

California Department of Food and Agriculture

Marketing Branch

Approval of Meeting Minutes and Actions

Program:	Processing Tomato Advisory Board
Meeting Date:	January 27, 2021
Meeting Location:	Videoconference and Teleconference

Notable Actions:

2021 0127	#21-02	Motion to recommend approval of revisions to Section 400.9 of the Board's Policy Manual to maintain a minimum reserve level of \$2 million. [Approved by Department on 4/29/21]
2021 0127	#21-04	Motion to recommend the selection of Damore, Hamric and Schneider to conduct a financial audit and a fiscal and compliance audit of the Board's 2020 fiscal year financial records. [Approved by Department Order on 2/26/21]
2021 0127	#21-05	Motion to recommend re-hiring Karen Moreno as the Board Manager for the 2021 fiscal year. [Approved by Department Memo on 2/27/21]
2021 0127	#21-06	Motion to recommend approval of the 2021 fiscal year budget, based a projected volume of 12.1 million tons, including salary increases as presented in the budget. [Approved by Department Order on 4/9/21]
2021 0127	#21-07	Motion to recommend the establishment of a base assessment rate of \$11.50 per load and a schedule of assessment rates by inspection station for the 2021 fiscal year. [Approved by Department Order on 4/8/21]
2021 0127	#21-08	Motion to recommend approval of an interim budget for the first quarter of 2022 as presented. [Approved by Department Memo on 4/9/21]

APPROVED

SECRETARY OF FOOD AND AGRICULTURE

By: 
Joe Monson, Branch Chief
Marketing Branch

DATE: NOVEMBER 5, 2021



MINUTES

PROCESSING TOMATO ADVISORY BOARD (PTAB) JANUARY 27, 2021 ZOOM MEETING

CALL TO ORDER, ROLL CALL, ESTABLISH QUORUM

Board Chairman Chris Lehtikainen called the meeting to order at 8:32 A.M. Roll was called; a quorum was established. The following members were present:

Producers

Neil Dougherty
Dan Burns
Kevin Collins
Tim Maggiore

Processors

Chris Lehtikainen
Roger Scriven
Tim Hamilton
Garrett Miller

Alternate Board Members Present:

Lance Dami
Adam Stacy

Darryl Bettencourt
Patrick Pinkard

INTRODUCTIONS

Board Chairman Chris Lehtikainen 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 minutes as posted of the February 5, 2020 meeting. **Board Action 21-01**

CDFA UPDATE

Justin Ellerby, from CDFA, reminded us that PTAB is an instrumentality of the State of California.

DISCUSSION

There was some discussion about the possibility of businesses requiring employees to have a COVID-19 vaccine shot before returning to work. The Board felt that we were not far enough along in vaccination process and that the subject could be better addressed as we got closer to the season.

BOARD APPOINTMENTS

CDFA appointed Garrett Miller (J.G. Boswell Tomato Co.) as a processor member, moving from an alternate position. Roger Scriven (Morning Star Packing Co.) was re-appointed as a processor member and Frank Pitts (Neil Jones Foods) was re-appointed as an alternate. Adam Stacy was appointed as an alternate member (Del Monte Foods). Kevin Collins (Borba Farms) was appointed as a producer member, moving from an

alternate position, and Lee Del Don (Del Mar Farms) was appointed as an alternate, moving from a member position. Dan Burns (Nickel Family LLC) was re-appointed as a producer member. There is a vacancy in an alternate position on the Producer side. (Exhibit A). Chris Lehtikainen thanked everyone for volunteering to serve.

BOARD POLICY CHANGE

Karen Moreno presented proposed changes to PTAB Policy. It was recommended to change the Reserve Policy to \$2 million and delete the wording of "or 30% of Total Revenue, whichever is less" New Reserve Policy would read "\$2 million".

ACTION

A motion was made, seconded, and passed unanimously to approve the change and the wording in the PTAB Reserve Policy to \$2 million. **Board Action 21-02**

This action requires separate approval by the Department

PTAB AUDIT RESULTS

Karen Moreno stated that the 2019 PTAB financial and CDFA compliance audits showed no reportable items. She thanked the staff for a job well done. She asked that the Board approve both 2019 audits.

