order at 10:00 a.m. and a quorum was established.

**ITEM 2: ELECTION OF OFFICERS**

**MOTION:** Dr. Sean Swezey moved to conduct open nominations. Mr. Steve DeMuri seconded. The motion passed unanimously.

Dr. Swezey nominated Mr. John Ashby for Chair. Mr. Ashby nominated Ms. Melody Meyer for Chair. Ms. Meyer nominated Dr. Swezey for Chair.

**MOTION:** Mr. David Will moved to close nominations. Mr. Gary Edwards seconded. The motion passed unanimously.

**MOTION:** Dr. Karen Klonsky moved to appoint the individual receiving the second most votes as Vice Chair. Mr. DeMuri seconded. The motion passed unanimously.

Committee members voted by written ballot and elected the following officers:

Ms. Melody Meyer, Chair  
Dr. Sean Swezey, Vice Chair

### **ITEM 3: APPROVAL OF MEETING MINUTES**

**MOTION:** Mr. Blake Alexandre moved to approve the January 24, 2008 Meeting Minutes as amended. Ms. Julie Spandow seconded. The motion passed unanimously.

***A copy of the January 24, 2008 Meeting Minutes are attached as EXHIBIT A.***

### **ITEM 4: CDFA UPDATES (LBAM)**

Mr. Nate Dechoretz provided an update on the Light Brown Apple Moth (LBAM). The implications to commerce may be very high considering that the LBAM does not have any natural predators that are native to California. The major issue guiding LBAM is the recent court decision in Santa Cruz that required CDFA to fully comply with the California Environmental Quality Act (CEQA) in developing an environmental impact report. CDFA continues to battle misinformation in regards to the terminology used for LBAM pheromones. Mr. Dechoretz conveyed that CDFA's primary goal is to avoid the use of hard pesticides to eradicate the LBAM. There have been a number of bills introduced in the legislature related to invasive species. The Committee subsequently discussed issues related to pending invasive species legislation.

### **ITEM 5: ORGANIC PROGRAM REPORTS**

Mr. Rick Jensen provided an update for the Inspection and Compliance Branch. In December 2006, a complaint was received by CDFA alleging that a fertilizer product being sold as organic was not compliant. The Inspection Services Division, Fertilizer Program conducted an investigation and found that the fertilizer product was mislabeled and misrepresented. The Department took action against the company found in violation and required the company to remove the registration, recall the product, and notify its customers/purchasers of the endeavor. Subsequently, the Fertilizer Program continued to closely monitor the company found in violation in an effort to determine that it was in compliance with the Department's order and to ensure that it remained in compliance. CDFA considers the case closed and has not found further violations with the offending party.

The Committee subsequently discussed enforcement activities related to the organic industry. Mr. Ray Green announced that the Organic Program will be working with the

Fertilizer Program to determine the feasibility of implementing a civil penalty matrix for fertilizer mislabeling and misrepresentation. As CDFA continues to review the Organic Program, regulations will likely be needed to identify processes authorized within the organic law in order to further the activities and goals of the Organic Program.

A. Budget Update

Mr. Green provided an update on the Organic Program budget. The Organic Program is anticipating total program costs in the amount of \$1,203,636 for Fiscal Year (FY) 2008/09.

**MOTION:** Mr. Alexandre moved to approve the proposed 2008/09 FY Organic Program Budget as submitted. Mr. Garff Hathcock seconded. The motion passed unanimously.

B. Status of Appeals Procedures

Mr. Green provided an update on the status of the appeals process. CDFA's appeals process and procedures are in place and available for review on the CDFA website. In addition, an information guide was distributed to individuals that attended the organic training sessions and is available on the CDFA website.

C. Organic Program Enforcement Update

Mr. Dave Carlson provided an enforcement update for the Organic Program. Eight complaints were held over from 2007 and 14 new complaints were registered from January to May 2008. The Committee subsequently discussed issues related to the enforcement process.

***Copies of the 2008 Organic Complaint Log, 2008 Audits by Counties, 2008 Organic Residue Analysis Report, FY 2007/08 Organic Program Budget, FY 2008/09 Organic Program Budget, CDFA Sources and Use Statement, and Revenue from Registrations by Month and Year are attached as Exhibits B, C, D, E, F, G, and H, respectively.***

**ITEM 6: MEMBER REPORTS**

A. Organic Program Study – Karen Klonsky

Dr. Klonsky, Cooperative Extension Specialist, University of California, Davis, Department of Agriculture and Resource Economics, provided a report on a study funded by the University of California Sustainable Agriculture and Research Education

Program. Dr. Klonsky has been working with Mr. Green over the last several years in an effort to analyze the California Organic Program registration data. In addition to analyzing the demographics of current organic registrants, Dr. Klonsky analyzed exit and entry trends related to California Organic Program registration.

