

MINUTES

PROCESSING TOMATO ADVISORY BOARD (PTAB)

JANUARY 26, 2022

The Westin-Sacramento (Monaco 1 Room)

4800 Riverside Blvd, Sacramento, CA

CALL TO ORDER, ROLL CALL, ESTABLISH QUORUM

Board Chairman Neil Dougherty called the meeting to order at 10:01 A.M. Roll was called; a quorum was established. The following members were present:

Producers

Neil Dougherty
Dan Burns
Kevin Collins
Tim Maggiore
Phillip Perez

Processors

Chris Lehtikainen
Roger Scriven
Tim Hamilton
Garrett Miller
Craig Leathers

Alternate Board Members Present:

Lance Dami
Seth Rossow

Darryl Bettencourt
Patrick Pinkard

Steve Freeman

INTRODUCTIONS

Board Chairman Neil Dougherty welcomed the audience. Members of the audience introduced themselves (see roster).

APPROVAL OF PREVIOUS MEETING MINUTES

ACTION

A motion was made, seconded, and passed unanimously to approve the January 27, 2021 board meeting minutes. **Board Action 22-01**

CDFA UPDATE

Ben Kardokus from CDFA announced he would be taking over the PTAB Liason position.

BOARD APPOINTMENTS

CDFA re-appointed Chris Lehtikainen (Stanislaus Food Products) and Craig Leathers (Campbell Soup Co.) as processor members. Lance Dami (Los Gatos Tomato Products) and Tome Lima (Ingomar Packing) were re-appointed as processor alternates. Tim Maggiore (F.A. Maggiore & Sons) was re-appointed as a producer member and Patrick Pinkard (Terranova Ranch, Inc) was re-appointed as a producer alternate. Phillip Perez (Silverdale Farms, Inc) was newly appointed to serve as a producer member and Seth Rossow (Rossow Farms) was newly appointed as a producer alternate. (Exhibit A). Karen Moreno thanked everyone for volunteering to serve.

Karen pointed out that there were Board Alternate openings on the Processor and Producer sides. The Processors decided to fill the vacancies on their side.

BOARD ALTERNATE VACANIES

ACTION

A motion was made, seconded and passed unanimously to have Robert Krahn (Neil Jones Foods) fill the processor alternate position vacated by Frank Pitts. **Board Action 22-02**

ACTION

A motion was made, seconded and passed unanimously to have Kyle Quinn (Escalon Premier Brands) fill the processor alternate position vacated by Adam Stacey. **Board Action 22-03**

PTAB AUDIT RESULTS

Karen Moreno stated that the 2020 PTAB financial and CDFA compliance audits showed only one reportable item. She thanked the staff for a job well done. She asked that the Board approve both 2020 audits.

ACTION

A motion was made, seconded, and passed unanimously to approve the 2020 financial and CFDA compliance audits as presented. **Board Action 22-04**

Karen also asked that the Board designate Damore, Hamric and Schneider as auditors for any upcoming 2021 audits.

ACTION

A motion was made, seconded, and passed unanimously to designate Damore, Hamric and Schneider to perform the 2020 PTAB audits. **Board Action 22-05**

BUDGET AND FINANCE COMMITTEE RECOMMENDATIONS

Karen Moreno presented the Budget and Finance Committee's recommendations (Exhibit B). She reviewed the 2021 budget. Karen stated the 2022 crop intentions are estimated to be 12.2 million tons (Exhibit C). The committee recommended approving a budget based on an 11.5 million ton crop (Exhibit D). Karen asked the Board to approve a 2023 interim budget of \$36K in revenue and \$300K in expenses (Exhibit E). The Committee also recommended setting the base inspection fee at \$12.75 per load (Exhibit F). The budget includes salary increases for hourly employees and salaried staff to keep them competitive in a tight labor market. It was recommended the Board re-hire Karen Moreno as the Board Manager.

CROP INTENTIONS

Karen Moreno stated that over the last few years the January Processing Tomato Intentions tonnage number has been considerably greater than the ending Paid for Tonnage and on average Intentions have been higher over the last 10 years. Historically PTAB's yearly budget is based on this prediction. The USDA's California Processing Tomato Report for 2022 is 12.2 million tons. General consensus in the

industry is we will not make the 12.2 Intention. The Board discussed setting a meeting date near the time the May Intentions Report is released to see if any adjustment might be considered to the 2022 budget and inspection fee rate. Ben Kardokus said if adjustments were needed that CDFA could expedite the approval of the changes before the season began.

