



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
STANDARDIZATION ADVISORY COMMITTEE (STDZ)
October 29, 2020 Meeting Minutes
Teleconference**

MEMBERS PRESENT

Marko Zaninovich - Chair
David Silva
Jeff Simonian
Patrick Tucker
Ed Williams

MEMBERS ABSENT

None

INTERESTED PARTIES

Cathy Roache – Alameda Co.
Amanda Zito - Fresno Co.
Angel Gibson - Fresno Co.
Scotti Walker - Fresno Co.
Nelson Perez – Imperial Co.
Eddy Greynolds - Kern Co.
Steve Schweizer – Kings Co.
Katherine Takata – Los Angeles Co.
Carrie Mitchell – Merced Co.
Graham Hunting – Monterey Co.
Misael Martinez – Riverside Co.
Denise Crowley – San Bernardino Co.
Monica Winters – San Diego Co.
Robert Pelletier – San Joaquin Co.
Jeremy Wagner – San Mateo Co.
Steve Logan – Stanislaus Co.
Nicole Motley – Tulare Co.
Jack DeWit – Yolo Co.

CDFA

Steve Patton
Marcee Yount
Karrie Batchelor
Andrea Todd
Stacey Hughes
Anna Carrasquillo
Mitchell King
Nicholas Anicich

ITEM 1: CALL TO ORDER

The meeting was called to order by Marcee Yount at 10:09 a.m.

ITEM 2: ROLL CALL/INTRODUCTIONS

Roll was called by Mitchell King. A quorum was established, and introductions were made.

ITEM 3: ELECTION OF OFFICERS

Yount opened the floor for nominations for Chair.

MOTION: Patrick Tucker moved to nominate Marko Zaninovich for Chair. David Silva seconded the motion. A vote by roll call was taken. The motion passed unanimously.

Chair Marko Zaninovich opened the floor to nominations for Vice Chair.

MOTION: Patrick Tucker moved to nominate David Silva for Vice Chair. Jeff Simonian seconded the motion. A vote by roll call was taken. The motion passed unanimously.

ITEM 4: COMMITTEE VACANCY AND TERMS REPORT

King provided the Committee Vacancy and Terms Report.

Steve Patton encouraged the county and industry representatives present to submit recommendations for potential members to help fill committee vacancies.

ITEM 5: PUBLIC COMMENTS

There were no public comments.

ITEM 6: REVIEW OF MARCH 5, 2020 MEETING MINUTES

Chair Zaninovich requested a motion to approve the March 5, 2020 Meeting Minutes as presented.

MOTION: Patrick Tucker moved to approve the March 5, 2020 Meeting Minutes as presented. Jeff Simonian seconded the motion. A vote by roll call was taken. The motion passed unanimously.

ITEM 7: FUND CONDITION AND ASSESSMENT INCREASE PROPOSAL

Stacey Hughes presented the Fund Condition and Assessment Increase Proposal.

Hughes began by discussing the Assessment Increase Proposal. Hughes reminded the committee that this assessment proposal was approved at the October 2019 committee meeting. Hughes went on to explain that because of the impact of COVID-19 on our industries, an administrative decision was made to suspend the fee increase that would have become effective on July 1, 2020. After an extensive review of the program budget, it was determined that the program could postpone the fee increase for one year by temporally reassigning program staff, reducing county agreements, and deferring some program costs.

Hughes then provided an overview of the Fund Condition. As of July 1, 2020, the beginning balance for Fiscal Year (FY) 2020/21 was \$1,443,299; projected revenue was \$1,781,443; available cash was \$3,224,742; expenditures were \$1,827,351; with a cash adjustment of \$120,753; for an ending balance of \$1,276,638.

There was discussion between Chair Zaninovich and Hughes regarding the budgetary impact of withdrawing the previous Assessment Increase Proposal. Hughes explained

that without the implementation of an assessment increase, beginning July 1, 2021, the Standardization Program would not have the funds necessary to operate by the end of the following fiscal year.

Hughes reviewed the current assessment rates which are one mill (1/10th of a penny) for mandatory assessments and three mills for non-mandatory assessments. Hughes also noted that the committee's input is required to move forward with the increased rates. The Assessment Increase Proposal would bring assessment rates to two mills for mandatory and four mills for non-mandatory assessments. Discussion ensued between committee members regarding the proposal.

Chair Zaninovich requested a motion to approve the Assessment Increase Proposal.

MOTION: Patrick Tucker moved to increase the non-mandatory assessment from three mills to four mills and the mandatory assessment from one mill to two mills beginning July 1, 2021. David Silva seconded the motion. A vote by roll call was taken. The motion passed unanimously.

ITEM 8: FY 2019/20 COUNTY ENFORCEMENT ACTIVITY REPORTS

Hughes and the county staff present provided the FY 2019/20 County Enforcement Activity Reports. Sixteen counties attended and participated in the meeting. County personnel shared information regarding the impact of COVID-19, the effects of the agreement funding reductions on their various Standardization enforcement programs and future enforcement plans.

There was also discussion regarding future budget requests. Hughes stated that counties requesting additional funding will need to submit a written request by the end of November, prior to the spring Standardization meeting when the budget for FY 2021/22 is presented.

