



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
SHIPPING POINT INSPECTION ADVISORY COMMITTEE MEETING
Tulare County Agricultural Commissioners Office
Meeting Minutes
May 4, 2010**

Members in Attendance

Maria Alvarado
Blaine Carian
Monte Griffith
Jim Jasper
Mike Monta
Louis Pandol
Randy Parnagian
Ryan Van Groningen

CDFA Representatives

Christina Burnie
Ed Page
Steve Thomas
Rick Jensen
Maria Hicks

Members Not Present

Drew McDonald
Dennis Parnagian

ITEM 1: ROLL CALL

The meeting was called to order at 10:02 a.m. by chairperson, Mr. Louis Pandol. Roll was called and a quorum was established. Ms. Maria Alvarado arrived at 10:36 a.m.

ITEM 2: INTRODUCTIONS

Self introductions were made.

ITEM 3: APPROVAL OF MAY 12, 2009 MEETING MINUTES

MOTION: Mr. Monte Griffith moved to approve the May 12, 2009 meeting minutes as submitted. Mr. Jim Jasper seconded. The motion passed unanimously.

ITEM 4: BRANCH/PROGRAM UPDATE

Mr. Rick Jensen stated that there has been a change within the Division of Inspection Services. Mr. Nate Dechoretz has been appointed as Deputy Secretary for the California Department of Food and Agriculture (CDFA). The Division Director position is now open at Inspection Services; the Branch Chief's will rotate as Acting Director for a one year period.

Mr. Jensen stated that reorganization is occurring at the Branch level that will separate the Inspection from the Compliance side. Mr. Steve Thomas is now responsible for the Inspection and Food Safety Unit and the Country of Origin Labeling (COOL).

Mr. Jensen stated that Inspection and Compliance will continue to use Cooperative Agricultural Support Services (CASS) to conduct field level inspection activities.

ITEM 5: FOOD SAFETY PROGRAM UPDATE

Mr. Ed Page provided the committee with a brief overview of commodity updates highlighting that cherries were good year last year. Pear production was approximately 200,000 tons in the Lodi district, and the total revenue was near \$200,000. Mr. Page stated that kiwi fruit is still being repacked and resold. Production is late due to storms that caused damage to docks in Chile. Mr. Page stated that current industry concerns include product dumping and quality issues. Processed products, including peaches, apricots, and grapes produced half of a million tons and generated approximately \$600,000.

Mr. Steve Thomas stated that the fourth year of performing audits for the Leafy Green Marketing Agreement (LGMA) has begun. The third year was completed for the Arizona LGMA program. The intent is that the Arizona LGMA will take the lead in their program next season with CDFA's assistance. The Program has now been working with a cooperative in California for three years; the Cooperative handles 90 percent of the tomatoes in California. The season will start soon in Coachella.

Mr. Thomas stated that last year, through United Fresh, the tomato industry developed a national audit checklist and is required to perform multiple audits. Five CDFA employees attended a session in Florida to work with other auditing agencies to gain uniformity.

Mr. Thomas stated that the United States Department of Agriculture (USDA), Good Agricultural Practices (GAP)/Good Handling Practices (GHP) program is expanding. Discussion ensued regarding the expansion.

ITEM 6: FINANCIAL REPORT

A.) 2010/2011 Proposed Budget

Mr. Jensen provided the committee with an overview of the budget stating that the total budget authority has not changed. Mr. Jensen stated that he has spoken with the

budget office to decrease the unemployment insurance (UI) spending authority from \$1,000,000 to \$100,000. Estimated UI expenditures for this year are \$40,000.

Mr. Jensen stated that it is necessary to maintain a minimum of 25 percent of the annual budget in the agricultural reserve fund. The committee inquired if the legislature could borrow the funds. Mr. Jensen stated that there is statute that allows the legislature to borrow the funds, but if the funds were borrowed they would be required to be paid back. The same statute limits the borrowing to an amount that would not prohibit the activities for which those funds are collected. Mr. Jensen stated that funds can legally be moved outside of the agricultural fund and put into a regular commercial account; they would not be exposed in that type of account. Mr. Jensen stated that some programs do manage the money by utilizing certificate of deposit's and money market accounts. CDFA recently researched Federal Deposit Insurance Corporation (FDIC) insurance because it is decreasing from \$250,000 to \$100,000 in the near future.

Mr. Louis Pandol inquired if they are considered public funds. Mr. Jensen stated that the State requires them to be under bond that has enough to cover the deposits.

Mr. Randy Parnagian asked what type of return the money receives. Mr. Jensen stated that the return rate is approximately 1.5 percent, which is average when going to commercial banks.

Mr. Blaine Carian asked if the data processing expenditure for LGMA is going to be an ongoing expense. Mr. Jensen stated that most of the expenses are ongoing; this is a roll up of two sub-budgets. Shipping Point Inspection (SPI) has benefited from the development and expansion of the COOL program. Existing staff have been dedicated to the COOL program which is a separate source of funding that is directed from the Federal Government.

Ms. Alvarado asked what the external consultant expense is. Mr. Jensen stated that the Department formed a Joint Powers Authority (JPA) with a few counties approximately four years ago. The JPA is responsible for carrying out the field work; that line item covers all of their costs. Mr. Jensen stated he is going to ask CASS to develop a more detailed budget next year to show the different categories. Discussion ensued regarding the proposed budget.

MOTION: Mr. Carian moved to approve the spending authority and the budget, as submitted. Mr. Monte Griffith seconded. The motion passed unanimously.

ITEM 7: OTHER BUSINESS

Mr. Jensen stated that two European grape fly moths were confirmed outside of the Fresno area. Mr. Jensen stated that the USDA and the CDFA are working towards developing quarantine plans.

Mr. Parnagian stated that he heard it should be released tomorrow and inquired which commodities had been affected. Mr. Jensen stated he only knew specifically about grapes. It was expected a rule would be put into place by mid-May.

Mr. Greg McNair, USDA stated that the Fresh Products Branch Chief has been temporarily assigned on the new food safety regulations and has now been there over a year. She will possibly be back in September or October. Mr. McNair stated the assistant chief has been promoted to Branch Chief and there is a new assistant branch chief. The equipment depot was moved from North Highlands, CA to Virginia. It is in the process of being created and some equipment is being issued out of there, but not all equipment is being issued out of the new Virginia location at this time.

Mr. McNair stated that the Branch closed two markets over the year. The closures were in Buffalo, New York and El Paso, Texas. Mr. McNair stated that the web training that is put on by USDA is next week. The Association of Fruit and Vegetable Inspection Standardization Agencies (AFVISA) is in discussion with the State to have two years of web training and the third year of classroom training in order to save the State costs. Mr. Jensen stated that CDFA will not be attending the AFVISA conference this year because the trip was not approved. Mr. Jensen stated that CDFA's concern is that with 25 to 30 collaborators in California, it is expensive to send them to Fredericksburg every three years. Mr. Jensen stated it is a much greater expense than paying travel expenses for the trainers to come to California. Mr. Jensen stated that last years new inspector training was cancelled and CDFA has identified four people that they would like to send to this training.

ITEM 8: NEXT MEETING

The next meeting will be the first week of May 2011.

ITEM 9: ADJOURNMENT

MOTION: Mr. Griffith moved to adjourn the meeting at 11:22 a.m. Mr. Jasper seconded. The motion passed unanimously.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Steve Thomas', is written over a horizontal line.

Steve Thomas, Branch Chief I
Inspection and Food Safety Unit
Inspection Services