The Organic Program Study found that although the total number of organic registrants is fairly constant, there are a lot of individuals that enter and leave the program. The impetus for the study was why so many individuals were leaving the Organic Program. One of the key findings of the Organic Program Study is that only 74 percent of the organic registrants that discontinued their organic registration actually self-identified as having deregistered. Fourteen percent of the individuals that left the program stated that they were never a producer. Eight percent of the individuals that responded to the survey stated that they did not know why they deregistered. Approximately a quarter of the self-identified deregistered growers stated that they have continued to utilize organic farming methods. The Committee subsequently discussed issues related to the study and thanked Dr. Klonsky for providing a valuable resource.

#### B. Discussion of CDFA Board Representation of Stakeholders – Brian McElroy

Mr. Brian McElroy proposed that the California Organic Products Advisory Committee should parallel the National Organic Standards Board in its membership structure. As a result, Mr. McElroy proposed that the California Organic Products Advisory Committee should make a recommendation to the CDFA Secretary to include representation for an Accredited Stakeholder/Organic Certifier.

**MOTION:** Mr. Blake Alexandre moved to make a recommendation to CDFA Secretary A. G. Kawamura to create a Certifier seat and an Alternate Certifier seat on the California Organic Products Advisory Committee. Both seats shall be USDA accredited. Mr. Aaron Turner seconded. The motion passed unanimously.

#### C. NOSB Update – Steve DeMuri

Mr. DeMuri provided an update for the National Organic Standards Board (NOSB). NOSB has an upcoming meeting on May 20 – 22, 2008 in Baltimore, Maryland. Mr. DeMuri discussed particular agenda items that will be covered during the upcoming NOSB meeting. Of particular interest is the clarification of the national organic list. Currently, there is a 30 page document on the NOSB website which provides definitions for agricultural and synthetic goods.

#### D. Organic Press Releases – John Ashby

Mr. Ashby discussed the feasibility of forming a press committee to collect recommendations for positive press releases about the organic industry. Mr. Ashby suggested that the press committee should collect recommendations for press releases, develop a strategy for preparing organic press releases, and establish an approval process for organic press releases. Ms. Meyer stressed the need for positive press releases for the organic industry.

Mr. Dechoretz discussed CDFA's policy relating to press releases and explained that it would be possible for the Committee to submit press releases to CDFA's Office of Public Affairs for consideration.

**MOTION:** Dr. Swezey moved to establish a Press Committee and appoint Mr. Ashby as the Chair of the Press Committee to investigate the feasibility of providing press releases on behalf of COPAC. Mr. Ashby seconded. The motioned passed with one nay vote.

#### E. Organic Complaint System – John Ashby and John Foster

Mr. Ashby suggested that the California Organic Program website needs improvement in regards to the complaint process. Mr. Ashby recommended that CDFA include a frequently asked questions web link to guide individuals through the complaint process. Mr. Ashby also suggested that the California Organic Program include a statistical summary of pending and prior investigations e.g., the number of complaints filed and resolved for each year. Mr. Green stated that the Organic Program will work with CDFA information technology personnel to implement Mr. Ashby's suggestions. Mr. Turner suggested that there should be a mechanism in place to educate growers in regard to issues affecting organic rules and regulations. The members subsequently discussed issues related to enforcement and stressed the need for an efficient and comprehensive organic complaint system.

#### F. Farm Bill Update – Melody Meyer

Ms. Meyer provided an update on the US Farm Bill. On May 2, 2008, the House and Senate reconciled the Farm Bill and included provisions for organic funding. The Committee discussed cost share provisions in the Farm Bill for certified operations and federal funding for organic crop insurance.

**ITEM 7: PUBLIC COMMENTS**

There were no public comments.

**ITEM 8: NEW ITEMS**

The members held a general discussion about rising food costs and its impact on the organic industry.

Mr. Ashby discussed the implications associated with certifying flavors as organic.

Mr. Jake Lewin explained that the NOP provides several training sessions throughout the year in various locations along with a number of declarations that certifiers are supposed to follow.

Mr. McElroy discussed the USDA National Organic Program's pending audit of the California Organic Program. Mr. Green explained that he is expecting the USDA to notify the California Organic Program of the pending audit within the next few weeks. Mr. McElroy suggested that the Committee should consider inviting representatives from USDA-NOP to a COPAC meeting in order to increase coordination and strategic planning.

**ITEM 9: ADJOURNMENT**

The next meeting will be held at 10:00 a.m. on July 30, 2008 in Sacramento, CA. The meeting adjourned at 3:07 p.m.

