



CALIFORNIA
FRESH FRUIT
ASSOCIATION

ANNUAL REPORT

2018 – 2019

“To fulfill the needs of its membership while serving as the primary public policy organization advocating on behalf of fresh fruit growers and shippers in California.”

California Fresh Fruit Association Mission Statement



President's Report

Ladies and gentleman, the role of your Association remains just as important today, as it was 83 years ago: To serve as the primary public policy advocate for fresh fruit growers and shippers in California. Each day, our industry is bombarded with challenges from the State and Federal Government, regulatory agencies, the retail sector and labor unions. When I took over the Association two and a half years ago, many members expressed that they were "tired of losing." We've heard you, and as a result, over the last twenty-four months our Association has focused on initiatives that will position our industry and our Association for sustained success.

In Washington, we continue our efforts to influence the immigration debate, educating legislators and administration officials and making sure they don't create a real disaster for American farmers as they resolve illegal immigration.

In anticipation of this new session of Congress, our Association took the lead by gathering agriculture leaders from across the nation to sponsor the Ag Labor Summit in Washington, DC. The summit was held on February 26th, with a diverse group of speakers, including Senator Pat Roberts (R-Kansas), Congressman Dan Newhouse (R-Washington) and Congressman Ted Yoho (R-Florida), representatives from American Farm Bureau, California Citrus Mutual, California Strawberries, USAFarmers and the North American Meat Institute. The summit was well attended by House and Senate staff members from throughout the nation.



George Radanovich
CFFA President

Recognizing that Ag labor is the greatest challenge facing U.S. agriculture, we agreed to help unify agriculture around certain core principles of immigration reform and speak with one voice. A post-summit report, being drafted by legal, policy and academic experts in attendance, will be used to describe what's needed in legislation to guarantee our industry a smooth transition to a legal employment system and help to bring an end to an issue that has plagued our industry for decades. Our members asked us to take on the important issues and that is exactly what we are doing with immigration reform.

As Chairman Giumarra had mentioned, we also are continuing our support for the Central Valley Farmworker Foundation. This amazing Foundation and its staff supports our employees in areas like: health care, English language learning, citizenship training and immigration services. What was once just an idea by Joe Garcia of Jaguar Labor Contracting is now a reality. The Central Valley Farmworker Foundation now operates out of Kern, Tulare and Fresno Counties directed by CEO Hernan Hernandez and staff. Their services address farmworker needs, creating trust and strong relationships by delivering services and building good will within the farmworker community. Their goal, as well as ours, is to help farm employees become leaders and empower them to be their own advocates in their communities, in Sacramento and in Washington, DC.



Over the last year, in early 2017, we contacted Dr. Jerry Meral, Governor Brown's key water policy advisor since his first administration, to collaborate on a water bond for the 2018 ballot. Over the next year and a half, Association staff created and helped manage an unusual coalition of agriculture, water and environmental interests to craft the bond proposal. Unlike Proposition 1 in 2014, which was a creature of the California Legislature and Governor, The Water Supply and Water Quality Act of 2018 was a citizen's initiative, written by the agriculture industry and exempt from the authority and bureaucracy of the California Water Commission. We overcame initial doubts by raising more than two million dollars, and collecting over 500,000 signatures, to qualify the bond for the ballot. We then matched those expectations by raising an additional 2.4 million dollars for the November election. Unfortunately we came up short on November 6th, only losing by a slim margin of 150,000 votes out of twelve million.

That was a difference of 1.3%! There is no doubt that this bond would have brought immense value to California and our industry.

Out of its ashes, though, comes a renewed sense of comradery between water districts and agriculture associations. We proved that we are capable of the heavy lift and we do have the ability to create our own destiny. We will need these skills. With an expected loss of 2.5 million acre feet of water and the prospect of following 100's of thousands of farmland in the Central Valley, we remain confident that we can bring new water into the San Joaquin Valley.

We've also had a positive impact on trade during uncertain times in the global market. Our trade director, Marcy Martin, serves on the Agriculture Trade Advisory Committee, advising the Administration and contributing to the favorable outcome of NAFTA 2.0. As the trade war with China continues, we work diligently to secure tariff relief and will continue to do so until the trade war is over.

I would like to thank each of you for the support that you continue to give to the California Fresh Fruit Association. It is your support and involvement that makes our Association successful.

CFFA Leadership

Robert O. Bianco

Anthony Vineyards, Inc.

Steve Biswell

MJ Visalia Grape Farms, LLC

Nicholas Bozick

R. Bagdasarian, Inc.

Jack Campbell

Delano Farms

Kirk Cerniglia

Royal Madera Vineyards

Bill Chandler

Chandler Farms, LP

David Clyde

Grapeman Farms dba Stevco

Verne Crookshanks

Venida Packing, Co.

Jerry DiBuduo

SunValley Farms

Moe DiBuduo

DiBuduo Fruit Co.

***Richard Elliot**

David J. Elliot & Son

David Fenn

Sun World International, LLC

***Melissa Frank**

Wonderful Orchards

Ralph Hackett

Dayka & Hackett, LLC

Steve Hash

Hashwood Farms

Doug Hemly

Greene and Hemly, Inc.

Demetri Hronis

Hronis, Inc.

David Jackson

Family Tree Farms

Mike Jackson

Kingsburg Orchards

Casey Jones

Sun Valley Packing

Herbert Kaprielian

CRJ Farming Co. LP

Todd Kinosian

Sundale Vineyards

David Marguleas

Sun World International, LLC

***Harold McClarty**

HMC Farms

George Nikolich

Gerawan Farming, Inc.

Justin Parnagian

Fowler Packing Company, Inc.

Pat Ricchiuti

P-R Farms, Inc.

Cliff Rolland

Abe-El Produce

Patrick Scully

Scully Packing Co.

Brent Smittcamp

Wawona Packing Co., LLC

Kent Stephens

Marko Zaninovich, Inc.

Matt Surber

M. Caratan, Inc.

Russ Tavlan

Moonlight Companies

***Dean Thonesen**

Sunwest Fruit Company, Inc.

Mike Thurlow

Mountain View Fruit Sales

John Tos

Tos Farms, Inc.

Paul Wilson

Rivermaid Trading Co.

Cliff Woolley

Munger Bros., LLC

John D. Zaninovich

Merritt Farms

***Jon P. Zaninovich**

Jasmine Vineyards, Inc.

Marko S. Zaninovich

Marko Zaninovich, Inc.

Ryan Zaninovich

V.B. Zaninovich & Sons, Inc.

EX-OFFICIO**Micky George**

*Executive Committee



CALIFORNIA
FRESH FRUIT
ASSOCIATION

CHAIRMAN

*Randy Giumarra

Giumarra Vineyards Corporation

FIRST VICE CHAIRMAN

*Kevin Herman

The Specialty Crop Company

SECOND VICE CHAIRMAN

*Wayde Kirschenman

Kirschenman Enterprises Inc.

SECRETARY/TREASURER

*Louis Pandol

Pandol Bros., Inc.

TABLE OF CONTENTS

1	President's Report
2	CFFA Leadership
3	Chairman's Report
5	Top Issues
7	CFFA Membership
8	CFFA Programs & Services
9	CFFA's Ag Network
11	Labor
13	Government Relations
14	Annual Fruit Delivery
15	Marketing & Trade
17	Environmental Resources
19	CFFA Financial Summary
20	FruitPAC
21	Year In Review
23	Legislative Review
24	CFFA Partnerships
25	Past Chairmen & Staff
26	Committee Service

Chairman's Report

I would like to take this opportunity to discuss the value that the California Fresh Fruit Association (CFFA) provides to all of us in our industry and to all those who are dependent upon the fresh fruit industry for their livelihood. The work that the Association does on our behalf is vital and I hope that the stories and points that I share demonstrate the immense daily value that CFFA brings to California growers and shippers.

On August 27th of last year President Donald Trump announced that the U.S. government was committing \$12 billion in aid to American farmers to ensure that we could continue to compete globally as we were being unfairly targeted in the trade war with China. As part of the \$12 billion in aid, the USDA was directed to purchase \$1.2 billion dollars in agricultural commodities through the Food Purchase and Distribution Program. CFFA's Director of Trade, Marcy Martin, is a current member of the Agriculture Technical Advisory Committee, which is a very important committee that was advising the USDA and the Secretary of Agriculture as they developed the terms for this Assistance Program. Point #1 – make sure you have a seat at the table! One of many things Marcy did during the forming of the program was help determine which products had been truly affected by the trade dispute based on past years shipments and then advocated for their inclusion in this USDA Purchase Program. When Marcy was able to confirm to me and Kathleen Nave, of the California Table Grape Commission, that this program was moving forward, she informed us that we had about 10 days to gather our data supporting the position of massive lost sales and lower pricing for grapes sold to China and submit the information to the USDA. And, at no fault of USDA, they didn't really know how to process that information because they had never purchased fresh grapes before. So Marcy masterfully shaped the narrative for grapes, plums and many other items so that USDA could understand how the trade issue was negatively impacting growers throughout California. From there, USDA could determine how much of the \$1.2 billion to allocate to each product. Kathleen's data showed accurately and honestly that the total value of California Table Grapes shipped to China in 2017 was about \$60 million. Point #2 – work well with other industry groups and boards to access relevant information quickly. When the final decision was passed down from the USDA, we were informed that the USDA would be purchasing \$48 million dollars' worth of California table grapes...BUT.....the plot thickens - they weren't going to start buying grapes until the 2019 summer season.



