



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
STANDARDIZATION ADVISORY COMMITTEE (STDZ)**

October 22, 2024 Meeting Minutes

Hybrid Teleconference

4437 South Laspina Street, Tulare, CA 93274

MEMBERS PRESENT

Louis Pandol
Marko Zaninovich – Chair
Garrett Patricio – Vice Chair
Patrick Tucker
Jeff Simonian
Glenn Fankhauser

MEMBERS ABSENT

None

INTERESTED PARTIES

Tesfaye Jimma – Tulare Co.
Mario Gutierrez – Kings Co.
Mandy Zito – Fresno Co.
Chris Greer – Tulare County
Jordan Key – San Diego Co.
Ameer Atrash – Ventura Co.
Kim Martin – San Joaquin Co.
Nina Zlatkov – Los Angeles Co.
Cathy Roache – Alameda Co.
Rudy Valencia – Riverside Co.
Michelle Sans Soucie – Kern Co.
Adam Borchard – CA Fresh Fruit
Association (CFFA)
Daniel Hartwig – CFFA
Tim Lewis – Monterey Co.
Jeremy Wagner – San Mateo Co.
Richard Ordonez – Monterey Co.
Sara Sanchez Barajas – San
Bernardino Co.
Kurt Floren – Los Angeles Co.

CDFA

Marcee Yount
Sarah Cardoni
Kristi Garcia
Stacey Hughes
Karrie Batchelor
Julie Lee
Steve Patton
Anna Carrasquillo

ITEM 1: CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Stacey Hughes.

ITEM 2: ROLL CALL/INTRODUCTIONS

Roll was completed by Kristi Garcia, and a quorum was established. Introductions followed.

ITEM 3: ELECTION OF OFFICERS

Hughes opened the floor to nominations for Chair.

MOTION: Jeff Simonian nominated Marko Zaninovich as Chair. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions. Marko Zaninovich was not present for this motion.

Hughes opened the floor to nominations for Vice Chair.

MOTION: Patrick Tucker nominated Garret Patricio for Vice Chair. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions. Marko Zaninovich was not present for this motion.

ITEM 4: PUBLIC COMMENTS

There were no public comments.

ITEM 5: REVIEW OF MARCH 19, 2024 MEETING MINUTES

Vice Chair Patricio requested a motion to approve the March 19, 2024 Meeting Minutes as presented.

MOTION: Patrick Tucker moved to approve the March 19, 2024, Meeting Minutes as presented. Louis Pandol seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 6: COMMITTEE VACANCY AND TERMS REPORT

Garcia provided the Committee Vacancy and Terms Report. Current vacancies included: two fresh fruit members; four fresh vegetable members; and two other fresh vegetable members. The following members will have terms ending on August 31, 2025 and will be eligible for reappointment: Garrett Patricio, Patrick Tucker, Glenn Fankhauser, and Louis Pandol. Jeff Simonian is currently serving his fourth term and will term out August 31, 2025.

ITEM 7: FUND CONDITION UPDATE

Hughes provided the Fund Condition Update. For Fiscal Year (FY) 2023/24, the beginning fund balance was \$1,420,000. Total revenue was \$2,238,464, and available cash was \$3,658,464. Total expenditure was \$1,890,386. There was cash adjustments of \$144,447, bringing the total ending balance to \$1,623,631. Hughes highlighted an expense savings of \$325,000, primarily due to a \$110,013 credit from the Produce Safety Program for a prior-year overhead expense correction and vacant personnel positions.

Hughes noted a revenue shortfall and recommended the committee review assessment rate adjustments and reserve balances. There was a decline in container shipments, with mandatory shipments down 37 percent and non-mandatory shipments down 12 percent due to economic conditions, drought, and weather. Although an assessment increase was implemented in 2021, it was based on shipment projections prior to 2020, which no longer align with current trends. Hughes stated that with program costs rising and full staffing levels maintained, future budget deficits would be likely unless adjustments are made.

ITEM 8: FUND RESERVE AND ASSESSMENT RATE PROJECTIONS

Hughes led the discussion on the Fund Reserve and Assessment Rate Projections. Two Projected Fund Conditions were presented with projections through 2029, one with current assessment rates and the other with proposed assessment rates. Hughes noted

that based on the data, it is anticipated that an increase in assessment rates will be necessary by FY 2026/27 to sustain the program. A proposed 1 mill increase for both mandatory and non-mandatory assessments was estimated to generate \$548,000 annually.

The committee discussed an industry outreach plan to educate stakeholders on the program's benefits and to gather letters of support for potential assessment adjustments. Furthermore, declining revenue trends will require careful monitoring, and the decision to increase assessments or reduce services must be made in the coming months. A budget review is scheduled for January 2025 and further financial reassessments are needed before moving forward with a rate increase.

ITEM 9: FY 2023/24 COUNTY ENFORCEMENT ACTIVITY REPORTS

Hughes presented the FY 2023/24 County Enforcement Activity Reports. A total of 18 counties participated in enforcement activities. There were 98,495 lots inspected, 15,401,434 containers inspected, and 136,641 containers were rejected. County personnel issued 679 Notices of Noncompliance and 92 Notices of Proposed Actions, with 91 from Los Angeles County and one from San Diego. There was a total of 14,381 enforcement hours worked and a total of \$843,122 invoiced for enforcement services.

Hughes reported that some counties focused on production enforcement, while others focused on wholesale market compliance. Some counties requested to reinstate retail enforcement based on local complaints, however no additional funding was provided and the counties used existing resources. Many counties reported exceeding their allocated budgets due to increased administrative and enforcement costs. Although no additional funding is planned for next year, counties in need of more funds were encouraged to submit requests for committee review in the Spring. Furthermore, a reallocation of resources may be necessary to support high efficiency counties facing budget constraints.

ITEM 10: PROGRAM UPDATES

Karrie Batchelor began by stating that navel and mandarin assessments were increased to meet the costs of growing crop forecasts, which initially began with Navel and Valencia oranges and an acreage survey. Crop forecasts now include Cara Cara, Murcott, Tango mandarin, and Clementines. Furthermore, the industry is expected to petition for a new standard container by the end of the year.

The Navel orange harvest began in early October. There were five rejections, all due to color issues, which were attributed to warmer temperatures.

Annual cherry, melon, and table grape training sessions were conducted, with no issue. Updates were made to the out-of-state processor list that included simplifying the permit process for bulk shipments and allowing processors to email permits directly instead of relying on local state officials.

Lastly, Hughes stated the program is still utilizing a contract with the Otay Mesa Border Inspection station, which reported inspecting over 12 million containers last year.

ITEM 11: NEXT MEETING/AGENDA ITEMS

The next meeting will be held on Tuesday, March 25, 2025, and will be a hybrid meeting held at the Tulare County Agricultural Commissioner's Office and via Zoom.

ITEM 12: ADJOURNMENT

The meeting was adjourned at 11:03 a.m. by Vice Chair Garret Patricio.

Respectfully submitted by:

Stacey Hughes, Program Supervisor
Standardization Program