Seed Advisory Board Meeting
Regular Meeting - Conference Call
10:00 am, Friday February 22, 2013

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1. Call to Order – Roll call

Chairman Falconer called the meeting to order at 10:04 am. The following members and guests were present:

Kelly Keithly	Janice Woodhouse	Sue DiTomaso
Rick Falconer	George Hansen	John Heaton
John McShane	Michael Campbell	One unidentified
Marc Meyer	Betsy Peterson	
Larry Hirahara	Deborah Meyer	

2. Acceptance of Minutes from November 13, 2012 Seed Advisory Board meeting

Kelly Keithly motioned that the minutes of the November 13, 2012 meeting be accepted. John McShane seconded the motion. Motion carried unanimously.

3. Recommendations for appointment to the Seed Advisory Board

Chairman Falconer reviewed the roster and noted the following members were previously appointed to the Board with terms set to expire on March 31, 2013.

Kelly Keithly
Paul Frey
Marc Meyer

He also informed the Board that member Dennis Choate has resigned his seat, which was set to expire March 31, 2014, so the Board now has a four seats to recommend appointments for.

Chairman Falconer requested the chair of the nominations committee, member Mike Campbell, present a report from the nominations committee.

Mike Campbell reported that the nominations committee reviewed the list of persons interested in serving on the Board. The committee recognized the need to appoint four individuals to address expiring terms and the vacancy created by Dennis Choate's resignation.

Mike Campbell motioned that the Board recommend a slate of the current members, namely Kelly Keithly, Paul Frey and Marc Meyer plus new applicant Bill White, to be appointed to the Board. George Hansen seconded the motion. Motion carried unanimously with one abstention.

Mike Campbell inquired what the next step would be to move the recommendation forward.

Heaton replied that he will draft a memo to the Secretary to inform her of the upcoming vacancies and the need to appoint members to the Board. The memo will contain the names of the candidates, the recommendation from the Board and any letters of interest or professional qualifications or experience that the candidates may have provided.

Mike Campbell noted that some candidates provided only a simple note about their desire to serve while other candidates provided more extensive letters of interest and documentation of their professional experience.

Heaton stated that he did not believe the lack of extensive documentation would disadvantage candidates currently on the Board. He acknowledged the Board's concern and stated he was willing to delay drafting the memo for one week in order to enable everyone was able to submit thorough documentation of qualification and interest.

4. Analysis of Prior Year Seed Subvention Payments and County Enforcements

Chairman Falconer reminded the Board that at their last meeting they recommended continuance of the seed subvention program at a minimum of $120,000. They also briefly discussed possible changes to how counties get paid, which would require legislative change. Currently counties receive a minimum of $100 to participate in the seed subvention program and receive an additional payment each year that is proportionate to the amount of work they report.

The changes suggested at the last meeting were:

a. Increase the minimum amount of money provided to each county in order to make participation more attractive. The current minimum is $100.
b. Provide more than $120,000 to help counties receive more funding.

c. Retain the current level of funding at $120,000 but proportionate the money more selectively. For example provide more money to counties that do the bulk of seed law enforcement work.
d. Change the law to allow for multi-year agreements, thus reducing the administrative overhead costs for seed law enforcement by counties.

The Board requested CDFA staff provide additional analyses of the seed subvention program, so the above changes could be considered with a greater understanding of how work is assigned to counties and funds are distributed to counties.

Chairman Falconer requested John Heaton to provide the results of his analyses.

Heaton explained that counties enter into an annual memorandum of understanding (MOU) with CDFA to conduct seed law enforcement work. For participating in the program each county automatically receives $100. In recent years several county agricultural commissioners have informed CDFA that the cost of processing the MOU exceeds the $100 they receive. One agricultural commissioner informed Heaton that it would take a minimum assured payment of $1,000 to consider participating. Heaton noted that the program is voluntary and counties that do not wish to participate do not have to. Two counties chose not to participate in FY2012.

Once the MOU is signed, CDFA provides each county with a scope of work that lists the units of activity they are expected to complete in the fiscal year. The scope can be adjusted upon request from the county but is generally more or less based simply on the number of registered labelers in the county.

In prior years the county biologists were required to collect seed samples and submit them to the CDFA seed lab. Since that activity was wrought with errors, the Board decided counties should focus their efforts on other enforcement activities. For the last six years counties have only performed label evaluations and premise inspections as part of their scope of work. The amount of money they collectively receive has remained at $120,000.

Although not in their scope of work, counties are also encouraged to check incoming shipments of seed from other states for compliance to the California Seed Law. These inspections are referred to as 008 inspections because that's the form used by CDFA border inspectors when they issue reports to counties about incoming seed shipments. Heaton stated that 008 inspections conducted by county biologists have been extremely useful in indentifying out-of-state firms not authorized to sell seed in California. He felt it was appropriate to include 008 inspections in the analyses of seed subvention because 008 inspections reflect seed related enforcement work to a small degree.

The following handouts were presented to the Board as analyses of the seed subvention program:

a. A table of 7 year average payments to counties with corresponding annual averages for assigned label evaluations, reported 008 seed inspections and the number of new firms since 2005 (attachment 1).
b. A column graph of each county's 7 year average of MOU evaluations versus their 7 year average annual payment (attachment 2).
c. A column graph of each county's 7 year average of regular label evaluations versus their average annual number of reported 008 label evaluations (attachment 3).

d. A column graph of each county's 7 year average of regular label evaluations and reported 008 label evaluations combined (attachment 4).
e. A column graph of each county's combined 7 year average of regular label evaluations and reported 008 label evaluations versus their 7 year average annual payment (attachment 5).
f. A column graph depicting the combined number of new California firms authorized to sell seeds in each county since 2005(attachment 6).
g. A column graph depicting the total number of new California firms authorized to sell seeds in each county since 2005 versus each county's 7 year average annual payment (attachment 7).
h. A column graph depicting the annual accumulation of funds collected as a result of enforcements for unregistered seed labelers in state and out of state (attachment 8).
i. A pie chart reporting the proportion of counties that receive average annual payments within five progressively larger ranges (attachment 9).
j. A pie chart reporting the proportion of counties that receive average annual payments within four progressively larger ranges (attachment 10).
k. A color coded table corresponding to attachment 8. The table lists the 9 year average annual payment to counties from highest to lowest. It also provides the incremental accrual of payments to counties from highest paid to lowest paid and provides the aggregate percentage of the total $120,000 paid to counties to identify benchmarks or cutoff percentages (attachment 11).
l. A graph depicting the 7 year average number of 008 reports issued to counties when out-of-state shipments contain seed entering California; n approximately equals 55,000 records (attachment 12).

He acknowledged there was more information than the Board could perhaps evaluate at the present meeting, but he wanted to provide as much information as possible so the situation could be clearly understood by the industry. He suggested a few conclusions that might be drawn about the seed subvention program from the graphs.

a. Counties that have the most seed related activities, including inspections of seed related shipments reported on the 008 form CDFA border inspectors, are the counties that receive the largest portion of the $120,000 allocated for seed subvention.
b. The aggregate amount of money collected from unregistered firms given authorization to sell since 2005, is approximately $1.2 million dollars. Heaton suggested this reflects the value of local enforcement of the seed law.
c. Fifty-five percent of the counties (32 of 58) receive less than $1,000; the amount identified by at least one agricultural commissioner as the minimum he consider to continue participating.
d. Twelve counties receive 54% of the $120,000.