Randy Giumarra 2018/20



It just so happened that the Secretary of Agriculture, Sonny Perdue, was visiting California right about this time and, because of his familiarity with the CFFA, his staff contacted the Association to help schedule some of his stops, two of which turned out to be at HMC Farms and Sunview Vineyards. Kathleen participated in the visit at Sunview and had an opportunity to chat personally with Secretary Perdue. She took the opportunity to make the point that this program was put in place by President Trump to help farmers who were suffering the effects of the trade war now, during the disastrous market, not next year. The Secretary agreed with Kathleen and gave her the exact high-ranking member on his staff to contact so they could work with USDA to start purchasing grapes this season. Naturally, Kathleen followed through with the Secretary's recommendation and USDA wound up buying \$10.5 million dollars of California grapes in December and January, which definitely relieved some pressure on the market. The

balance of the \$37 ½ million for grapes will be purchased this coming season.

Point #3, have the right people in place that see to it that we're connected, that are persistent and persuasive so goals are accomplished. Now, not all of the commodities that we represent were included in the program because you did have to prove that sales were lost in China due to the retaliatory tariffs. But just so you have an appreciation for how this will directly affect our fellow CFFA members, our staff worked hard to get the following amounts included in the USDA purchase program - \$15,000 for figs, \$1.4 million for pears, \$1.7 million for blueberries, \$18.7 million for plums and \$48.2 million dollars for table grapes. This story demonstrates many of the most valuable assets that our Association contributes to everyone in the industry, when unforeseen issues arise, like a little trade war, and many of us don't even realize what this staff is accomplishing behind the scenes.





Another very positive movement that has been quickly gaining traction is the Central Valley Farmworkers Foundation (CVFF) led by Hernan Hernandez. The mission of the CVFF is very straight forward – “to serve and support Central Valley farmworkers by providing programs and services to better their quality of life.” They are doing just that and, as a result, they have already signed up 2,500+ farmworkers in just a few short years. They are adding tremendous value to the farmworker’s lives via free health screening, training seminars for nutritious meal planning, college education and continued education prep, English language development and Zumba classes to promote health and wellness. They do all of this without taking a penny out of the farmworker’s paychecks which is so appreciated by these hard-working individuals. The inspiring story of CVFF has filtered through the industry and has caught the attention of a few retailers who are particularly interested in social responsibility and ethical sourcing initiatives – and have now asked to learn more about this organization. Politicians have definitely noticed,

too, and they are very excited to hear a different perspective coming directly from the farmworker community.

On the topic of labor, there is no issue more pressing to our businesses today than immigration. Our country has been grappling with this subject for decades but never has it been so hotly debated as in the last 3-4 years, so much so that our current President based a large portion of his campaign around the issue, then shut down the government, then declared a state of emergency, all in an effort to get a wall built and stop illegal immigration. Regardless of how the immigration debate shakes out, we all know that labor supply is shrinking and labor cost is sky-rocketing so we have to find ways of mechanizing any process possible on our farms and in our packing houses. The reality is that immigration and technology go hand in hand because the faster we’re able to mechanize, the less dependent we’ll be on immigration reform.

However, while we are all striving to quickly develop new technology and processes to decrease labor hours, we know that these solutions will take time and we’ll be dependent on our existing, yet dwindling, labor force until we can figure out a way to accomplish mechanically what is now done by hard-working human hands. That is why we have to forge ahead down parallel tracks. We need to continue to spearhead the movement for an immigration fix while simultaneously innovating and mechanizing every step possible in farming, harvesting, packing and shipping. It is my contention that we will achieve a more favorable outcome on both fronts, sooner, if we coalesce and proceed with one voice and common goals on behalf of American Agriculture. We need to deliver one succinct message to state and federal politicians about our recommendation on immigration. Furthermore, the message needs to be pragmatic for our country, for our businesses and for the human beings who are stuck in the middle of the conversation. The Ag industry can no longer be disjointed in our message to politicians based on sector-specific needs. George Radanovich just returned from Washington D.C. where he planned, coordinated and moderated an Ag Labor Summit with some very interested parties from production agriculture, other industry associations and advocates, and federal officials from the U.S. Senate and House of Representatives. George recognized that we’re starting over with a clean slate in Washington on the topic of immigration. He saw an opportunity and he wanted to make sure CFFA was leading the conversation on this matter, not being told what we need to accept from vote-chasing, party-building politicians. But rather than go it alone, this time we came together and the message was also being delivered by the California Strawberry Commission, California Citrus Mutual, United Fresh and others. Even if we do not achieve an immediate solution on this go-around, we are taking the first step in communicating the synchronized story of American Agriculture.

As we are working together on immigration, so to should we collaborate and share in the development of new technology. We all know that the existing business model is not sustainable for many commodities around the U.S., but certainly not here in California. We’ve all had a few years to think about how the \$1/year minimum wage increase was going to hit our cost of production in California, or if we can truly harvest our entire crop with a 40-hour work week without pricing our product out of competitive range, but now we’re living in that reality and the need to institute noticeable efficiencies is critical. These increased efficiencies are most likely going to come via mechanizing more of our everyday processes. Again, this will be achieved quicker if we work together to find solutions rather than take an individualistic approach that we’re smart enough to crack the code on our own. I think we’d all agree that we’re making progress in this arena. Prior generations of farmers were a bit like single children – they did not like to share and they were never wrong. I think the agribusinesses of today realize that much can be gained by sharing information and technology across all commodity groups. Maybe my optimism is outpacing advancement but couldn’t it be possible that the new technology that is robotically harvesting a nicely blushed apple could initiate progress in picking a perfectly ripe peach? Can you imagine how a mechanical blueberry harvester could be the catalyst for some sort of mobile grape harvester? Or the robots that are fetching products in the Amazon mega-warehouse, could be moving pallets from our coolers to the truck. Kids, if you can figure out how to pick a load of produce robotically, ship it by drone across the country, on time, without breaking the cold chain, confirm the box count on arrival and get paid in full upon receipt of product, you’ll help a lot of us old people live a lot longer. It seems far-fetched, but as we’ve heard today anything is possible when you work together to accomplish common goals.

I’d like to sum things up with a quote from Abraham Lincoln that I feel is very suitable given where we stand today – he said, “The best way to predict the future is to create it.” My hope is that the hard work of this Association will influence American Agriculture to come together and create a better future for our industry and for all of the hard-working people who dedicate their lives to feeding the world in a healthy way.

Top Issues

FEDERAL IMMIGRATION POLICIES: CURRENT AND FUTURE LABOR

Despite both legal and political hurdles we will continue to impress upon our elected representatives that Congressional action is needed to ensure a long term solution toward addressing labor security for the agricultural sector. The Association continues to be a key component in the policy shaping debate on both short and long-term proposals to strengthen labor security.

INCREASING WAGE COSTS (BASE WAGES/OT THRESHOLDS)

Labor costs have continued to increase resulting from changes to agriculture overtime and an increasing minimum wage, which rose to \$12.00 per hour in January 2019. Seasonal wages, along with those in every category of agricultural production such as tractor drivers and irrigators, increase proportionately along with a higher minimum wage. Farmers routinely experience seasonal hourly costs of approximately \$12.00 to \$17.00 per hour now and these amounts will only increase as the largest business cost for growers and shippers of labor intensive fresh fruit commodities who must compete in a highly competitive global market.

WATER SUPPLY AVAILABILITY AND CURTAILMENT

With a highly diverse membership, spanning from Lake and Mendocino counties in the north, down through the San Joaquin Valley and south into the Coachella Valley. The need for long-term water certainty remains of utmost importance to sustaining a viable agricultural sector. The drought conditions that continued through 2016 placed significant stress onto farming operations, shifting more permanent fresh fruit crop producers to rely upon groundwater supplies. Despite current hydrologic conditions, the viability of our permanent crop sector is dependent upon a certain supply and the political will to protect California agriculture production in the face of mounting regulatory and legal challenges which undoubtedly will curtail or limit access to critically needed water supply.

IMMIGRATION COMPLIANCE (I.C.E.)

Frustrations continue as earnest attempts to secure passage of a comprehensive immigration package have been met with resistance in both the House and Senate. In order to ensure the continued production of a domestic food supply, comprehensive reform that contains an agricultural labor component remains vital. In working as part of diverse national coalitions, the Association continues to urge Congressional representatives and the Trump Administration to support measures designed to ensure an adequate and legal work force for agriculture, while highlighting the fact that the pressure on employers and the employee base continue to mount.

GROUNDWATER MANAGEMENT REQUIREMENTS (S.G.M.A.)

The passage of the Sustainable Groundwater Management Act provides for local management of groundwater basins throughout California. The creation of sustainable groundwater management agencies will combine management with enforcement mechanisms in an attempt to ensure the sustainability of groundwater resources through planning which must be in place as early as 2020, and achieve sustainability goals in the basin within 20 years of implementation. There is significant concern that as a result of this Act the governance of groundwater supplies will look much differently in just a few years as local agencies will be tasked with ensuring groundwater pumping does not jeopardize the basin's ability to be sustainable over the long-term.

LABOR REGULATORY COMPLIANCE

Every year the California Legislature considers measures that advance opportunities for organized labor to unionize the agricultural labor force. Missing from that consideration is the thorough examination of the will of the labor force and the value they perceive in paying a percentage in dues for added wages, benefits, and working conditions which either have been addressed or continue to be advanced by the Legislature or through regulation, thus deflating the value of union membership. The Association remains committed and ready to confront biased rulemaking and legislative attempts to tilt the balance against the employer while ignoring the will of the employee to freely choose whether or not to be part of a union.

