#### CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA) STANDARDIZATION ADVISORY COMMITTEE MEETING Coalinga, CA Meeting Minutes October 22, 2008

# Members<br/>Pete DinklerCDFA Representatives<br/>Amadou BaInterested Parties<br/>Scotti Walker, Frest<br/>Scotti Walker, Frest<br/>Thomas Nyberg, Fr<br/>Ruben Arroyo, Kerr<br/>Tim Pelican, Stanis<br/>Richard Ordonez, M<br/>Ronald Palmer, Sar<br/>Ron Bray, Riverside

Scotti Walker, Fresno County Thomas Nyberg, Fresno County Ruben Arroyo, Kern County Tim Pelican, Stanislaus County Richard Ordonez, Monterey County Ronald Palmer, San Mateo County Ron Bray, Riverside County Dennis Bray, Alameda County Tom Reed, San Joaquin County Steve Schweitzer, Kings County

# ITEM 1: ROLL CALL

Mr. Jim Simonian called the meeting to order at 9:55 a.m. Roll was called and a quorum was established.

## ITEM 2: COMMITTEE VACANCIES AND TERMS

Dr. Amadou Ba announced that the committee has six open positions. Mr. Ruben Arroyo is newly appointed to the committee. Another member was appointed but will not be able to fulfill his position. Mr. Eric Lauritzen has been appointed as an alternate, and Mr. Gilbert Coelho was re-appointed by the Secretary. Dr. Ba announced that the open positions were advertised, but not many applications were received. The hope is to receive new applications in the next several months.

### **ITEM 3: APPROVAL OF MARCH 20, 2008 MEETING MINUTES**

**MOTION:** Mr. Simonian moved to approve the March 20, 2008 meeting minutes as submitted. Mr. Perez seconded. The motion passed unanimously.

### A copy of the March 20, 2008 Meeting Minutes are attached as EXHIBIT A.

### ITEM 4: PILOTING AN AUDIT PROCESS THROUGH THE MARKET ENFORCEMENT BRANCH

Dr. Ba explained the necessity of piloting a financial audit process similar to the one implemented by the Feed and Fertilizer audit system. Dr. Ba explained the cost of the audit and what the program is trying to accomplish. Dr. Ba made assurances that there would be no penalties during the piloting phase. The first round of audits was strictly

informational "to see where we are". After some discussion and explanation about who would be audited, it was moved by Pete Dinkler to approve a motion to fund 5 audits at an approximate cost of \$3000.00.

**MOTION**: Mr. Pete Dinkler moved to approve the audit. Mr. Whitson seconded. The motion passed unanimously.

### **ITEM 5: REGULATION UPDATES**

Dr. Ba and Mr. Patton explained that the Citrus advisory committee needed to increase their funding. They were raising the assessment to the maximum allowed under the Food and Ag Code. They expended their reserve two years ago during a freeze. Mr. Patton explained that the baby head lettuce regulation was already in effect.

# ITEM 6: COMMISSIONER REPORT: PROPOSED CHANGES ON FAC 861

Mr. Reuben Arroyo, Agricultural Commission for Kern County provided handouts outlining the recommended changes for FAC §861. Mr. Arroyo asked for support of a new bill to be introduced changing Food and Ag Code Section 861, which deals with proof of ownership. Instead of only lots over 200 pounds being required to comply, all lots will be required to have proof of ownership.

**MOTION:** The motion to support CACASA 's position was moved by Mark Perez and seconded by Pete Dinkler. The motion passed unanimously.

### ITEM 7: STATE AND COUNTY ENFORCEMENT RESULTS

Mr. Patton gave an update on the State enforcement results. There were 1326 noncompliance, 213,000 containers were inspected and 965 bins. There were a total of 68 different commodities inspected, 16,000 containers of citrus, 22,000 containers of tomatoes, 18,000 containers of grapes, and 2540 bins of watermelons. Mr. Patton stated that there were now more inspectors for enforcement, and that some counties will now start fining for non-compliance.

San Joaquin County: Mr. Tom Reed explained that San Joaquin County inspected 8.2 million boxes. They are able to team with SPI inspectors to visit packinghouses daily, and inspect the coolers where the containers are stored. Mr. Reed explained that they made 749 inspections, 57,774 containers of which 37 were in non-compliance. San Joaquin County has 15 full time staff, a contract for \$49,000 and actual expenditures of \$47,000.