John McShane asked if some counties are perhaps overly aggressive in attempts to garner more funds from the subvention payments.

Heaton stated he has always had concern about that but he doesn't believe the formula for payment lends itself to that strategy. County biologists are already going to seed facilities as part of their quarantine inspection duties. The inspections for seed law are a secondary effort.

In addition, the number of 008 inspections performed by a county does not greatly impact their total payment. Payment is primarily based on assigned label evaluations, which reflect

the number of firms authorized to sell seed in a particular county. If all counties complete their assigned label evaluations, there's no money in the kitty to assign a value for extra work related to 008 inspections. The reality is however, that every year a few counties fall short of their assigned scope of work. The small amount of money that becomes available is divided up for distribution to counties that report extra work in the form of 008 inspections. The Seed Services Program uses a sliding scale for 008 inspections in order to prevent some counties from collecting virtually all of the extra funds because of their high number of reported 008 inspections. For example, the first one hundred 008 inspections may be assigned a value of approximately $1.00. Any inspections beyond the first one hundred will only receive about ten cents per label evaluation related to an incoming seed shipment. The much lower value for 008 inspections is probably adequate to prevent any county from being too aggressive about 008 inspections. In short, we do not provide enough money to initiate 008 inspections but if counties allow inspectors to piggy-back seed law label evaluations on the county's quarantine effort, we will give them a little extra money.

Chairman Falconer noted that during the last meeting the Board expressed a desire to continue the seed subvention program at a minimum of $120,000. He asked if anyone wanted to make any new recommendations about seed subvention.

Several members agreed it was probably not cost effective for counties to participate at the minimum $100 level.

Betsy Peterson informed the Board that the California Seed Association (CSA) has a bill that has been prepared regarding seed subvention. She stated that the Board's present task is to consider the level they wish to fund seed subvention in the future so that level can be communicated to CSA.

John McShane motioned the Board recommend CSA sponsor legislation to continue the seed subvention program for another five years. He further recommended the new legislation be drafted to eliminate the requirement for a $100 minimum payment to counties but instead pay counties solely on a basis proportionate to the work they report.

Heaton noted that the program is voluntary and counties that don't want to participate don't get the $100. He added however, that the program would be easier to manage if it was not tasked with executing MOUs for counties that are only receiving $100 and have no units of activity. While that change would streamline the subvention program he cautioned the Board that there is value in keeping counties involved at some level. For example three counties, one of which only receives about $611 from the seed subvention program, just sent biologists to training hosted by CDFA and instructed by USDA, to become USDA ISTA Seed Samplers. In this instance, the county is spending more money to get their biologist trained in an activity specifically for the seed industry but admittedly outside of the seed subvention program.

Kelly Keithly seconded the motion by John McShane.

Heaton noted that another difficulty that agricultural commissioners have expressed is the administrative cost associated with processing an annual MOU. Several counties have expressed a desire to have a multiyear agreement rather than annual agreements. Heaton suggested that new legislation for renewal of seed subvention could provide an opportunity to address this issue of concern; specifically changing the reference from annual MOU to multiyear MOU.

John McShane amended his motion to include a multiyear MOU.

Heaton summarized the motion as: John McShane motioned the Board recommend CSA sponsor legislation to continue the seed subvention program for another five years, expiring July 1, 2014 and being repealed January 1, 2020. He further recommended the new legislation eliminate the requirement for a $100 minimum payment to counties and instead simply pay counties on the basis of work they report. In addition, he recommended the proposed legislation for seed subvention include provisions that allow implementation of a multiyear MOU between CDFA and the counties.

The motion was called. The Board voted unanimously to support the motion. Motion passed.

5. Public Comment

Chairman Falconer inquired if there were any additional comments from the public in attendance. None were made.

6. Other Items – Next Meeting Date

Chairman Falconer reminded the Board that next meeting is set for Tuesday May, 7, 2013 at 8:15 am at the CDFA Plant Diagnostics Center on Meadowview Road in Sacramento.

7. Adjournment

Marc Meyer motioned for adjournment.
Kelly Keithly seconded the motion. Motion carried.
Chairman Falconer adjourned the meeting at 11:15 a.m.