ACTION

A motion was made, seconded, and passed unanimously to approve the 2019 financial and CDFA compliance audits as presented. **Board Action 21-03**

Karen also asked that the Board designate Damore, Hamric and Schneider as auditors for any upcoming 2020 audits.

ACTION

A motion was made, seconded, and passed unanimously to designate Damore, Hamric and Schneider as auditors for the 2020 PTAB audits. **Board Action 21-04**

This action requires separate approval by the Department

BUDGET AND FINANCE COMMITTEE RECOMMENDATIONS

Karen Moreno presented the Budget and Finance Committee's recommendations (Exhibit B). She reviewed the 2020 budget. Karen stated the 2021 crop intentions are estimated to be 12.1 million tons (Exhibit C). Karen asked the Board to approve a 2022 interim budget of \$36K in revenue and \$300K in expenses. The Committee also recommended setting the base inspection fee at \$11.50 per load. The budget also includes salary increases for hourly employees and salaried staff. It was recommended the Board re-hire Karen Moreno as the Board Manager.

ACTION

A motion was made, seconded, and passed unanimously to re-hire Karen Moreno as the Board Manager. **Board Action 21-05**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to approve the 2021 PTAB budget for 12.1 million tons, which includes salary increases (Exhibit D). **Board Action 21-06**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to approve a base inspection rate of \$11.50 for the 2021 season (Exhibit E). **Board Action 21-07**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to approve an Interim Budget, as presented, for the first quarter of 2022 (Exhibit F). **Board Action 21-08**

This action requires separate approval by the Department

ELECTION OF OFFICERS

Karen Moreno reported that it is the Producers turn to chair the Board.

ACTION

A motion was made, seconded, and passed unanimously, by the Producers, electing Neil Dougherty to serve as the 2021 Board Chair. **Board Action 21-09**

ACTION

A motion was made, seconded, and passed unanimously, by the Processors, electing Chris Lehtikainen to serve as the 2021 Board Vice-Chair. **Board Action 21-10**

COMMENTS

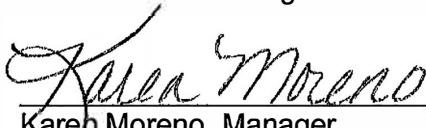
The Board recognized and thanked Dr. David Slaughter for all that he has done for the processing tomato inspection program over the years and especially for his work on the TJIS machines. Dr Slaughter said it has been a pleasure working with PTAB.

ADJOURNMENT

There being no further business the Board meeting adjourned at 9:14 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 Zoom meeting on January 27, 2021.



Karen Moreno, Manager
Processing Tomato Advisory Board
(530) 759-7501



Date

ROSTER
PTAB ZOOM MEETING- JANUARY 27, 2021

Board Members

Neil Dougherty
Chris Lehtikainen
Roger Scriven
Tim Maggiore
Tim Hamilton
Garrett Miller
Dan Burns
Kevin Collins

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

Others Present

Karen Moreno
J.D. Blevins
Jill Shepherd
Jim Dore
Michelle Welch
Erica Paiz
Justin Ellerby
Dr. David Slaughter
Zachary Bagley
Lance Dami
Darryl Bettencourt
Patrick Pinkard
Adam Stacy
Paul Pimentel
Roger Gunning

PTAB
PTAB
PTAB
PTAB
PTAB
PTAB
CDFA
UC Davis
CTRI
Los Gatos Tomato Products
J.G. Boswell Company
Terranova Ranch
Del Monte Foods
The Morning Star Packing Co
Red Gold, Inc.