Respectfully submitted by:

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Ray Green, Supervisor  
California Organic Program  
Inspection and Compliance Branch  
Inspection Services

RG/bc

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)  
CALIFORNIA ORGANIC PRODUCTS ADVISORY COMMITTEE (COPAC)**

**Meeting Minutes  
January 24, 2008  
Pacific Grove, CA**

**MEMBERS**

Blake Alexandre  
Garff Hatchcock  
James Rickert  
Larry Hirahara  
John Foster  
John Ashby  
Sajeemas Pasakdee  
Karen Klonsky  
Sean Swezey, Chair  
Melody Meyer  
Pat Kennelly  
Julie Spandow  
Aaron Turner  
Stacy Carlsen

**ALTERNATES MEMBERS**

Greg Raumin  
Thomas Chapman

**CDFA**

Rick Jensen  
Susan Shelton  
Ray Green  
Dave Carlson  
Pierre Labossiere

**INTERESTED PARTIES**

Jeffery Stiles, Marin County Department of Agriculture  
Thomas Quick, Grow More, Inc.  
Tim Stemwedd, California Organic Fertilizers  
Deborah Stemwedd, California Organic Fertilizers  
Caren Wilcox, Organic Trade Association  
Bryce Lundberg, Lundberg Family Farms  
Stephanie Alexandre, Alexandre EcoDairy Farms  
Will Daniels, Earthbound Farm/CCOF  
Mary Mulky, Foodwise, Inc.  
Gay Timmons, Oh, Oh Organic, Inc.  
Judy Low, Molric Creek Farm  
Juan Hidalgo, Santa Cruz County Agriculture  
Patricia J. Smith, SCS  
Doug Graham, New Era Farm Service  
Isaac Nelson, Port Organic Products  
Carmela Beck, DSA  
Robin Allan, CCOF  
Stephen P. Pavich  
Jake Lewin, CCOF  
Erick Schmidt, Biosphere Technologies  
Luke C. Blotsky, Global Organics  
Michael L. Lindsey, Global Organics  
Chris Simas, The Tremont Group  
Cynthia Ortegon, CCOFPT RSR  
Steve Beckley, OFAC  
Gerry Wiley, ASCO  
Katherine Borchard, ASCO

**ITEM 1: INTRODUCTIONS**

The meeting was called to order at 1:07 p.m. A quorum was established and introductions were made.

**ITEM 2: APPROVAL OF MINUTES**

**MOTION:** Mr. Blake Alexandre moved to approve the October 24, 2007 Meeting Minutes as amended. Mr. John Ashby seconded. The motion passed unanimously.

***A copy of the October 24, 2007 Meeting Minutes are attached as EXHIBIT A.***

### **ITEM 3: CDFA UPDATES: LIGHT BROWN APPLE MOTH (LBAM)**

Mr. Stacy Carlsen reported that the California Department of Food and Agriculture (CDFA) issued a *Questions and Answers* press release on January 23, 2008, which addresses many of the issues related to the treatment programs developed by the United States Department of Agriculture (USDA) and the CDFA. The Light Brown Apple Moth Program is considered an eradication project and is being funded primarily by the federal government.

The press release identifies Monterey, Santa Cruz, San Mateo, Contra Costa, San Francisco, and Marin as infested counties subject to the proposed eradication plan. The proposal includes aerial treatment using pheromones, ground treatment using pheromones, Spinosad/Bacillus thuringiensis organic treatments for larva control, and releasing egg parasite wasps in areas with high levels of infection.

The protocol for each infected county is uncertain. Monterey and Santa Cruz counties intend to use aerial applications of pheromones due to prior experience. The USDA is experimenting with three new pheromone formulations. The eradication activities will not commence until the late summer in order to determine which application is working best and to consider the environmental impact. The pheromones do not have an impact on organic certification.

### **ITEM 4: ORGANIC PROGRAM REPORTS**

Mr. Ray Green presented a brief history and outline of the California Organic Program. Subsequently, Mr. Green reported on the reorganization of the Organic Program. The mandate of the program is to ensure compliance with National Organic Program regulations in California. The program goals include, increasing compliance within the industry, increasing enforcement, improving the utilization of resources, and increasing industry confidence in the program.

Mr. Dave Carlson provided reports on the 2007 New Organic Program Registrations, Complaints from January 1, 2007 to December 31, 2007, County Spot Inspections for 2007, and Residue Analysis for 2007. The committee members asked Mr. Carlson to include totals as well as provide receipt and resolution dates in future complaint logs.

The committee took a ten-minute break at 2:35 p.m. and reconvened at a 2:45 p.m.

