



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
SHIPPING POINT INSPECTION ADVISORY COMMITTEE (SPI)**

**December 21, 2023 Meeting Minutes
Hybrid Teleconference**

2399 Gateway Oaks Drive, Suite 200, Sacramento, CA 95833

MEMBERS PRESENT

Louis Pandol
Christine Ivory – Chair
Patrick Smith

INTERESTED PARTIES

Stewart Lockwood,
Avocado Inspection
Committee (AIC)

CDFA REPRESENTATIVES

Marcee Yount
Kevin Batchelor
Theresa Stewart
Mitch Randhawa
Sarah Cardoni
Laurel Rudolph

MEMBERS ABSENT

None

ITEM 1: CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Christine Ivory, Chairperson.

ITEM 2: INTRODUCTIONS/ROLL CALL

Roll was called, a quorum was established, and self-introductions were made.

ITEM 3: PUBLIC COMMENTS

Stewart Lockwood, AIC Chairperson, brought up concerns of avocados transported from Nayarit, Mexico being sold in the United States. Lockwood inquired if there was a mechanism in place to effectively verify the origin of avocados when inspected upon arrival at the border. Marcee Yount requested the inquiry be sent in an email to Sarah Cardoni for follow up.

ITEM 4: FISCAL YEAR 2023/24 BUDGET

Batchelor provided an overview of the Fiscal Year (FY) 2023/24 Budget year-end closing numbers and fund condition. On July 1, 2023, the SPI fee increased to \$50 per hour and fees for solicitation inspections were raised to \$100 per hour. On October 1, 2023, the federal market fee increased from \$100 to \$116 by the United States Department of Agriculture (USDA). Federal travel fees also changed from distance to time. The United States Department of Commerce (USDOC) is reviewing the Tomato Suspension Agreement (TSA) per the request of the Florida Tomato Exchange. The TSA currently generates \$2 million to \$3 million in revenue for SPI. SPI will continue to monitor any changes that may occur to the TSA and does not expect significant impacts for at least 10 to 18 months. Batchelor stated that a revocation of TSA could impact staffing needs.

Batchelor discussed the effect of inclement weather on commodities, stating that all commodities are expected to reach harvest 30 or more days later than in previous years, impacting various SPI operations. Batchelor stated that overall costs are expected to reach the maximum amount stated in SPI's contract with the Cooperative

Agricultural Support Services Authority (CASS) due to extended staffing needs. An estimated 25% of table grapes that were still on the vine were lost due to Hurricane Hilary. The volume of incoming almond inspections has decreased. A substantial portion of walnut and almond solicitations are being inspected at USDA facilities. Indications are that the USDA will likely be matching or increasing the number of commodity solicitations in the upcoming year.

SPI revenue for FY 2022/23 was \$18,249,005. For FY 2023/24 through November 30th, revenue was \$9,935,087. Based upon early revenue projections, several cost reduction measures were implemented. In October 2023, which included postponing the hiring of four Agriculture Program Supervisor I positions, delaying the hiring of a Senior Environmental Scientist Supervisor, and a reduction in travel. For the FY 2024/25 CASS contract, it is anticipated there will be a \$1 million reduction to align expenditures with revenue.

Batchelor reported that the program will continue monitoring revenue and expenditure reports through the end of the 2023 calendar year and implementing cost saving measures into 2024. Staffing levels will be evaluated to prepare for potential revenue changes and critical needs will be prioritized. A fee increase is not recommended at this time.

Louis Pandol asked if a fee increase will be needed midseason or in the upcoming fiscal year. In response, Batchelor stated that because fees were recently increased, another fee increase is not recommended at this time.

ITEM 5: NEXT MEETING/AGENDA ITEMS

The next meeting will be held in May 2024. A Doodle Poll will be sent to determine the date and location of the next meeting.

ITEM 6: ADJOURNMENT

The meeting was adjourned at 10:29 a.m. by Chair Ivory.

Respectfully submitted by:

Kevin Batchelor, Program Supervisor
Inspection and Compliance Branch
Inspection Services