ACTION

A motion was made, seconded, and passed unanimously to approve the 2022 PTAB budget for 11.5 million tons, which includes salary increases. **Board Action 22-06**

ACTION

A motion was made, seconded, and passed unanimously to approve an Interim Budget, as presented, for the first quarter of 2023. **Board Action 22-07**

ACTION

A motion was made, seconded, and passed unanimously to re-hire Karen Moreno as the Board Manager. **Board Action 22-08**

ACTION

A motion was made, seconded, and passed unanimously to approve a base inspection rate of \$12.75 for the 2022 season. **Board Action 22-09**

ELECTION OF OFFICERS

Karen Moreno reported that it is the Processor's turn to chair the Board.

ACTION

A motion was made, seconded, and passed unanimously, by the Processors, electing Chris Lehtikainen to serve as the 2022 Board Chair. **Board Action 22-10**

ACTION

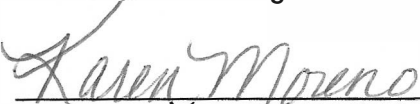
A motion was made, seconded, and passed unanimously, by the Producers, electing Neil Dougherty to serve as the 2022 Board Vice-Chair. **Board Action 22-11**

ADJOURNMENT

There being no further business the Board meeting adjourned at 11:03 A.M.

CERTIFICATION OF MINUTES

I, Karen Moreno, Manager of the California Processing Tomato Advisory Board, do hereby declare that the foregoing is a true and correct copy of the minutes of the California Processing Tomato Advisory Board meeting on January 26, 2022.



Karen Moreno, Manager
Processing Tomato Advisory Board



Date

ROSTER
PTAB MEETING- JANUARY 26, 2022

Board Members

Neil Dougherty
Chris Lehtikainen
Roger Scriven
Tim Maggiore
Tim Hamilton
Garrett Miller
Dan Burns
Craig Leathers
Kevin Collins
Phillip Perez

Dougherty Brothers
Stanislaus Food Products
The Morning Star Packing Co.
F.A. Maggiore & Sons
ConAgra Foods
J.G. Boswell Tomato Co.
Nickel Family LLC
Campbell Soup Co.
Borba Farms
Silverdale Farms

Board Alternates

Lance Dami
Darryl Bettencourt
Steve Freeman
Seth Rossow
Patrick Pinkard

Los Gatos Tomato Products
J.G. Boswell Company
Pacific Coast Producers
Rossow Farms
Terranova Ranch

Others Present

Karen Moreno
J.D. Blevins
Jill Shepherd
Connie Read
Marcela Gamino
Ben Kardokus
Miranda Townsend
Mike Monina
Zachary Bagley
Paul Pimentel
Mike Reuter
Robert Krahn
Kyle Quinn

PTAB
PTAB
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PTAB
PTAB
CDFA
CDFA
CTGA
CTRI
The Morning Star Packing Co.
The Morning Star Packing Co.
Neil Jones Food Co.
Escalon Premier Brands

	PTAB Board Meeting 1/26/2022						
<u>Board Member</u>	<u>22-01</u>	<u>22-02</u>	<u>22-03</u>	<u>22-04</u>	<u>22-05</u>	<u>22-06</u>	<u>22-07</u>
Kevin Collins	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Dan Burns	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Tim Maggione	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Neil Dougherty	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Phillip Perez	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Chris Lehkainen	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Roger Scriven	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Garrett Miller	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Tim Hamilton	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Craig Leathers	Aye	Aye	Aye	Aye	Aye	Aye	Aye
OUTCOME	Passed	Passed	Passed	Passed	Passed	Passed	Passed
<u>Board Member</u>	<u>22-08</u>	<u>22-09</u>	<u>22-10</u>	<u>22-11</u>			
Kevin Collins	Aye	Aye		Aye			
Dan Burns	Aye	Aye		Aye			
Tim Maggione	Aye	Aye		Aye			
Neil Dougherty	Aye	Aye		Abstain			
Phillip Perez	Aye	Aye		Aye			
Chris Lehkainen	Aye	Aye	Abstain				
Roger Scriven	Aye	Aye	Aye				
Garrett Miller	Aye	Aye	Aye				
Tim Hamilton	Aye	Aye	Aye				
Craig Leathers	Aye	Aye	Aye				
OUTCOME	Passed	Passed	Passed	Passed			