8. Attachments 1 through 12 - Analyses of Seed Subvention

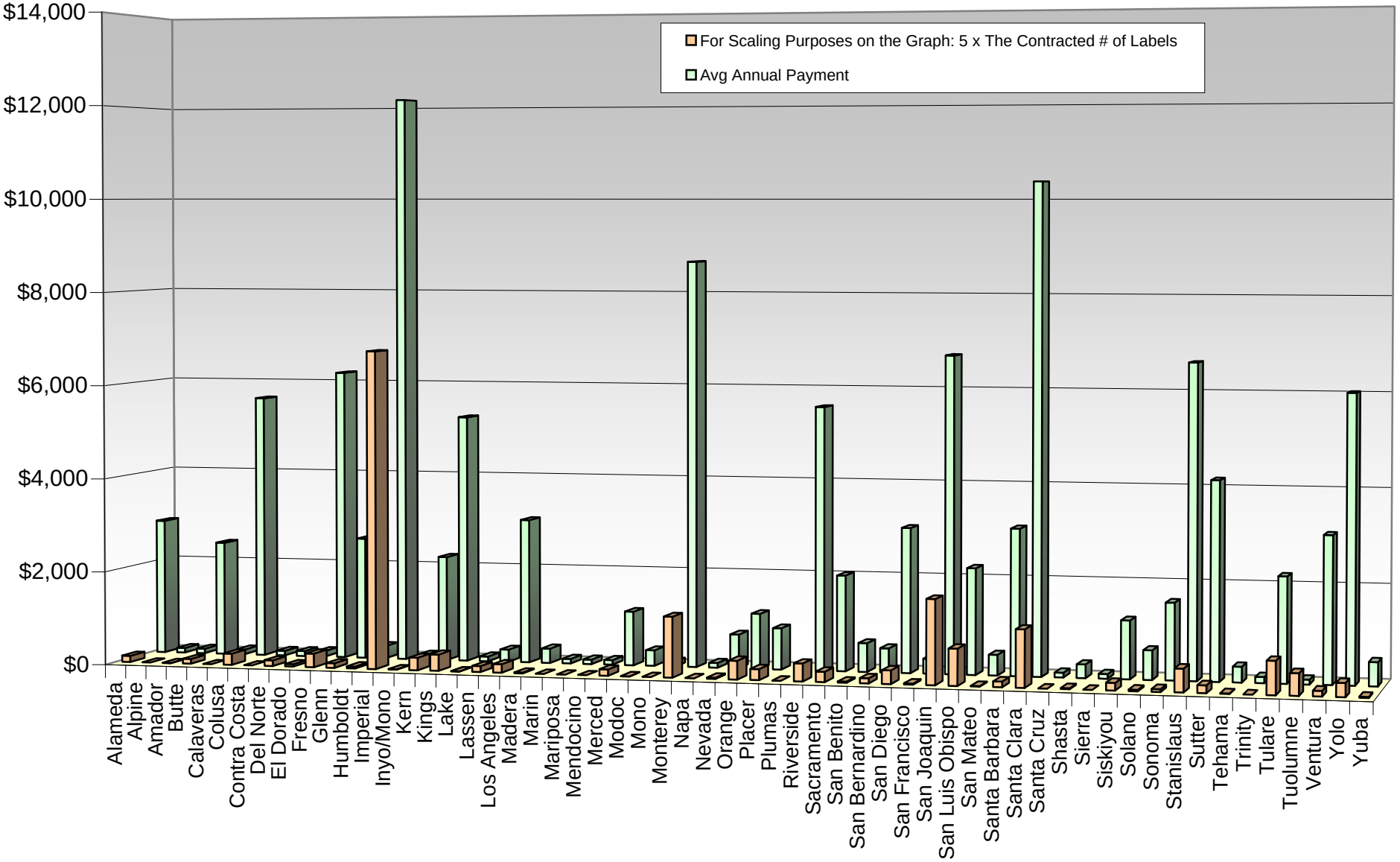
Respectfully Submitted

John Heaton
Senior Environmental Scientist
CDFA Seed Services Program

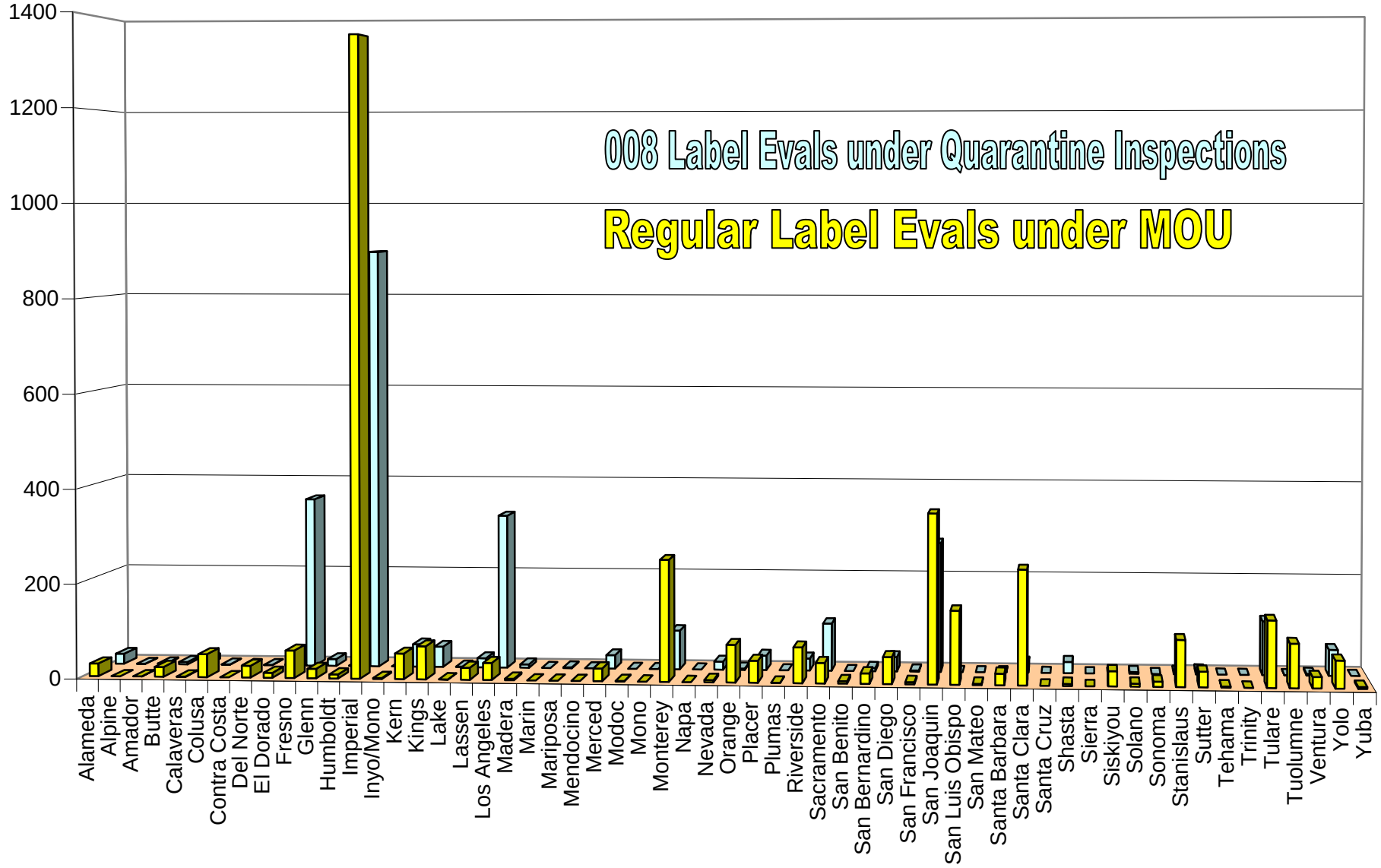
Data - 7 Year Averages

COUNTY	7 year mean contracted labels	7 year mean extra labels (008)	# of New Firms in County since 2005	7 Yr avg annual payment
Alameda	27	4	2	$2,903
Alpine	0	0	0	$100
Amador	0	0	0	$101
Butte	21	3	3	$2,447
Calaveras	1	0	0	$105
Colusa	49	7	2	$5,639
Contra Costa	0	0	1	$100
Del Norte	25	4	0	$108
El Dorado	11	2	0	$121
Fresno	58	8	7	$6,214
Glenn	20	3	1	$2,601
Humboldt	9	1	2	$265
Imperial	1354	193	7	$12,148
Inyo/Mono	2	0	0	$105
Kern	54	8	4	$2,240
Kings	70	10	2	$5,282
Lake	0	0	1	$103
Lassen	25	4	0	$262
Los Angeles	36	5	33	$3,079
Madera	3	0	0	$311
Marin	0	0	1	$100
Mariposa	0	0	0	$100
Mendocino	0	0	3	$100
Merced	27	4	0	$1,153
Modoc	1	0	0	$334
Mono	0	0	0	$100
Monterey	256	37	6	$8,667
Napa	0	0	1	$100
Nevada	5	1	0	$723
Orange	79	11	1	$1,177
Placer	46	7	1	$880
Plumas	1	0	0	$100
Riverside	75	11	5	$5,601
Sacramento	43	6	1	$2,036
San Benito	5	1	1	$611
San Bernardino	22	3	2	$514
San Diego	57	8	3	$3,071
San Francisco	5	1	2	$313
San Joaquin	357	51	7	$6,720
San Luis Obispo	154	22	1	$2,253
San Mateo	3	0	2	$439
Santa Barbara	24	3	6	$3,104
Santa Clara	241	34	4	$10,374
Santa Cruz	0	0	2	$101
Shasta	4	1	2	$287
Sierra	0	0	0	$100
Siskiyou	32	5	2	$1,234
Solano	6	1	2	$620
Sonoma	11	2	2	$1,625
Stanislaus	98	14	2	$6,620
Sutter	33	5	3	$4,191
Tehama	2	0	0	$331
Trinity	0	0	0	$128
Tulare	140	20	4	$2,225
Tuolumne	92	13	0	$100
Ventura	24	3	7	$3,099
Yolo	58	8	4	$6,030
Yuba	4	1	0	$502
Total	3666	524	142	$120,000

