

MARKET ENFORCEMENT BRANCH
HOT NEWS
November 2013

New Legislation For Processors

With the passage of AB 907, several changes have been made to the Processors Law, Chapter 6, Division 20, of the Food and Agricultural Code that will take effect on January 1, 2013. The following is a brief synopsis of those changes and how it might impact a licensed processor or a new applicant for a license under the Processors Law.

- If a processor is found to be financially irresponsible at the time of the renewal of the license, or when a new application for license under the Processors Law has been submitted, the department may require the applicant/licensee to provide an irrevocable guarantee in an amount sufficient to pay for the licensee's obligations at the time the guarantee is issued. The guarantee may be personal or corporate, a certificate of deposit, a letter of credit, or a surety bond. In addition, this guarantee will not be considered a release from any lien on any processed product purchased from a producer. (Section 55523.3 FAC)
- Currently, any licensee or applicant for a license that had been found engaged in a business which demonstrated a lack of financial responsibility, i.e. delinquent accounts payable, judgments of liability, insolvency or bankruptcy; or failed to assure future financial responsibility, was required to provide the department with a surety bond. AB 907 has amended the code to substitute "surety bond" with irrevocable guarantee. (Section 55527.6 FAC)
- Existing law requires a person found to be operating a business within the past 5 years without a license or who has failed to pay a license fee pursuant to a certain schedule to pay additional penalties to the department, including paying an amount equal to that portion of the fees that were not paid for the last 5 years the business has operated. The amended provision would increase that penalty amount to 3 times the portion of the fees that were not paid for the last 5 years. (Section 55862.7 FAC)
- Lastly, any funds collected pursuant to the provisions regulating processors of farm products will be deposited in the Department of Food and Agriculture Fund in the State Treasury and will be continuously appropriated for the administration and enforcement of those provisions. (Section 55922 FAC)

A copy of AB 907 has been posted on our website (www.cdfa.ca.gov/mkt/meb) under the Food & Agricultural Code tab.

If there are any questions regarding these new changes, please feel free to contact our office at (916) 900-5016 or via email – mktenforce@cdfa.ca.gov.

LICENSE DENIALS

Storey Wine Group

3001 Bridgeway #115
Sausalito, CA 94965
License denied on November 4, 2013

Harris Escher vineyards LLC

PO Box 627
Rutherford, CA 94573
License denied on November 13, 2013

Lodi Olive Oil Co LLC

15466 Linn Road
Lodi, CA 95240
License denied on November 15, 2013

Top Line Specialty

PO Box 58492
Vernon, CA 90058
License denied on November 25, 2013

Monterey Bay Produce

30604 W. Fentem Road
Gustine, CA 95322
License denied on November 25, 2013

ADMINISTRATIVE PROCEEDINGS / LICENSE REVOCATIONS

None

PROSECUTION UPDATES

Jeffrey Wayne Latham – Wilton, CA

On August 1, 2013, a criminal complaint was filed against Jeffrey Wayne Latham with the Solano County District Attorney's office alleging Grand Theft under the Penal Code §487, a felony, and operating without a license under the Food and Agricultural Code (56632); a misdemeanor.