

# CALIFORNIA GRAPE & TREE FRUIT LEAGUE



Annual Report  
*2011 - 2012*

2011/12 EXECUTIVE COMMITTEE

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*M. Caratan, Inc.*

**Carol Chandler**  
*Chandler Farms, LP*

**Steve Hash**  
*Steve Hash Farms*

**David Jackson**  
*Family Tree Farms*

**David Marguleas**  
*Sun World International, LLC*

**Harold McClarty**  
*HMC Farms*

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

**Dean Thonesen**  
*Sunwest Fruit Company, Inc.*

**Ryan Zaninovich**  
*V.B. Zaninovich & Sons, Inc.*

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**Marcy Martin**  
*Director, Trade*

**Christopher Valadez**  
*Director, Environmental & Regulatory Affairs*

**Megan Jacobsen**  
*Director, Membership*

**Sara Fraunheim**  
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*Bookkeeper*

**Erin Ragnetti**  
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*Marko Zaninovich, Inc.*

**EX-OFFICIO**  
**Micky George**  
**Cliff Sadoian**



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1) LABOR LAWS/REGULATIONS

In June 2011, Gov. Brown declined to sign SB 104, “card check,” which would have required farm employers to recognize a union simply on the strength of a majority of the employees signing cards showing interest in unionization. However, despite the veto of card check legislation for the fifth consecutive year, the Governor moved forward with a proposal of his own, SB 126, which made significant changes affecting the balance of the Agricultural Labor Relations Act respecting the union certification and findings of misconduct on the part of the employer.

2) IMMIGRATION REFORM & E-VERIFY

Past attempts to secure passage of both a comprehensive immigration package and piecemeal approaches have been met with fierce resistance and have been slowed by electoral politics. The recent effort to elevate the profile of mandatory E-Verify legislation served to mobilize the agricultural industry to work to address the need for immediately identifying a workable agricultural labor solution. Working with key Congressional leaders, the League, together with various agricultural associations throughout the US, worked to communicate the importance of protecting domestic agriculture. While the E-Verify legislation is on hold, efforts continue to bridge the gap between economic and political realities.

3) LABOR COSTS

Operating costs, including those of California’s family-farming operations, continue to increase due to regulatory burdens. Because of the cultural, harvest and packaging requirements, the costs associated with total production range anywhere from 50-70%. Hence, government mandated increases in wage structure adds to the challenge of remaining economically viable in the quest to continue producing the highest quality fruit in California. Even though seasonal wages generally average \$9 to \$12 per hour, every minimum wage mandated increase causes each category of wages to grow incrementally higher.

4) WATER SUPPLY ISSUES

The League’s membership is highly diverse, geographically spanning from Lake County in the north down through the San Joaquin Valley and south into Coachella Valley. The need for long-term water certainty remains of utmost importance to maintain a viable agricultural sector. However, concern remains over the prospect of securing this certainty in a state divided over questions of water conveyance, supply and ecosystem protection.

5) INVASIVE PEST ISSUES

The League continues to work with key regulatory officials in the

effort to combat the devastating effects of invasive pests, such as the European Grapevine Moth, Melon Fruit Fly, Spotted Wing Drosophila and Light Brown Apple Moth at a time when federal and state resources are shrinking.

6) FOOD SAFETY REGULATIONS

The passage of the Food Safety Modernization Act, and subsequent implementation, has great significance for the nation’s food supply. The League worked with fellow agricultural organizations and Congressional allies to advocate the importance of working to improve practices throughout the entire supply chain, which took into account commodity profile and risk of contamination using historical perspectives. The large implementation effort has the potential to unjustly affect growing and harvesting practices, absent recognition of commodity risk-profiles. The League is positioned to work with agencies to shape implementing language.

7) WORKERS’ COMPENSATION COSTS

The potential for an increase in workers’ compensation costs remains an important concern as carriers have sought rate adjustments to cover the rising costs associated with health care.

8) HEALTH CARE MANDATES

As health costs continue to rise, employer mandates resulting from the passage of the federal health care proposal have the potential to further increase the operational costs for California agriculture.

9) AIR QUALITY REGULATIONS, FEES & COSTS

Regulations imposed at the federal, state and local levels impact agricultural operations as stationary sources. The implementation of the truck and bus on-road diesel emissions regulation will require California farmers to replace or retrofit fully-operational vehicles to meet ever-increasing air quality goals. Despite continued efforts to work to improve California’s air quality, regulatory schemes continue to develop, aimed at targeting the agricultural industry for added improvements to reduce emissions. While agriculture has and will continue to work to improve on-farm operations in order to reduce certain emissions, the continued focus onto the agricultural sector serves to add additional costs and negatively impacts the ability to operate in the Golden State.

10) AVAILABILITY OF PLANT HEALTH MATERIALS

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



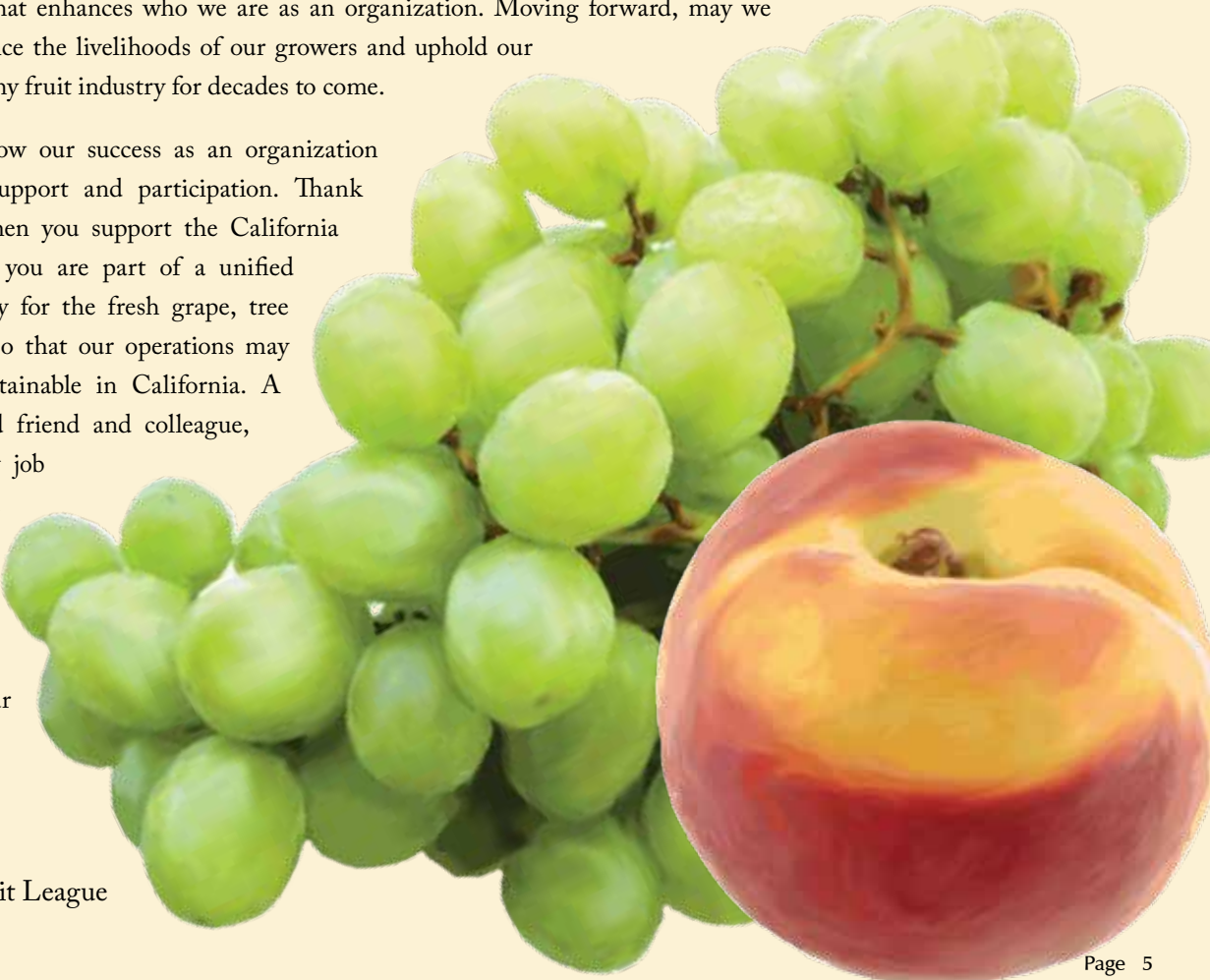
with our predecessors, the League’s leaders continue to redirect and reinvent our organization as the issues change and new priorities take place.

“ I cannot emphasize enough how our success as an organization depends on your continued support and participation. Thank you for your membership. ”

Inside the pages of this Annual Report are examples of how the League serves its membership on a day-to-day basis. While I reflect over the 2011/12 fiscal year, I can say that YOUR organization is reliable and respected, effective and efficient, dynamic and determined. Each of you should be proud to be a part of the California Grape & Tree Fruit League and equally proud of the exceptional staff that helps to shape it. During the past year as chairman, I realized, as it became obvious while working with them, the talent level that our staff encompasses. They are truly a remarkable group that enhances who we are as an organization. Moving forward, may we continue to preserve and enhance the livelihoods of our growers and uphold our vital role in maintaining a healthy fruit industry for decades to come.