PTAB Board Meeting 1/27/2021							
<u>Board Member</u>	<u>21-01</u>	<u>21-02</u>	<u>21-03</u>	<u>21-04</u>	<u>21-05</u>	<u>21-06</u>	<u>21-07</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
Chris Lehtikainen	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
OUTCOME	Passed	Passed	Passed	Passed	Passed	Passed	Passed
<u>Board Member</u>	<u>21-08</u>	<u>21-09</u>	<u>21-10</u>				
Kevin Collins	Aye	Aye					
Dan Burns	Aye	Aye					
Tim Maggione	Aye	Aye					
Neil Dougherty	Aye	Abstain					
Chris Lehtikainen	Aye		Abstain				
Roger Scriven	Aye		Aye				
Garrett Miller	Aye		Aye				
Tim Hamilton	Aye		Aye				
OUTCOME	Passed	Passed	Passed				

2021 PROCESSING TOMATO ADVISORY BOARD

Producer Members	
Member	Alternate Member
Dan Burns Nickel Family LLC Term: 1/1/21 – 12/31/23	VACANT
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 Company Term: 1/1/20 - 12/31/22
Dennis Jizmejian Bill Diedrich Farms Term: 1/1/19 – 12/31/21	Patrick Pinkard Terranova Ranch, Inc. Term: 1/1/19 – 12/31/21
Tim Maggiore F.A. Maggiore & Sons Term: 1/1/19 – 12/31/21	Doug Brunner DCB Farming Term: 1/1/19 – 12/31/21
Processor Members	
Member	Alternate Members
Garrett Miller JG Boswell Company Term: 1/1/21 – 12/31/23	Adam Stacey Del Monte Foods, Inc. Term: 1/1/21 – 12/31/23
Roger Scriven Morning Star Company Term: 1/1/21 – 12/31/23	Frank Pitts Neil Jones Food Company 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: 1/1/19 – 12/31/21	Lance Dami Los Gatos Tomato Products Term: 1/1/19 – 12/31/21
Chris Lehtikainen Stanislaus Food Products Term: 1/1/19 – 12/31/21	Tome Lima Ingomar Packing Term: 1/1/19 – 12/31/21



PROCESSING TOMATO ADVISORY BOARD

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January 8, 2021

Budget and Finance Committee Meeting Minutes January 7, 2021 Via Zoom

Call to Order and Introductions

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

Chris Lehtikainen (Stanislaus Food Products), Justin Bream (Stanislaus Food Products), Neil Dougherty (Dougherty Farms), Roger Scriven (Morning Star), Darryl Bettencourt (J.G. Boswell), Garrett Miller (J.G. Boswell), Lance Dami (Los Gatos), Zach Bagley (CTRI), Ron Ley (Damore, Hamric & Schneider), Karen Moreno (PTAB), Jay Blevins (PTAB), Michelle Welch (PTAB), and Justin Ellerby (CDFA).

1. Auditor's Summary - Ron Ley from Damore, Hamric & Schneider presented the 2019 audit report.
 - a. The Committee recommends the audits be approved as published.
2. 2020 Budget Review – Karen reviewed the 2020 budget projections.
3. PTAB 2021 Budget Proposal – The committee approved the budget with the following assumptions:
 - a. Budget based on 11.5 million paid for tons, however as in the past, the Board will adopt the budget nearest to Crop Reporting's January projections.
 - b. Lowering the inspection fee to an average of \$11.50 per load.
 - c. Pay raises for PTAB employees.
4. Reserve Policy - Recommendation to change the reserve policy from \$1.5M to \$2M
5. The committee discussed various tonnage scenarios, employee raises, offices leases and policy. PTAB has now transitioned to having the responsibility of more repair and maintenance as the last of the TJIS were built and deployed in 2019 and refined in 2020. Therefore, maintenance costs are expected to continue to increase because of the various sophisticated systems that have been installed requiring annual service and calibrations.
6. COVID Vaccine Requirement – The committee recommends discussing at Board Meeting and postpone any votes until closer to the start of the season due to the fluidity of COVID-19 vaccine roll outs.



PROCESSING TOMATO ADVISORY BOARD

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7. The committee met in closed session. Recommendations for pay raises were decided and reminded that California continues to move minimum wage up through 2022.
8. Meeting adjourned at 11:54 a.m.