***A copy of the 2007 Complaint Log is attached as EXHIBIT B.***

***A copy of Organic Program Reorganization Update is attached as EXHIBIT C.***



***A copy of the Registration Form for the CDFA Organic Program is attached as EXHIBIT D.***

***A copy of the 2007 New Organic Program Registrations report is attached as EXHIBIT E.***

**ITEM 5: CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH) REPORT – PAT KENNELLY**

Mr. Pat Kennelly provided reports on organic product registrations and CDPH complaints for 2007. According to Mr. Kennelly, the estimates provided in the report are on the low side and are provided by registrants. However, the report illustrates the volume and breadth of organic products. Mr. Kennelly subsequently provided an overview of organic trends and suggested that they are moving in a positive direction.

According to Mr. Kennelly, the 2007 CDPH Complaint Log documents the types of complaints received and whether they were substantiated. Mr. Kennelly conveyed that the majority of the findings indicate that there is a correlation between misunderstanding industry guidelines and violations. The committee asked Mr. Kennelly to provide receipt and resolution dates in future complaint logs.

**ITEM 6: MEMBER REPORTS**

Ms. Melody Meyer reported on the status of the 2007 Farm Bill. According to Ms. Meyer, there are two versions of the 2007 Farm Bill that require US Senate and US House of Representatives reconciliation. Ms. Meyer also provided information and resources to contact elected federal representatives.

Mr. Ashby voiced concerns over non-organic foods being portrayed as organic products. Mr. Ashby is concerned that the latter mentioned phenomenon may reduce demand for organic products.

Ms. Meyer asked members to give opinions on how natural labeling may influence the organic food industry.

Ms. Julie Spadow discussed issues related to the California Organic Products Act of 2003 and restaurant menu advertising.

**ITEM 7: PUBLIC COMMENTS**

An unidentified member of the public explained that she received notification of the COPAC meeting a week in advance and suggested that the committee plan to notify interested parties earlier.

Ms. Gay Timmons of Organic and Sustainable Industry Standards (OASIS) invited the committee members to comment on the movement toward providing a standard definition of organic cosmetics.

**ITEM 8: NEWS ITEMS**

None.

**ITEM 9: ADJOURNMEENT**

The meeting adjourned at 3:36 p.m.

Respectfully submitted by:

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Ray Green, Supervisor  
California Organic Program  
Inspection and Compliance Branch  
Inspection Services

**EXHIBIT B****2008 Organic Complaint Log**

<b>Complaint Number</b>	<b>Date of Receipt</b>	<b>Summary of Complaint</b>	<b>Referred to for Resolution</b>	<b>Source of Complaint: Consumer, Competitor, USDA, ACA</b>	<b>Status</b>	<b>Date Complaint Resolved</b>	<b>Days until Resolution</b>
02-06/11/07	6/11/2007	Pesticide applied to wrong site.	County	Anonymous	Appeal pending/certifier revoked certification.	Pending	
01-09/07/07	9/7/2007	Company selling coffee with USDA organic seal on cups.	State	Anonymous	During investigation, uncovered other store. Closed 2/1/08. Other store pending.	Closed 2/1/08, other store pending.	167 days, pending.
02-11/15/2007	11/15/2007	Company has organic oregano that tested .17 ppm for Malathion	State/County	Competitor	Land taken out of production for three years, fined \$4,000.00	3/8/2008, closed.	113 days
04-09/14/07	9/14/2007	Booth at farmers' market has certifier's banner displayed. Only one item organic. Other booths think this is misleading.	State/County	Certifier	E-mailed certifier asking for market location. Waiting for pictures and location. Did not respond.	Closed 2/1/08.	137 days
02-10/29/07	10/29/2007	Complaint states two dairies buying non-organic cows.	State/County	Competitor	Investigating/audit of operation scheduled for June. Witness of violation changed complaint.	Pending	
03-11/13/07	11/13/2007	Out of state company selling product to California stores as 100% organic with no certifier on package.	State/Certifier	Competitor	Certified operation, certified logo placed on package.	2/1/2008, closed.	79 days

Complaint Number	Date of Receipt	Summary of Complaint	Referred to for Resolution	Source of Complaint: Consumer, Competitor, USDA, ACA	Status	Date Complaint Resolved	Days until Resolution
02-12/3/2007	12/3/2007	Company certifying product as beyond organic. Leaves in doubt as to whether product is organic.	State/County	Certifier	Removed wording from website.	2/4/2008, closed.	52 days
06-12/28/2007	12/28/2007	Company appears to be selling products with fraudulent certificate.	State/County/ Certifier	USDA	Certifier suspended operation on 3/19/08. County investigating.	Pending	
01-01/3/08	1/3/2008	Company has the word organic in their company name.	State	County	No violation.	1/8/2008	5 days
02-01/3/08	1/3/2008	Appears company receives organic mushrooms. Company not certified.	State	Certifier	Company does not sell organic products. County will check operation records.	Pending	
03-01/9/08	1/9/2008	Dairy has dead calves piled along a fence line.	Animal Health	Anonymous	Referred to Animal Health.	1/10/2008, closed.	1 day
04-01/24/08	1/24/2008	Online company selling product labeled mostly organic.	State	Anonymous	Contacted company about violation/waiting to confirm product is removed.	Pending	
05-01/28/08	1/28/2008	Oranges from Mexico sold to juice plant may not be organic.	USDA/DPHS	Anonymous	Case # NOP-042-08. USDA checking to see if non-organic oranges are being shipped to California as organic.	1/29/2008, closed.	2 days