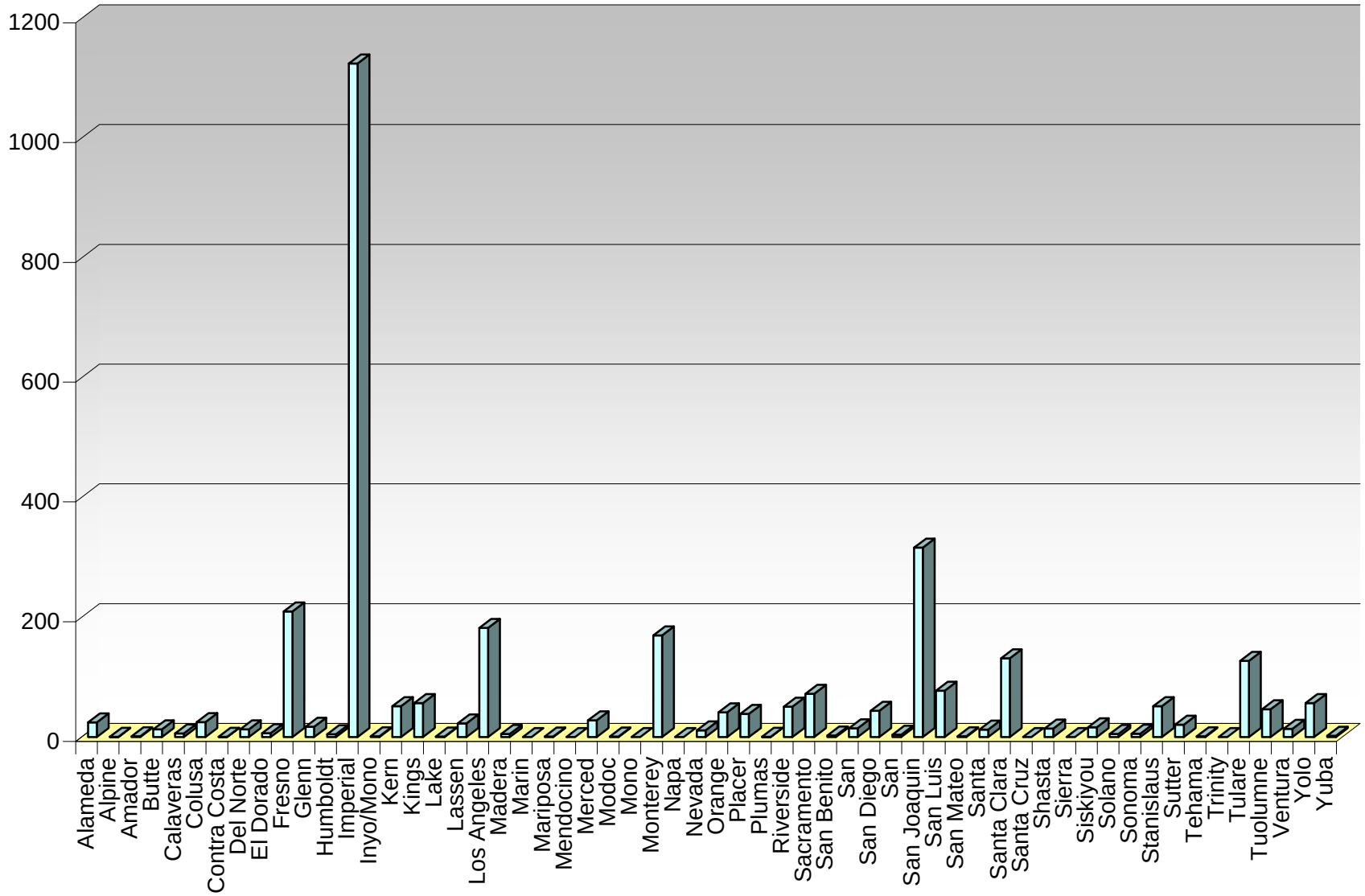
7 Year Avg of MOU Evaluations versus 7 Year Avg. Payment



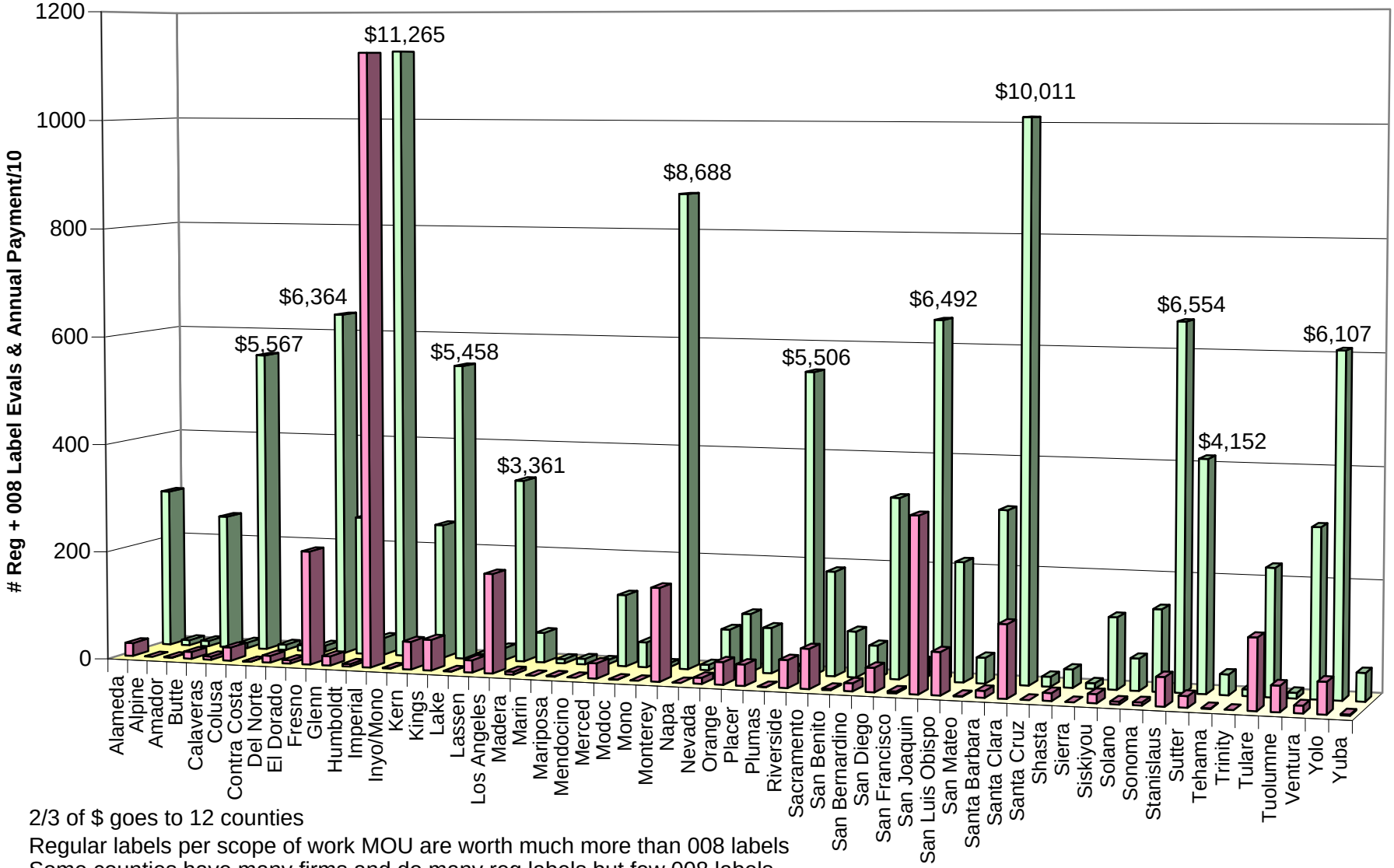
7 Year Average of Regular Label Evaluations vs. 008 Label Evaluations by County