WATER QUALITY AND CLEAN DRINKING WATER REGULATIONS

The adoption of water quality regulatory programs has put the burden of improving the water quality for disadvantaged communities in rural areas onto agriculture. Farming operations have seen added impacts in the form of compliance costs associated with regulatory oversight and reporting. Significant efforts remain to identify whether agricultural nitrogen management practices are sufficiently protective of groundwater or whether practices must change in order to mitigate groundwater degradation. The Association is positioned to continue its work across legislative and regulatory audiences to ensure industry compliance with water quality goals while continuing to advance the importance of maintaining the economic viability of the agricultural sector.

FEDERAL AND STATE FOOD SAFETY COMPLIANCE REQUIREMENTS

Ensuring a safe food supply remains a top priority and the industry continues its advancements in employing science and risk-based practices through food safety research designed to identify potential risks and guide the continued production of safe, fresh fruit. Growers and packers are looking to ensure their implementation of food safety practices exceed government standards such as the Food Safety Modernization Act for safe production and the ever increasing retailer demands for meeting demand-side food safety expectations. The industry will look to lead with the implementation of science and risk-based practices to continue to preserve consumer confidence and meet their expectations.

HEALTH CARE COSTS (POLICY COSTS/PAID SICK LEAVE)

In the wake of the Affordable Care Act employer mandate, providing health care coverage to employees became the norm, as opposed to the exception. It is the desire of the employer to ensure a healthy workplace and continue to make investments into employee wellness. For instance, some employers have created unique partnerships with health-care providers within their own local community and others have created on-site health care options for both farm employees and their families. Employers recognize that healthy employees and families increase the likelihood of continued productivity. However, as employees grow older and health care costs rise onto both employers and employees alike, the Association remains concerned over changes that could shift a larger portion of financial responsibility onto the employer to offer affordable coverage, or be faced with offering coverage that borders the line of affordability for both parties in a way that becomes a financial burden for both employer and employee alike.

PLANT HEALTH MATERIALS (PESTICIDES/HERBICIDES/FUNGICIDES)

The Association works to protect the use of critical plant health materials to ensure quality, marketable fruit. The Association is well-positioned to serve as the conduit for preserving critical tools for the fresh grape, berry and deciduous tree fruit sectors in order to meet the demands of the domestic and international markets.

Membership

When you support the Association, you are a part of a unified voice that advocates relentlessly for the fresh table grape, tree fruit and berry communities, so that our operations may stay viable, profitable and sustainable in California. We continually strive to be the best resource for our members regarding a wide range of labor, environmental, transportation, marketing, technical and regulatory issues. Above all else, we are committed to helping our members succeed.

It is due to your financial contributions and the organization's grassroots approach that we are able to accomplish the things that we do each and every year. This Annual Report summarizes areas on which the Association has worked this past fiscal year. As always, in addition to the Annual Report, the Association continues to publish our bi-weekly newsletter "On Target" to keep members up-to-date regarding important industry news.

The Association strives to serve our members to the best of our ability. The challenges are countless, but together we can make a positive impact for our industry. We look forward to continuing to represent you!

2018/19 NEW CFFA MEMBERS

The Membership & Communications Committee kept a steady pace to recruit new Association members and communicate to current members about the many benefits associated with membership. The newest additions included:

Amber Chemical
Bronzini Ranch
Central Valley Community Bank
Eurofins
Fabbri Group
Independence Public Adj/Sunpoint
Interwest Insurance
Imperial Valley Vegetable Growers Assoc.
Personal Ag Management Insurance
Phytelligence
PickTrace
Purefresh Sales Inc.
Reliable Business Technology, Inc.
Reusable Transpack
Riverwest Farming LP
Ruddick Ranch
Technology Development Net
Toste Family Farms
Wegis Farms



CALIFORNIA
FRESH FRUIT
ASSOCIATION



The Membership & Communications Committee is responsible for exploring membership opportunities and overseeing communication to current and prospective members regarding the value of Association membership. The Committee plays a key role in helping CFFA's membership continue to be a strong-suit for the organization. Growth in membership is evidence that the Association continues to demonstrate the value of being part of a unified voice, where the members' resources are used in the most efficient manner to maximize benefits.



Programs & Services

TRANSPORTATION

CFFA has been successfully partnering with **C.H. Robinson** for full service logistics since 2007. The grower-shipper program offers benefits through transportation management assistance, which was designed to specifically address the transportation needs of fresh fruit operations. Through the partnership with CHR, a rebate is provided to CFFA for each load moved by a shipper member who uses the transportation company, which further strengthens the organization's advocacy efforts.



CROP INSURANCE

Rain and Hail Insurance Service, L.L.C. has served as an endorsed carrier for CFFA for more than 23 years, establishing a long-lasting and successful relationship with members. Although all insurance rates and procedures are the same, the Association encourages its members to select Rain and Hail for their crop insurance needs, based on top-quality service and the company's solid dedication to California's specialty crops. The company continues to be the leading crop insurance provider in the state, with approximately 30 percent of its business in California.



WORKERS' COMPENSATION

Zenith Insurance Company became CFFA's endorsed carrier of workers' compensation insurance in 2012, and the relationship grows stronger each year, with combined efforts to provide employers with resources to reduce exposures, claims and costs. Activities from the 2018/19 FY included exclusive safety seminars for CFFA members, which were developed to address the supervisors' safety responsibilities including safety enforcement, inspection and training. Zenith's Ag Summit was also open to CFFA members.

All training and outreach material is designed specifically to meet the needs and exposures unique to the California fresh fruit industry. Zenith's safety specialists address the exposures by providing examples of proven practices that have reduced or eliminated workplace injuries.

PROPERTY, CASUALTY & AUTO INSURANCE

On January 22, 2015, CFFA's Board of Directors approved **Zenith Agribusiness Solutions** as an endorsed provider of property & casualty insurance for California agribusiness and farms. Zenith Agribusiness Solutions, a division of Zenith Insurance Company, serves as the Association's partner to provide exceptional value, coverage and service to grower, shipper and associate members through independent insurance agencies.



RETIREMENT

The Association's Board of Directors has endorsed **Alerus Retirement Solutions** since April 1998 for its group 401(k) program, after it was thoroughly reviewed by the CFFA's Insurance & Financial Benefits Committee. Association members are eligible to participate in a full-service retirement program with Alerus, which is a specialized program offering great value to participants because members receive additional services without the added charges and fees.

Ag Network

EDUCATIONAL OPPORTUNITIES

During the 2018/19 FY, the Association helped to educate members through workshops and seminars on a wide range of agriculture-related issues.

DELANO/MADERA ZENITH SEMINAR

Keeping employees safe is an ongoing, year-round endeavor, even for seasonal operations like those of CFFA members.

Safety training is an effective method of protecting the safety and health of workers. In 2018, managers and supervisors representing our membership participated in two-hour training sessions that addressed critical topics: Heat Illness and Distracted Driving.

The sessions were held in Delano and Madera, respectively, with more than 60 attendees, in total, participating. Zenith's Safety and Health Consultant, Al Mirelez, led the Heat Illness session in Delano, which was provided in both English and Spanish. He emphasized the importance of communication in the event that an employee exhibits heat illness signs or symptoms. Mirelez explained that supervisors must respond immediately to symptoms by providing "water, rest and shade" to the employee. If symptoms don't subside, the supervisor must respond with next steps; all of which must be detailed in every employer's Heat Illness Prevention Plan.

Zenith Safety and Health Consultant, Monica Carbajal, opened the Distracted Driving session with a grim statistic: nine people die every day in the U.S. because of Distracted Driving. Then, she asked attendees about distracted drivers they have seen on the road. Attendees responded with examples of drivers putting on make-up, talking on the phone, posting on social media, using an electric razor to shave and more.

Ag employees cover thousands of miles every day and it is common for one person to cover hundreds of miles a day between ranches or the packing house and ranch. Attendees shared that they drove service trucks, fork lifts, and many had a long commute.

Carbajal explained the different types of distractions and what best practices will reduce distraction, which is ultimately reducing accident and injury.



PRODUCT RECALL SEMINAR

CFFA was pleased to host an educational seminar focusing on the benefits of Product Contamination/Recall Insurance. Local Fresno insurance professional, Eric Bell, Vice President with CRC Swett graciously volunteered his time to facilitate a seminar and answer member's questions.

Mr. Bell reviewed with attendees the reasons why a grower or shipper would need to obtain Product Contamination/Recall Insurance, what companies currently provide the service and the areas of an agreement on which participants would want to concentrate.

Mr. Bell pointed out that this insurance, like all insurance, may seem trivial today, but under the circumstances of a product recall, it can potentially save your operation.



COLLABORATING WITH OTHERS

During the 2018/19 FY, the Association continued to collaborate with other agricultural associations in positive advocacy efforts for the industry.

KROGER RESCINDS "NET 90" PAYMENT PLAN FOR FRESH PRODUCE

The Kroger Co. has rescinded a payment schedule that would have forced produce suppliers to lose PACA trust rights by extending payment terms to 90 days.

The "Net 90" mandate, announced by Kroger in letters to suppliers in mid-June, was set to go in effect Aug. 1. It was met with immediate concern by the California Fresh Fruit Association, peer agriculture associations, shippers and anyone in the industry depending on the Perishable Agricultural Commodities Act as a remedy to recoup losses in bankruptcy and non-payment situations. The PACA outlines a maximum payment extension of 30 days. Judith Wey Rudman, director of the U.S. Department of Agriculture's PACA Division's Fair Trade Practices Program, sent Kroger a letter questioning the Net 90 policy on June 25.

In a July 9 letter responding to Rudman, Matt Hodge, Kroger's senior manager of enterprise sourcing finance, wrote that the retailer has responded to suppliers questioning the policy.