Complaint Number	Date of Receipt	Summary of Complaint	Referred to for Resolution	Source of Complaint: Consumer, Competitor, USDA, ACA	Status	Date Complaint Resolved	Days until Resolution
06-01/31/08	1/31/2008	Alleges cosmetic company using USDA seal without certification.	CDPHS	Anonymous	SCA-004-08/referred 1/31/08.	1/31/08, closed.	1 day
07-01/31/08	1/31/2008	Alleges cosmetic ingredient company advertising as USDA organic without certification.	CDPHS	Anonymous	SCA-005-08/referred 1/31/08.	1/31/08, closed.	1 day
01-02/19/08	2/19/2008	Out of state product contains residues of Organophosphates, Organochlorines.	USDA	Anonymous	Referred to USDA 2/19/08	2/19/08, closed.	1 day
02-02/29/08	2/29/2008	States certificate of analysis is fraudulent.	State	Anonymous	Reviewed complaint, received more information on complaint, investigating.	Pending	
01-03/10/08	3/10/2008	Operations at farmers' market selling product. Not registered or certified.	State, County	Consumer	Operation is certified and registered.	3/12/2008, closed.	2 days
01-04/14/08	4/14/2008	Fish labeled as organic.	CDPHS	USDA	Referred to CDPHS 4/14/08.	CDPHS, closed.	1 day
02-04/14/08	4/14/2008	Poultry commingled at processing plant.	State/County	USDA Inspector	Audit of operation scheduled for May 13, 2008.	Pending	

<b>Complaint Number</b>	<b>Date of Receipt</b>	<b>Summary of Complaint</b>	<b>Referred to for Resolution</b>	<b>Source of Complaint: Consumer, Competitor, USDA, ACA</b>	<b>Status</b>	<b>Date Complaint Resolved</b>	<b>Days until Resolution</b>
03-04/22/08	4/22/2008	Company representing themselves as organic and using other company's boxes with USDA and certifier logo.	State/County	Certifier and certifier's client.	Pictures submitted as evidence show label inside of carton not on outside of carton, appears operation reused boxes. Registered with state on 2/1/08. County investigating.	Pending	
08-01/16/08	1/16/2008	County states operation spraying Hydrogen	County/State	County	County pulled samples, waiting for amended registration.	Pending	

## EXHIBIT C

## 2008 Audits by Counties

Date	Audit Performed by County or State	Type of Action	Retailer	Handler	Farm	Farmers' Market	Processor	Summary of Event	Corrected	Date of Correction	Name of Enforcement Officer
1/11/2008	Fresno	OK			X			None	N/A	N/A	Eileen Brooks
1/11/2008	Fresno	OK			X			None	N/A	N/A	Eileen Brooks
1/18/2008	Fresno	OK		X				None	N/A	N/A	Eileen Brooks
1/22/2008	Fresno	OK			X			None	N/A	N/A	Eileen Brooks
1/23/2008	Fresno	OK			X			None	N/A	N/A	Eileen Brooks
2/1/2008	Fresno	OK			X			None	N/A	N/A	Eileen Brooks
2/13/2008	Fresno	Education					X	Name Change	Yes	3/17/08, 32 days	Eileen Brooks
3/6/2008	Los Angeles	OK	X					None	N/A	N/A	Paul Galletta
3/31/2008	Napa	OK			X			None	N/A	N/A	Lance Bingham
3/6/2008	Napa	OK			X			None	N/A	N/A	Lance Bingham
3/4/2008	Napa	OK			X			None	N/A	N/A	Lance Bingham
3/5/2008	Napa	OK			X			None	N/A	N/A	Lance Bingham
2/8/2008	Napa	OK			X			None	N/A	N/A	Lance Bingham
2/7/2008	Santa Barbara	OK			X			None	N/A	N/A	Ken Masuda
2/14/2008	Santa Barbara	OK			X			None	N/A	N/A	Ken Masuda
1/31/2008	Santa Barbara	Education			X			Needs to keep better records, OSP not available.	Grower agrees to keep better records and obtain copy of OSP for review.	1/31/2008	Ken Masuda
4/3/2008	Santa Barbara	Education			X			A few invoices do not show registration number.	Operation agrees to put registration number on invoices.	4/3/2008	Tashina Simon
4/3/2008	Santa Barbara	Education	X					Floor sanitizers may splash onto organic product in storage.	Operation agrees to put tarp over boxes to prevent splashing on product.	4/3/2008	Tashina Simon
4/8/2008	Santa Barbara	OK	X					None	N/A	N/A	Ken Masuda
4/16/2008	Santa Barbara	OK	X					None	N/A	N/A	Ken Masuda
1/28/2008	Santa Clara	Notice of Violation	X					Commingling organic and conventional product.	Separated organic from conventional.	1/28/2008	Paul Kohler
1/16/2008	San Luis Obispo	OK			X			None	N/A	N/A	Jenny Weaver