Avg Annual # of Combined Regular & 008 Label Evaluations by County
- based on 7 Year Averages calculated from Annual County Reports

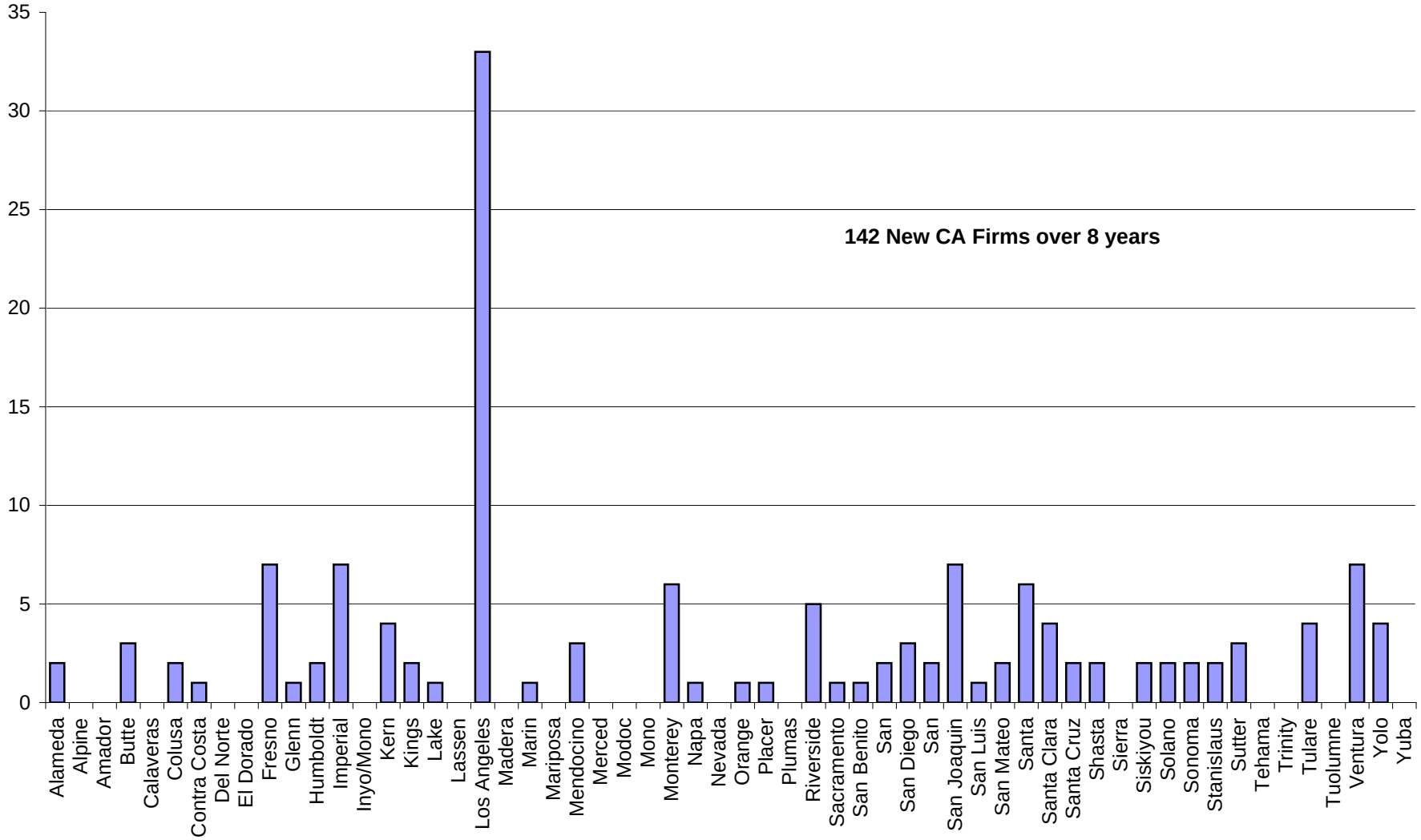


Work versus Payment to Counties
Avg. Annual Number of Regular plus 008 Label Evals versus Avg. Annual Payment (8 Yrs)

