



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
STANDARDIZATION ADVISORY COMMITTEE (STDZ)**

**March 21, 2023 Meeting Minutes
4437 South Laspina Street, Tulare, CA**

MEMBERS PRESENT

Louis Pandol – Chair
Marko Zaninovich – Vice Chair
Jeff Simonian
Ed Williams
Scott Deardorff

INTERESTED PARTIES

Julian Lopez, Imperial Co.
Mario Gutierrez, Kings Co.
Jordan Key, San Diego Co.
Monica Winters, San Diego Co.
Nicole Motley, Tulare Co.
Ruben Arroyo, Riverside Co.
Misael Martinez, Riverside Co.
Cathy Roache, Alameda Co.
Greta Shutler, Alameda Co.
Don McCoon, Alameda Co.
Eddy Greynolds, Kern Co.
Melissa Lovett, Stanislaus Co.
Nina Zlatkov, Los Angeles Co.
Jeremy Wagner, San Mateo Co.
Sara Sanchez, San Bernardino Co.
Tim Fritch, Ventura Co.
Carrie Mitchell, Merced Co.
Sofia Hernandez, Fresno Co.
Omar Luna, San Joaquin Co.
Rich Ordonez, Monterey Co.
Stefanie Pandol

CDFA

Marcee Yount
Stacey Hughes
Karrie Batchelor
Kevin Jenkins
Anna Carrasquillo
Sarah Cardoni

MEMBERS ABSENT

David Silva

ITEM 1: CALL TO ORDER

The meeting was called to order at 10:04 a.m. by Chair Louis Pandol.

ITEM 2: ROLL CALL/INTRODUCTIONS

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

ITEM 3: PUBLIC COMMENTS

There were no public comments.

ITEM 4: REVIEW OF OCTOBER 25, 2022 MEETING MINUTES

Chair Pandol requested a motion to approve the October 25, 2022 Meeting Minutes, as submitted.

MOTION: Marko Zaninovich moved to approve the October 25, 2022 Meeting Minutes as submitted. Jeff Simonian seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 5: COMMITTEE VACANCY AND TERMS REPORT

Sarah Cardoni provided the Committee Vacancy and Terms Report. Current vacancies include: one fresh fruit member; one other fresh fruit member; four fresh vegetable members; one other fresh vegetable member; and one member representing other commodities subject to Standardization assessments. Cardoni also provided the names of members who will be eligible for reappointment as of September 1, 2023.

ITEM 6: REVIEW OF PROPOSED FISCAL YEAR 2023/24 COUNTY AGREEMENTS

Stacey Hughes presented the Proposed Fiscal Year (FY) 2023/24 County Cooperative Agreements. County agreements for FY 2023/24 total \$873,687. Two of the 18 counties with Standardization County Cooperative Agreements requested additional funding. San Diego County requested \$7,028 to increase enforcement at their 28 wholesale facilities. Stanislaus County, who faced a significant decrease in funding in FY 2019/20 and has since exceeded their agreements, has requested an additional \$3,000 to offset the cooperative agreement shortage and maintain service levels. Hughes reminded counties that any funding increases must be submitted by November 30th so that requests can be considered. Additionally, Hughes stated that program expenses are very close to revenue sources and reallocating funding between counties could be forthcoming.

ITEM 7: REVIEW OF PROPOSED FISCAL YEAR 2023/24 PROGRAM BUDGET

Hughes presented the Proposed FY 2023/24 Program Budget. Proposed expenditures include: \$824,341 for personal services; \$1,091,512 in operating expenses and equipment; and \$406,730 for departmental services; bringing the total program cost for FY 2023/24 to \$2,322,583. With a projected gas tax credit of \$36,170 and a cash adjustment for statewide costs of \$145,904, the total projected program budget is \$2,432,317. The projected revenue for FY 2023/24 is \$2,306,106.

Hughes stated that for FY 2021/22, personal services came in over budget by \$46,653 due to the 9.25% salary reduction that was implemented during the Covid-19 Pandemic not being extended as expected. However, the program did see a savings of \$164,956 under total operating expenses and equipment due to significantly decreased travel expenditures, counties not fully expending their cooperative agreements, and work not being performed on the database development due to staffing issues. Lastly, actual revenue collected in FY 2021/22 was less than projected. This was the first year the new assessment rates were in effect and the lag in the first reporting month was not considered when projections were developed.

