

DEPARTMENT OF FOOD AND AGRICULTURE
Title 3, California Code of Regulations
Section 3601(g), Assessments for Control of Beet Leafhopper

INITIAL STATEMENT OF REASONS

Food and Agricultural Code (FAC) Section 6035 authorizes the secretary to establish and adjust the assessment rate for the sugar beet leafhopper (BLH), *Circulifer tenellus*, control program. The BLH is the only known vector of the curly top virus, an extremely serious plant virus affecting many commercial crops in California. Curly top virus is highly destructive to commercially produced sugar beets, tomatoes, peppers, cucumbers, muskmelons, watermelons, squash, pumpkins, green and dry beans, spinach and varieties of vine seed. The BLH is both resident and migratory. Populations develop in selected habitats within the San Joaquin, Imperial, Sacramento and intracoastal valleys of California and in contiguous states and Mexico.

FAC Section 6034 establishes the four districts for the Curly Top Virus Program (Program). FAC Section 6036 provides that the assessment to support the Program may vary from district to district and from crop to crop based on the degree of vulnerability to damage from curly top virus experienced by the affected crops in each district, and may vary in accordance with the protection afforded to the affected crops in each district.

FAC Section 6039 provides for the establishment of a Beet Curly Top Virus Control Board (Board) and Section 6041 provides that the Board shall make recommendations on all matters pertaining to the Program, including assessments.

The proposed amendments to Section 3601(g), Title 3, California Code of Regulations, will decrease the assessment for all affected crops, except sugar beets and tomatoes. The assessments for these two crops will not be changed.

At the January 28, 2010 Board meeting, a Marketing Services Assessment Rate Proposal

was presented to the Board, with the following key elements:

1. Annual projected revenue of \$1.5 million
2. Revenue contributions from four districts
3. Individual crop value based on county agricultural commissioner data
4. Individual crop susceptibility factor
5. Dollar amount of Program costs contributed by crop/district
6. Individual crop production (expressed in tons) by crop/district
7. Individual crop assessment rate per ton by district

A subcommittee was appointed to review the proposal and make recommendations to the Board. After hearing from the subcommittee at the July 13, 2010 Board meeting, the Board discussed revising the assessment rate based on the following criteria:

1. The assessment rate would be based on the current assessment rate formula by district, combined with a susceptibility factor.
2. No commodity would see an increase in its assessment.
3. There would be new assessment calculations.
4. A 5-year average of production, expressed in tons, would be a factor in calculating the new assessment rates.

The Board then recommended approval of the new assessment rates recommended by the subcommittee. The new assessment rate will decrease the assessment for all affected crops, except sugar beets and tomatoes which will remain unchanged, and result in an estimated annual projected revenue for the Program of \$1.2 million.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS.

The Department relied on the recommendation of the Beet Curly Top Virus Control Board in proposing the amendment to this regulation.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES.

No other alternatives were presented to or considered by the Department.

**REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION
THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS.**

The Department has not identified any alternatives that would lessen any adverse impact on small businesses.

**EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE
ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS.**

The proposed amendment will revise an existing assessment for the Program. The assessment rate will decrease for all but two affected crops. For these two crops, the rate will remain unchanged.

Information Relied Upon

The Department is relying upon the following documents in proposed the amendment of Section 3601.

- Minutes, dated July 13, 2010, Beet Curly Top Virus Control Board
- Minutes, dated January 28, 2010, Beet Curly Top Virus Control Board
- Assessment Rate Comparison
- BCTV Infection/Susceptibility Rating Table
- Chronology of Assessment Rate Considerations/Models/Meetings
- Memorandum from Dr. Robert Leavitt to Will Brown, dated July 13, 2010
- Program Costs