United States Department of Agriculture
National Agricultural Statistics Service

2021 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, 2021

TOMATO PROCESSORS EXPECT TO CONTRACT 12.1 MILLION TONS IN 2021

As of January, California's tomato processors reported they have, or will have, contracts for 12.1 million tons in 2021, which is an increase of 6.1 percent compared to the 2020 contracted tonnage of 11.4 million tons reported in the August 2020 California Processing Tomato Report. Processors estimate that the contracted production for 2021 will come from 240,000 acres, generating an average yield of 50.4 tons per acre. The contracted planted acreage forecast is up 2.6 percent compared to the 2020 acreage of 234,000 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 2021 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		
2000	10,100	10,131	+31
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 ^{1/}	12,000	(NA)	(NA)
2021	12,100	(NA)	(NA)

^{1/} Final 2020 production will be released in the *Vegetables 2020 Summary* at www.nass.usda.gov on February 11, 2021.

County-Level data for 2020 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 2021.

(NA) Not available.

	2021 Budget
Inspections	474,882
Inspection Fee (per load)	\$11.50
Inspected Paid For Tons	12,100,000
Revenue:	
Other Revenue	\$166,209
GODAB Revenue	\$126,480
Inspection Fees	\$5,461,146
Interest	\$12,000
Total Revenue	\$5,765,835

Expenditures:	
CDFA Administration	\$58,000
Marketing Branch	
Salaries:	
Non-Seasonal Staff	\$870,000
Inspectors	\$2,674,917
Personnel Benefits:	
Med (1.45%) + SS (6.2%)	\$270,123
Unemployment	\$102,803
Workers Comp.	\$126,569
Health Insurance	\$215,000
Pension Plan Non-Seasonal	\$130,500
Insurance, Liability	\$18,000
Administration Travel	\$15,000
Board Meetings	\$4,000
Seasonal Staff Travel	\$170,000
Printing, Contract	\$8,000
Telephones	\$35,000
Postage & Shipping	\$7,000
Rents	\$113,300
Office Upkeep & Utilities	\$25,000
Professional Services:	
IT Services	\$90,000
Other	\$59,000
Operation Supplies	\$125,000
Repair & Maintenance:	
Operation Equipment	\$320,000
Office Equipment	\$70,000
Miscellaneous Expenses:	\$45,000
Research & Development	\$30,000
Total Operating Expenses	\$5,582,211

Capital Costs:	
Office Equipment	\$0
IT Equipment	\$0
Operations Equipment	\$50,000
Total Capital Expenditures	\$50,000
Total Program Expenditures	\$5,632,211
Net Cash Flow	\$133,624

Beginning Cash Reserve	\$2,131,935
Net cash Flow	\$133,624
Ending Cash Reserve	\$2,265,559

Inspection Station Loads Per Man Hour

	Annual Production									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Dixon	3.92	3.93	4.05	4.03	3.82	3.71	3.90	3.78	3.79	3.78
Escalon	3.94	3.79	3.80	3.81	3.86	3.84	3.85	3.62	3.63	3.53
Hanford	4.13	3.92	4.26	4.44	4.64	4.42	4.41	4.51	4.62	4.42
Hollister	2.69	2.71	2.76	2.86	2.92	3.06	3.32	3.15	3.52	3.31
Ingomar	5.79	5.42	5.59	5.40	5.45	5.56	5.52	5.09	5.59	5.40
JG Boswell Kern	4.75	4.75	4.63	4.53	4.59	4.39	4.42	4.34	4.33	4.21
JG Boswell Kings	4.26	4.28	4.45	4.47	4.50	4.47	4.30	4.18	4.25	3.91
Liberty	5.15	4.91	5.80	4.55	4.61	4.39	4.97	5.07	5.14	4.75
Los Banos	5.96	5.55	5.54	4.89	4.89	5.23	5.22	5.09	5.49	5.28
Los Gatos	5.48	5.19	5.42	5.29	5.11	5.25	5.04	4.93	4.88	4.77
Oakdale	4.44	4.31	4.53	4.19	4.31	4.31	4.24	4.31	4.31	4.28
Patterson	2.31	2.34	2.57	2.21	2.59	3.03	1.40	1.31	1.89	1.76
PCP	5.02	4.93	5.27	5.02	4.88	4.86	4.63	4.46	4.34	4.23
Santa Nella	6.70	5.59	5.60	5.12	5.13	4.77	5.55	5.17	5.54	5.46
Stanislaus	4.83	5.17	4.75	4.70	4.92	4.88	4.77	4.88	4.37	4.37
Toma Tek	5.21	4.69	4.96	4.59	4.07	4.15	3.65	3.60	3.82	4.59
Valley	4.11	4.23	4.17	4.00	3.92	3.91	3.90	3.89	3.74	3.65