Date	Audit Performed by County or State	Type of Action	Retailer	Handler	Farm	Farmers' Market	Processor	Summary of Event	Corrected	Date of Correction	Name of Enforcement Officer
1/23/2008	San Luis Obispo	Education	X					Sign above wine labeled organic wine. Wine label on bottle states made with organic grapes not organic wine. Also, packing nuts onsite, not registered.	Removed sign above wine and removed product packaged by store. Will register if continues to process on site.	1/23/08, also will check back in one week.	Jenny Weaver
1/30/2008	San Luis Obispo	Education	X					No purchase invoice for bulk organic almonds.	Will fax invoice to SLO county office.	2/11/08, 11 days.	Jenny Weaver
2/4/2008	San Luis Obispo	Education			X			Not registered with State.	In process	2/19/08, 15 days.	Jenny Weaver
2/20/2008	San Luis Obispo	OK			X			None	N/A	N/A	Jenny Weaver
3/12/2008	San Luis Obispo	OK	X					None	N/A	N/A	Jenny Weaver
3/12/2008	San Luis Obispo	OK			X			None	N/A	N/A	Jenny Weaver
2/25/2008	Shasta	OK			X			None	N/A	N/A	Carlyn Moen
1/24/2008	Sonoma	Education	X					Must register if processing onsite.	Registered	2/15/2008, 22 days.	Priscilla Lane
1/30/2008	Sonoma	OK			X			None	N/A	N/A	Priscilla Lane
1/28/2008	Sonoma	OK	X					None	N/A	N/A	Priscilla Lane
4/23/2008	Sutter	OK			X			None	N/A	N/A	Mike Fruta
3/3/2008	Sutter			X				None	N/A	N/A	Mike Fruta
3/7/2008	Santa Clara	OK				X		None	N/A	N/A	Paul Kohler
3/7/2008	Santa Clara	OK				X		None	N/A	N/A	Paul Kohler
4/6/2008	Santa Clara	OK	X					None	N/A	N/A	Paul Kohler
4/6/2008	Santa Clara	OK	X					None	N/A	N/A	Paul Kohler
4/6/2008	Santa Clara	OK	X					None	N/A	N/A	Paul Kohler
1/25/2008	Santa Clara	OK	X					None	N/A	N/A	Paul Kohler



## EXHIBIT D

### 2008 Organic Residue Analysis Report

Sample Type	Case Number	Sample Site	Commodity	Collection Site	Date Sampled	Substance Detected	Amount Detected	EPA Tolerance	County Sample Pulled	Country of Origin	County of Production
Complaint	R08000093	Farm	Basil	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000094	Farm	Chives	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000095	Farm	Basil	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000096	Farm	Mint	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000097	Farm	Thyme	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000098	Farm	Sage	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08000099	Farm	Soil	Farm	1/14/2008	ppDDE	.35 ppm	Unavoidable residual environmental contamination/ Per NOP	Riverside	USA-CA.	Riverside
Complaint	R08000100	Farm	Soil	Farm	1/14/2008	ppDDE	.29 ppm	Unavoidable residual environmental contamination/ Per NOP	Riverside	USA-CA.	Riverside
Complaint	R08000101	Farm	Soil	Farm	1/14/2008	None Detected			Riverside	USA-CA.	Riverside
Complaint	R08C00379	Farm	Grape	Farm	1/16/2008	Hydrogen Cyanamide	.56 ppm		Riverside	USA-CA.	Riverside
Complaint	R08C00380	Farm	Grape	Farm	1/16/2008	Hydrogen Cyanamide	.27 ppm		Riverside	USA-CA.	Riverside
Random	R8000102	Farm	Strawberry	Farm	4/21/2008	None Detected			Santa Barbara	USA-CA.	Santa Barbara

