



June 24, 2024

**NOTICE OF INTENT TO ABANDON THE REGULATORY PROCESS
TO MODIFY THE BOUNDARY BETWEEN
GRAPE CRUSH PRICE DISTRICTS 5 AND 17**

Notice is hereby given that the California Department of Food and Agriculture (Department or CDFA), after proposing to make changes to Title 3 of the California Code of Regulations (CCR), Division 3, Chapter 2, Article 1, Section 1700 to modify the boundary between Grape Pricing Districts 5 and 17 utilized for the Grape Crush Report has, at this time, decided to not move forward with finalizing the regulatory process.

Background – On August 27, 2019, the Department received a petition from the Suisun Valley Vintners and Growers Association (Association). The Association’s petition requested a regulatory change to shift west the boundary between Grape Price Districts 5 and 17, making the Ryer Island region part of District 17.

According to the petitioner, the change in Grape Price District boundaries is necessary to remedy bifurcated and regionally disparate District 5 market data and to remedy negative economic impacts in District 5. They also indicated that the change would benefit District 17.

Notice of Proposed Rulemaking and Determination - On June 23, 2023, upon review of the petition and all relevant factors the Department issued its Notice of Proposed Rulemaking to initiate the regulatory process to modify the boundary between Districts 5 and 17. Thereafter, the Department received written comments from the public and held two public hearings to receive testimony regarding the proposed regulatory action.

Both public hearings were well attended by interested parties and the Department received written comments supporting opposing perspectives which suggested the absence of industry consensus. Input received included the presence of unclear statute dealing with authority to make the proposed regulatory change to the boundary. Upon review of the input received from interested parties the Department has decided to let the one-year timeline on this proposed rulemaking expire. Therefore, the regulations as written stand.

Next Steps –The Department would like to encourage the industry to work together to look for consensus regarding where the grape pricing district boundaries should be. Additionally, the industry may wish to propose a legislative change to FAC section 55601.5 (i)(3), the portion of the Food and Agricultural Code that defines Grape Pricing



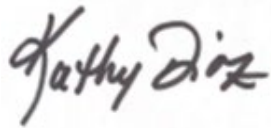
Page 2
June 24, 2024

Districts. If the items of concern are addressed the Department will consider initiating a second rulemaking process.

The website <https://www.cdfa.ca.gov/mkt/grapepetition/>, which contains information regarding this rulemaking process, will continue to be updated to inform those seeking information on this subject.

If any questions regarding this notice, please contact Kacie Fritz at Kacie.Fritz@cdfa.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Kathy Diaz". The signature is written in a cursive, flowing style.

Kathy Diaz, Director
Division of Marketing Services