I cannot emphasize enough how our success as an organization depends on your continued support and participation. Thank you for your membership. When you support the California Grape & Tree Fruit League, you are part of a unified voice that advocates relentlessly for the fresh grape, tree fruit and berry communities, so that our operations may stay viable, profitable and sustainable in California. A special thank you to my good friend and colleague, Barry Bedwell, for making my job easy this past year. Personally, I look forward to continuing my involvement as a member and watching our organization thrive. Thank you for the opportunity to serve as your chairman.

STEVE HASH  
Chairman 2011/12 FY  
California Grape & Tree Fruit League





# President's Report



In reviewing the operations and accomplishments of your association this past fiscal year, there are many areas in which members of the California Grape and Tree Fruit League can take justifiable pride. At the federal level, League staff, in conjunction with other national and regional produce associations, effectively pushed back against efforts to create a mandatory electronic verification program in the absence of meaningful immigration reform. Your organization was at the forefront of work to ensure that upcoming regulations originating out of new national food safety laws recognized a commodity-specific, risk-based approach. The League also renewed its focus with the Specialty Crop Farm Bill Alliance, to begin coordination on the upcoming 2012 Farm Bill. In addition, the League worked closely with congressional representatives and officials at USDA and USTR to expand trade opportunities, particularly for stone fruit.

Within California, where laws continue to increase the regulatory burden on our membership and the produce community, the League continued efforts to communicate the true value of our domestic food supply and the absolute need to protect the viability of the state's growers and shippers, as well as their employees. For the fifth year in a row, legislation was passed by the California Assembly and Senate that would have taken away the

right of a farm employee to a secret ballot when determining their wishes in being represented by a union. And for the fifth year in a row, the League was successful in leading an effective coalition of individuals and organizations to convince the Governor to veto such a measure. This time, the veto came from Governor Jerry Brown, who had the biggest role in the original creation of the Agricultural Labor Relations Act in 1975, but during the final analysis decided "card check" was too drastic of a change and was unwarranted. The Governor did, however, write his own changes to the Agricultural Labor Relations Act, which the legislature approved and he signed into law. These changes from Senate Bill 126 will be a primary focus for staff and membership during the expected implementation and interpretation this coming year.

*Within California, where laws continue to increase the regulatory burden on our membership and the produce community, the League continued efforts to communicate the true value of our domestic food supply and the absolute need to protect the viability of the state's growers and shippers, as well as their employees.*

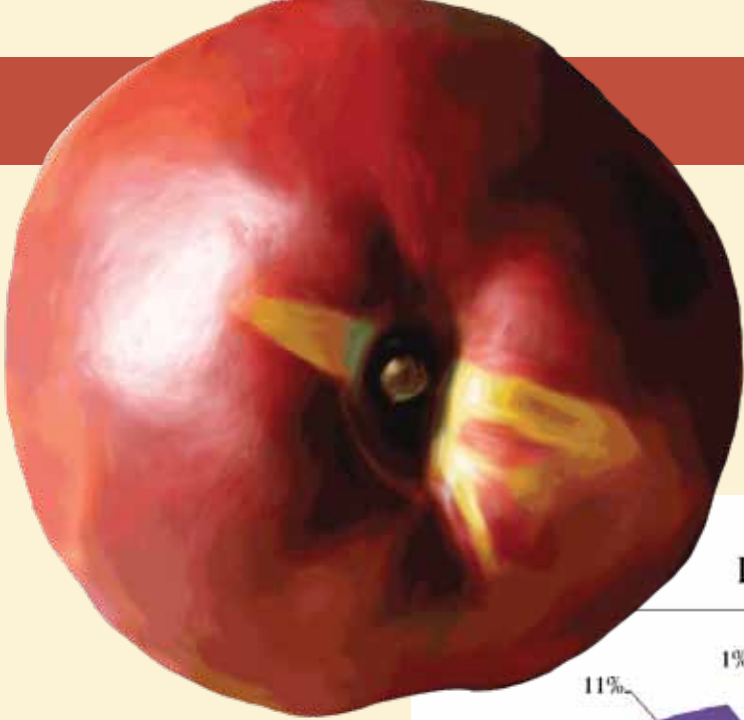
Another major occurrence during this past fiscal year was the decision by growers and shippers of peaches, plums and nectarines to discontinue the California Tree Fruit Agreement (CTFA). While the focus of CTFA was funding for promotion and research, a number of other areas, such as trade assistance, crisis management, statistical information and non-funded research coordination have become potential areas for League involvement and support. League staff began work to ensure that the wishes of our membership, as to the specific role the League could play, would be properly carried out to the benefit of all members, regardless of size of operation. This important work will be one of our top priorities as the League moves forward.

In the final analysis, the 2011/12 fiscal year was a successful one for the League, both in terms of the individual operations of members and in the value and influence of its organization. The League continues to grow in numbers of members and remains financially stable and secure due to the effective leadership provided by participants in our standing committees, the Board of Directors and Executive Committee, as well as the hard work of the association's employees. I continue to be extremely grateful for the opportunity to be of service to the fresh table grape, berry and tree fruit growers and shippers of the League and look forward to the challenges in the years ahead.

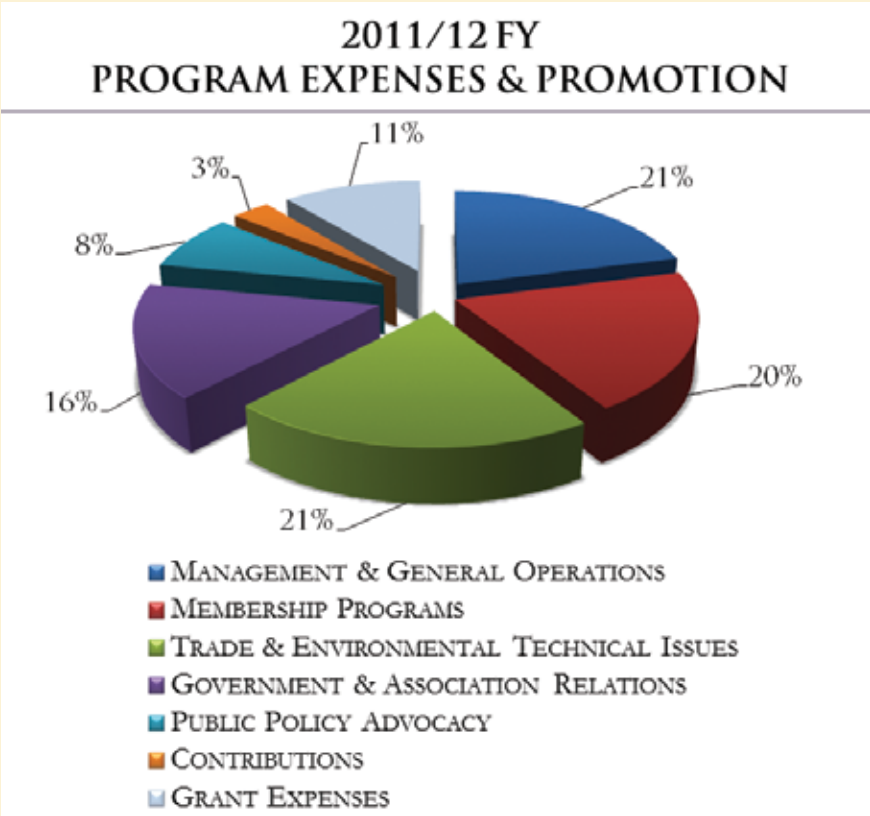
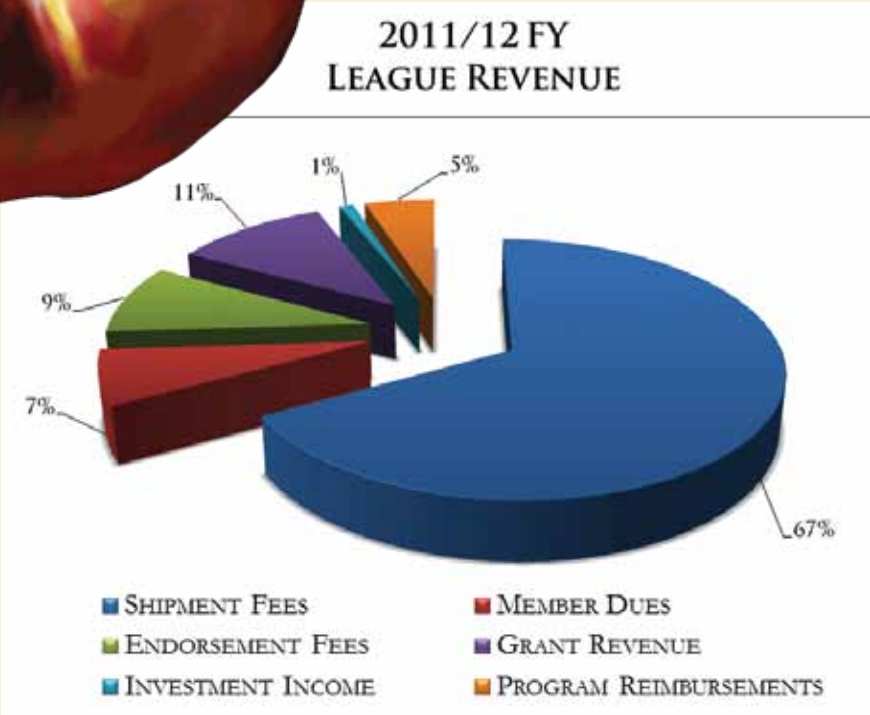
**BARRY J. BEDWELL**

President  
California Grape & Tree Fruit League

# Financial Summary



Under the supervision of the Board of Directors and the Executive Committee, League staff maintains tight fiscal control over expenditures, while maximizing opportunities for increased revenues, which are so vital to the fulfillment of League matters. The following represents the League's revenue and expenditures for the fiscal year ending February 29, 2012.