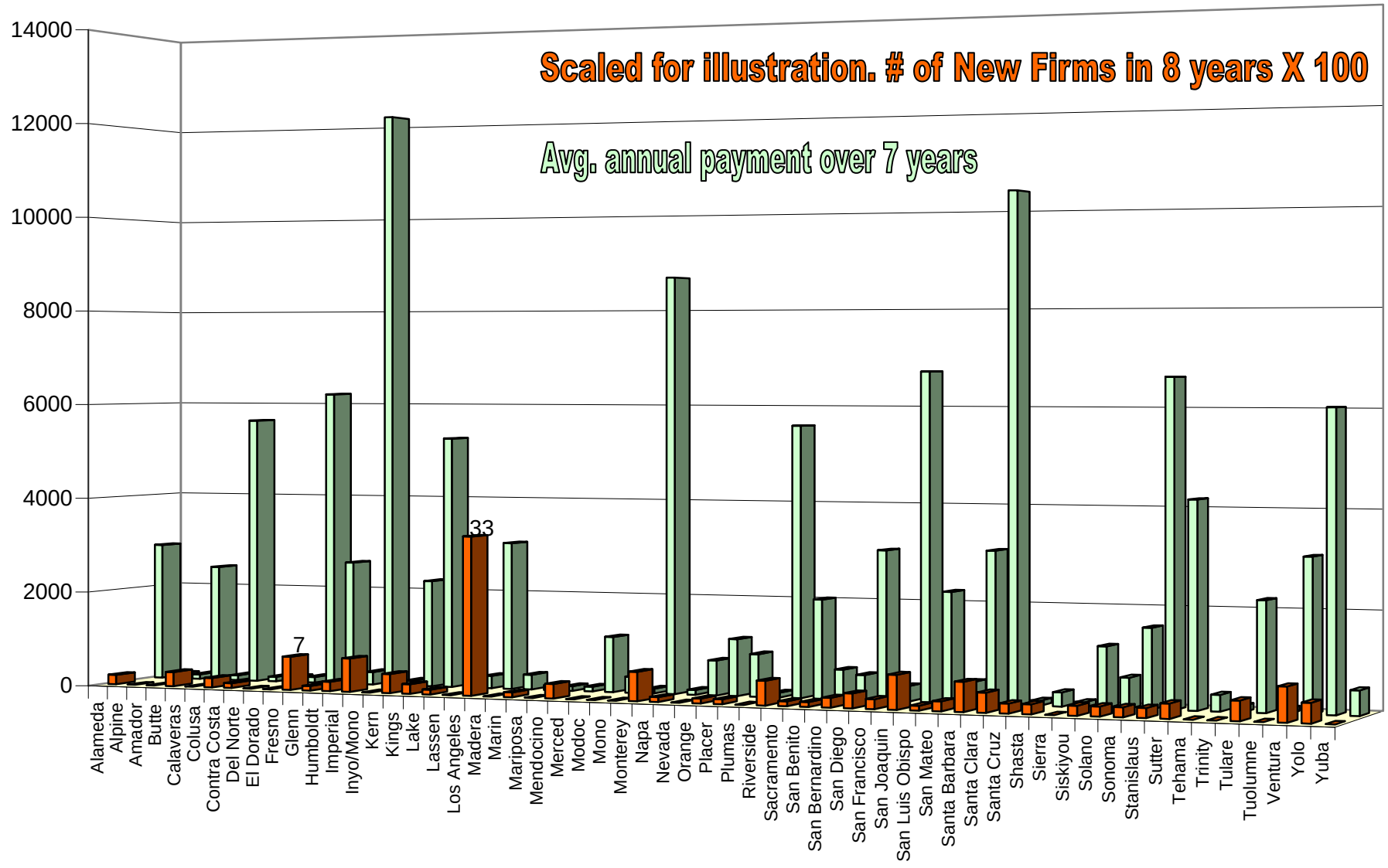


2/3 of $ goes to 12 counties
Regular labels per scope of work MOU are worth much more than 008 labels
Some counties have many firms and do many reg labels but few 008 labels

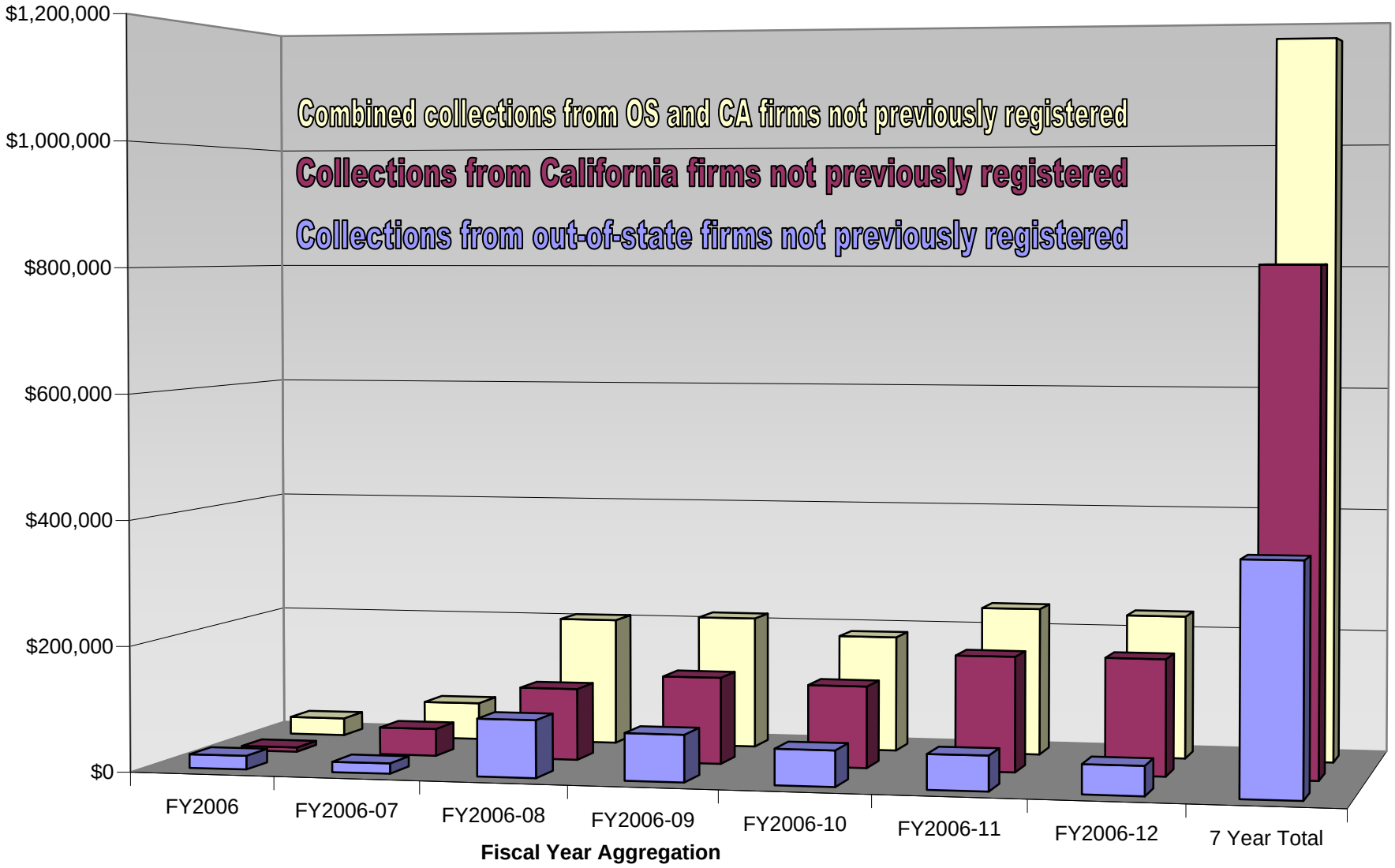
Total # of New California Seed Firms by County over 8 Years