3-Year Average Production (*used to calculate 2020 inspection fee distribution)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Dixon	3.97	4.00	3.97	3.85	3.81	3.80	3.82	3.78	3.84	3.94
Escalon	3.84	3.80	3.82	3.84	3.85	3.77	3.70	3.59	3.61	3.54
Hanford	4.10	4.21	4.45	4.50	4.49	4.45	4.51	4.52	4.28	4.12
Hollister	2.72	2.78	2.85	2.95	3.10	3.18	3.33	3.33	3.29	3.20
Ingomar	5.60	5.47	5.48	5.47	5.51	5.39	5.40	5.36	5.52	5.27
JG Boswell Kern	4.71	4.64	4.58	4.50	4.47	4.38	4.36	4.29	3.93	3.91
JG Boswell Kings	4.33	4.40	4.47	4.48	4.42	4.32	4.24	4.11	3.88	3.63
Liberty	5.29	5.09	4.99	4.52	4.66	4.81	5.06	4.99	5.04	4.98
Los Banos	5.68	5.33	5.04	4.94	5.05	5.18	5.27	5.29	5.34	5.21
Los Gatos	5.36	5.30	5.27	5.22	5.13	5.07	4.95	4.86	4.74	4.67
Oakdale	4.43	4.34	4.34	4.27	4.29	4.29	4.29	4.30	4.33	4.29
Patterson	2.41	2.37	2.46	2.61	2.34	1.91	1.53	1.65	1.97	2.02
PCP	5.07	5.07	5.06	4.92	4.79	4.65	4.48	4.34	4.20	4.09
Santa Nella	5.96	5.44	5.28	5.01	5.15	5.16	5.42	5.39	5.53	5.36
Stanislaus	4.92	4.87	4.79	4.83	4.86	4.84	4.67	4.54	4.41	4.43
Toma Tek	4.95	4.75	4.54	4.27	3.96	3.80	3.69	4.00	4.29	4.49
Valley	4.17	4.13	4.03	3.94	3.91	3.90	3.84	3.76	3.61	3.56

**Processing Tomato Advisory Board
2021 Inspection Fee Distribution
\$11.50 Average Base Rate**

Inspection Station	Inspection Fee per Load
Dixon	\$12.50
Escalon	\$12.64
Hanford	\$12.32
Hollister	\$14.72
Ingomar	\$11.08
JG Boswell Kern	\$11.72
JG Boswell Kings	\$12.08
Liberty Williams	\$11.28
Los Banos	\$11.02
Los Gatos	\$11.22
Oakdale	\$11.98
Patterson	\$15.64
PCP	\$11.44
Santa Nella	\$10.86
Stanislaus	\$11.56
Toma Tek	\$11.52
Valley	\$12.26
Exempt Tonnage (per ton)	\$0.32

**PROCESSING TOMATO ADVISORY BOARD**

P.O. BOX 1800 • DAVIS, CA 95617-1000 • (530) 759-7501 • FAX (530) 759-7504

TO: PTAB Board Members
FROM: Karen Moreno
RE: Interim 2022 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, 2022. 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, 2022 through March 31, 2022
Revenue: \$36,000
Expenses: \$300,000