## GOVERNMENTAL & REGULATORY AFFAIRS: ADVOCATING & PROTECTING OUR MEMBER’S NEEDS

- ▶ The League successfully sponsored AB 1398 (Chesbro, D-Humboldt) extending the sunset of SB 319 (Wiggins, D-Santa Rosa), which permits teens, ages 16 and 17, to work in Lake County pear sheds for up to 10 hours per day for a limit of 60 hours per week when school is not in session.
- ▶ Because trade and exports are a high priority for our members, the League worked as part of a broad coalition to advocate against retaliatory tariffs, seeing through the first Mexican carrier cleared for cross-border transit under the Department of Transportation’s Pilot Trucking Program on October 12, 2011. This was the final step under the US-Mexico agreement for achieving a suspension of retaliatory tariffs, which negatively impacted fresh table grape exports to that country.
- ▶ During a visit by Governor Brown, League staff and members were invited to attend a small assembly to discuss how the Brown administration plans to deal with challenges in the San Joaquin Valley.
- ▶ As a joint effort, the League participated in a meeting with Christine Baker, acting director of the California Department of Industrial Relations; Ellen Widess, chief of Cal/ OSHA; and Julie Su, California State Labor Commissioner to discuss industry concerns, including the enforcement of heat-stress regulations and area-wide “sweeps.”
- ▶ The League hosted a reception in support of the California Foundation for Agriculture in the Classroom in Fresno, which



celebrated 25 years of work to provide resources to school teachers through curriculum development in multiple areas of study at all grade levels by using agriculture as the theme of the material.

- ▶ The Specialty Crop Farm Bill Alliance, an agricultural association in which the League is actively engaged, joined other farm, conservation, anti-hunger and rural-development groups in sending congressional leaders a letter urging activity on the 2012 Farm Bill. The diverse stakeholder letter emphasized various points, emphasizing conservation, resources to prevent hunger, short- and long-term job creation potential through streamlined and targeted rural economic development policies and investments in agricultural research.

## SERVING WITH OTHERS: REPRESENTING OUR MEMBERSHIP AT ALL LEVELS IN THE PRODUCE COMMUNITY

- ▶ The American Phytopathological Society invited a select number of agricultural commodity representatives to speak about chemical maximum residue levels (MRLs) and its challenges to their membership during its annual symposium. The League’s Director of Trade, Marcy Martin, attended and provided the perspective that growers consider international MRL harmonization one of the most important and growing concerns within international agricultural trade. Invasive pest and disease issues place increased pressure for the need to have established import tolerances for chemicals registered for use within the US as there are significantly more MRLs in the US than in most foreign markets.
- ▶ US Agriculture Secretary Tom Vilsack recently appointed League

President Barry Bedwell to serve on the Agricultural Technical Advisory Committee for Trade to advise US policy makers on how to conduct the trade of fruits and vegetables with other countries. By serving on the committee, Bedwell works as an advocate for members to ensure your voice and interests are represented and to provide expertise and knowledge to deliberations that influence US trade policy.

- ▶ League staff members Barry Bedwell and Christopher Valadez attended the 2011 United Fresh Produce Show and breakout meetings. Convention meetings included the Government Relations Council, Immigration Roundtable, Sustainability Advisory Board and the Specialty Crop Farm Bill Alliance Steering Committee. Each of these meetings focused on reviewing and assessing policy priorities.

## LABOR & WORKFORCE CONCERNS: SAFEGUARDING A VIABLE WORKFORCE FOR OUR MEMBERS

- ▶ In May of 2011, the League, along with the Agricultural Coalition for Immigration Reform and the National Council of Agricultural Employers, updated membership on Arizona’s immigration law and collaboratively worked to see that needed comprehensive immigration reform is accomplished prior to implementing a mandatory E-Verify program.
- ▶ League President Barry Bedwell spoke at a workshop on behalf of League members in support of implementing heat-illness prevention measures. Resources, such as training and educational materials, were made available to the agricultural industry. The League continues to be an active advocate in the implementation of training sessions offered through a partnership with Cal/OSHA and numerous other agricultural organizations.
- ▶ The League, in partnership with member Barsamian & Moody, Attorneys at Law, provided membership with a summary of new labor laws that went into effect on January 1, 2012 and are

## MARKET ACCESS: ADDRESSING BARRIERS ABROAD

- ▶ The League, in partnership with the Northwest Horticultural Council, received funding from USDA Foreign Agricultural Service, Technical Assistance Specialty Crop (TASC) program, to address phytosanitary concerns delaying California and Pacific Northwest stone fruit access into Australia as a result of detections of *Drosophila suzukii* (spotted wing drosophila) within the US. This grant will offset the necessary research to perform host suitability trials to more accurately characterize risk within commercial peach, plum, nectarine and apricot production for SWD.
- ▶ The League’s Director of Trade, Marcy Martin, participated in the North American Plant Protection Organization’s (NAPPO) annual meeting and was one of the two US industry members on the organization’s Fruit Panel. NAPPO work is undertaken by panels represented by the three member countries and provides the forum for stakeholders to collaborate on the development



vital to our members’ businesses and ongoing success. Our industry depends on a viable workforce. Therefore, being aware of all new labor laws and changes to existing labor laws and how they might affect their business are key priorities for the League’s staff.

- ▶ The League is an active and engaged participant of a broad agricultural coalition effort formed to voice opposition to AB 1313 (Allen, D- Santa Rosa). This bill would repeal the 10-hour daily overtime requirement for agricultural employees.

of science-based standards intended to protect agricultural, forest and plant resources against regulated plant pests while facilitating trade. This season’s symposium focused on international standard setting and major International Plant Protection Convention (IPPC) issues. The Fruit Panel continued work on its assignments regarding the development of a strategy to mitigate the risk of *Lobesia botrana* (European grapevine moth) in NAPPO countries and the evaluation of *Drosophila suzukii* (Spotted wing drosophila) for trade in products which are hosts.

- ▶ The League provided guidance for membership to submit comments regarding the Department of Transportation Cross-Border Trucking Pilot Proposal. The Federal Motor Carrier Safety Administration Pilot Program was part of the implementation of the North American Free Trade Agreement Cross-Border Long-Haul trucking provisions.
- ▶ As a valuable tool to keep members informed of current regulations for meeting export requirements, the League expanded the Export Database to now include regulations within 25 export market destinations. The database provides prompt access to any significant change in export requirements impacting areas; phytosanitary, labeling or documentation, sanitary requirements (MRLs), pest disease lists, taxes/tariffs and other regulations necessary to meet export conditions.



MEMBERSHIP INVOLVEMENT: GRASSROOTS ADVOCACY AT ITS CORE

► The Annual Fruit Delivery was made to Sacramento in August by League Board Member Ken Enns and League Director of Environmental and Regulatory Affairs Christopher Valadez, delivering more than 100 custom designed League lunch pails, delicately packed with delicious fruit from our members. Deliveries covered the Capitol and various regulatory agencies, including the California Department of Food & Agriculture and the Labor & Workforce Development Agency, to remind legislators, regulators and their staff of the value our fresh grape, tree fruit and berry communities have.

► In August, Governor Jerry Brown, at the invitation of Congressman Jim Costa (D-Fresno), attended a forum in Fresno to discuss his administration’s plans to deal with challenges facing the San Joaquin Valley, including specific agricultural issues important to the League’s membership. Brown and Costa, along with California Agriculture Secretary Karen Ross and Health and Human Services Secretary Diana Dooley, convened a small group of approximately 40 agricultural leaders to discuss, in detail, such issues as invasive species, labor regulations and water supply. In attendance for the League were Barry Bedwell, Christopher Valadez, Jon P. Zaninovich (Jasmine Vineyards, Inc.), Dan Gerawan (Gerawan Farming, Inc.), Harold McClarty (HMC Farms) and Bill Phillimore (Paramount Farming) who, along with Justin Parnagian (Fowler Packing Company, Inc.), contributed a beautiful variety of grapes and tree fruit for Congressman Costa’s reception, which followed the meeting.