Processing Tomato Advisory Board – 2022

Producer Members	
Member	Alternate
Dan Burns Nickel Family LLC Term: 1/1/21 – 12/31/23	Vacant Term: 1/1/21 – 12/31/23
Kevin Collins Borba Farms Term: 1/1/21-12/31/23	Lee Del Don Del Mar Farms Term: 1/1/21 – 12/31/23
Neil Dougherty Dougherty Farms, Inc. Term: 1/1/20 - 12/31/22	Darryl Bettencourt JG Boswell Co. Term: 1/1/20 - 12/31/22
Phillip Perez Silverdale Farms, Inc. Term: 1/1/22 – 12/31/24	Patrick Pinkard Terranova Ranch, Inc. Term: 1/1/22 – 12/31/24
Tim Maggiore F.A. Maggiore & Sons Term: 1/1/22 – 12/31/24	Seth Rossow Rossow Farms Term: 1/1/22-12/31/24
Processor Members	
Member	Alternate
Garrett Miller JG Boswell Company Term: 1/1/21 – 12/31/23	Vacant Term: 1/1/21 – 12/31/23
Roger Scriven Morning Star Company Term: 1/1/21 – 12/31/23	Vacant Term: 1/1/21 – 12/31/23
Tim Hamilton Conagra Grocery Products Term: 1/1/20 - 12/31/22	Steve Freeman Pacific Coast Producers Term: 1/1/20 - 12/31/22
Craig Leathers Campbell Soup Co. Term: 1/1/22 – 12/31/24	Lance Dami Los Gatos Tomato Products Term: 1/1/22 – 12/31/24
Chris Lehtikainen Stanislaus Food Products Term: 1/1/22 – 12/31/24	Tome Lima Ingomar Packing Term: 1/1/22 – 12/31/24



PROCESSING TOMATO ADVISORY BOARD

P.O. BOX 1800 • DAVIS, CA 95617-1800 • (530) 759-7501 • FAX (530) 759-7504

January 12, 2022

Budget and Finance Committee Meeting Minutes
January 11, 2022
Hilton Hotel
2200 Harvard Street
Sacramento, CA 95815

Call to Order and Introductions

The meeting was called to order at 10:00 a.m. The following members, alternates, and non-board members were present:

Chris Lehtikainen (Stanislaus Food Products), Neil Dougherty (Dougherty Farms), Roger Scriven (Morning Star), Darryl Bettencourt (J.G. Boswell), Dan Burns (Nickel Family LLC), Ron Ley (Damore, Hamric & Schneider), Karen Moreno (PTAB), Connie Read (PTAB), Ben Kardokus (CDFA) and Miranda Townsend, (CDFA).

1. Auditor's Summary - Ron Ley from Damore, Hamric & Schneider presented the 2020 audit report. He said it was a clean audit with one exception and thanked the PTAB staff.
 - a. The Committee recommends the audits be approved as published.
2. 2021 Budget Review – Karen reviewed the 2021 budget projections. \$2M Reserve met.
3. PTAB 2022 Budget Proposal – The committee recommends the budget with the following assumptions:
 - a. Budget based on 11.5 million paid for tons.
 - b. Inspection fee at an average base of \$12.75 per load.
 - c. Pay raises for PTAB employees.
4. The committee discussed various tonnage scenarios, employee raises, offices leases and policy.
5. The committee met in closed session. Recommendations for pay raises were decided and reminded that California continues to move minimum wage up through 2022.
6. Meeting adjourned at 11:59 a.m.



United States Department of Agriculture
National Agricultural Statistics Service



2022 California Processing Tomato Report

Pacific Region • P.O. Box 1258 • Sacramento, CA 95812 • (916) 738-6600 • (855) 270-2722 Fax • www.nass.usda.gov/ca

Released: January 25, 2022

TOMATO PROCESSORS EXPECT TO CONTRACT 12.2 MILLION TONS IN 2022

As of January, California's tomato processors reported they have, or will have, contracts for 12.2 million tons in 2022, which is an increase of 10% compared to 11.1 million contracted tons forecast in the August 2021 California Processing Tomato Report. Processors estimate that the contracted production for 2022 will come from 245,000 acres, generating an average yield of 49.8 tons per acre. The contracted planted acreage forecast is 7% higher than the 2021 acreage of 229,000 reported under contract in August.