"We've shared with individual produce suppliers that we will respect existing contractual and legal mandates including PACA. We never intended for PACA-eligible produce suppliers to waive their PACA Trust rights," according to the letter.

"I'd like to take this opportunity to clearly state that produce suppliers protected under PACA are not required to participate in Net 90 payment terms," Hodge wrote. "For those PACA-eligible produce suppliers who are interested, we will continue to negotiate for payment terms that are permitted within their PACA Trust rights."

Upon announcement of the change, George Radanovich, President of the California Fresh Fruit Association stated, "We would like to commend the fresh produce industry for coming together as a unified voice for our industry," Radanovich continued, "Today we held the line on an important issue."

He said the industry has been a good partner for Kroger, and "Kroger remembered that partnership and fixed the mess it created."

UNITED FRESH PRODUCE ASSOCIATION WASHINGTON CONFERENCE

California Fresh Fruit Association President, George Radanovich; Director of Environmental & Regulatory Affairs, Christopher Valadez; Director of Trade, Marcy Martin; and Director of Member Relations & Communications,

Ian LeMay, traveled to Washington, D.C. to participate in the United Fresh Produce Association's Washington Public Policy Conference, held September 24-26. The conference covered a wide range of topics, including discussions about Trade, the 2018 Farm Bill reauthorization, and Immigration Reform.



The conference featured speeches from Senator Heidi Heitkamp (D-North Dakota), Congressman Jimmy Panetta (D-California), Congressman Rodney Davis (R-Illinois), USDA Undersecretary Ted McKinney and Chief Agricultural Negotiator for the office of the US Trade Representative, Gregg Doud. CFFA Staff participated in meetings with the offices of: Senator Dianne Feinstein (D-California), Senator Kamala Harris (D-California), Senator Pat Roberts (R-Kansas), Congressman Devin Nunes (R-California), Congressman Jim Costa (D-California), Congressman Jeff Denham (R-California) and Congressman Lou Correa (D-California).



Labor

The Labor Committee continually monitors complex agricultural labor regulations, at both the state and federal levels, that agricultural employers must judiciously comply with. Some of the Labor Committee's issues include: federal and state OSHA regulations, California Agricultural Labor Relations Board actions, wage and hour regulations and immigration policy.



ALRB ORDERED TO COUNT THE VOTES

President of the California Fresh Fruit Association, George Radanovich, applauded the recent decision by the 5th District Court of Appeal, ordering the California Agricultural Labor Relations Board (ALRB) to count the **Gerawan Farming, Inc.** employee ballots cast in their 2013 decertification election.

Gerawan employees voted in an election in November of 2013 to decide whether or not to decertify from the United Farm Workers Union (UFW). Despite the fact the ALRB ordered and oversaw the decertification election, the results were impounded, denying recognition and acceptance of their decision.

The recent decision affirms that farm workers have the right to decide for themselves whether they wish to be represented by the United Farm Workers, or any union. The Court's decision finds that the ALRB "effectively lost sight of the . . . value of protecting the farmworkers' right to choose" and that the ALRB embraced "a one-sided approach . . . that unnecessarily disenfranchised the workers."

Radanovich stated, "This has been a long time coming. We are encouraged and pleased to see the Court account for the most important opinion in this entire matter, the prerogative of the employees."

The decision also recognizes that the decertification drive was "a worker-initiated and worker led movement". That conclusion, along with the more than majority support from the workers (as certified by the ALRB) asking for an election on whether to decertify the UFW, underscores why it is so important to count the ballots now.

Radanovich continued, "This court action would not have occurred without the determined effort of **Gerawan Farming, Inc.**, the Gerawan family, and in particular, company President, Dan Gerawan, for defending his company and his employee's right to choose. Finally, sunlight has been cast onto this injustice and the farmworkers voice will be heard."



Agricultural Labor Relations Board

"La Ley Laboral"



GERAWAN EMPLOYEES OVERWHELMINGLY VOTE "NO UNION"

The employees of **Gerawan Farming, Inc.** have been waiting since November 2013 for their votes to be counted. After a historic and arduous struggle, today their voices were finally heard.

The final vote count was 1,098 "No Union" and 197 for the United Farm Workers (UFW) to represent the workers. The employees overwhelmingly rejected the UFW - by a 5 to 1 margin.

George Radanovich, President of the California Fresh Fruit Association, applauded today's election outcome. He stated, "Today, we heard the resounding response from the Gerawan employees of 'No Union'."

Radanovich continued, "Employees have a fundamental right to choose whether or not to be represented. The Agricultural Labor Relations Board (ALRB), together with the United Farm Workers, joined to work against the true voice of these employees; their votes. Today, the employees sent them an overwhelming statement... 'no union'."

Radanovich concluded, "The determination of the employees, and their employer, in defending the rights of the employees, as well as the company, resulted in the protection of the right to choose. I call upon the ALRB to certify the results of the election, and to decertify the UFW. We also impress upon the Legislature and Governor Brown to take immediate steps to ensure that the ALRB will never again have the power and ability to usurp farmworker freedom of choice and the due process rights of affected parties."



Government Relations

ANNUAL GOVERNEMENT RELATIONS TRIP

This year, eleven Association members traveled to Sacramento to take part in the Annual Government Relations trip. The policy-oriented, 24-hour trip kicked off with a series of focused legislative meetings, followed by a reception and dinner event.

On day one, trip participants met with Dee Dee D'Adamo (Vice Chair, State Water Resources Control Board), Bill Lyons (Agriculture Liaison, Office of Governor Gavin Newsom), Assemblymember Jim Cooper (D-Elk Grove), Mary Kaems (Lead Consultant, Office of Speaker Anthony Rendon), Assemblymember Vince Fong (R-Bakersfield), Senator Mike McGuire (D-Santa Rosa) and Assemblymember Heath Flora (R-Modesto). With all members, issues such as Ag Overtime, PAGA, water availability and paid sick leave were discussed.



On the second day, trip participants first met with Deputy Secretary Kevin Masuhara from the California Department of Food and Agriculture (CDFA). Deputy Secretary Masuhara gave participants a glimpse into changes at CDFA under the Newsom Administration. Trip participants also met with Taryn Ravazzini, Deputy Director of Special Initiatives at the California Department of Water Resources, to discuss the State's current hydrology and the implementation of the Sustainable Groundwater Management Act (SGMA). Ms. Ravazzini outlined the State's role in SGMA implementation and provided updates on where groundwater sustainability agencies are in the planning process.

The group finished up the trip by meeting with the Acting Director of the California Department of Pesticide Regulation, Teresa Marks. Director Marks reviewed the role of her department and dialogued with the group on ways to better communicate and partner with the agriculture community.

Association staff would like to thank this year's participants for taking the time to engage with regulatory officials and legislators on key issues of importance to California agriculture.



This year's Government Relations Trip Participants: Randy Giumarra (**Giumarra Vineyards**), Peter Baldwin (**Alliant Insurance Services**), Albert DeLeon (**Kirschenman Enterprises**), Ryan Elliot (**David J. Elliot & Son**), Melissa Frank (**Wonderful Orchards**), George Nikolich (**Gerawan Farming**), Pat Ricchiuti (**P-R Farms**), Michael Thurlow (**Mountain View Fruit Sales**), Larry Williams (**Jaguar Labor Contracting**), Paul Wilson (**Rivermaid Trading Company**) and Doug Hemly (**Greene & Hemly, Inc.**).

ANNUAL FRUIT DELIVERY

CFFA Director of Member Relations and Communications, Ian LeMay, and Associate Director of Programs and Services, Kayla Cardoza, traveled to Sacramento on Wednesday, August 8th for the California Fresh Fruit Association's Annual Fruit Delivery, a yearly program, which provides legislators, regulators and legislative staff with a reminder of the value of our fresh grape and deciduous tree fruit communities.

For 2018, state leaders were presented with a newly designed Association lunch pail, delicately packed with delicious fruit. More than 150 fruit deliveries were made, covering the Capitol and various regulatory agencies, including the California Department of Food & Agriculture, California Department of Natural Resources, Labor and Workforce Development and the California Environmental Protection Agency.

We would like to extend a special thank you to our Association members who donated produce for our Annual Fruit Delivery – Harold McClarty (**HMC Farms**), David Jackson (**Family Tree Farms**) and Mike Thurlow (**Mountain View Fruit Sales, Inc.**), Louis Pandol (**Pandol Bros., Inc.**), Ryan Zaninovich (**V.B. Zaninovich & Sons, Inc.**), Jon P. Zaninovich (**Jasmine Vineyards, Inc.**) and Kevin Herman (**The Specialty Crop Company**).



Top Left: 2018 CFFA Annual Fruit Delivery Lunch Pail.

Top Right: Assemblyman Vince Fong (R-Bakersfield) with his 2018 lunch pail.

Bottom Right: Fresh nectarines ready for our lunch pail pack.

Bottom Left: Senator Anna Caballero (D-Salinas) with her 2018 lunch pail.

Marketing & Trade

UNITED STATES-MEXICO-CANADA (USMCA)

BACKGROUND: On May 18, 2017, the Government of the United States notified Congress its intention to initiate negotiations with Canada and Mexico regarding the modernization of NAFTA. The U.S. released a summary of the negotiating objectives for the renegotiation of NAFTA on July 17, 2017. The U.S. objectives included deficit reduction, incorporating and strengthening labor and environment obligations currently within NAFTA side agreements, and amendments to trade practices within the agricultural chapters and others.