► The League’s Political Action Committee (FruitPAC) joined forces with other agricultural political action committees to host a fundraiser for House Agriculture Committee Chairman Congressman Frank Lucas (R-OK), in September. The event provided agriculture representatives with a unique opportunity to discuss concerns over the burdensome nature of regulations impacting farmers and upcoming developments to the Farm Bill.



► League Chairman Steve Hash (Steve Hash Farms) and Board of Directors Member Kent Stephens (Marko Zaninovich, Inc.) joined League staff members Barry Bedwell and Christopher Valadez at United Fresh Produce Association’s Washington Public Policy Conference in October to address key issues, like labor, in face-to-face meetings with lawmakers and staff.

► League staff members Barry Bedwell and Christopher Valadez met with officials from the Agricultural Labor Relations Board (ALRB), including Board Chairwoman Genevieve Shiroma; Board Member Cathryn Rivera-Hernandez; General Counsel Sylvia Torres-Guillen; and Visalia Regional Director Lawrence Alderete. The tour included a vineyard operated by Marko Zaninovich, Inc., where they witnessed, first-hand, harvesting and field packing. Given the signing of SB 126, the League saw the meeting and tour as a valuable opportunity to further develop relationships with the ALRB and serve as a resource.

► The League’s Board of Directors were surveyed in December 2010 and ranked the top issues in order of priority for the coming year. Ultimately, the Top 10 Issues serve as an essential tool for League staff to help identify our members’ priorities so that the issues that affect them are addressed annually.

TRADE FACILITATION: ENSURING OUR MEMBERS HAVE THE NECESSARY TOOLS AND RESOURCES TO SUCCEED

► The Stone Fruit Mexico Export Program was renewed in 2011, with 20 participants who exported more than three million boxes of peaches, plums, nectarines and apricots to Mexico.

► The League backed comments seeking protection of PACA trust rights to encourage USDA to provide clarification for produce suppliers who maintain trust rights until paid in full. In addition, the League co-sponsored a seminar addressing steps that can be taken before, during and after the sale of produce to reduce risk of

losing money due to quality claims or non-payment for shipments.

► The League co-sponsored an industry-driven workshop to provide a framework for ag interests within the Endangered Species Act and emphasized the need for more transparent science-based risk assessments.



OUR MEMBERSHIP: ADDING VALUE TO YOUR INVESTMENT

► With the success of the League’s last two years of “Train-the-Trainer” workshops on forklifts and tractors, the demand for this training has been overwhelming. In 2011, the number of training sites and organizations involved was expanded, while also providing some of the training sessions in both English and Spanish. This workshop is offered in collaboration with numerous other agricultural associations.

► The League scheduled two identical workshop sessions to examine SB 126’s significant revisions to the Agricultural Labor Relations Act. Analysis on the anticipated impact of SB 126 was provided by well-known and respected labor attorneys Joseph Herman and Peter Hurtgen. There is much that growers can and should do to deal with SB 126, which is why these workshops were such a great opportunity for our membership.

► At the direction of the Insurance & Financial Benefits Committee, the League’s Board accepted a proposal from Zenith Insurance Company as the provider of workers’ compensation insurance for its members and formally endorsed Zenith for the next three years beginning in with calendar year 2012.



► The League’s Board of Directors voted to continue its endorsement of Rain and Hail Insurance Service, L.L.C. for 2012. This is the 16th consecutive year of the partnership and both organizations truly value the relationship.

► Zenith Insurance Company’s inaugural Ag Industry Update event was held in Fresno, February 2012, hosting more than 100 attendees. The company hosted the event for its policyholders and partnered with the League to provide the event to its grower and shipper members, as part of the League-Zenith group program. During the event, industry leaders highlighted top issues, including rural ag crime, sustainability, food safety, workers’ compensation trends and immigration. League President Barry Bedwell was part of a panel that discussed sustainability, emphasizing the impacts and opportunities for the agricultural community.

INVASIVE SPECIES: PROTECTING INDUSTRY FROM TRADE DISRUPTIONS & MAINTAINING MARKET ACCESS

► On behalf of our members, the League requested that the USDA and the California Plant Health Director begin compiling necessary data to confirm the eradication of Melon Fruit Fly and, thus, notify all foreign trade partners who initiated emergency mitigation measures of the successful elimination of the quarantine.

► The League continues to work with the USDA and CDFA to develop long term goals to address the effects of the Light Brown Apple Moth quarantine throughout the exterior counties.

► As reported by the League, following Oriental Fruit Fly detections and the quarantine within San Joaquin County, the state revised the fruit fly proclamation to proceed with an eradication program.

► Eradication efforts for European Grapevine Moth (EGVM) continued throughout the 2011 season. The EGVM technical working group and USDA have in place a deregulation plan for the counties remaining under quarantine.

PHYTOSANITARY REGULATIONS & MRLS: SUPPORTING SUSTAINABILITY & IPM PRACTICES

► On behalf of fresh peach and nectarine producers, the League continued with the 2011 application submission of the Section 18 Emergency Exemption for the use of Syngenta’s material Mentor (Propiconazole) to prevent sour rot in peach and nectarine production.

► The League contributed to a letter submitted to US Agriculture Secretary Tom Vilsack expressing concerns about the Environmental Working Group’s (EWG) misuse of the USDA’s Pesticide Data Program (PDP) and urged USDA to defend its process and the results of the PDP report.

► The Alliance for Food and Farming, of which the League is a member, launched its SafeFruitsAndVeggies.com website as a tool to put the USDA PDP data in context and combat the EWG’s misinformation campaigns.





# Environmental Resources Committee



Under the leadership of Chairman Paul Giboney (M. Caratan, Inc.), the Environmental Resources Committee serves as one of the most active committees of the California Grape & Tree Fruit League due to the tremendous regulatory oversight that exists in California.

## FOOD SAFETY MODERNIZATION ACT

Through League staff, the committee actively followed the US Food & Drug Administration's (FDA) efforts to produce implementing regulations for the Food Safety Modernization Act. The committee evaluated information provided by FDA's Center for Food Safety and Applied Nutrition regarding proposed requirements for site inspections (processing, handling and farm) and directed staff to focus concerns in subsequent staff meetings with US FDA officials relating to food safety control or investigation after a problem is found to prevention. Concerns were also expressed over the appropriateness of a produce rule focused on a commodity-specific, risk-based system, as opposed to cultural practices. A proposed rule was expected to be released in January 2012, but was delayed pending interagency review.

## SOCIAL ACCOUNTABILITY AUDITS

In 2011, members of the retailer community continued on a new audit effort, focusing on the treatment of farmworkers. The League attended a meeting with Costco representatives to discuss social accountability audit programs. Together, with representatives from the produce industry, the League set out to engage Costco to address member concerns regarding the audit process, including employee interviews, record reviews and requests for grower lists, as well as to request

acceptance of confidentiality agreements and express concerns related to possible duplicative audits from other retailers. The League engaged Costco on the possibility of accepting alternative approaches for verification and to permit the auditing firms to accept non-disclosure/confidentiality agreements as a form of protection for the shipper. The Committee directed subsequent communication on retailer acceptance of alternative forms of verification and directed efforts to work on harmonization or similar efforts designed to minimize member costs and expenditure of resources.

## IRRIGATED LANDS REGULATORY PROGRAM

The Committee reviewed proposed changes to the Irrigated Lands Regulatory Program and the consideration of a proposal to require all growers with irrigated lands to participate in both a surface and groundwater regulatory water quality program, focusing on the identification of pesticides, sediment and nitrates, as well as mitigation steps to reduce water contaminants. Involvement at the Committee level led League staff to engage appropriate regulatory agencies with the cost/benefit of an expanded program for improving water quality, while protecting against the incorporation of measures with the potential to negatively affect the application of irrigation water.

## NON-FUMIGANT EMISSIONS REDUCTION

A priority for the committee was serving at the forefront to interpret the Department of Pesticide Regulation's work to reduce non-fumigant emissions from pesticides. Staff was directed to comment regarding materials utilized during the ozone season, emphasizing caution against an allowance system for certain materials with high-VOC emitting potential. League staff worked to express concerns over the restrictions, which would be implemented should pesticide VOC emissions increase.

## SPECIALTY CROP FARM BILL ALLIANCE

The League's participation with the Specialty Crop Farm Bill Alliance, a national coalition of more than 120 organizations aiming to enhance the competitiveness of specialty crop agriculture and achieve greater recognition for these crops, embarked on a process to broaden the scope of the 2012 Farm Bill to include specialty crop priorities.