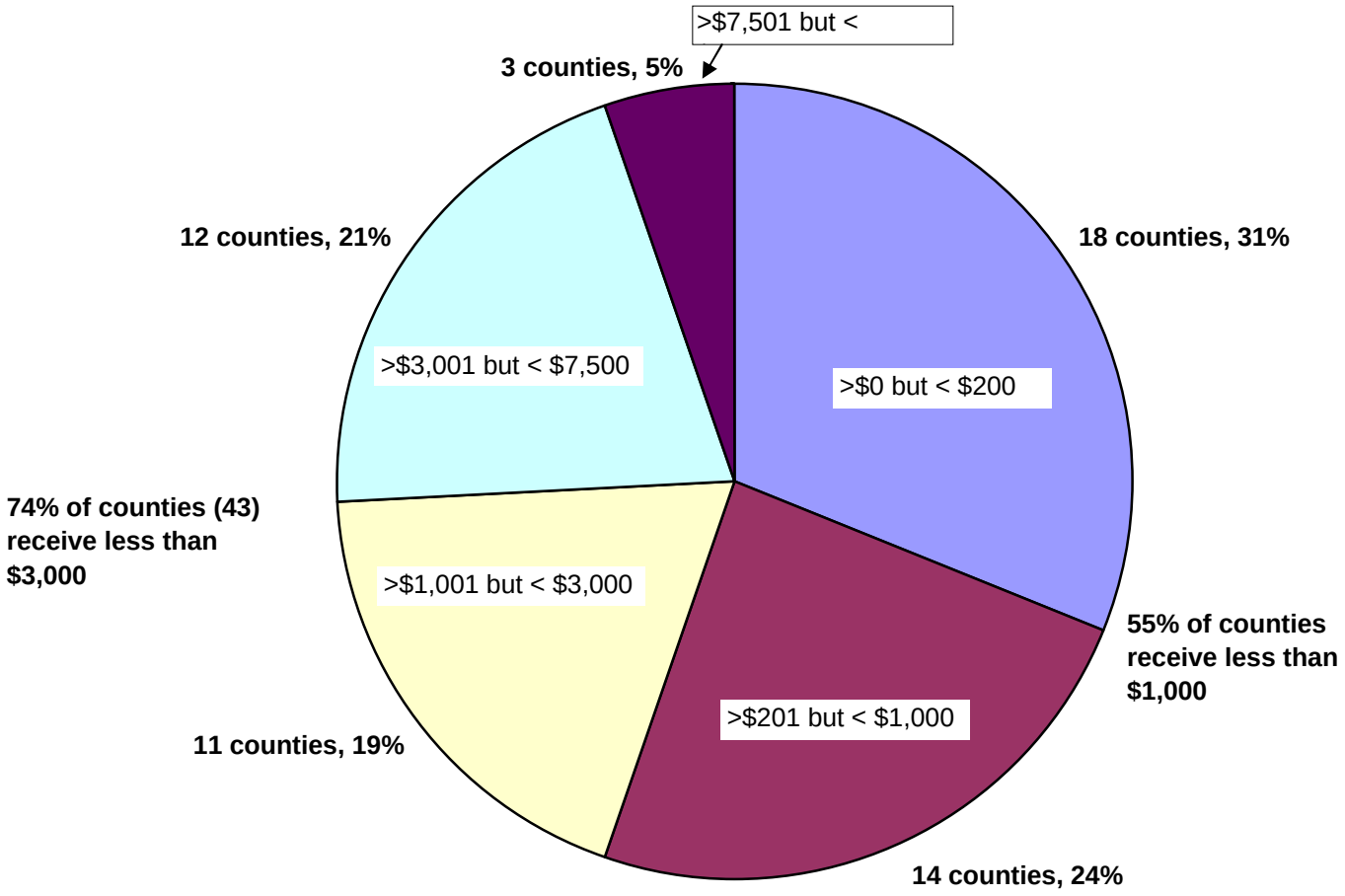
Sum of New Firms over 8 Years by County versus 7 Yr. Avg Annual Payment



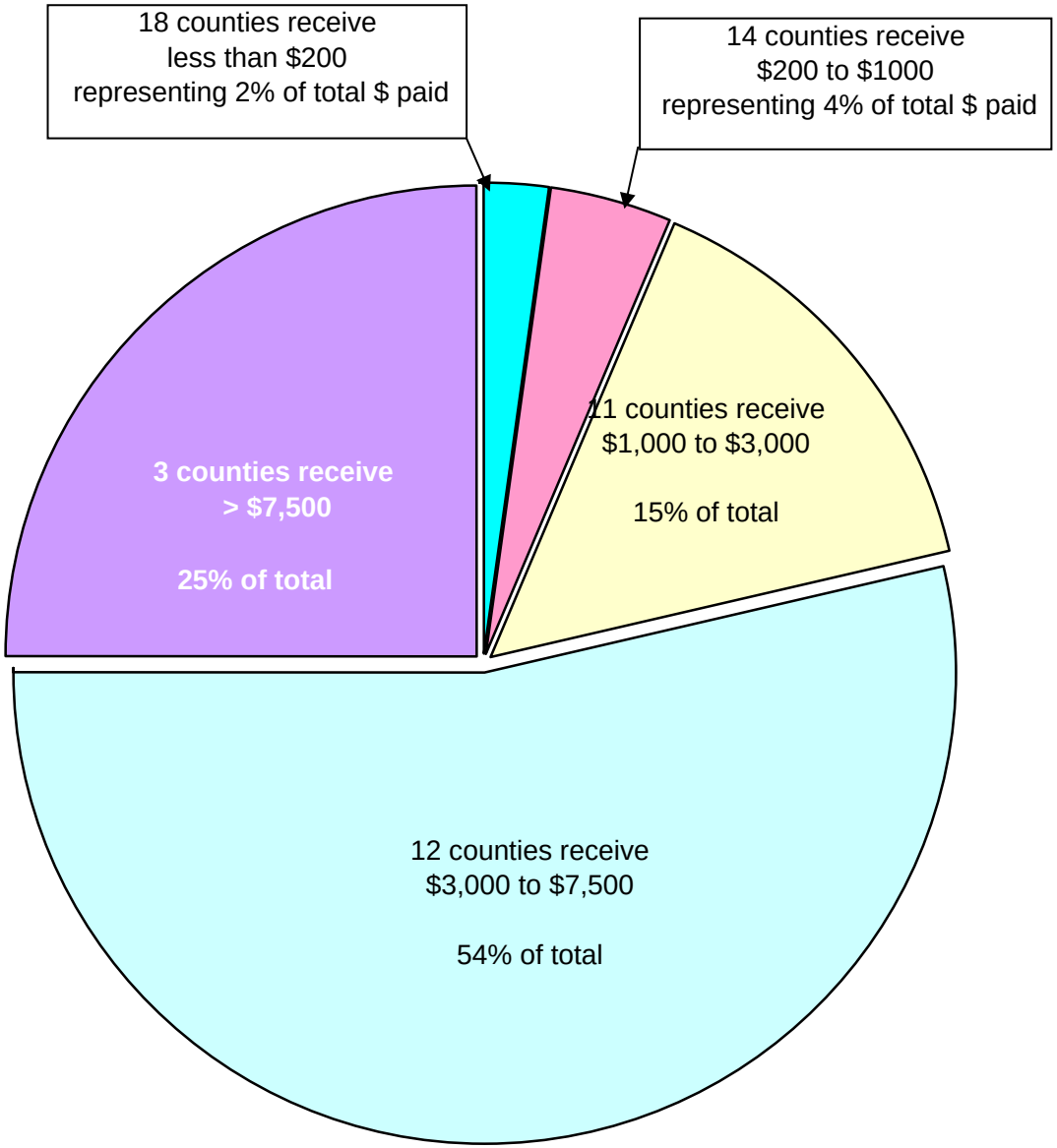
How Important are Enforcements that ID Unregistered Seed Labelers?