The USDA-NASS Pacific Regional Office surveyed California's tomato processors for their intended contract acreage and tonnage for the upcoming 2022 season. The data reported by processors was either tonnage with derived acreage, or acreage with derived tonnage.

This early processing tomato estimate is funded by the California League of Food Producers.

INTENDED AND FINAL HARVESTED CONTRACTED PRODUCTION

Year	January 1	Final	Difference
	Thousand tons		
2001	8,900	8,564	-336
2002	10,500	10,806	+306
2003	10,900	9,141	-1,759
2004	11,000	11,350	+350
2005	10,300	9,440	-860
2006	11,600	10,024	-1,576
2007	12,000	11,965	-35
2008	11,800	11,691	-109
2009	13,300	13,148	-152
2010	12,600	12,212	-388
2011	12,600	11,900	-700
2012	12,700	12,540	-160
2013	13,000	11,900	-1,100
2014	13,500	13,965	+465
2015	15,000	14,307	-693
2016	13,200	12,527	-673
2017	11,600	10,407	-1,193
2018	12,000	11,994	-6
2019	12,100	11,130	-970
2020	12,000	11,312	-688
2021 ¹	12,100	(NA)	(NA)
2022	12,200	(NA)	(NA)

¹ Final 2021 production will be released in the *Vegetables 2021 Summary* at www.nass.usda.gov on February 16, 2022. County-Level data for 2021 will be available at [www.nass.usda.gov/Statistics by State/California/Publications](http://www.nass.usda.gov/Statistics_by_State/California/Publications) in March 2022.

(NA) Not available.

California Tomato Acreage and Production

Year	Total crop			Contract only			
	Planted	Harvested	Production	Planted	Harvested	Production	
	Acres		Tons	Acres		Tons	Metric tons
2006	283,000	282,000	10,104,000	280,000	279,000	10,024,000	9,094,000
2007	301,000	296,000	12,082,000	298,000	293,000	11,965,000	10,854,000
2008	281,000	279,000	11,822,000	278,000	276,000	11,691,000	10,606,000
2009	312,000	308,000	13,314,000	308,000	304,000	13,148,000	11,928,000
2010	271,000	270,000	12,297,000	269,000	268,000	12,212,000	11,079,000
2011	255,000	250,000	11,941,000	254,000	249,000	11,900,000	10,796,000
2012	260,000	258,000	12,640,000	258,000	256,000	12,540,000	11,376,000
2013	263,000	260,000	12,100,000	259,000	256,000	11,900,000	10,796,000
2014	292,000	289,000	14,010,000	291,000	288,000	13,965,000	12,669,000
2015	299,000	296,000	14,361,000	297,000	295,000	14,307,000	12,979,000
2016	262,000	258,000	12,647,000	260,000	256,000	12,527,000	11,364,000
2017	230,000	222,000	10,464,000	229,000	221,000	10,407,000	9,441,000
2018	241,000	236,000	12,284,000	235,000	230,000	11,994,000	10,881,000
2019	235,000	228,000	11,186,000	234,000	227,000	11,130,000	10,097,000
2020	234,000	228,000	11,312,000	234,000	228,000	11,312,000	10,262,000
2021 ¹	(NA)	(NA)	(NA)	229,000	227,000	11,100,000	10,070,000
2022	(NA)	(NA)	(NA)	245,000	(NA)	12,200,000	11,068,000

^{1/} Data for 2021 was carried forward from the August 31, 2021 *California Processing Tomato Report*.

Revised 2021 data will be available in the *Vegetables 2021 Summary* at www.nass.usda.gov on February 16, 2022.

County-Level data for 2021 will be available at www.nass.usda.gov/Statistics_by_State/California/Publications in March 2022.

(NA) Not available.

California publications are available
free-of-charge on the Internet at: www.nass.usda.gov/ca