### COMMITTEE MEMBERS



Paul Giboney (M. Caratan, Inc.), Committee Chair (Pictured Left) • Steve Hash (Steve Hash Farms) • Jim Bryan (Jasmine Vineyards, Inc.) • Moe DiBuduo (DiBuduo Fruit Co.) • Nat DiBuduo (Allied Grape Growers) • Eugene Enns (Wes Pak Sales, Inc.) • David Fenn (Sun World International, LLC) • Micky George • Virginia Hemly Chhabra (Greene and Hemly, Inc.) • Mike Hemman (DuPont Crop Protection) • Cheryl Herbig (Enns Packing Co., Inc.) • Cindy Ibrahim (La Vina Ranch) • Robert Ikemiya (Ito Packing Company, Inc.) • Richard Machado (Agrian Inc.) • Andrew J. Pandol (Pandol Bros., Inc.) • Cliff Rolland (Abe-El Produce) • Gary Van Sickle (California Tree Fruit Agreement) • John D. Zaninovich (Merritt Farms) • Judy Zaninovich (CCV Table Grape Pest & Disease Control District)

# Government Relations Committee



Making your voice heard is one of the primary missions of the Government Relations Committee. On an annual basis, members are responsible for meeting with legislative and regulatory officials to discuss top issues during the committee's annual trip to Sacramento. In addition, the committee analyzes issues pertaining to taxation, interfaces with FruitPAC and increases the League's visibility in both Sacramento and Washington, D.C.

## ANNUAL FRUIT DELIVERY PROGRAM

The Annual Fruit Delivery Program serves as an opportunity for the League to connect state legislators and regulators with the fresh and nutritious produce grown and shipped by our members. League Board Member, Ken Enns, and the League's Director of Environmental and Regulatory Affairs, Chris Valadez, traveled to Sacramento on August 24, 2011 for the annual fruit delivery. More than 100 League fruit deliveries were made, covering the Capitol and various regulatory agencies, including the California Department of Food & Agriculture and the Labor & Workforce Development Agency. The success of the 2011 Fruit Delivery would not have been possible without the generous contributions from League membership, in particular: Wayne Brandt (Brandt Farms, Inc.), Dean Thonesen (Sunwest Fruit Company, Inc.), Tony Fazio (Tri-Boro Fruit Co., Inc.), George Nikolich (Gerawan Farming, Inc.) and Justin Parnagian (Fowler Packing Company, Inc.).



## 2012 GOVERNMENT RELATIONS TRIP

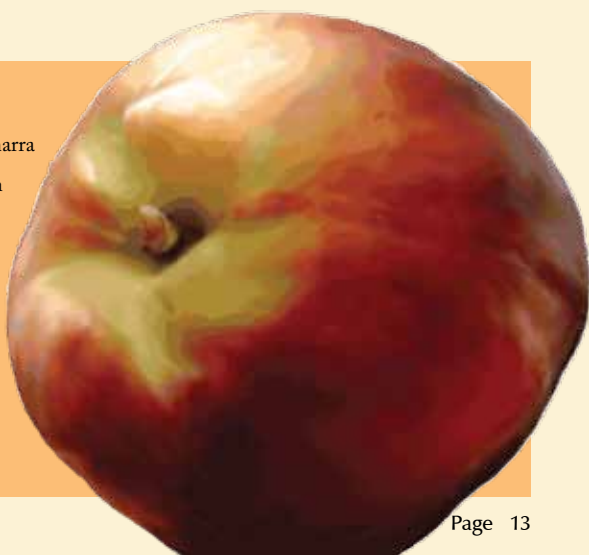
Members and guests of the California Grape & Tree Fruit League took part in the 2012 Government Relations trip to Sacramento on February 22-23, 2012. The trip contained a series of meetings in the State Capitol, where participants engaged both Democrat and Republican legislators on a wide array of issues, including concerns over the agriculture overtime legislative proposal (AB 1313, Allen D-Santa Rosa), water/resources policy and agricultural labor needs, as well as future efforts to connect legislators to member operations through on-farm tours. Trip participants were joined by Sen. Michael Rubio (D-Bakersfield) and various regulatory officials, including Secretary Karen Ross (California Department of Food & Agriculture), Undersecretary Doug Hoffner (Labor & Workforce Development Agency), Chairwoman Genevieve Shiroma, Board Member Cathryn Rivera-Hernandez and General Counsel Sylvia Torres-Guillen (Agricultural Labor Relations Board).

2012 Government Relations Trip Participants: Chairman Steve Hash (Steve Hash Farms), Matthew and Steve Cerniglia (Royal Madera Vineyards), Pat Ricchiuti (P-R Farms, Inc.), Peter Baldwin (Aon Risk Services), Randy Giumarra (Giumarra Vineyards Corporation), Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.), Stan Tufts (Tufts Ranch LLC), Virginia Hemly Chhabra (Greene and Hemly, Inc.), Wayne Brandt (Brandt Farms, Inc.) and guests James O'Looney and Tracey Chow.

### COMMITTEE MEMBERS



Carol Chandler (Chandler Farms, LP) Committee Chair (Pictured Left) • Randy Giumarra (Giumarra Vineyards Corporation) • Maria Alvarado (Manectar Farms) • Peter Baldwin (Aon Risk Services) • Moe DiBuduo (DiBuduo Fruit Co.) • Micky George • David Jackson (Family Tree Farms) • Herbert Kaprielian (KCC Holding, LLC) • Dennis Kelly (Syngenta Crop Protection) • Drake Larson (Drake Larson Ranches) • David Marguleas (Sun World International, LLC) • Doug Reader (Fruit Patch Sales, LLC) • Pat Ricchiuti (P-R Farms, Inc.) • Blair Richardson (Wes Pak Sales, Inc.) • Cliff Rolland (Abe-El Produce) • Cliff Sadoian (Cliff Sadoian & Associates) • Toni Scully (Scully Packing Co.) • John Tos (Tos Farms, Inc.) • Stan Tufts (Tufts Ranch LLC) • Janet Wright (Wright & Johnson)





# Insurance & Financial Benefits Committee



Under the leadership of Committee Chairman Ken Enns (Enns Packing Co., Inc.), the Insurance & Financial Benefits Committee is responsible for monitoring the League’s numerous endorsement programs, in addition to being charged with creating additional insurance programs that may prove beneficial for members of the California Grape & Tree Fruit League. It is of the utmost importance that these programs are evaluated with regard to the value that is returned to League members. Group programs and pricing are opportunities where members can realize tangible financial savings based on their membership. This committee will continue to remain engaged in relation to the needs of its colleagues in the fresh grape, tree fruit and berry communities. For the 2011/12 fiscal year, the committee maintained four group programs:

### GROUP PROPERTY INSURANCE

Through the Group Property Insurance Program, League members continued to receive considerable cost savings and enhanced coverage when compared to existing insurance policies. In some cases offsetting the cost of annual League membership dues. The program is marketed by Buckman-Mitchell, Inc. and the underwriter of the program, Farmland Insurance/Nationwide Agribusiness, an A+15 rated agribusiness insurance specialist. Group participants are eligible to receive dividends based on overall group performance results.

### CROP INSURANCE

Rain and Hail Insurance Service, L.L.C. has served as an endorsed carrier for the League for 15 consecutive years. The value of the partnership is based on the top-quality service and the company’s solid dedication to California’s specialty crops. There are many crop insurance providers to choose from, although all insurance rates and procedures are the same. Rain and Hail Insurance Service, L.L.C. works with numerous agencies throughout California to provide this coverage.

### RETIREMENT PROGRAM

During the 2011/12 fiscal year, League members continued to be eligible to participate in a full-service retirement program with Alerus Retirement Solutions. This specialized program offers great value to participants because members receive additional services without the added charges and fees.

### WORKERS’ COMPENSATION

The League’s Board of Directors approved Zenith Insurance Company during the 2011/12 fiscal year as the endorsed carrier of workers’ compensation insurance. Zenith draws more than 60 years of expertise working with a broad spectrum of businesses to meet workers’ compensation needs. As collaborative partners, the League and Zenith are working together on specific program initiatives to provide relevant resources that will assist League members with workplace safety. As our endorsed carrier, Zenith has committed to providing educational seminars, safety updates and training materials. Through this program, our members may access Zenith’s resources to help improve their workplace safety practices and reduce their insurance costs over time.



### COMMITTEE MEMBERS



Ken Enns (Enns Packing Co., Inc.), Committee Chair (Pictured Left) • Doug Reader (Fruit Patch Sales, LLC) • Ed Bolger (Wells Fargo Insurance Services) • Joe Cacace (Enns Packing Co., Inc.) • George Caratan (Blanc Vineyards) • Tony Fazio (Tri-Boro Fruit Co., Inc.) • Brian Laird (Rain and Hail Insurance Service, L.L.C.) • Nelda Lewis (Pan American Insurance Agency) • Louis Pandol (Pandol Bros., Inc.) • Marcia Shafer (Shafer Family Farm) • Brent Swanson (Buckman-Mitchell, Inc.) • Lyle Willems (Lyle & Becky Willems)

# Labor Committee



### CARD CHECK & SB 126 IMPLEMENTATION

The Labor Committee guided efforts to assess the value of creating a targeted communication and education campaign designed to shape public opinion in support of protecting the freedom of the farm employee to participate in a fair secret ballot election. The League worked with its lobbying team and industry partners to identify public relations campaign elements that would bolster messaging in support of protecting a farm employee’s right to participate in a fair election. Upon recommendation from the committee, the League worked with members of the Legislature to encourage discussions on 2011’s SB 104 card check legislation, in negotiations with the Governor on the state budget.