Hughes expects savings for total personal services in the FY 2023/24 Program Budget due to the vacancy of an Agriculture Program Supervisor IV in which the program covers thirty percent of the position's salary and benefits. Additionally, money has been earmarked for the reclassification of the program's Northern District Fruit and Vegetable Quality Control (F&VQC) Inspector that will be reclassified to a F&VQC Supervisor II next fiscal year. For total departmental services, the proposed indirect costs for the Inspection and Compliance (I&C) Branch budgeted may be exceeded. When projections were made, the I&C Branch indirect costs were distributed among eight

programs; however, due to the Produce Safety Program (PSP) becoming its own branch, those costs are now split between seven programs. Thus, PSP's portion was redistributed amongst the remaining programs causing the Standardization Program's share of indirect costs to be larger.

Vice Chair Marko Zaninovich questioned how the Standardization Program budget fits into the bigger I&C Branch budget and requested the program's overhead percentage be provided to the Committee.

Chair Pandol requested a motion to approve the Proposed FY 2023/24 Program Budget as presented.

MOTION: Marko Zaninovich moved to approve the Proposed FY 2023/24 Program Budget as presented with a request that next year the Committee is provided information on how the Standardization Program's budget fits into the I&C Branch budget. Jeff Simonian seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 8: PROGRAM SUNSET CLAUSE STATUTE

Hughes discussed the program's sunset clause statute by first providing background. During the State's budget crisis in 1990, the Standardization Program went from General Fund to an industry-funded program, and the sunset clause was included to ensure reevaluation of the program. As a result, the sunset clause has since required legislation be enacted every five years to extend the program's statutes. Also included in the program's statutes is a provision for commodity groups to opt out of the program if they meet certain criteria and elect to do so. Consequently, allowing the program's statutes to sunset would cause significant impacts to other I&C Branch programs, such as the Citrus Program, Direct Marketing Program, and Avocado Inspection Program, as their regulations are closely tied to the Standardization Program.

On March 13, 2023, Assembly Bill (AB) 1763 was introduced by the Committee on Agriculture and includes language to repeal the sunset clause and continue the Standardization Program indefinitely. Western Growers Association and California Fresh Fruit Association have indicated their support of the proposed legislation.

Chair Pandol requested a motion to support Bill (AB) 1763 and repeal the Standardization Program's sunset clause.

MOTION: Marko Zaninovich moved to accept the recommendation to remove the sunset clause statute for the Standardization Program. Jeff Simonian seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 9: COUNTY WHOLESALER REGISTRATION LEGISLATION UPDATE

Ed Williams reported that the California Agricultural Commissioners and Sealers Association sponsored recently introduced Senate Bill (SB) 701. The bill would authorize the county board of supervisors to establish a registration fee for wholesale registration of up to \$500 to be used for standardization enforcement at wholesale distributors. Additionally, the provision limiting the fee to counties with a population of

six million or more would be removed. Lastly, it eliminates the requirement that the registration fee shall not pay more than one third of a county's Standardization Program.

Willams requested that associations provide letters of support for SB 701. Letters should be addressed and sent to Senator Melissa Hurtado.

ITEM 10: PROGRAM UPDATES

Hughes shared that inspections have begun for imported table grapes in Los Angeles County and Riverside County. To date, eight vessels have been inspected at the Port of Long Beach. No maturity issues have been identified on Chilean or Peruvian grapes. Riverside County has issued ten notice of non-compliances for labeling, mostly for varietal statements.

ITEM 11: NEXT MEETING/AGENDA ITEMS

The next meeting will be held on Tuesday, October 10, 2023, and will be held at the Tulare County Agricultural Commissioner's Office.

ITEM 12: ADJOURNMENT

The meeting was adjourned at 11:27 a.m. by Chair Pandol.

Respectfully submitted by:

Stacey Hughes, Program Supervisor
Standardization Program