On August 27, 2018, the United States and Mexico reached a preliminary agreement in principle, subject to finalization and implementation. On September 30, 2018 Canada and the U.S. reached an agreement, alongside Mexico, on a new, modernized agreement.

CURRENT: Building from the NAFTA, the United States, Mexico, and Canada agreed to work together in other fora on agriculture matters. While agriculture has generally performed well under NAFTA, improvements in the agreement will support greater transparency and consultations on matters affecting trade among the countries, and provide for non-discriminatory treatment in grading of Ag products.

The United States, Mexico, and Canada agreed to several provisions to reduce the use of trade distorting policies, including:

- To not use export subsidies or World Trade Organization (WTO) special agricultural safeguards for products exported to each other's market.
- Improved commitments to increase transparency and consultation regarding the use of export restrictions for food security purposes.
- If supporting producers, to consider using domestic support measures that have minimal or no trade distorting or production effects and ensure transparency of domestic support and supply management programs.
- Canada and the United States also agreed to strong rules to ensure tariff-rate quotas are administered fairly and transparently to ensure the ability of traders to fully use them.

Canada and the United States also agreed to strong rules to ensure tariff-rate quotas are administered fairly and transparently to ensure the ability of traders to fully use them.

The USMCA includes more stringent rules of origin for the automotive sector; a scaled-back investor-state dispute settlement mechanism and a "sunset" review clause with a sixteen-year term. It also includes non-controversial "modernization" changes covering, among other things, digital trade, state-

Market access and competitiveness at the domestic and international levels are both of the utmost importance to growers, shippers and marketers of California fresh fruit. The Marketing & Trade Committee focuses on issues that could affect this aspect of the membership's operations, including the Farm Bill, Mexico Stone Fruit Export Program, phytosanitary measures, PACA regulations, produce traceability initiative (PTI) and foreign trade issues, including MRLs. The Committee also handles transportation issues, including interstate commerce commission regulations, railroad operating practices, loading rules and claim procedures.

owned enterprises and sanitary and phytosanitary (SPS) measures, transparency, good regulatory practices and technical barriers to trade (TBTs) in addition to other subjects.

The USMCA also incorporates a series of new bilateral outcomes negotiated by the U.S. and Canada including:

Chapter 19 of NAFTA, which provides for binational panel reviews of anti-dumping and countervailing duty determinations made by the governments of the NAFTA parties will continue to apply to binational panel reviews related to final determinations published by a Party before the entry into force of the USMCA. It will not apply to determinations published thereafter, however a similar binational panel review system set forth in Chapter 10, Section D will apply between the U.S. and Canada with respect to final determinations made by those governments after the USMCA enters into force. (Note, the panel review system set forth in the new Section will apply only between the U.S. and Canada, however some provisions within the Section refer to Mexico. Clarification is needed and may follow the legal review of the USMCA review).

The proposal by the U.S. to establish specialized procedures for trade remedy investigations involving "seasonal and perishable goods" was withdrawn and is not included within the agreement.

The legal text of the USMCA does not amend the existing NAFTA text, but rather constitutes a new, stand-alone agreement that is designed to replace NAFTA. It is expected that the agreement will be signed on November 29, 2018 (earliest date the U.S. can sign based upon TPA/Act of 2015). However, the USMCA will not enter into force until all three parties have completed their individual domestic ratification processes. U.S. Congress needs to approve legislation to implement the agreement before it can come into force.





UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) TARIFF RELIEF PROGRAMS - FOOD PURCHASE AND DISTRIBUTION PROGRAM - VENDOR CERTIFICATION

BACKGROUND: In mid-July, USDA announced a \$12 billion tariff aid package to help growers bear the brunt of the retaliatory tariffs directed at multiple U.S. agricultural commodities by various trade partners (China specifically). USDA has identified funds will be directed to and administered within three programs. The programs include a market facilitation program, which will result in direct payments (program crops); a food purchase and distribution program, which will serve to purchase commodities for nutrition programs; and a trade promotion program similar to the Market Access Program (MAP).

Programs and targeted commodities are described briefly below:

Market Facilitation Program: USDA's Farm Service Agency (FSA) will administer this program and provide payments to corn, cotton, dairy, hog, sorghum, soybean and wheat producers starting September 4, 2018. It also appears this will include both almonds and cherries.

Food Purchase and Distribution Program: Purchase up to \$1.2 billion in commodities unfairly targeted by unjustified retaliation. USDA's Agricultural Marketing Service (AMS) will administer this program with purchases to be distributed through nutrition assistance programs. The amounts of commodities to be purchased were based on an economic analysis of the damage caused by unjustified tariffs imposed on the crops listed below. AMS will buy affected products in four phases and purchases will be adjusted between phases to accommodate changes due to: growing conditions, product availability, market conditions and trade negotiation status or program capacity.

To expand the AMS vendor pool and the ability to purchase new and existing products, AMS will ramp up its vendor outreach and registration efforts. AMS has also developed materials on how the process works and how to become a vendor for distribution to industry groups and interested parties.

AMS is developing purchase specifications for these commodities to ensure recipients receive high-quality and grade commodities and will be prioritizing this development on those products impacted by unjustified retaliation. AMS will develop or revise specifications to facilitate the purchase of these premium commodities in forms that meet the needs of the nutrition assistance programs.

Agricultural Trade Promotion Program (ATP): USDA Foreign Agricultural Service (FAS) will have \$200 million available to help U.S. agricultural exporters identify and access new markets and help mitigate the adverse effects of other countries' restrictions. This will be an added boost for those with programs under the USDA FAS Market Access Program or MAP with promotional activities within foreign markets. The ATP will provide cost-share assistance to U.S. organizations for activities such as consumer advertising, public relations, point of sale demonstrations, or participation in exhibits, market research or other technical assistance which is beyond what the current MAP allows. ATP is designed to help all sectors of U.S. agriculture.

While USDA continues to work through details, further outreach in an effort to support that all effected stakeholders receive the benefits within each of the programs, it is highly recommended that shippers, marketers and/or exporters handling the eligible commodities identified in the above begin the USDA AMS application process to become a Certified Vendor. CFFA and contacts within USDA AMS are prepared to assist within this process, respond to questions and/or provide additional information. The Food Purchase and Distribution Program is anticipated to operate within four phases; late October - early November bids for January 2019 purchases distribution; second - four phase purchasing April - December 2019.

Commodity procurements for table grapes has been initiated and procurement on fresh plums will begin April 2019 and extend throughout the year.



Environmental Resources

MINOR CROP FARMER ALLIANCE (MCFA)

BACKGROUND: MCFA has consistently supported the establishment and maintenance of an effective and credible, rationally-based pesticide regulatory program. However, MCFA has also consistently maintained that such regulatory program must meet certain minimum standards, namely that it is transparent, predictable, based on sound science, and provides a meaningful opportunity for interested stakeholders to participate in important regulatory decisions before they are finalized. MCFA members believe that regulatory actions that reflect these minimum standards are much more robust than those that fail to meet these standards. Unfortunately, in the recent past there were a number of regulatory actions where these minimum standards were not met. Rather, the administrative process was abused to achieve pre-determined outcomes.

CURRENT: The new year is expected to be an important year for minor crops. The administration in Washington, D.C. continues to make changes, with new environmental and agricultural agendas. Meanwhile, the minor crop community has grown increasingly concerned about a shift at EPA away from science-based, risk-based decisions and transparency, and the consequences that shift could have on our growers and industry.

MCFA's work plan prioritizes where we will focus our efforts to ensure the continued availability of crop protection chemicals for minor-use crops:

- Seek re-examination of recent regulatory actions that don't reflect minimum standards for an effective and credible pesticide regulatory program, specifically:
- Relying on epidemiological papers, instead of well-constructed animal toxicity studies, in human health risk assessments
- Relying on overly conservative assumptions in water modeling, and essentially ignoring substantial actual water monitoring data, in conducting drinking water assessments
- Imposing new data requirements regarding potential pollinator exposure to pesticides, without evidence establishing that pesticides are affecting pollinator colony viability
- Implementation of the Endangered Species Act
- Support harmonizing international pesticide registration requirements, including establishing Maximum Residue Limits (MRLs)

The Environmental Resources Committee is one of the most active CFFA groups, due to the intense regulatory pressure that exists in California. Some of the issues targeted include: regulation of air quality, Food Safety Modernization Act and water quality regulations (i.e. Irrigated Lands Program), water discussions, energy issues and pesticide use.

STATE WATER BOARD'S UNIMPAIRED FLOW DIVERSIONS

State law requires that the State Water Board and Regional Water Quality Control Boards (Water Boards) adopt Water Quality Control Plans that ensure beneficial uses of water in an area are protected. The Water Quality Control Plan for the Bay-Delta (Bay-Delta Plan) includes water quality objectives to protect municipal and industrial, agricultural, and fish and wildlife beneficial uses, among others. The State Water Board and Regional Water Quality Control Boards establish water quality objectives for the protection of beneficial uses of water and programs of implementation to achieve those objectives that seek to maximize all beneficial uses of water. The State Water Board identified the need to update the Bay-Delta Plan and its implementation many years ago, and it plans to complete that process without further delay. In that effort, the State Water Board is planning to pursue expeditious completion of the update of the Bay-Delta Plan. The Board will also explore all available options for expediting implementation efforts. Because voluntary agreements may provide the most efficient and effective route to durable solutions to ensure the reasonable protection of fish and wildlife, the State Water Board is encouraging voluntary agreements that achieve and implement the objectives. The Bay-Delta Plan is being updated in two separate phases. Phase I addresses flow requirements in the San Joaquin River watershed for the protection of fish and wildlife, and salinity requirements in the southern Delta for the protection of agriculture. Phase II addresses requirements for flows and cold water habitat in the Sacramento River, its tributaries and tributaries to the Delta (the Mokelumne, Cosumnes and Calaveras rivers); Delta outflows; and water project operations in the interior Delta.



