



CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFFA)  
CA CITRUS ADVISORY COMMITTEE MEETING (CCAC)  
Tulare, CA  
Meeting Minutes  
March 23, 2010

<u>Members Present</u>	<u>Members Absent</u>	<u>CDFFA Representatives</u>	<u>Interested Parties</u>
Robert LoBue	Franco Bernardi	Steve Patton	Bob Blakely, CCM
David Hines	Gus Gunderson	Rick Jensen	Bob Salcedo, CCGA
John S. Gless		Susan Shelton	Rafael Garcia, Tulare
Ron Matik		Maria Hicks	Karrie Batchelor, Tulare
James Sherwood		Steve Thomas	Les Wright, Fresno
Etienne Rabe		Andrew Valero	Scotti Walker, Fresno
Kevin Severns			Manuel Villicana, Kern
Brett Kirkpatrick			Alfa Kamara, Kern
John Eliot			Ron Bray, Riverside
Mark Golden			Vic Tolomeo, USDA

### **ITEM 1: ROLL CALL**

The committee was called to order at 10:08 a.m. by Mr. Robert LoBue. A quorum was established, introductions were made, and roll was called. Mr. Brett Kirkpatrick, Chairperson arrived at 10:30a.m.

### **ITEM 2: APPROVAL OF NOVEMBER 5, 2009 AND DECEMBER 15, 2009 MEETING MINUTES**

**MOTION:** Dr. Etienne Rabe moved to approve the November 5, 2009 meeting minutes as submitted. Mr. John Eliot seconded. The motion passed unanimously.

**MOTION:** Mr. Eliot moved to approve the December 15, 2009 teleconference meeting minutes as submitted. Dr. Rabe seconded. The motion passed unanimously.

### **ITEM 3: COMMITTEE VACANCIES AND TERMS**

Mr. Steve Patton informed the committee there are currently no vacancies; letters will be sent to members that will be terming out in 2010.

### **ITEM 4: BUDGET APPROVAL**

Ms. Susan Shelton provided the committee with an overview of the mid-year projections.

Mr. Ron Matik inquired if any money was spent on the freeze. Mr. Rick Jensen stated that there was not any money spent on the freeze.

Mr. James Sherwood stated that next year it would be helpful if a fiscal breakdown was provided to committee members for review.

Discussion ensued regarding the proposed budget and concerns regarding the counties proposed costs.

**MOTION:** Mr. Matik moved to approve the budget as submitted. Mr. Robert Lobue seconded. The motion passed unanimously.

#### **ITEM 5: REALLOCATION OF FUNDS**

Mr. Patton stated that in previous years, funds were rolled into certificates of deposits instead of into the agricultural fund. Ms. Shelton stated that it is required by law that any approved bank that holds the funds for the State must have a bond or a guarantee that is 110 percent through a third party. Ms. Shelton stated she has contacted Financial Services, and has been informed that there is a bond in place. Ms. Shelton stated she has been in contact with The State Treasury to ensure that the bond is in place as well. Mr. Patton stated it will not be necessary to divide the money up and place in various banks as previously discussed.

Ms. Shelton provided the committee with an overview of options and rates including cd's, gross cash maximizer savings, bonds, and the agricultural fund. Discussion ensued regarding the various options.

Mr. Matik questioned what percentage is usually left in the agricultural fund. Ms. Shelton stated that \$5,000 to \$10,000 is left in the agricultural fund.

**MOTION:** Mr. Mark Golden moved to open a gross maximizer account with a caveat that Financial Services must approve. Mr. James Sherwood seconded. The motion passed unanimously.

#### **ITEM 6: COUNTY CONTRACTS 09/10 SUMMARY**

Mr. Patton provided the committee with an overview of county contracts for Fiscal Year (FY) 2009/10 stating there is currently \$261,000 remaining, and \$255,000 has been expended. Mr. Patton stated that the county contracts are for maturity purposes.

Discussion ensued regarding county contracts for FY 2009/10.

#### **ITEM 7: COUNTY CONTRACTS 10/11 PROPOSALS**

Ms. Shelton provided the committee with an overview of the FY 2010/11 proposals.

Dr. Rabe inquired what additional percentage is budgeted for next year. Mr. Patton stated the additional money is put into the contracts is not a certain percentage; it is a figure that is based on the worst case scenario for a 16 week maturity season.

Mr. Eliot questioned if there is uniformity when forming estimated numbers. Mr. Patton encouraged Mr. Eliot to ask the counties. The counties that were present presented the committee with brief explanations of how their proposed costs were calculated.

