



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CALIFORNIA CITRUS ADVISORY COMMITTEE (CCAC)
December 14, 2010 Meeting Minutes
Bakersfield, CA**

MEMBERS PRESENT

Ron Matik
James Sherwood
Etienne Rabe
Kevin Severns
Brett Kirkpatrick, Chair
John Eliot, Jr.

INTERESTED PARTIES

Scotti Walker, Fresno County
Alpha Kamara, Kern County
Gavin Iacono, Tulare County
Manuel Villicana, Kern County

CDFA

Susan Shelton
Rick Jensen
Andrew Valero
Maria Hicks

MEMBERS ABSENT

Gus Gunderson
Mark Golden
David Hines
John Gless
Franco Bernardi

ITEM 1: ROLL CALL/WELCOME NEW MEMBERS

Mr. Brett Kirkpatrick, Chairperson, called the meeting to order at 10:15 a.m. Roll was called; a quorum was not established. Mr. Kirkpatrick stated that in the future, it would be helpful if there could be confirmation that a quorum would be established prior to the meeting. Mr. Ron Matik arrived at 10:35 a.m. A quorum was still not established.

ITEM 2: APPROVAL OF OCTOBER 12, 2010 MEETING MINUTES

Mr. James Sherwood stated that he would like the October 12, 2010 meeting minutes to reflect his concern as a grower with the California Standard. If the California Citrus standard is adopted, it will delay the picking of fruit in certain areas and reduce the market prices in January. It creates a preference with the southern region versus the northern region. Mr. Sherwood stated the California Standard might not be necessary because the industry is already moving forward with providing the industry with sweeter fruit.

Dr. Etienne Rabe stated that Mr. Roark's name was spelled incorrectly and brix was misspelled under item eight. Mr. Kevin Severns stated that Brim A should be reflected as BRIM A/California Standard instead of just Brim A throughout the minutes.

ITEM 3: ASSESSMENT RATES

Ms. Shelton stated the first page of Attachment B is the last reporting year for Citrus. The first section is USDA's summaries. The second page showed USDA's projected production, and what revenue would look like if the assessment rates were not changed. The third page of the attachment was a revenue neutral model, which is the one that the subcommittee is recommending to the committee.

Dr. Rabe stated that a discussion should occur next year about the frost part of the program not being assessed the same and have the maturity indexing separate. He noted that at the moment, lemons and mandarins are subject to different levels of assessments even though they only participate on the frost side of the program and do not participate in the maturity indexing. He stated that there should be a consistent assessment level.

Mr. Kirkpatrick asked what it was decided regarding the term cartons or boxes. Ms. Shelton stated that it is fruit received (in pounds) divided by the 40 lb. equivalent. It was further explained that the legislative language is consistent with the legislation enabling the Citrus Pest and Disease Prevention assessment.

Mr. Rick Jensen stated that during the subcommittee meeting, cartons shipped versus total production were discussed. There is a number of reasons why navels remain higher assessed. Mr. Jensen stated that the subcommittee should continue meeting to address several issues related to setting an appropriate assessment rate.

ITEM 4: RESERVE INVESTMENT - APPROVED BANKS

Ms. Shelton stated that at the committee's request, she has received a list of the State of California approved banks. The banks are: Bank of America, Bank of the West, Citibank, JP Morgan Chase, Union Bank of California, U.S. Bank, Wells Fargo, and West America.

Mr. Severns stated that the intent of looking into alternative bank options was for the reserve fund to be secure, but in this economy it is difficult to receive that guarantee with any bank.

The question arose if the Federal Deposit Insurance Corporation (FDIC) insures the reserve fund. Ms. Shelton stated that FDIC would not be sufficient because the reserve fund is over the insurable limit; an assurance bond insures the money. Mr. Kirkpatrick stated that he feels fine with leaving it with Bank of America at this time.

ITEM 5: COUNTY REPORTS ON MATURITY

The counties that attended the meeting provided the committee with reports on maturity. Counties reported a few hours of low temperatures with the lowest temperature being 26 degrees, but not for long durations. There have been a few issues with fruit not meeting standards, but the consensus was that the majority of fruit has been satisfactory and mature.

Mr. Kirkpatrick recommended that the counties continue testing at least through December. Ms. Shelton stated that the Department makes the final decision, but likes to receive a recommendation from the CCAC. Dr. Rabe stated that the Department has been very fair with not wasting money, and felt comfortable not making a specific recommendation at this time.

ITEM 6: NEW BUSINESS

Mr. Sherwood stated that it is his understanding through California Citrus Mutual meetings, that hypothetically the California Standard is moving forward by March 2011. Mr. Sherwood stated that is a change in strategy as well. Retailers are not buying fruit that has an 8.5 sugar acid ratio. Mr. Sherwood stated that it was his understanding that the industry was going to wait and collect data to see if the California Standard would negatively impact the industry.

ITEM 7: NEXT MEETING

The next meeting date was not decided at this time. Potential dates are March 22 or March 29, 2011.

ITEM 8: ADJOURNMENT

The meeting was not adjourned; the meeting stopped at 11:22 a.m.; it will reconvene on Thursday, December 16, 2010 at 8:30 a.m. via a teleconference. The call in phone number is 1-888-455-9643, and the pass code is 48783. The continuance of the meeting is to discuss assessment rates and the next meeting date and time.

**Continuance of the December 14, 2010 Meeting
Thursday, December 16, 2010
8:30 a.m.
Teleconference**

MEMBERS PRESENT

Brett Kirkpatrick, Chair
David Hines
Etienne Rabe
Franco Bernardi
Gus Gunderson
James Sherwood
John Eliot

INTERESTED PARTIES

Gavin Iacono, Tulare County

MEMBERS ABSENT

John Gless
Kevin Severns
Mark Golden
Ron Matik

CDFA

Brian Cote
Rick Jensen
Susan Shelton
Steve Patton
Maria Hicks

ITEM 1: ROLL CALL

The meeting was reconvened on December 16, 2010 at 8:34 a.m. Roll was called and a quorum was established.

ITEM 2: ASSESSMENT RATES

Mr. James Sherwood summarized the assessment rates that were discussed during the first part of the meeting. Mr. Sherwood stated that the committee agreed that the revenue neutral model of Attachment B would be the most beneficial to the industry.

MOTION: Mr. Sherwood moved that the committee accept the revenue neutral model of the assessment rates. Dr. Rabe seconded the motion. A roll call vote was taken; the motion passed unanimously.

ITEM 3: NEXT MEETING

The next meeting will be on March 22, 2011 at 10:00 a.m. in Tulare County.

ITEM 4: ADJOURNMENT

MOTION: Dr. Rabe moved to adjourn the meeting. Mr. Sherwood seconded. Mr. Kirkpatrick, Chair, adjourned the meeting at 8:42 a.m.

Respectfully submitted by:



Susan Shelton, Program Supervisor
Inspection and Compliance
Inspection Services