Due to consistent and targeted messaging directed to convince Governor Brown against signing SB 104, which would have made drastic changes to the Agricultural Labor Relations Act, a law he helped to create during his first term, the coalition successfully secured a veto on June 28, 2011. The campaign effort to secure a veto of SB 104 relied largely upon an assessment of the Agricultural Labor Relations Act, challenging supporters of card check legislation to move beyond sensationalism to identify areas in the Act which require dramatic alteration.

Expecting a process by which stakeholders on all sides would come together to review the Agricultural Labor Relations Act, the Governor instead moved swiftly to author and push through the Legislature SB 126, sponsored by Senator Darrell Steinberg (D-Sacramento), which expanded the authority of the Agricultural Labor Relations Board (ALRB). The legislation allows the ALRB to certify a union as the bargaining representative in cases where misconduct on the part of the employer was determined to have affected the results of an election, together with a determination that a new election would render slight chances of reflecting the free and fair choice of employees.

Upon passage of SB 126, League staff met with ALRB officials to tour a table grape vineyard owned and operated by Sunview Vineyards (Marko Zaninovich, Inc.) to help educate the board members on field operations and working conditions. Given the signing of SB

126, the committee saw the tour as a valuable opportunity to further develop relationships with the ALRB and to serve as a resource for questions regarding industry practices. In addition to the tour, the League moved swiftly in early January 2012 to conduct seminars for employers in Palm Desert and Delano with respected labor attorneys, Joseph Herman and Peter Hurtgen, who analyzed SB 126’s changes to the California Labor Relations Act and provided advice to growers on what to do to prepare for an expected increase in union activity.

### E-VERIFY

During the course of the last fiscal year, the League, under the direction of the Labor Committee, continued to be actively engaged in the federal debate over an effort mandating use of the federal electronic employee verification (E-Verify) system by employers. Through our partnership with the Agriculture Coalition for Immigration Reform, the League closely monitored action by the House Judiciary Committee on E-Verify legislation, HR 2885. As part of the coalition, the League worked with the Office of Rep. Dan Lungren (R-CA) to introduce HR 2895, the Legal Agricultural Workforce Act, which included a temporary agricultural guest worker component, as an alternative proposal to the mandatory E-Verify bill. Due to a significant lobbying effort from agricultural industry representatives, the introduction of competing bills and through Congressional committee action, the effort to move an E-Verify bill out of the House of Representatives had been halted. In May 2011, the League participated in a national forum on agricultural labor issues and directed concerns to the California congressional delegation on a mandatory E-Verify program, stressing that any imposition without a broad-based worker solution for agriculture will lead to exporting jobs and production.

### COMMITTEE MEMBERS



Ryan Zaninovich (V. B. Zaninovich & Sons, Inc.), Committee Chair (Pictured Left) • Kerry Whitson (Golden Maid Packers) • Maria Alvarado (Manectar Farms) • Ron Barsamian (Barsamian & Moody, Attorneys at Law) • Nicholas Bozick (R. Bagdasarian, Inc.) • Carol Chandler (Chandler Farms, LP) • Greg Feaver (Enns Packing Co., Inc.) • Dan Gallegos (Marko Zaninovich, Inc.) • Joe Garcia (Jaguar Labor Contracting) • Micky George • Bob Greiner (HMC Farms) • Nelda Lewis (Pan American Insurance Agency) • Rick Milton (Rick Milton) • Pat Ricchiuti (P-R Farms, Inc.) • Cliff Rolland (Abe-El Produce) • David Ysusi (DiBuduo & Defendis Insurance Brokers, LLC) • Andy Zaninovich (Jasmine Vineyards, Inc.) • John D. Zaninovich (Merritt Farms)



# Marketing Committee

## STONE FRUIT MEXICO EXPORT PROGRAM

There were 20 participants in the 2011 Stone Fruit Mexico Export Program and industry exports exceeded three million cartons. Exports by commodity were: apricots 83,804 cartons; peaches 1.7 million cartons; nectarines 499,316 cartons; plums 991,055 cartons. Mexico serves as the second largest export market for California stone fruit growers, right behind Canada.

## MAXIMUM RESIDUE LEVELS

The League participated in an annual workshop sponsored by the US Department of Agriculture (USDA) Foreign Agricultural Service (FAS), which focused on global chemical maximum residue levels (MRLs) permitted on fresh produce. As members continue to expand trade within export markets, MRL harmonization has become an important component within integrated pest management programs and phytosanitary requirements.

## INVASIVE SPECIES

The Marketing Committee and League staff continue to be at the forefront on issues relating to invasive species. In the 2011/12 fiscal year, areas of concern were the Melon Fruit Fly, European Grapevine Moth, Light Brown Apple Moth and Oriental Fruit Fly. The Agricultural Issues segment of this Annual Report provides further details of these areas of concern.

## EXPANDING EXPORT MARKETS & PHYTOSANITARY REGULATIONS

The League continues to work to expand export markets and address issues regarding phytosanitary regulations on behalf of the California stone fruit industry. As a result of the detections of Spotted Wing Drosophila (SWD) this past year in several states, including California, the League and Northwest Horticultural Council applied and were awarded funding through USDA's FAS, Technical Assistance for Specialty Crop's program in the amount of \$691,711 to respond to Australia and New Zealand's emergency mitigations for SWD and US stone fruits.

## MEXICAN RETALIATORY TARIFFS

The League continued working with the California Table Grape Commission and the US Department of Transportation, as the Mexican Retaliatory tariffs remained in effect during the majority of the 2011 export season. The two-year trade dispute between Mexico and the US was resolved on October 21, 2011, as a result of the agreement to clear Mexican carriers under the cross-border pilot trucking program.

## PACA TRUST PROVISION

The League served as a co-host to a workshop with the Perishable Agricultural Commodities Act (PACA) Branch of the USDA's Agricultural Marketing Service and Dispute Resolution Corporation. The workshop's focus was on the USDA's rule revising the trust provision within PACA, and provided members with an overview of the final rule and the services available for mandatory dispute resolution aimed at reducing potential losses.

## USDA MARKET NEWS PROGRAM

The Marketing Committee continues to review and discuss the benefits to industry from the USDA Market News Program by communicating to the USDA the importance of accuracy during the compilation of data and that the benefits to industry are derived through reports which are representative of daily shipments and/or, cold storage reports.

## FARM BILL

League staff regularly provides updates to the Marketing Committee regarding Farm Bill activity. In 2011, the Congress-appointed Super Committee failed to achieve \$1.2 trillion in debt reduction, subsequently defeating the Farm Bill package from Senate and House Ag Committee leaders. The agreement would have been a significant victory for the specialty crop sector. It will be necessary for congress to now address before the act expires in September 2012 to avoid the revival of 1949 farm act which contains outdated provisions and increased government spending.

# Membership Committee

## CONTINUED STRENGTH IN NUMBERS

Exploring membership opportunities and overseeing communication to current and prospective members about the value of membership with the California Grape & Tree Fruit League is the ultimate goal for the Membership Committee. Last fiscal year, under the direction of Membership Committee Chairman David Jackson, the committee helped the League's membership continue to be a strong suit for the organization, with a retention rate of 95 percent. For the 2011/12 fiscal year, a total of 23 applications were approved, bringing the organization's membership to a total of 324 member companies. We believe that this strength is evidence that the League demonstrates the value of being part of an organization where the member's resources are used in the most efficient manner to maximize benefits.

## OUTREACH EFFORTS

Outreach efforts to non-members also contributed greatly to our strength, as the Membership Committee was focused on cherry and fresh berry operations in California. The year focused on exploring broader commodity representation, which led to a thoughtful analysis of each respective industry.

## TRIAL GROWER MEMBERSHIP

In addition to the League's standard efforts to recruit new members, the Board of Directors authorized a one-year extension of the Trial Grower Membership Program for 2011, which was initially approved by the Board in June 2008. Response has been slow in obtaining the names of prospective Trial Grower Members; however, most operations are choosing to maintain their membership after the first year trial expires.

## LOOKING AHEAD

The League's primary mission is to serve its membership on a day-to-day basis and provide tremendous value to each and every one of our members. When you support the League, you are part of the unified voice that advocates relentlessly for the fresh grape, tree fruit and berry communities so that our operations may stay viable, profitable and sustainable in California.



## 2011/12 NEW MEMBERS

### SHIPPERS

Jakov P. Dulcich & Sons  
Moonlight Companies  
Munger Bros., LLC

### GROWERS

B & C  
BNL Farms  
Crossland Farms  
D.R. Klassen Farms, Inc.  
R & D Farms  
The Specialty Crop Company  
Summer Sweet Farms, Inc.

