



May 14, 2020

**NOTICE OF INTENT TO INITIATE A REGULATORY PROCESS
TO CONSIDER AN AMENDMENT 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), after conducting a pre-regulatory workshop on December 17, 2019, and evaluating the merits of testimony and evidence submitted, will initiate the regulatory process to consider modifying the boundary between Grape Pricing Districts 5 and 17 utilized for the Grape Crush Report.

Background / Petition Received by the Department – 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.

December 17, 2019 - Workshop - Upon review of the petition, the Department conducted a workshop to encourage industry discussion and receive public input on the merits of the petition. The workshop provided the opportunity for the Association to present their petition for proposed changes and allow for public comment on the proposal. Testimony was received from workshop attendees, as well as via email and mail.

Interested parties were able to reference the Grape Price Districts established in the California Code of Regulations (CCR) - Title 3, Division 3, Chapter 2, Article 1, Subsection 1700 (Grape Pricing Districts), as well as Food and Agricultural Code (FAC) 55601.5 et seq (Clare Berryhill Grape Crush Report Act of 1976).

Next Steps – After review of all relevant factors the Department has determined that it is appropriate to initiate a formal regulatory process to consider an amendment to the Grape Pricing Districts, as requested by the petitioner.



Factors considered making this decision included:

- The reasonableness and economic soundness of the proposed Grape Pricing District boundary changes.
- Level of support, or opposition, of the proposed Grape Pricing District boundary changes.
- Input from experts in local real estate values and crop insurance

The Department anticipates initiating the regulatory process in Fall 2020, pursuant to the Administrative Procedures Act (Chapter 3.5 of the California Government Code) and expects the process to take up to one year to complete. A formal hearing will be conducted as part of the regulatory process to ensure public input is gathered.

A website has been set up to inform those seeking information on this subject: <https://www.cdfa.ca.gov/mkt/grapepetition/>. More information will be released to interested parties and added to the website when the regulatory process begins.

If any questions regarding this notice, please contact Kathy Diaz at Kathy.diaz@cdfa.ca.gov.

Sincerely,



Kari Morrow, Interim Director
Division of Marketing Services