*Stanislaus County*: Mr. Tim Pelican provided a handout overview of the standardization contract that has no contract manager at this time. Mr. Pelican explained that last year they only worked 40 hours, inspected 983 containers and issued 3 non-compliances mostly on watermelons and cantaloupes.

*Monterey County*: Mr. Rich Ordonez explained that they made 368 inspections, 1.8 million cartons of product with 7 non-compliance mostly for incorrect markings on leaf lettuce, salad products and spinach. They have 5 seasonal employees who spent 1,023 hours doing inspections with a contract for \$61,000 and expenditures of \$55,000.

San Mateo County: Mr. Ronald Palmer provided handouts reporting the inspections are primarily at the Golden Gate Produce Terminal the main inspection site in South San Francisco. They inspected 5,270 premises. Mr. Palmer explained the county had been issuing civil penalties but stopped because no other county was issuing penalties. Now that other counties are starting to issue penalties for violations, San Mateo is re-starting the penalties. They sent out a notice in May that penalties would start being assessed starting July of this year, and violations have dropped. Mr. Palmer explained that two years ago in 2006, a total of 972 violations were found, and in 2007 only 226 violations. The contract amount is \$62,000 with actual expenditures \$61,690, and 1040 hours spent on inspections.

*Riverside County:* Mr. Ron Bray explained that Riverside County inspected 298 premises for about 1.4 million containers, and citations were issued for 82,000 non-compliances for labeling issues, 21,000 maturity related issues, 112 for defects, 189 non-compliances. Mr. Bray explained that inspectors worked 1800 hours with an actual expenditure of \$107,000.

*Kern County:* Mr. Arroyo provided handouts reporting that Kern County inspected 2,280 lots, 1.3 million containers and found 26 in non-compliance. Inspectors also rejected 6,499 containers and most of the rejections were for product maturity. Kern County has 10 full-time and 1 part-time inspector who worked 1,813 hours. The full contract amount of \$56,522 was billed. Mr. Arroyo provided a handout of a memo registering a complaint of stolen watermelons being sold at a roadside vendor, which showed the seriousness of product theft, and food safety and handling issues that may arise and the importance of Section 861 changes.

*Merced County:* Mr. Arroyo presented Merced County report and explained that Merced has a \$15,000 contract with \$5,311 balance. Inspectors inspect mostly watermelons and honeydew melons. There were 125 lots of watermelons and 121 lots of honeydew melons inspected, 9 were in non-compliance and 20,000 were rejected due to quality and maturity issues. Merced County has six fulltime inspectors and 3 seasonal employees.

*Yolo County:* Mr. Arroyo presented Merced County report and explained that their contract is for \$18,000. Inspectors made 202 inspections and did not have any non-compliance or rejections.

*Alameda County*: Mr. Dennis Bray provided a handout explaining that they have exceeded their contract amount. Mr. Bray explained that Alameda County has one full

time inspector who inspected 3,308 lots and 134,480 containers, issued 17 noncompliances, and rejected none. Most of the non-compliance was for identity, responsibility, and quantity issues. Mr. Bray explained that Alameda County has started to issue penalties against non-compliant companies and compliance is improving because of the penalty action.

*Fresno County*: Mr. Thomas Nyberg provided a handout and explained that inspectors inspect several different commodities, watermelons, honeydew, grapes and cherries. Most of the non-compliances were issued for defects, markings and maturity. The total contract is \$197.958 with actual expenditures of \$172,895.

*Kings County*: Mr. Steve Schweitzer provided a handout and explained that 324 lots were inspected and 167,223 containers with no non-compliance and no rejections.

# ITEM 8: ALAMEDA COUNTY STANDARDIZATION CONTRACT FY 2008-09

Mr. Bray provided a hand out showing the Budget display for the Standardization Program. He decided not to request an increase for the Alameda County Standardization contract. Mr. Simonian stated that increases are done only at budget time, around March, and that the request should be re-submitted at that time for consideration.