9th CIRCUIT COURT OF APPEALS TO CANCEL ALL REGISTRATIONS FOR CHLORPYRIFOS



BACKGROUND: In March of 2017, the EPA issued an order denying the activist petition to revoke the tolerances for Chlorpyrifos. But in June, the activists filed formal objections to the decision with the EPA and seven state Attorneys General filed objections. The

activists also filed a Petition for Review of the EPA denial in the U.S. Court of Appeals for the Ninth Circuit.

The U.S. government then filed a motion to dismiss the Petition for Review in August 2017, claiming that because EPA has not decided the activists' objections, the Court lacks jurisdiction over the Petition for Review. But, the 9th Circuit denied the government's motion to dismiss the activists' Petition for Review on December 29, 2017.

On August 9th, the 9th Circuit released its opinion regarding Chlorpyrifos and the challenge that had been filed to former Administrator Pruitt's Order that had denied the petition of several environmental NGOs to revoke the tolerances and cancel the Chlorpyrifos registrations. The court ruled 2-1 in favor of the petitioners. It ordered that "Accordingly, we GRANT the petition for review. The EPA's 2017 Order maintaining Chlorpyrifos is VACATED, and the case is remanded to the EPA with directions to revoke all tolerances and cancel all registrations for Chlorpyrifos within 60 days." The next possible steps for the government would appear to be filing a motion requesting a review en banc by the entire 9th circuit, appealing to the US Supreme Court, or having the Agency move forward with the tolerance and registration cancellation actions.

As CFFA members are extremely interested in the registration, reregistration and safe use of pest management tools including crop protection chemicals we have remained actively engaged through our membership in the Minor Crop Farmer Alliance (MCFA) executive and technical committees. MCFA is an alliance of approximately 30 national and regional organizations and individuals representing growers, shippers, packers, handlers and processors of various agricultural commodities, including food, fiber, turf grass, nursery and landscape crops, and organizations involved with public health pesticides.

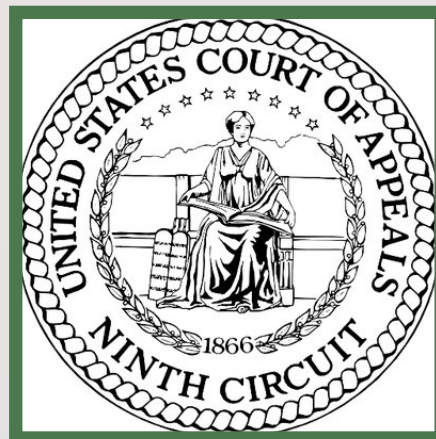
CURRENT: A petition was filed by the Justice Department and EPA with the 9th Circuit requesting a rehearing en banc or, alternatively, by the original 3 judge panel of the panel's decision granting the petition for review of EPA's order entitled "Chlorpyrifos: Order Denying PANNA and NRDC's Petition to Revoke Tolerances," 82 Fed. Reg. 16,581 (Apr. 5, 2017) resulting in the 9th Circuit ordering EPA to revoke tolerances and cancel Chlorpyrifos registrations within 60 days.

The DOJ/EPA petition "stays" the Ninth Circuit decision that would have forced EPA to eliminate Chlorpyrifos. Grower and user groups are rallied behind DOJ/EPA to guard against court driven decisions that remove EPA's authority to carefully evaluate crop protection products based on scientifically defensible information and in accordance with public comment requirements under current law.

Registrants and legal counsel have communicated the government did an excellent job in its petition. Now we wait to see if the court grants the petition. In the interim, the previous 9th Circuit decision is not final. Discussed within the recent Minor Crop Farmer Alliance (MCFA) meeting, in technical terms, the "mandate" has not issued.

The mandate is the means by which an appellate court closes an appeal. The mandate will issue 7 days after denial of the petition, or if the petition is granted, then we will need to await the outcome from such rehearing.

CFFA proposed and received unanimous support from our Executive Committee that we join other grower and user groups on an amicus brief to support the Department of Justice and EPA petition of September 24th for a rehearing of the Ninth Circuit Court of Appeals August 9th decision to "cancel all tolerances and registrations for Chlorpyrifos" within 60 days. The court's decision was made in response to a petition from activist groups to overturn the EPA decision in 2017 to enable the continued use of Chlorpyrifos by following the current reregistration process.



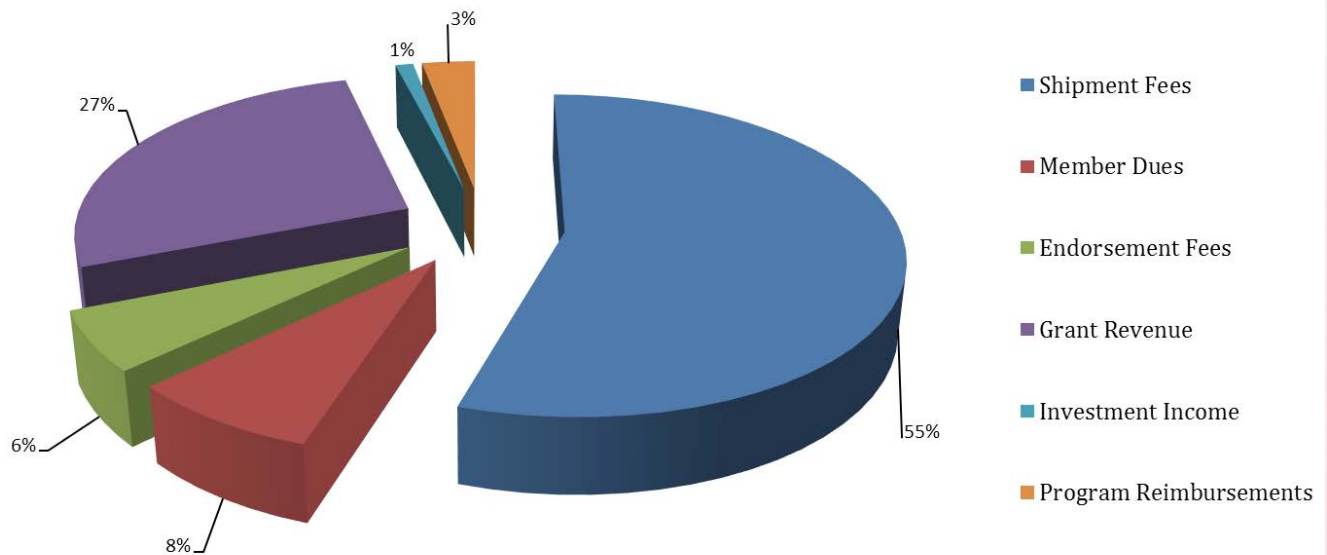
Financial Summary

The California Fresh Fruit Association's financial footing remained strong for the 2018/19 fiscal year.

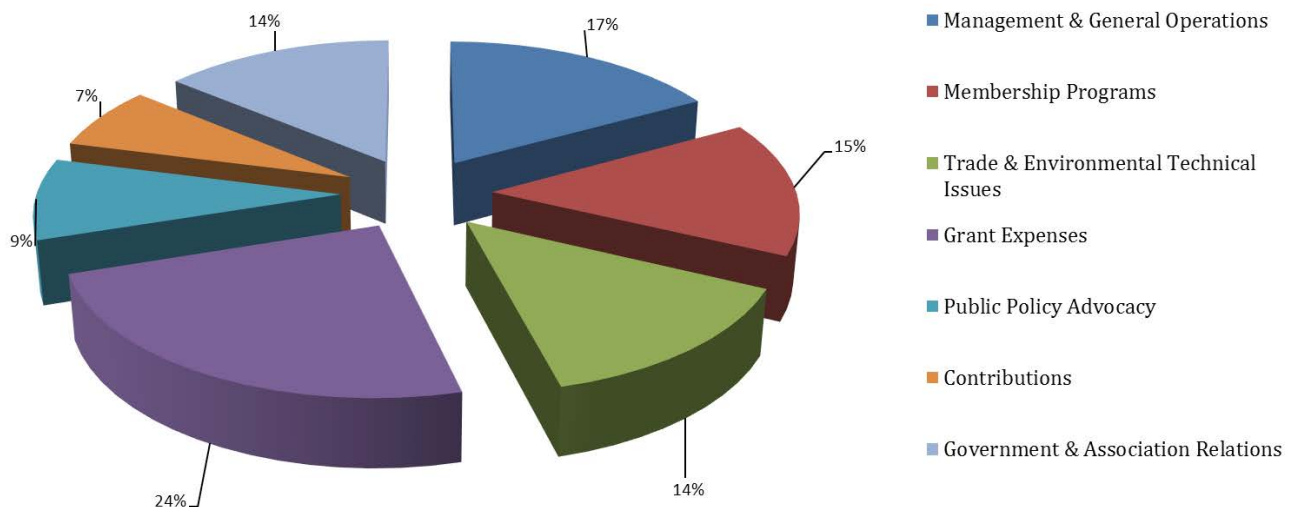
The Association is truly fortunate to have a hands-on Secretary-Treasurer, Louis Pandol, who is actively involved in the financial management and oversight for the organization. Along with the Board of Directors, Executive Committee and staff, a network of tight fiscal control over expenditures is maintained, as is the consistent effort to add new members and revenues, so the Association can fulfill its mission.