## ORGANIC PROGRAM BUDGET 2007/2008 FISCAL YEAR

	2005/2006 ACTUAL EXPENSES	2006/2007 PROPOSED BUDGET	2006/2007 ACTUAL EXPENSES	2007/2008 APPROVED BUDGET
SALARIES	\$ 166,272	\$ 303,531	\$ 262,846	\$ 343,286
BENEFITS	\$ 50,290	\$ 106,236	\$ 91,996	\$ 120,150
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 216,562</b>	<b>\$ 409,767</b>	<b>\$ 354,842</b>	<b>\$ 463,436</b>
<b>OPERATING EXPENSES</b>				
GENERAL EXPENSES (Supplies)	\$ 24,145	\$ 12,000	\$ 22,388	\$ 25,000
PRINTING	\$ 304	\$ 6,000	\$ -	\$ 20,000
COMMUNICATION (Cell/Telephone)	\$ 1,482	\$ 6,000	\$ 1,213	\$ 3,200
POSTAGE	\$ 5,016	\$ 6,500	\$ 5,879	\$ 12,000
TRAVEL IN-STATE & OUT-OF-STATE	\$ 10,135	\$ 26,000	\$ 9,950	\$ 30,000
TRAINING	\$ -	\$ -	\$ 550	\$ -
FACILITIES OPERATION (Rent/Utilities)	\$ 10,636	\$ 18,500	\$ 10,862	\$ 12,000
DATA PROCESSING (New Database)	\$ 4,018	\$ 3,000	\$ 3,415	\$ 63,000
PAYMENT TO COUNTIES	\$ 70,500	\$ 106,000	\$ 82,000	\$ 205,165
CDFA LAB	\$ -	\$ 50,000	\$ 12,000	\$ 60,000
DIRECT CHARGES	\$ 173,153	\$ 5,000	\$ 134,085	\$ 62,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 299,389</b>	<b>\$ 239,000</b>	<b>\$ 282,342</b>	<b>\$ 492,365</b>
<b>OVERHEAD COST</b>				
STATE PRO-RATA	\$ 7,272	\$ 12,000	\$ 21,914	\$ 22,000
INDIRECT DEPARTMENT	\$ 137,930	\$ 45,000	\$ 45,514	\$ 51,000
INDIRECT DIVISION	\$ 8,127	\$ 12,000	\$ 15,993	\$ 32,000
INDIRECT LEGAL		\$ 6,000	\$ 6,000	
<b>TOTAL OVERHEAD</b>	<b>\$ 153,329</b>	<b>\$ 75,000</b>	<b>\$ 89,421</b>	<b>\$ 105,000</b>
<b>UNALLOCATED (BUDGET ADJUSTMENTS)</b>				
<b>TOTAL OPERATING COSTS</b>	<b>\$ 452,718</b>	<b>\$ 314,000</b>	<b>\$ 371,763</b>	<b>\$ 597,365</b>
<b>TOTAL PROGRAM COSTS</b>	<b>\$ 669,280</b>	<b>\$ 723,767</b>	<b>\$ 726,605</b>	<b>\$ 1,060,801</b>

## ORGANIC PROGRAM BUDGET 2008/2009 FISCAL YEAR

	2007/2008 PROJECTED ACTUAL	2008/2009 PROPOSED BUDGET
SALARIES	\$ 329,548	\$ 343,286
BENEFITS	\$ 115,342	\$ 120,150
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 444,890</b>	<b>\$ 463,436</b>
<b>OPERATING EXPENSES</b>		
GENERAL EXPENSES (Supplies)	\$ 2,525	\$ 25,000
PRINTING	\$ 13,050	\$ 20,000
COMMUNICATION (Cell/Telephone)	\$ 1,287	\$ 3,200
POSTAGE	\$ 6,651	\$ 12,000
TRAVEL IN-STATE & OUT-OF-STATE	\$ 20,115	\$ 30,000
TRAINING	\$ 3,750	\$ -
FACILITIES OPERATION (Rent/DGS)	\$ 13,240	\$ 12,000
INFORMATION TECHNOLOGY	\$ 983	\$ 6,000
PAYMENT TO COUNTIES	\$ 132,750	\$ 254,000
CDFA LAB	\$ 50,000	\$ 60,000
CONSULTATION & LEGAL (int/ext)	\$ 48,100	\$ 200,000
DIRECT CHARGES	\$ 5,000	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 297,451</b>	<b>\$ 622,200</b>
<b>OVERHEAD COST</b>		
STATE PRO-RATA	\$ 32,477	\$ 35,000
INDIRECT DEPARTMENT	\$ 45,024	\$ 51,000
INDIRECT DIVISION	\$ 19,619	\$ 32,000
INDIRECT LEGAL	\$ 6,000	
<b>TOTAL OVERHEAD</b>	<b>\$ 103,120</b>	<b>\$ 118,000</b>
<b>UNALLOCATED (BUDGET ADJUSTMENTS)</b>		
<b>TOTAL OPERATING COSTS</b>	<b>\$ 400,571</b>	<b>\$ 740,200</b>
<b>TOTAL PROGRAM COSTS</b>	<b>\$ 845,461</b>	<b>\$ 1,203,636</b>