ITEM 9: COUNTY WHOLESALER REGISTRATION STATUTE – CACASA UPDATE

Ed Williams reported on the survey results provided by the County Agricultural Commissioner's regarding the County Wholesaler Registration Statute.

Forty counties responded to the survey that Williams conducted. Of those 40 counties: 28 have wholesale distributors in their county, and 15 of those 28 conduct periodic inspections at wholesale distributors. Williams also explained that some of the counties in the survey noted that their boards of supervisors are hesitant to introduce new fees on businesses, and others explained that even with more funding, they may not have the staff necessary to conduct additional inspections.

Williams went on to state that while there is some support for implementing a broader wholesaler registration fee, given the impacts of the COVID-19 pandemic, it may be better to revisit the topic at a later date. Patton and Chair Zaninovich agreed with Williams. Chair Zaninovich suggested revisiting this topic at the next committee meeting.

ITEM 10: DIRECT ONLINE PRODUCE SALES

Karrie Batchelor provided an update on Direct Online Produce Sales. Batchelor began by briefly reviewing the discussion from the committee's spring 2020 meeting that led to the current discussion. Batchelor noted that some of the organizations selling direct to consumers are selling blemished produce. Batchelor stated that most of these companies are selling product that is sourced from the producers as well as commercial packing facilities. Batchelor also stated that there is further work being done to determine whether these companies are required to register as a handler under Standardization Program laws.

Chair Zaninovich asked if it was fair to say that these companies are held to the same standards. Batchelor and Hughes stated that all produce that enters into the market is subject to standards unless it is being donated. Hughes stated that the rules on quality and maturity do apply to these products but whether packing requirements are enforced depends on where the produce was sourced from.

Nicholas Anicich of CDFA's Office of Farm to Fork provided information on CDFA's Farm to School program. Anicich described the interactions that the Farm to School program has had in its work to provide healthy food options to schools and food banks during the COVID-19 pandemic and stated that there are many companies involved in the online produce sales. Anicich noted that many of the companies involved in direct sales are small start-ups.

Anicich is working with the University of California's Agriculture and Natural Resources (UCANR). This work with UCANR includes efforts to develop an ecosystem of solutions for customers that are seeking products via direct sales as well as efforts to inform these new companies of the standards that they must follow to comply with regulations in the agriculture industry.

Patton thanked Anicich for the Office of Farm to Fork's efforts to inform new entrants to the industry on the standards that they must comply with. Patton also explained that it may be necessary to revisit and update the laws regulating standardization. Patton asked that the committee work with CDFA to review the impacts of existing laws on charitable organizations and evaluate what changes might be made to make it easier for charitable organizations to work within California while also ensuring standards are met by industry.

This led to discussion about creating a task force to review and evaluate regulations and statutes for possible updates. Chair Zaninovich asked for volunteers. Both Jeff Simonian and David Silva volunteered to form a task force to provide such review.

ITEM 11: TABLE GRAPE INDUSTRY – SHED/FIELD PACKING

Hughes provided a brief update regarding the traditional field packing practices of table grape industry. Hughes stated that Kern County had recently reported that several blocks of table grapes were being packed at produce coolers rather than in the field. This has raised some concerns about inspection procedures and whether or not the

product was being properly inspected. Hughes asked the committee for their input because of the increase in occurrences of this type of packing method.

Chair Zaninovich opened the floor for discussion about whether this was a trend in the industry. Hughes stated that CDFA has been told that some retailers have been said to require "In House or Facility" packing. Chair Zaninovich confirmed that there is at least one retailer with such a requirement. Silva also confirmed this requirement and is unsure whether this trend will expand to others. Hughes explained that if facility packing of table grapes continues to increase, it may be necessary to modify current inspection procedures to ensure maturity requirements and other standards are met.

ITEM 12: PROGRAM UPDATES

Hughes provided some program updates. Hughes explained there are currently experimental container and pack permits issued for cantaloupes and oranges as well as honeydews. Hughes reminded the committee that permits are only valid for three years, at which time the industry has to petition CDFA to standardize the container or abandon the experiment. Hughes then provided information on the Standardization work being done at the Otay Mesa border station by Shipping Point Inspection (SPI) staff. SPI continues to inspect multiple commodities coming in from Mexico to ensure they meet Standardization requirements. Hughes also informed the committee that the various commodity trainings provided to county personnel are now being conducted online to adapt to the current challenges brought on by the pandemic.

Patton thanked the counties present for the work they have done during the difficulties of 2020 and the COVID-19 pandemic, especially the work done to distribute personal protective equipment. Patton also thanked members of industry for their continued work to provide food to the world in spite of the challenges they faced.

Silva thanked CDFA and the counties present for their work and attendance.

ITEM 13: NEXT MEETING/AGENDA ITEMS

Chair Zaninovich requested an update on the County Wholesaler Registration Statute.

The next meeting will be held on Thursday, March 11, 2021.

ITEM 14: ADJOURNMENT

The meeting was adjourned at 12:52 p.m. by Chair Zaninovich.

Respectfully submitted by:

A handwritten signature in blue ink, appearing to read "Stacey Hughes". The signature is fluid and cursive, with a large initial "S" and "H".

for
Stacey Hughes, Program Supervisor
Standardization Program