Mr. Brett Kirkpatrick stated that the CCAC wants to be fiscally responsible. Mr. Sherwood agreed that he doesn't want to rubber stamp the budget without scrutinizing the county contracts. Mr. Patton stated that the money not expended goes into the reserve fund.

Discussion ensued regarding the differences in the counties proposed costs. Mr. Jensen stated that CDFA's Contracts Office looks for a level of consistency between the counties. Mr. Patton stated that he will bring the county contract proposals to the next budget meeting.

#### **ITEM 8: STANDARDIZATION ADVISORY COMMITTEE AUDIT**

Mr. Patton reported that four handler audits have been conducted. On the first audit, the handler overpaid a slight amount because the amount reported was based on containers packed, not on containers shipped. The second and third audits were correct; no money was owed by either party. The fourth audit was conducted of a lettuce handler; they owed the state approximately \$3,000. Mr. Patton stated none of the four audits were conducted on citrus sheds. Mr. Patton stated that a citrus handling facility was recently audited; the final disposition has not been received.

Mr. Patton stated that the Standardization advisory committee has been utilizing CDFA, Market Enforcement Branch to conduct their audits. There will be a Standardization advisory committee meeting on March 30, 2010. The hope is that five to ten audits will be conducted next year as well. Discussion ensued regarding the audits.

Mr. Kirkpatrick inquired if the Standardization advisory committee is discussing clarifying what a standard shipping carton is for other commodities. Mr. Patton stated that they are happy with the way it is at this point.

#### **ITEM 9: NEW BUSINESS- DISCUSSION ONLY**

Dr. Rabe stated that according to the previous meeting minutes, a legislation change would be necessary to implement a standard forty pound unit. Mr. Patton stated that there would have to be a legislative change.

Mr. Jensen stated that Assembly Bill (AB) 281 is based on fruit produced; it is fruit delivered to the packing house, just as the Citrus Research Board. Mr. Jensen stated that since legislation is required to make a change, the thought was to develop a consistent forty pound

unit on fruit produced, that would be for this committee only, not Standardization. Mr. Jensen stated there is the ability to set the actual assessment rate where it needs to be to fund the program as well. Discussion ensued regarding this option.

Mr. Hines asked what the cap on assessments is. Mr. Patton stated the assessments are currently at the top; it is set in statute, and must be changed through regulations. It was decided that Mr. James Sherwood and Dr. Rabe will meet to discuss the possibility of new legislation. Mr. Jensen stated he believes the next step would be for members of this committee and members of California Citrus Mutual (CCM) to approach this issue.

Mr. Jeff Cesca provided the committee with information on the acreage survey, which is currently being conducted and will end in mid-July. Mr. Cesca informed the committee that the results will be posted on the CDFA website, Marketing Division and the Agricultural Commissioners website. Mr. Cesca stated the acreage survey goes to all growers they are aware of and is based on parcel records. Parcels are surveyed to get all information associated with commodities on that land, what the plantings are, the year planted, and the different varieties. Mr. Cesca reported that the March estimate for Valencia's is at 34 million.

Mr. Kirkpatrick questioned how the tracking is being done on the objective navel survey. Mr. Cesca stated the navel survey started with 80 million, and appears to be looking pretty good.

Mr. Eliot asked why grapefruit was not included. Mr. Bob Blakely stated there was no interest from the grapefruit growers.

Mr. Eliot questioned what maturity requirements grapefruit is tested for by the counties. Mr. Patton stated there is not mandatory testing.

Mr. Jensen stated that the new assessment for the Citrus Pest and Disease Prevention Program is being collected by the Inspection and Compliance Branch. The Inspection and Compliance Branch offered to collect the fees to attempt to reduce confusion and be more efficient to the industry. Mr. Jensen provided the committee with a demonstration of how to use the new online calculator that will be available later this season. Mr. Patton stated that the online calculator will calculate fees for Asian Citrus Psyllid (ACP), Standardization, and Citrus.

#### **ITEM 10: NEXT MEETING**

The next CCAC meeting will be on October 12, 2010, at 10:00 a.m. at the Kern County Agricultural Commissioner's office.

**ITEM 11: ADJOURNMENT**

**MOTION:** Mr. Matik moved to adjourn the meeting. Mr. Eliot seconded the motion. The meeting was adjourned at 12:20 p.m.

Respectfully submitted by:

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Steve Patton, Compliance Chief  
Inspection and Compliance  
Inspection Services