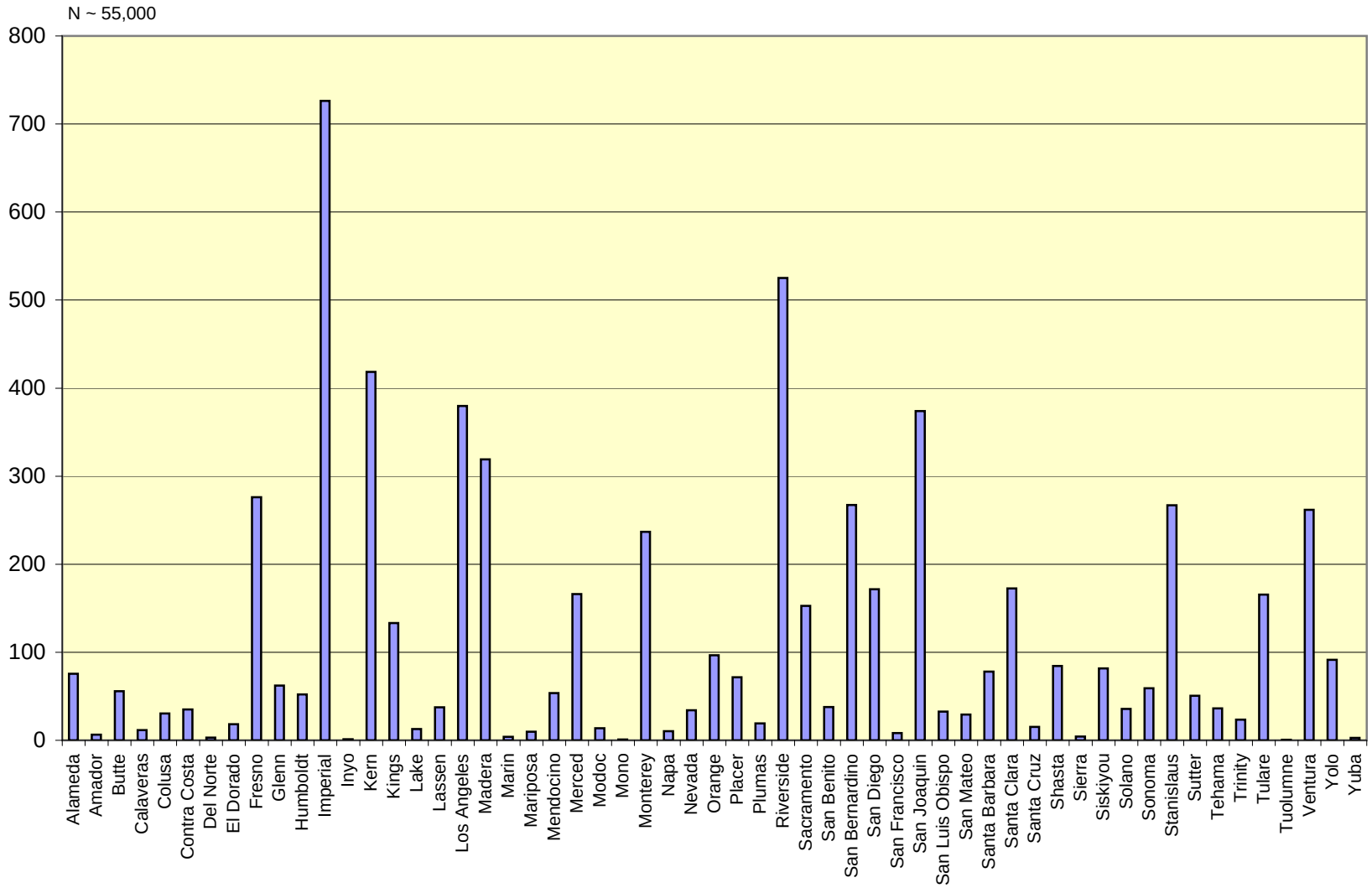
Analysis of Average Seed Subvention Payment from 2003 through 2012



Proportion of $120,000 distributed to Counties for Seed Law Subvention



Analysis of Seed Subvention Payments to Counties

COUNTY	9 year average	11-12 amt	Incremental accrual of payment to counties	aggregate % of $120,000 to top counties
Imperial	$11,265	$11,201	$11,265	9%
Santa Clara	$10,110	$9,293	$21,375	18%
Monterey	$8,688	$7,767	$30,063	25%
Stanislaus	$6,554	$6,538	$36,617	31%
San Joaquin	$6,492	$6,205	$43,109	36%
Fresno	$6,364	$5,410	$49,473	41%
Yolo	$6,107	$5,502	$55,580	46%
Colusa	$5,567	$6,065	$61,147	51%
Riverside	$5,506	$5,690	$66,653	56%
Kings	$5,458	$4,581	$72,110	60%
Sutter	$4,152	$4,515	$76,263	64%
Los Angeles	$3,361	$2,899	$79,623	66%
San Diego	$3,281	$2,488	$82,904	69%
Santa Barbara	$3,129	$3,675	$86,033	72%
Ventura	$3,022	$4,603	$89,055	74%
Alameda	$2,925	$3,574	$91,980	77%
Glenn	$2,563	$3,338	$94,543	79%
Butte	$2,485	$2,483	$97,029	81%
Kern	$2,479	$2,609	$99,507	83%
Tulare	$2,280	$1,824	$101,788	85%
San Luis Obispo	$2,167	$2,181	$103,955	87%
Sacramento	$1,903	$2,605	$105,858	88%
Sonoma	$1,468	$1,296	$107,326	89%
Merced	$1,315	$934	$108,641	91%
Siskiyou	$1,293	$1,312	$109,934	92%
Orange	$1,068	$1,019	$111,002	93%
San Benito	$833	$1,688	$111,834	93%
Placer	$828	$1,418	$112,662	94%
Nevada	$765	$925	$113,428	95%
San Bernardino	$594	$100	$114,022	95%
Solano	$577	$639	$114,599	95%
Madera	$549	$100	$115,148	96%
Yuba	$506	$1,700	$115,654	96%
San Mateo	$466	$497	$116,120	97%
Modoc	$458	$100	$116,579	97%
Tehama	$369	$100	$116,948	97%
San Francisco	$338	$762	$117,286	98%
Shasta	$328	$356	$117,614	98%
Humboldt	$317	$100	$117,931	98%
Lassen	$226	$100	$118,157	98%
Santa Cruz	$178	$100	$118,335	99%
Trinity	$122	$100	$118,456	99%
El Dorado	$116	$100	$118,573	99%
Del Norte	$106	$104	$118,679	99%
Calaveras	$104	$102	$118,782	99%
Lake	$102	$102	$118,885	99%
Amador	$101	$100	$118,985	99%
Alpine	$100	$100	$119,085	99%
Contra Costa	$100	$100	$119,185	99%
Mariposa	$100	$100	$119,285	99%
Napa	$100	$100	$119,385	99%
Plumas	$100	$100	$119,485	100%
Sierra	$100	$100	$119,585	100%
Tuolumne	$100	$100	$119,685	100%
Inyo/Mono	$81	$100	$119,767	100%
Marin	$78	$100	$119,844	100%
Mendocino	$78	$100	$119,922	100%
Mono	$78	$100	$120,000	100%
Total	**$120,000**	**$120,000**		

7 Year (2005-2012) Average # Seed 008s