



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
SHIPPING POINT INSPECTION ADVISORY COMMITTEE (SPI)**

**May 24, 2022 Meeting Minutes
Lighthouse Lodge & Cottages
1150 Lighthouse Avenue, Pacific Grove, CA**

MEMBERS PRESENT

Louis Pandol
Christine Ivory – Chair
Patrick Smith

INTERESTED PARTIES

None

CDFA REPRESENTATIVES

Steve Patton
Kevin Batchelor
Thomas Osborn
Roxann Bramlage
Mitch Randhawa
Sarah Cardoni
Theresa Stewart
Laurel Rudolph
Omar Solorio

MEMBERS ABSENT

None

ITEM 1: CALL TO ORDER

The meeting was called to order at 10:15 a.m. by Steve Patton.

ITEM 2: INTRODUCTIONS/ROLL CALL

Roll was called by Sarah Cardoni, a quorum was established, and self-introductions were made.

ITEM 3: ELECTION OF OFFICERS

Patton opened the floor to nominations for Chair.

MOTION: Louis Pandol nominated Christine Ivory for the office of Chair. Patrick Smith seconded the motion. The motion passed unanimously, with no abstentions.

ITEM 4: PUBLIC COMMENTS

There were no public comments.

ITEM 5: REVIEW OF MEETING MINUTES

Patton requested a motion to approve the April 22, 2021 Meeting Minutes as presented.

MOTION: Christine Ivory moved to approve the April 22, 2021 Meeting Minutes as presented. Patrick Smith seconded the motion. The motion passed unanimously, with no abstentions.

ITEM 6: COMMITTEE VACANCY AND TERMS REPORT

Cardoni 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. Cardoni also provided the names of members who will be eligible for reappointment as of December 31, 2024. Members were encouraged to reach out to their perspective industry associates for potential applicants to fill vacancies.

ITEM 7: REVIEW OF THE PROPOSED CDFA FISCAL YEAR 2022/23 BUDGET

Kevin Batchelor presented the Proposed Fiscal Year (FY) 2022/23 Budget. The total for Personal Services is \$2,429,749; Operating Expenses and Equipment totaling \$17,658,318; Departmental expenses totaling \$2,029,319; and a \$200,000 Gas Tax credit, for a Total Program Budget of \$21,917,386.

Batchelor stated that revenue is projected between \$17 and \$18 million for FY 2022/23 and slight deficit spending is anticipated. Batchelor explained that in April 2020 it was recommended to the Committee a fee increase to a rate of \$46 per hour based on expenditure and revenue projections; however, the significant revenue increase that occurred the following year as a result of Tomato Suspension Agreement (TSA) inspections taking effect eliminated the need to increase fees at that time. Fee adjustments should be revisited if deficit spending continues.

Batchelor highlighted budget trends and noted that the increase in Personal Services was a result of an industry request to hire the Environmental Scientist state classification for food safety auditing staff in place of Cooperative Agricultural Support Services (CASS) inspectors. A potential \$700,000 increase is projected for the CASS contract to cover increased wages and benefit costs for recruitment. Federal Government Fees have also increased significantly due to the high percentage paid to the United States Department of Agriculture for conducting federal market work such as the TSA inspections.

MOTION: Christine Ivory moved to approve the Proposed CDFA FY 2022/23 Budget as presented. Patrick Smith seconded the motion. The motion passed unanimously, with no abstentions.

i. Fund Condition Update

Batchelor presented the Fund Condition Update. As of March 31, 2022, the SPI Program's beginning fund balance was \$20,608,719. Total revenue was \$14,636,153, and available cash was \$35,244,872. Total expenditures were \$13,018,501, cash adjustments were \$750,788, with an ending operating reserve balance of \$21,475,583.

ITEM 8: PROGRAM UPDATES

Mitch Randhawa presented commodity reports for almonds, cherries, table grapes, and pistachios. Almond production remains steady with 2.8 billion pounds forecasted for 2022; a 4% decrease in production from the previous year. Some facilities are testing a

new automated inspection software that is only being used for internal quality control. Cherries experienced freeze damage and four million boxes were estimated for production; half of what was produced the previous season. The Dinuba and Bakersfield SPI Districts are conducting Section 8e import inspections for table grapes from Chile. Newly licensed inspectors provided adequate inspection coverage and all cold storage product has been inspected. Lastly, a new pistachio procurement in Indio will begin next month.

Omar Solorio discussed the new inspection software National Commodity Inspection Program (NCIP). The San Diego SPI District is testing the software with tablets to conduct import, export, and shipping point inspections. Presently, ten commodities can be inspected using NCIP and work is being done to add more commodities. Next steps are to provide training to other SPI districts and utilize NCIP statewide.

Roxann Bramlage reported that the SPI Program accounting software Visual Account Mate (VAM) was recently updated. Certificates can be entered into VAM from staff who work remotely allowing for billing to be quickly processed. Another improvement is that commodity databases and NCIP data can be imported directly into VAM eliminating the need for data entry and increasing accuracy.

ITEM 9: NEXT MEETING/AGENDA ITEMS

The next meeting will be held in April 2023. A Doodle Poll will be sent to determine the date and location of the next meeting.

ITEM 10: ADJOURNMENT

The meeting was adjourned at 11:33 a.m. by Chair Ivory.

Respectfully submitted by:

Kevin Batchelor, Program Supervisor
Inspection and Compliance Branch
Inspection Services