The following represents the Association's revenue and expenditures for the 2018/19 fiscal year:

2018/19 FY CFFA Revenue



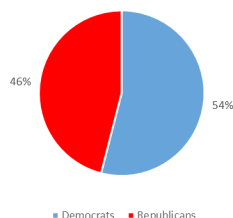
2018/19 FY CFFA Expenses



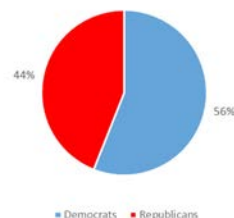
FruitPAC

FruitPAC is the Association's Political Action Committee, which generates its support from member participation at three annual events—the Harvest Event in the fall, the Annual Meeting Raffle in the spring and the positive check-off program. All contributions are authorized by FruitPAC's Board of Directors.

2018 FEDERAL FRUITPAC CONTRIBUTIONS



2018 STATE FRUITPAC CONTRIBUTIONS



CHAIRMAN

KEVIN HERMAN, **THE SPECIALTY CROP COMPANY**

VICE CHAIRMAN

MOE DiBUDUO, **DiBUDUO FRUIT COMPANY**

SECRETARY

MELISSA FRANK, **WONDERFUL ORCHARDS**

BOARD MEMBERS

Mike Bozick, **R. Bagdasarian, Inc.**

David Jackson, **Family Tree Farms**

Herbert Kaprielian, **CRJ Farming Co. LP**

Louis Pandol, **Pandol Bros., Inc.**

John D. Zaninovich, **Merritt Farms**

FRUITPAC HARVEST EVENT

100 guests were in attendance at the 39th Annual Harvest Event Reverse Raffle Drawing held at the Vintage Press Restaurant in Visalia on Friday, October 5th.

George Soares (**Kahn, Soares & Conway**, not pictured), Rodney Machado (**CalCom Solar**, left), & Mike Munnely (**Pickett Solar**, right) chose to split the \$5,000 grand prize and George Soares generously donated his portion of the winnings back to FruitPAC. Bob Hawk (**Munger Bros.**) was the lucky winner of the \$1,000 consolation prize.

In total, a dozen terrific prizes were awarded and the Harvest Event was a huge success, largely due to the generosity and participation of the Association members who purchased tickets. The staff at the Vintage Press, under the direction of David and Greg Vartanian, provided great service throughout the reception and dinner.

A special thank you to the Associate members who helped to make this year's event possible through their generous support:

Gold Sponsors:

Dow AgroSciences, Rehrig Pacific Company, Snowden Enterprises, Inc. and Syngenta Crop Protection

Silver Sponsors:

Pan American - A Relation Company and Styrotek, Inc.

FruitPAC also offers sincere gratitude to gift donors, Monterey Plaza Hotel & Spa and **Zenith Insurance Company.**



FRUITPAC

California Fresh Fruit Association
Political Action Committee

Year in Review



Top Left: Walt Tindell (**Calpine Containers, Inc.**), David Jackson (**Family Tree Farms**) and Scott Schoenborn (**Zenith Agribusiness**) at CFFA's Annual Meeting.

Top Right: George Radanovich presents Kent Stephens (**Sunview Vineyards**) with the Mentors' Award.

Middle Top Right: CFFA Members participating in the annual Bocce Ball Tournament.

Middle Bottom Left: CFFA Suppliers Committee Members presenting Nelda Lewis (**Pan American A Relation Company**) with the Supplier of the Year Award.

Bottom Top Left: CFFA Members attend the Annual Membership Meeting Luncheon.

Bottom Left: Justin Emmi (**JP Morgan**) and Cameron Garver (**Palogix**) win the annual Bocce Ball Tournament.

Bottom Right: CFFA Members listen to John Manzella's presentation at Annual Meeting.





Top Left: Dave Bryan (**Etchegaray Farms, LLC**) wins a Jeep from James Manning Dodge in Dinuba, CA for a hole-in-one at the CFFA Annual Golf Tournament.

Top Right: Bruce Carter (**Calpine Containers**), Jim Bryan (**Jasmine Vineyards**) and John Atwood (**PPS Packaging**) checking in golfers at the CFFA Annual Golf Tournament.

Middle Right: Ian LeMay presents Assemblyman Bigelow with his lunch pail.

Bottom Right: Harold McClarty (**HMC Farms**), tours USDA Secretary Perdue and Congressman Valadao through his packing facility.

Bottom Left: USDA Secretary Perdue meets with CFFA Members at **HMC Farms**.



Legislative Review

ENVIRONMENTAL RESOURCES:

AB 2828 (Friedman): Waste Discharge Requirements-Produced Water; WATCH

AB 2828 would require the State Water Resources Control Board to determine whether produced water used for ag irrigation, as well as other uses, poses a hazard to the public, employees that interact with the water, or the environment. The bill makes the decision on the part of the regional water quality control board dependent upon a state board finding that produced water does not pose a hazard.

SB 100 (DeLeon): California Renewable Portfolio Standard Program-Emissions of Greenhouse Gasses

The Legislature previously established the California Renewables Portfolio Standard Program to attain a target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the goal of the program to require that the 50% renewable resources target is achieved by December 31, 2026, and to achieve a new 60% target by December 31, 2030.



Outcome: Passed out of the Assembly 44-33; Passed out of the Senate 25-13. Signed by the Governor September 10, 2018.

SB 623 (Monning): Water Quality - Safe Drinking and Affordable Drinking Water Fund

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and imposes water, fertilizer and dairy fees to fund safe drinking water programs. Imposes a Safe and Affordable Drinking Water Fee (water fee) on each customer of a public water system; a \$0.005 per dollar of sale Fertilizer Safe Drinking Water Fee (fertilizer fee) on all fertilizer materials to be paid by licensees who sell or distribute bulk fertilizer until January 1, 2033 and \$0.002 per dollar of sale after; and a \$0.01355 per hundredweight of milk Dairy Safe Drinking Water Fee (dairy fee) by requiring every milk handler already subject to specified regulatory milk fees from January 1, 2020 through January 1, 2035, to deduct this amount from payments made to producers of milk. Requires the Secretary of CDFA to adopt regulations to implement and enforce dairy fee by January 1, 2020. Prohibits SWRCB or regional water quality boards from specified enforcement actions against agricultural operations for exceeding nitrate groundwater objectives or other groundwater pollution standards, as specified, if the operation demonstrates certain mitigation requirements are met, including the timely payment of the fertilizer or dairy fee until January 1, 2033.

Outcome: Held in the Assembly.

LABOR:

AB 3092 (Patterson): Abandonment; WATCH

AB 3092 would prohibit a labor organization from abandoning or failing to represent a bargaining unit for 3 or more years. It would require the Agricultural Labor Relations Board to decertify a labor organization that violates this provision.

AB 3093 (Patterson): Ratification; WATCH

AB 3093 would condition the effect and enforcement of an forced contract resulting from Mandatory Mediation and Conciliation on approval by a majority of the members of the affected bargaining unit.

AB 3094 (Patterson): Re-Run Election; WATCH

AB 3094 would provide that if there is a finding of misconduct by Agricultural Labor Relations Board (ALRB) personnel, the employer, or the labor organization that affected the result of the election, the ALRB shall order a new election, unless the Board finds that misconduct is so egregious that conduction of a new election would not reflect the free and fair choice of employees, in which case the ALRB would be required to certify the election against the party that engaged in misconduct, subject to review by the appropriate appellate court.

AB 3081 (Gonzalez-Fletcher): Employment - Sexual Harassment

Would require the ALRB to process to final board order, within one year, all decisions concerning make-whole awards, backpay, and other monetary awards to employees, or any board order finding liability for an award, unless the ALRB makes a specified certification to the parties.

Outcome: Passed out of the Assembly 47-28; Passed out of the Senate 22-12. Signed by the Governor September 23, 2018.

SB 1252 (Pan): Wages - Records - Inspection and Copying

Existing law requires an employer to respond to requests to inspect and copy wage-related records within a specified time and prescribes a penalty of \$750 for an employer's failure to permit a current or former employee to inspect or copy records. In some instances, employers have told workers that they must bring a copying device into the employers' offices and make the copy themselves. This bill clarifies that existing law means that a worker's right is to receive a copy of wage-related documents such as paystubs.

Outcome: Passed out of the Assembly 74-0; Passed out of the Senate 35-0. Signed by the Governor September 17, 2018.

**This is only a partial list of bills supported and opposed during 2018/19. For a full list, please contact the Association office.*

CFFA Partnerships

The Association employs a collaborative approach to maximize its effectiveness by working together with other agricultural organizations and associations on issues that affect our members. Below are the group efforts in which the Association participated during the 2018/19 FY.