PTAB Budget 2022

	2021 Budget	Projected 2021	Budget 2022
Inspections	474,882	423,632	451,334
Inspection Fee (per load)	\$11.50	\$11.52	\$12.75
Inspected Paid For Tons	12,100,000	10,760,522	11,500,000
Revenue:			
Other Revenue	\$166,209	\$151,899	\$162,480
GODAB Revenue	\$126,480	\$126,480	\$126,480
Inspection Fees	\$5,461,146	\$4,954,134	\$5,754,513
Interest	\$12,000	\$9,000	\$8,000
Total Revenue	\$5,765,835	\$5,241,513	\$6,051,474
Expenditures:			
CDFA Administration	\$58,000	\$40,161	\$48,000
Marketing Branch			
Salaries:			
Non-Seasonal Staff	\$870,000	\$828,787	\$916,225
Inspectors	\$2,674,917	\$2,578,623	\$3,087,383
Personnel Benefits:			
Med (1.45%) + SS (6.2%)	\$270,123	\$261,053	\$306,276
Unemployment	\$102,803	\$89,219	\$116,105
Workers Comp.	\$126,569	\$120,000	\$105,169
Health Insurance	\$215,000	\$190,681	\$215,000
Pension Plan Non-Seasonal	\$130,500	\$124,318	\$137,434
Insurance, Liability	\$18,000	\$17,260	\$18,000
Administration Travel	\$15,000	\$6,084	\$15,000
Board Meetings	\$4,000	\$0	\$4,000
Seasonal Staff Travel	\$170,000	\$145,928	\$170,000
Printing, Contract	\$8,000	\$7,125	\$8,000
Telephones	\$35,000	\$37,000	\$35,000
Postage & Shipping	\$7,000	\$8,600	\$10,000
Rents	\$113,000	\$109,190	\$115,584
Office Upkeep & Utilities	\$25,000	\$22,000	\$25,000
Professional Services:			
IT Services	\$90,000	\$63,241	\$70,000
Other	\$59,000	\$48,455	\$59,000
Operation Supplies	\$125,000	\$125,000	\$135,000
Repair & Maintenance:			
Operation Equipment	\$320,000	\$248,633	\$320,000
Office Equipment	\$70,000	\$61,000	\$70,000
Miscellaneous Expenses:	\$45,000	\$24,834	\$45,000
Research & Development	\$30,000	\$8,000	\$20,000
Total Operating Expenses	\$5,581,911	\$5,165,192	\$6,051,175
Capital Costs:			
Office Equipment	\$0	\$0	\$0
IT Equipment	\$0	\$2,100	\$0
Operations Equipment	\$50,000	\$0	\$50,000
Total Capital Expenditures	\$50,000	\$2,100	\$50,000
Total Program Expenditures	\$5,631,911	\$5,167,292	\$6,101,175
Net Cash Flow	\$133,924	\$74,221	(\$49,701)
Beginning Cash Reserve	\$2,165,173	\$2,165,173	\$2,239,394
Net cash Flow	\$133,924	\$74,221	(\$49,701)
Ending Cash Reserve	\$2,299,097	\$2,239,394	\$2,189,693

PROCESSING TOMATO ADVISORY BOARD PTAB

PTAB: PO BOX 1800 • DAVIS, CA 95617-1800 • TEL 916 774-2501 • FAX 916 774-2504

TO: PTAB Board Members

FROM: Karen Moreno

RE: Interim 2023 Budget

Greetings,

Historically, the Board reviews and approves its budget at the January meeting. And, after the board stamps its approval, CDFA has 30 to 45 days for its review and approval process. The budget is unofficial while it is in these various stages of review, so technically we are operating without a budget during the first few weeks of our fiscal (calendar) year.

We propose the Board approve an interim budget to allow a seamless transition between budgeting cycles without disrupting the timing of our meetings, changing our fiscal year or delaying the payments of our obligations.

Below is the proposed interim budget for Quarter 1, 2023. This should be an ample amount to cover fixed expenses like rents, insurance payments and salaries until the official budget is signed and approved by the Board and CDFA. The official 12-month budget supersedes the Quarter 1 interim budget once we receive the approved version at our office.

PTAB's Interim Budget January 1, 2023 through March 31, 2023
Revenue: \$36,000
Expenses: \$300,000

PTAB Inspection Fees - 2022
\$12.75 Base Rate

Exhibit F

Inspection Station	Inspection Fee per Load
Dixon	\$13.64
Escalon	\$13.94
Hanford	\$13.54
Hollister	\$15.72
Ingomar	\$12.32
JG Boswell Kern	\$12.92
JG Boswell Kings	\$13.32
Liberty	\$12.64
Los Banos	\$12.36
Los Gatos	\$12.50
Oakdale	\$13.22
Patterson	\$17.50
PCP	\$12.66
Santa Nella	\$12.08
Stanislaus	\$12.74
Toma Tek	\$12.76
Valley	\$13.42
Exempt Tonnage	\$0.36 per ton