# ITEM 9: ACTIVITY REPORT FORMS FOR COUNTIES CONTRACTING WITH THE STANDARIZATION PROGRAM

Dr. Ba explained that CDFA receives information requests from different areas requesting containers inspected or non-compliances issued amounts. Dr. Ba provided a sample form that could be updated on a monthly, or bi-monthly, basis with inspection activities to add in dissemination of this information when requested.

Mr. Arroyo inquired why this form was necessary when counties are submitting a Report 8, and they would not be able to submit this activity report until they had the information for the Report 8. Mr. Bray suggested that the committee work with Mr. Kevin Masuhara, CDFA County/State Liaison, to help collect the information, and increase the timeliness of submitting a Report 8.

The committee subsequently discussed issues associated with the Report 8 submittals and the need for the new form.

The action was tabled for a later date.

# ITEM 10: CITRUS ADVISORY COMMITTEE DISCUSIONS ON STANDARD CONTAINERS

Mr. Patton explained that the Citrus Advisory Committee is discussing how assessments on containers can be standardized. The Citrus industry is paying on 37-1/2 pounds instead of by container. Citrus is shipped in different containers and sizes and they want to be assessed by weight instead of container. Depending on how citrus standardizes its assessment it may have an effect on how Standardization assessments are handled.

The members continued discussions on standardization assessment and the impact on the Standardization committee.

# ITEM 11: BUDGET STATUS REPORT ONREVENUES AND EXPENDITURES FY 2007-08

# A copy of Standardization Program Projection and Proposals is attached to these minutes and labeled as Exhibit B.

Dr. Ba explained that the beginning fund balance for FY2008-09 is \$1,199,798. Assessment revenue for FY2008-09 is \$1,8000,000 for an ending fund balance for FY2008-09 of \$1,011,298. These figures are actual after June 2008. Dr. Ba explained that the budget has no major concerns and is close to previous years. The FY2008-09 budget is slightly impacted due to addition of staff around the central coast.

Mr. Simonian inquired whether the State could take money from the Committee's budget to help offset the State's budget deficit. Dr. Ba explained that because the money is Standardization Committee money, the State has no authority to take it.

# ITEM 12: FOOD SAFETY ISSUES, TRACE BACKS AND THE RECENT SALMONELLA CASE

Dr. Ba and Mark Perez discussed food safety issues and gave an update on the Congressional Commerce and Energy Committee Staff visit to California. Dr. Ba talked about the regulation implemented by the tomato industry as a template for future regulations pertaining to food safety issues. Discussion followed about the multiple requirements from industry to comply with food safety audits. Kerry Whitson asked if this committee had the authority to put together an oversight group on food safety issues. He feels there is no "one" entity that looks over food safety. Different retailers require different audits and the packer/handler is always stuck paying. Jim Simonian asked why the audits done by USDA are not sufficient for all retailers. Mr. Patton explained that the Standardization program doesn't have any authority in food safety issues. The Standardization Program has the authority to regulate standard containers and pack, quality, maturity and labeling. The committee members continued discussions regarding food safety enforcement audits and which matrices to use on different commodities, either USDA, CDFA, or outside inspectors since one commodity cannot be held to another's standard.

Dr. Ba suggested creating a sub-committee to address the issue and report back to the Committee at the next meeting. The sub-committee will arrange a conference call to discuss the issue with in the next couple of days. The following members are on the sub-committee:

Mr. Jim Simonian Mr. Kerry Whitson Mr. Dennis Johnston Mr. Mark Perez

### ITEM 13: AB 2168 UPDATE

Mr. Patton explained some of the changes with the passage of AB2168, including that fruit stands can now sell bottled water, and vendors can now sell processed produce, for example, if a vender sells apples, they now can make and sell apple pie. Mr. Patton explained that Certified Farmers' Markets could only sell to consumers before, and now they are able to sell to restaurants that can process the food and resell to the consumer. The bill changed the definition of "consumer".

# **ITEM 14: OTHER BUSINESS**

No other business.

### **ITEM 15: NEXT MEETING**

The next meeting will be held around March 2009.

#### ITEM 16: ADJOURNMENT

The meeting adjourned at 11:52 a.m.

Respectfully submitted by:

Amadou Ba, Supervisor Standardization Program Inspection and Compliance Branch

AB/bc/dw