### ASSOCIATE MEMBERS

American/Western Fruit Grower  
CA Ag Packaging, Inc.  
Carver Pump Service  
Fresno First Bank  
HelioPower, Inc.  
Law Office of Joseph Herman  
The Packer/Vance Publishing  
Powerit Solutions  
Swihart Sales Company  
Ultra Gro, LLC  
Van-G Logistics  
Wiebe Hinton Hambalek, LLP  
Wilbur-Ellis

## COMMITTEE MEMBERS



John Pandol (Pandol Bros., Inc.), Committee Chair (Pictured Left) • Harold McClarty (HMC Farms) • Justin Bedwell (Bari Produce, LLC) • David Berg (David H. Berg & Co., Inc.) • Scott Boyajian (Marko Zaninovich, Inc.) • Chris Caratan (M. Caratan, Inc.) • Garry Chaban (American Container, Inc.) • Edge Dostal (Chiquita Fresh North America) • Tony Fazio (Tri-Boro Fruit Co., Inc.) • Mark Flaming (Maxco Supply Inc.) • Darrel Fulmer (Sun Fresh International LLC) • Randy Giumarra (Giumarra Vineyards Corporation) • Steve Hash (Steve Hash Farms) • David Jackson (Family Tree Farms) • Michael Little (V.B. Zaninovich & Sons, Inc.) • Rodney L. Milton (Rodney L. Milton) • Kathleen Nave (California Table Grape Commission) • George Nikolich (Gerawan Farming, Inc.) • John Rast (Rast Produce Company, Inc.) • Michael Reimer (Brandt Farms, Inc.) • Michael Sarabian (Sarabian Farms) • David Silva (Dayka and Hackett, LLC) • Sam Stewart (Wes Pak Sales, Inc.) • David Stone (Valhalla Sales & Marketing Co.) • Gary Van Sickle (California Tree Fruit Agreement) • Kerry Whitson (Golden Maid Packers) • Brian Wright (Del Mar Farms) • Jon P. Zaninovich (Jasmine Vineyards, Inc.)

## COMMITTEE MEMBERS



David Jackson (Family Tree Farms), Committee Chair (Pictured Left) • Ryan Zaninovich (V. B. Zaninovich & Sons, Inc) • Nicholas Bozick (R. Bagdasarian, Inc.) • Anton Caratan (Blanc Vineyards) • Chris Caratan (M. Caratan, Inc.) • Carol Chandler (Chandler Farms, LP) • Verne Crookshanks (Venida Packing, Inc.) • Ken Enns (Enns Packing Co., Inc.) • Tony Fazio (Tri-Boro Fruit Co., Inc.) • Ron Frauenheim (Ron Frauenheim Farms) • Luke Gowdy (C.H. Robinson Worldwide, Inc.) • Steve Hash (Steve Hash Farms) • David Mann (Sunridge Nurseries, Inc.) • David Marguleas (Sun World International, LLC) • Harold McClarty (HMC Farms) • Louis Pandol (Pandol Bros., Inc.) • Cliff Sadoian (Cliff Sadoian & Associates) • Jim Simonian (Simonian Fruit Company) • Dean Thonesen (Sunwest Fruit Company, Inc.) • Jon P. Zaninovich (Jasmine Vineyards, Inc.) • Marko S. Zaninovich (Marko Zaninovich, Inc.)



# Standardization & Packaging Committee



## CALIFORNIA SHIPPING POINT INSPECTION

Members of the California Grape & Tree Fruit League continue to support and actively participate in California’s Shipping Point Inspection (SPI) program, which is part of the nationwide fresh fruit and vegetable inspection program administered by the United States Department of Food and Agriculture (USDA). SPI operations include the industry committee that functions in an advisory capacity to the director and makes recommendations concerning the inspection and certification services rendered, including the annual budget and establishing the fees necessary to provide adequate inspection services. In addition to League staff participation, several members are active advisory committee members, including Committee Chairman Louis Pandol (Pandol Bros., Inc.). Currently, 60 percent of SPI services within California are directly focused on table grape and almond production.

## CDFA'S STANDARDIZATION PROGRAM

The League also participates with the California Department of Food & Agriculture’s Standardization Program, and League members continue to serve on the program’s Advisory Committee. Responsibilities include developing recommendations and advice to California’s Secretary of Agriculture on all matters pertaining to standardization. The committee is comprised of 13 voting members who have a financial interest in a commodity represented. The Standardization Program establishes minimum standards for all

fresh fruits, nuts and vegetables with the goal to eliminate produce that is not complying with minimum standards. These goals are also to assure consumers that they are purchasing produce at a level of acceptable quality and to protect and promote the fruit, nut, vegetable and honey industries of California. The League’s Standardization & Packaging Committee presents recommendations to the state for regulation; areas impacting table grape and/or tree fruit production concerning standardization of quality, maturity, containers, labeling and packaging requirements.

## FOOD SAFETY AUDITS

During the 2011 growing season, the SPI program moved to expand its services to include an increase in the performance of third-party food safety audits. The SPI program inspectors have received additional training to provide a competitive food safety component to meet with the harmonization efforts of the third-party audit criteria. Both Good Agricultural Practices and Good Handling Practices audits are offered to growers and handlers.

## US EXPORT GRAPE & PLUM ACT

The League’s Board of Directors approved the request to amend the US Export Grape and Plum Act to support the industry’s need to adopt a reduction of minimum bunch weight for table grapes from a one-half pound to a one-quarter pound bunch weight. The industry also recommended amending the Act to reflect the changes in the listing of member countries within the European Union and to delete reference to the “Exotic” variety.

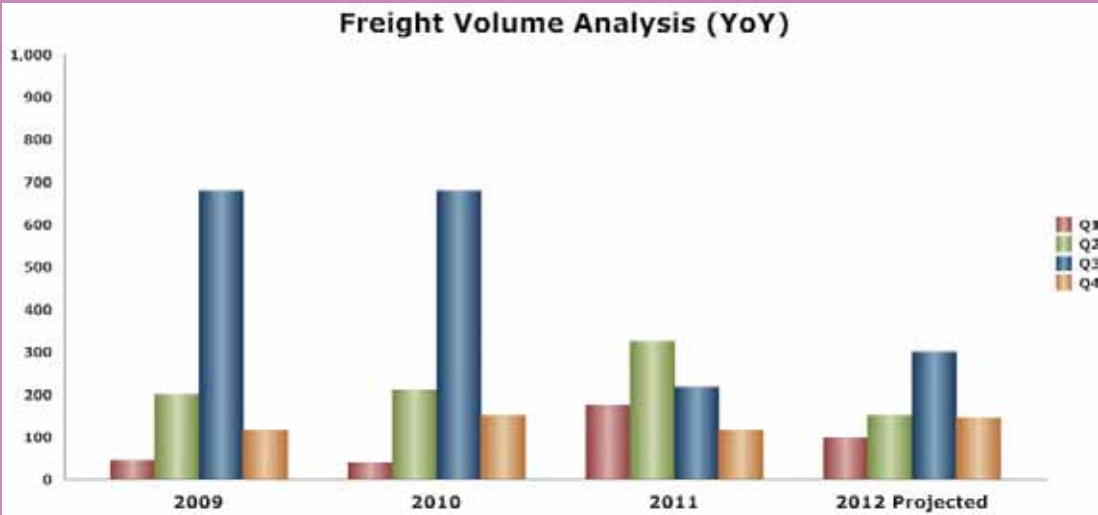


## COMMITTEE MEMBERS



Louis Pandol (Pandol Bros., Inc.), Committee Chairman (Pictured Left) • Wayne Brandt (Brandt Farms, Inc.) • Nicholas Bozick (R. Bagdasarian, Inc.) • Jim Bryan (Jasmine Vineyards, Inc.) • Garry Chaban (American Container, Inc.) • Chris Caratan (M. Caratan, Inc.) • Stan Cosart (W. F. Cosart Packing Co.) • Edge Dostal (Chiquita Fresh North America) • David Fenn (Sun World International, LLC) • Ron Fraenheim (Ron Fraenheim Farms) • Ed Johnson (Specialty Bags, Inc.) • Casey Jones (Sun Valley Packing) • Kathleen Nave (California Table Grape Commission) • Doug Phillips (Phillips Farms Marketing) • David Sarabian (Sarabian Farms) • Galen Van Aalsburg (PPS Packaging Company, Inc.)

# Traffic Committee



Under the direction of Traffic Committee Chairman John Rast (Rast Produce Company, Inc.), the committee monitors the Interstate Commerce Commission regulations, railroad operating practices, loading rules and claims procedures.

## FEATURED PARTNERSHIP

A featured element of the Traffic Committee, which is responsible for transportation issues, is the partnership it facilitates between C.H. Robinson Worldwide, Inc. (CHR) and the California Grape & Tree Fruit League. The 2011 growing season served as the fourth successful season for a continually prospering partnership between the two organizations.

Through the partnership with CHR a rebate is provided to the League for each load moved by a shipper member who uses the transportation company, which further strengthens the organization’s advocacy efforts. More than \$125,000 in endorsement fees have been provided to the League since the partnership was started in 2008.

## BENEFITS MAXIMIZED

For the shipper, benefit is realized in competitive pricing and access

to the resourceful CHR representatives who are tuned in to the needs of the fresh grape, berry and tree fruit communities. Options are key to CHR’s grower-shipper program, which is designed specifically to address the concerns of the table grape, berry and tree fruit industries’ transportation needs. The company taps into a pool of 45,000 carriers of all types (i.e. rail, truck and air) and can service deliveries of any size or consistency. Moreover, CHR can help your company successfully integrate a deliverable program that blends a consultative approach, real-world plan and proven methodology while also fitting into your timeline and budget. In the end, this dynamic partnership gives you – a member of the League – a tremendous advantage with the ability to provide your customers not only a high-quality product, but high-quality service in the arena of logistics.