**EXHIBIT G**

**California Department of Food and Agriculture  
Sources and Use Statement (SUS)  
0111-00 - Agriculture Fund  
March 2008 as of 05/02/08**

**PCA Level 1: CS067 - ORGANIC FOODS  
PCA: 90305 - ORGANIC FOODS -AF REV**

	Current Month	YTD
Beginning Cash Balance	2,128,933.15	1,887,262.71
<b>Revenue Receipts</b>		
<b>FY 2006 Revenue</b>		
125700-41 ORGANIC PROD REG FEE		-684.15
125700-42 ORGAN HANDLRS REG FEE		-275.00
125700-43 ORGANIC PROC REG FEE		-1,575.00
125900-00 DELINQUENT FEES		-269.97
150300-00 INCOME FROM SURPLUS MONEY		23,594.01
150400-00 INTEREST INCOME FROM LOAN		639.83
161000-00 ESCHEAT OF UNCLAIMED CHEC		-174.00
Total 2006 Revenue		21,255.72
<b>FY 2007 Revenue</b>		
125700-41 ORGANIC PROD REG FEE	58,826.30	475,621.55
125700-42 ORGAN HANDLRS REG FEE	6,415.16	120,984.00
125700-43 ORGANIC PROC REG FEE	375.00	41,230.87
125700-98 REG/CERT FEES-NOC	200.00	4,450.00
125900-00 DELINQUENT FEES	1,822.07	17,935.93
150300-00 INCOME FROM SURPLUS MONEY	-310.53	60,685.37
150400-00 INTEREST INCOME FROM LOAN		1,507.48
161000-00 ESCHEAT OF UNCLAIMED CHEC		100.00
Total 2007 Revenue	67,328.00	722,515.20
 Total Revenue All Years	 67,328.00	 743,770.92
****Operating Reserve	1,997,522.05	1,997,522.05

## Exhibit H

Organic Program Revenue from Registrations by Month and Year														
Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	Total	Projected Increase
2011/12														1,203,201
2010/11														1,125,500
2009/10														1,047,779
2008/09														970,098
2007/08	51,985	65,914	61,989	54,560	59,894	91,955	121,776	89,574	71,088	92,462			761,196	892,098
2006/07	46,461	57,168	57,897	47,474	61,087	59,966	103,670	86,253	81,104	76,115	75,212	61,989	814,397	
2005/06	32,852	39,343	42,662	37,768	47,815	71,678	93,852	72,458	63,557	58,160	43,641	50,775	654,558	
2004/05	34,576	35,788	28,366	43,254	48,329	77,550	77,306	65,274	54,583	56,563	36,227	47,334	605,150	
2003/04	33,043	42,659	36,098	3,441	42,785	64,011	57,045	51,563	47,807	46,945	41,934	41,569	508,900	
2002/03	36,765	29,122	35,448	31,206	30,289	49,412	71,462	62,472	31,798	36,968	34,566	35,508	485,016	
2001/02	30,143	28,672	19,912	24,087	37,670	44,729	76,118	40,109	36,732	29,573	41,208	24,760	433,714	
2000/01	27,060	29,889	28,742	21,563	43,640	49,804	63,351	44,783	45,720	26,429	27,672	38,250	446,905	
1999/00	22,526	23,869	16,693	20,547	34,509	59,557	50,269	30,234	41,024	29,894	45,974	25,110	400,205	
1998/99	16,525	18,709	14,539	14,809	22,533	35,884	76,993	33,772	26,290	23,267	23,546	32,196	339,064	
1997/98	13,894	16,251	17,843	16,827	15,180	39,324	65,617	30,022	24,268	19,793	11,592	28,919	299,530	
1996/97	14,656	11,809	7,628	11,390	13,714	37,654	52,142	22,680	20,561	13,555	11,209	21,007	238,003	
1995/96	7,001	15,117	8,568	9,152	17,263	33,826	59,630	29,776	17,357	11,750	8,413	6,412	224,265	
1994/95	13,286	9,643	6,882	7,608	18,913	45,430	49,026	20,402	14,903	7,616	10,067	10,891	214,667	
1993/94	9,834	9,613	3,979	6,758	12,703	33,361	42,882	22,364	15,471	5,548	9,931	11,577	184,021	
1992/93	3,174	3,863	2,897	2,859	2,053	14,533	54,253	25,498	11,401	6,775	4,136	12,298	143,739	
1991/92				938	6,438	11,338	47,478	89,611	23,702	6,300	2,055	5,592	193,451	