CENTER FOR PRODUCE SAFETY

Description: An effort to support best practices and food safety research.
2018/19 Contribution: \$100,000

AGRICULTURAL PRESIDENTS' COUNCIL

Description: To coordinate public policy issues among California agricultural associations and commissions.
2018/19 Contribution: Included in the Association's regular government relations expenses

AGRICULTURAL COALITION FOR IMMIGRATION REFORM

Description: To serve as a leading advocate, seeking legislative reform addressing the short and long-term labor needs of the nation's agricultural interests.
2018/19 Contribution: \$10,000

AIR COALITION TEAM

Description: Agricultural organizations that work together on issues related to air-quality litigation.
2018/19 Contribution: \$5,000

MINOR CROP FARMER ALLIANCE

Description: An alliance of agricultural organizations dedicated to addressing pesticide registrations.
2018/19 Contribution: \$10,000

CROP PROTECTION COALITION

Description: Coalition of national, regional and local agricultural organizations, seeking to obtain critical-use exemptions for methyl bromide, as well as funding for alternative research.
2018/19 Contribution: \$5,000

ALLIANCE FOR FOOD & FARMING

Description: Works in the areas of public relations, messaging and outreach related to food safety and pesticide-use related issues.
2018/19 Contribution: \$10,000

OTHER COLLABORATIVE EFFORTS

California Farm Water Coalition; California Foundation for Agriculture in the Classroom; California Women for Agriculture; The Maddy Institute; National Council of Ag Employers; Pacific Legal Foundation; and Specialty Crop Farm Bill Alliance



CFFA Past Chairmen

1936/43 A. Setrakian	1957/58 Julio Perelli-Minetti	1971/72 Howard A. Hall	1987/88 Micky George	2001/02 Jim Simonian
1943/45 L. R. Hamilton	1958/59 J. A. DiGiorgio	1972/74 David J. Elliot, Jr.	1988/89 Louis S. Caric	2002/03 Jon P. Zaninovich
1945/46 J. M. Prentice	1959/60 Leonard LeBlanc	1974/75 Allan Corrin	1989/90 Sarkis Sarabian	2003/04 David Elliot III
1946/47 Robert Taylor	1960/61 M. A. Nielson	1975/76 Franklin Debuskey	1990/91 Craig Rasmussen	2004/05 Tony Fazio
1947/48 E. L. Barr, Sr.	1961/62 Franklin Gindick	1976/77 Dean Morrison	1991/92 Doug Hemly	2005/07 Louis Pandol
1948/49 Harold Butcher	1962/63 Edward M. Zeller	1977/78 Milan Caratan	1992/93 Dennis Parnagian	2007/08 Jerry DiBuduo
1949/50 John J. Kovacevich	1963/64 Jack Pandol, Sr.	1978/79 Tony Tranel	1993/94 Kent Stephens	2008/09 John D. Zaninovich
1950/51 David J. Elliot, Sr.	1964/65 Grove E. Dye	1979/80 Lucille Tidwell	1994/95 Wayne Brandt	2009/10 Marko S. Zaninovich
1951/52 William A. Hamilton	1965/66 George Sadoian	1980/81 John Giumarra, Jr.	1995/96 Cliff Sadoian	2010/11 David O. Marguleas
1952/53 William A. Lambert	1966/67 Marion P. Newton	1981/82 James Ruby	1996/97 Steve Biswell	2011/12 Steve Hash
1953/54 Virgil E. Rasmussen	1967/68 Nick Buratovich, Sr.	1982/83 Howard Mason	1997/98 Rick Widhalm	2012/14 Ryan Zaninovich
1954/55 W. C. "Jerry" Day	1968/69 E. L. Barr, Jr.	1983/85 Jack G. Zaninovich	1998/99 Ken Enns	2014/16 David Jackson
1955/56 Martin Zaninovich	1969/70 R. K. Sanderson	1985/86 Darrel Fulmer	1999/00 Nicholas Bozick	2016/18 Harold McClarty
1956/57 Alfred Tisch	1970/71 Robert A. Grant	1986/87 Verne Crookshanks	2000/01 Fred Berry	

CFFA STAFF

George Radanovich, President
 Marcy L. Martin, Director, Trade
 Ian LeMay, Director, Member Relations & Communications
 Vicky Jones, Bookkeeper
 Allyson Calderon, Administrative Assistant
 Jovanna Tavares, Office and Programs Assistant



CALIFORNIA
FRESH FRUIT
 ASSOCIATION

7647 N. Fresno Street, Suite 103

Fresno, CA 93720

P: (559) 226-6330

F: (559) 222-8326

www.cafreshfruit.com

cffa@cafreshfruit.com

www.facebook.com/calfreshfruit

www.twitter.com/calfreshfruit

"To fulfill the needs of its membership while serving as the
 primary public policy organization advocating on behalf of fresh
 fruit growers and shippers in California."

- California Fresh Fruit Association Mission Statement

Committee Service

ENVIRONMENTAL RESOURCES COMMITTEE

Paul Giboney (Hronis Inc.) Committee Chair; George Nikolich (Gerawan Farming, Inc.) Committee Vice Chair; Jack Brandt (Brandt Farms, Inc.); Brett Britz (Sunwest Fruit Company, Inc.); Dave Bryan (Etchegaray Farms, LLC); Jim Bryan (Jasmine Vineyards, Inc.); Carol Chandler (Chandler Farms, LP); Nasser Dean (Crop Science, a division of Bayer); Moe DiBuduo (DiBuduo Fruit Co.); David Fenn (Sun World International, Inc.); Mike Forry (DJ Forry Co., Inc.); Steve Hash (Hashwood Farms); Virginia Hemly Chhabra (Greene and Hemly, Inc.); Dennis Kelly (Syngenta Crop Protection); Richard Machado (Agrian Inc.); Andrew J. Pandol (Pandol Bros., Inc.); Melissa Frank (Wonderful Orchards); Pat Ricchiuti (P-R Farms, Inc.); John D. Zaninovich (Merritt Farms); Judy Zaninovich (CCV Table Grape Pest & Disease Control District); Selleck Zaninovich (V.B. Zaninovich & Sons, Inc.).

LABOR COMMITTEE

Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.) Committee Chair; Dan Gallegos (Marko Zaninovich, Inc.) Committee Vice Chair; David Aquino (Giumarra Vineyards Corporation); Ron Barsamian (Barsamian & Moody, Attorneys at Law); Nicholas Bozick (R. Bagdasarian, Inc.); Brett Britz (Sunwest Fruit Company, Inc.); Bill Chandler (Chandler Farms, LP); David Clyde (Grapeman Farms dba Stevco); Joe Garcia (Jaguar Labor Contracting); Bob Greiner (HMC Farms); Mike Forry (DJ Forry Co., Inc.); Kevin Herman (The Specialty Crop Company); Nelda Lewis (Pan American Insurance Agency – an Ascension Company); Rick Milton (Rick Milton); Pat Ricchiuti (P-R Farms, Inc.); Cliff Rolland (Abe-El Produce); David Ysusi (DiBuduo & DeFendis Insurance Brokers, LLC); John D. Zaninovich (Merritt Farms).

MARKETING & TRADE COMMITTEE

George Nikolich (Gerawan Farming, Inc.) Committee Chair; Justin Bedwell (Bari Produce LLC); Jason Bills (Dayka & Hackett, LLC); Scott Boyajian (Marko Zaninovich, Inc.); Brett Britz (Sunwest Fruit Company, Inc.); Dave Bryan (Etchegaray Farms, LLC); Jim Bryan (Jasmine Vineyards, Inc.); Eric Champion (Maxco Supply Inc.); Randy Giumarra (Giumarra Vineyards Corporation); Kathleen Nave (California Table Grape Commission); John Pandol (Pandol Bros., Inc.); John Rast (Rast Produce Company, Inc.); Michael Reimer (Brandt Farms, Inc.); David Silva (Dayka & Hackett, LLC); Francisco Valenzuela (Sun Fresh International LLC).

INSURANCE & FINANCIAL BENEFITS COMMITTEE

Louis Pandol (Pandol Bros., Inc.) Committee Chair; Craig Gonzales (Rain and Hail Insurance Service, L.L.C.); Nelda Lewis (Pan American Insurance Agency – an Ascension Company); Marcia Shafer (Shafer Family Farm); Scott Schoenborn (Zenith Agribusiness); Brent Swanson (Buckman-Mitchell, Inc.).

MEMBERSHIP & COMMUNICATIONS COMMITTEE

Wayde Kirschenman (Kirschenman Enterprises) Committee Chair; David Clyde (Grapeman Farms dba Stevco); Verne Crookshanks (Venida Packing, Inc.); Moe DiBuduo (DiBuduo Fruit Co.); Richard Elliot (David J. Elliot & Son); Ron Frauenheim (Ron Frauenheim Farms); Randy Giumarra (Giumarra Vineyards Corporation); Steve Hash (Hashwood Farms); Kevin Herman (The Specialty Crop Company); Herb Kaprielian (CRJ Farming Co. LP); Gabrielle Kirkland (Zenith Insurance Company); Harold McClarty (HMC Farms); Louis Pandol (Pandol Bros., Inc.); Scott Schoenborn (Zenith Agribusiness Solutions); Dean Thonesen (Sunwest Fruit Company, Inc.); John Tos (Tos Farms, Inc.); Marko S. Zaninovich (Marko Zaninovich, Inc.); Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.).

STANDARDS & PACKAGING COMMITTEE

Louis Pandol (Pandol Bros., Inc.) Committee Chair; Jim Bryan (Jasmine Vineyards, Inc.) Committee Vice Chair; Jason Bills (Dayka & Hackett, LLC); Scott Boyajian (Marko Zaninovich, Inc.); Nicholas Bozick (R. Bagdasarian, Inc.); Jack Brandt (Brandt Farms, Inc.); Dave Bryan (Etchegaray Farms, LLC); David Clyde (Grapeman Farms dba Stevco); Stan Cosart (W.F. Cosart Packing Co.); Jerry DiBuduo (SunValley Farms); David Silva (Dayka & Hackett, LLC); Sam Stewart (IFCO Systems); Walt Tindell (Calpine Containers, Inc.).



CALIFORNIA
FRESH FRUIT
ASSOCIATION



CALIFORNIA
FRESH FRUIT
ASSOCIATION

7647 N. Fresno Street, Suite 103

Fresno, CA 93720

P: (559) 226-6330

F: (559) 222-8326

www.cafreshfruit.com

cffa@cafreshfruit.com

www.facebook.com/calfreshfruit

www.twitter.com/calfreshfruit