



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
SHIPPING POINT INSPECTION (SPI) ADVISORY COMMITTEE MEETING
May 29, 2013 Meeting Minutes
1001 S. Mount Vernon Ave., Bakersfield, CA 93307**

Members Present

Louis Pandol, Chairman
Blaine Carian
Mark Reasons
Jim Jasper

Members Absent

Dennis Parnagian, Vice Chairman
Randy Parnagian
Maria Alvarado
Drew McDonald

CDFA Representatives

Steve Patton
Kevin Batchelor
Steve Thomas
Greg Dake
Marcee Yount
Ed Page
Sarah Cardoni

Interested Parties

Sara Frauenheim, CGTFL
Tony Souza, USDA

ITEM 1: ROLL CALL/INTRODUCTIONS

The meeting was called to order at 9:59 a.m. by Mr. Louis Pandol, Chairman. Roll was called, introductions were made, and a quorum was established.

ITEM 2: APPROVAL OF MAY 8, 2012 MEETING MINUTES

MOTION: Mr. Jim Jasper moved to approve the meeting minutes for May 8, 2012, as submitted. Mr. Blaine Carian seconded the motion. The motion passed unanimously.

ITEM 3: COMMITTEE VACANCIES AND TERMS UPDATE

Currently there are three voting member vacancies that consist of two members who are shippers of fruit and vegetables and one public member who is a resident of this state and not a producer, shipper, or a processor. Additionally, there are eight alternate non-voting member vacancies. Members whose terms will expire on December 31, 2013, and are eligible for reappointment are: Mr. Blaine Carian; Mr. Dennis Parnagian; Mr. Randy Parnagian; Mr. Drew McDonald; and Mr. Jim Jasper.

ITEM 4: INSPECTION AND COMPLIANCE BRANCH UPDATE

There have been several retirements in the SPI Program. Mr. Kevin Batchelor will be taking the place of Mr. Steven Thomas as Branch Chief over the SPI Program. Mr. Greg

Dake will be taking the place of Mr. Ed Page as the Agriculture Program Supervisor II (APS II) in the central region. Lastly, Ms. Marcee Yount will be taking the place of Mr. Ed Brown as the APS II in the northern region.

ITEM 5: SHIPPING POINT INSPECTION PROGRAM UPDATE

Avocado revenue was down due to the imported avocados being routed to Philadelphia instead of California due to the significant amount of fees. The program lost approximately \$200,000 dollars of that revenue. All the other programs within leafy green have been stable.

Within the United States Department of Agriculture (USDA), the Fresh Products Branch and Processed Products Branch have merged into one single branch called the Specialty Crop Inspection Division. The merger will create efficiencies and streamline the organization. USDA anticipates cross utilizing inspectors to conduct both fresh and process inspections.

ITEM 6: COMMODITY PROGRAMS UPDATE

Almonds last season totaled 1.9 billion pounds. This year's crop is estimated to reach 2 billion pounds. Local windstorms have knocked approximately 2-3% of the almonds off of the trees.

Table grapes last year totaled 101 million lugs. This year's estimate is 108 million lugs. Coachella is harvesting fruit, and Bakersfield will start two to three weeks ahead of last year's timing. Lastly, Mexico will start crossing grapes through the El Centro area around June 8th.

Potato season has started and the season looks good compared to the previous year as prices have increased from last year.

Pistachios last year totaled approximately 500 million pounds. It is expected that it will reach 1 billion pounds this year.

Cherries had a decent crop last year with a total of 9 million packages. This year the southern crop was decent with a total of 3 million packages. The northern crop is only one third of the crop that it had because for unknown reasons the cherries didn't set. The northern fruit should be done within one week. Cherries brought in \$550,000 dollars in revenue last year. This year it will be down \$150,000 dollars due to the northern crop being light.

The California Pear Advisory Board suspended the fresh market inspections for fresh pears. The processors in pears would like to continue with their inspection, but now the

fresh market inspection is voluntary. Last year that program brought in \$275,000 dollars in revenue. The revenue will be significantly less this year. The packers have until June 10th to notify SPI whether they would like to remain having the voluntary fresh market inspection. So far, out of the 12 packers, only 3 have opted to keep the fresh market inspection.

The Cling Peach Program brought in \$500,000 dollars in revenue.

Tomatoes have an early crop this year starting the first week of June.

The 8E kiwifruit was up significantly in the Dinuba area and generated \$73,000 dollars in revenue. The SPI kiwifruit had \$118,000 dollars in revenue generated. The outlook for the coming year is consistent with what was seen last year.

ITEM 7: FOOD SAFETY PROGRAM UPDATE

The leafy green program is still going strong and has been a very successful program. The cantaloupe commodity group signed a marketing agreement this past year and the program is in the process of providing audits to that group. So far it is moving along without any issues. Other audit programs such as the tomato and avocado programs are doing well.

The Program recently has gone down the path of being accredited through Global Food Safety Initiative (GFSI). The Program was looking at going parallel with USDA on this endeavor; however, with the pressure on the Program to move faster as a unit it was decided that we would begin this task without waiting for USDA.

The Program is moving forward with its efforts towards attaining their International Organization of Standardization (ISO) Guide 65 Program accreditation and is currently submitting their application. The Program is also in talks with NCSI Americas Inc. to provide GFSI audits to industry. USDA is looking at providing GFSI approved audits utilizing the harmonized program, however there is no timeline that has been established. Hopefully within this next year the SPI Program will be able to provide GFSI audits if a grower or packer makes the request for one. The basic USDA Good Agricultural Practices and Good Handling Practices (GAP/GHP) audit verification program remains a very successful program. USDA is looking at going for the harmonized audit which is a little more involved than the basic GAP/GHP audit program.

The Food Safety Modernization Act (FSMA) has not been finalized yet it is still in the comment period. The FSMA requirements will be simple. The Program foresees USDA, once FSMA does finalize the rule, making their basic GAP/GHP audit uniform with those requirements. The Program should look at developing a FSMA only audit program because we have had some industry groups that are interested.

Growers are facing an audit overload. Some commodity groups have opened up marketing orders and put in requirements that state food safety audits must be done by a government agency. That does not satisfy the food retailers who require the GFSI. Our goal is to be able to offer everything that is necessary such as being FSMA compliant and an audit that the retailer accepts. Once we become ISO 65 certified we can begin to start offering our services through another company such as NSCI Americas Inc.

ITEM 8: BUDGET APPROVAL

Last year the budget was based on the 10% fee reduction that was implemented the prior year. The suggestion is to continue the 10% fee reduction in order to lower the reserves. This year the Program did see a reduction in the reserve due to various reasons such as program maturity and efficiencies within the programs. The reserve is healthy and the trust fund has approximately \$2 million dollars.

MOTION: Mr. Blaine Carian moved to approve the 2013/14 Proposed Budget as submitted, and to approve the one-year fee reduction for FY 2013/14. Mr. Jim Jasper seconded the motion. The motion passed unanimously.

ITEM 9: OTHER BUSINESS

There was no other business.

ITEM 10: PUBLIC COMMENTS

There were no public comments.

ITEM 11: NEXT MEETING/AGENDA ITEMS

The next meeting will be in May 2014 and will be held in Bakersfield. Agenda items will include the election of officers and the approval of the budget.

ITEM 12: ADJOURNMENT

Mr. Louis Pandol, Chairman, adjourned the meeting at 10:56 a.m.

Respectfully submitted by:



Steve Patton, Branch Chief
Inspection and Compliance Branch
Inspection Services