## MEMBERSHIP UPDATES PROVIDED

All League grower and shipper members benefit from transportation reports provided by CHR, which include information on the latest developments in the transportation market, factors affecting truck availability and pricing. Additionally, CHR representatives keep a pulse on the transportation market and provide quarterly reports to the Board of Directors with detailed market characteristics.

## COMMITTEE MEMBERS



John Rast (Rast Produce Company, Inc.), Committee Chair (Pictured Left) • Jim Bryan (Jasmine Vineyards, Inc.) • David Berg (David H. Berg & Co., Inc.) • Tyler Durant (C.H. Robinson Worldwide, Inc.) • Luke Gowdy (C.H. Robinson Worldwide, Inc.) • Drew Johns (Marko Zaninovich, Inc.) • William Johnson (Johnson Orchards, Inc.) • Chance Kirk (V. B. Zaninovich & Sons, Inc.) • Jaydee Martin (PCC Logistics) • Janice Simmons (Sensitech, Inc.)





# FruitPAC Board of Directors

FruitPAC is the League’s Political Action Committee that raises funds through three annual activities – the Harvest Event in the fall, the Annual Meeting Raffle in the spring and the positive check-off program, which allows League members to authorize up to eight percent of their membership dues for political expenditures.

For 2011, FruitPAC contributed \$43,000 combined for both state and federal races. FruitPAC successfully raised \$12,600 from the 2011 Harvest Event, \$10,350 from the 2011 Annual Meeting Raffle and more than \$18,000 from the positive check-off program. Thank you for your contributions!

### FRUITPAC CANDIDATE CONTRIBUTIONS SUMMARY:

**2011 TOTAL FEDERAL CONTRIBUTIONS: \$21,500\***

Republican: \$10,000

Democrat: \$10,000

\*\$1,500 Contribution to United Fresh Produce Association’s FreshPAC

**2011 TOTAL STATE CONTRIBUTIONS: \$21,500**

Republican: \$11,000

Democrat: \$10,500

### FRUITPAC BOARD OF DIRECTORS

Stan Tufts (Tufts Ranch LLC)  
*Chairman*

John D. Zaninovich (Merritt Farms)  
*Vice Chairman*

David Jackson (Family Tree Farms)  
*Secretary*

Robert Ikemiya (Ito Packing Company, Inc.)

Herbert Kaprielian (CRJ Farming Co. LP)

David Marguleas (Sun World International, LLC )

Louis Pandol (Pandol Bros., Inc.)

Cliff Sadoian (Cliff Sadoian & Associates)

# Federal Legislative Review



### LABOR

#### HR 2895 – SUPPORT

*Representative Dan Lungren (R-Folsom)*

This bill would create a temporary agricultural guest-worker program. Specifically, the bill directs the Secretary of Agriculture (USDA) to establish: (1) a non-immigrant temporary agricultural worker program (W-visa), which shall include annual numerical limitations and monthly limitations based on enrollment requests, historical agricultural employment needs and the reports of US workers applying for agricultural employment; and (2) a trust fund to administer and enforce the program and provide a monetary incentive for such workers to return to their countries upon visa expiration. The bill would set forth program provisions, including: (1) enrollment requirements, (2) a visa preference allocation system, (3) a biometric identification card requirement, (4) US worker protections, and (5) visa increases due to extraordinary and unusual employment circumstances.

#### 2011’S FEDERAL E-VERIFY BILL LACKED WORKABLE, EFFECTIVE PROGRAM

The Legal Workforce Act (HR 2885), a piece of legislation that would require employers to utilize a federal electronic verification system to check legal status of all employees, was introduced and made its way through numerous committees in 2011. The bill, authored by Representative Lamar Smith (R-Texas), was opposed by the California Grape & Tree Fruit League.

Since the bill’s introduction, League members and staff actively visited members from the California congressional delegation, engaging on the topic of E-Verify. They have focused on the fact that with the lack of a workable, effective program to allow immigrant workers to earn legal authorization to work on farms and ranches in the United States, the passage of a proposed employment verification rule would severely disrupt agricultural operations. Our growers and shippers of California tree fruit, fresh grapes and berries rely on a secure workforce. It is essential that the United States come up with a solution that is workable for farmers

### ENVIRONMENTAL RESOURCES

#### HR 1837 – SUPPORT

*Representative Devin Nunes (R-Visalia)*

This bill would halt the San Joaquin River Restoration Program and reduce monies available for salmon and environmental restoration, instead focusing resources on restoration of native species. Additionally, the bill would amend water deliveries by increasing levels per the 1994 Bay-Delta Accord, regardless of current restrictions in place supported by the Endangered Species Act or any other law affecting water flow.

#### HR 3678 – SUPPORT

*Representative Jerry McNerney (D-Pleasanton)*

This bill amends the Plant Protection Act to provide assistance to certain owners as compensation for economic losses due to quarantine and amends the Consolidated Farm and Rural Development Act to eliminate the requirement that a person demonstrate an inability to obtain credit elsewhere in order to qualify for a family farm emergency loan.

#### S. 1673 – SUPPORT

*Senator Dianne Feinstein (D-California)*

This bill would elevate agricultural inspections within US Customs & Border Protection by creating an Office of Agriculture Inspection and dedicating an Assistant Commissioner of Agriculture within the Agency.



who cultivate a safe, stable food supply.

The League is committed to continuing its advocacy for an immigration reform plan that offers a comprehensive solution to the problem of illegal immigration, and will remain at the table with legislators to communicate concerns on issues, such as E-Verify, that directly affect you.







# California Legislative Review

## TRAFFIC

### AB 1516 – SUPPORT

*Assembly Member Luis Alejo  
(D-Salinas)*

This bill would increase the weight limit for Class C license holders to 28,500 pounds and would add a length limitation for truck operators hauling trailers for use in agriculture.

### AB 2111 – SUPPORT

*Assembly Member Nora Campos  
(D-San Jose)*

This bill would add shade trailers to the definition of the implementation of husbandry in the vehicle code.

## LABOR

### AB 196 – OPPOSE

*Assembly Member Luis Alejo  
(D-Salinas)*

This bill would increase the state's minimum wage from \$8 to \$8.50 and would create an automatic increase tied to annual adjustments to the Consumer Price Index.

### AB 1313 – OPPOSE

*Assembly Member Michael Allen  
(D-Santa Rosa)*

This bill would repeal the longstanding 10-hour daily overtime requirement for agricultural employees (under IWC Order 14-80), requiring overtime for hours worked in excess of eight hours in a day or 40 hours in a work week.

### AB 1675 – SUPPORT

*Assembly Member Susan Bonilla  
(D-Concord)*

This bill would exempt a farm labor contractor from penalty for operating without a license, if they have attempted to process their license for renewal but completion is delayed due to administrative backlog on the part of the State Labor Commissioner. This bill would also

increase penalties for those farm labor contractors who are operating without a valid license.

### AB 2346 – OPPOSE

*Assembly Member Betsy Butler  
(D-Los Angeles)*

This bill would create a co-employment relationship between the farm labor contractor and employer and would give farm workers a right to legal recourse for failure to provide shade or water. The bill would unnecessarily set additional requirements for proximity to water and availability of shade.

### AB 2676 – WATCH

*Assembly Labor Committee*

This bill would permit the Director to share information with the Agricultural Labor Relations Board, including wage information, for use in investigative or enforcement actions under the Agricultural Labor Relations Act.

### SB 126 – OPPOSE

*Senator Darrell Steinberg  
(D-Sacramento)*

This bill would require the Agricultural Labor Relations Board to certify a union as a bargaining representative of a unit in cases of employer misconduct and a finding that a new election would not accurately or fairly reflect the free and fair choice of employees.



## IMMIGRATION REFORM EFFORTS IN CALIFORNIA

The California Agricultural Jobs and Industry Stabilization Program (AB 1544), authored by V. Manuel Pérez (D-Coachella Valley) during the 2012 legislative cycle, would have created a state work permit program, authorizing undocumented immigrants to work and reside legally in the State of California. Unfortunately, the bill did not advance this year.

The League is committed to continuing its advocacy for a comprehensive immigration reform plan that offers a complete solution to the problem of illegal immigration. Unfortunately, a solution has not been found at the federal level, and the League believes that this bill could help continue the communicative process regarding the need for the comprehensive immigration reform so that our members have a qualified and capable workforce.

Currently, under federal law, state laws regulating immigration are preempted. This bill would, upon the state receiving the necessary authority under federal law, require the Employment Development Department to administer the program and to certify that there are not enough legal residents in California to fill all open agricultural and service industry jobs in the state. Once the Department makes that certification, the bill would authorize the Department to issue permits to undocumented aliens to work in the agricultural and service industries, and would also authorize the Department to issue permits to reside in California to the immediate family members. Prior to the issuance of a permit, this bill would require an undocumented alien to pay a fee to the Department and would require those fees to be deposited into the program's fund.

## ENVIRONMENTAL RESOURCES

### AB 2063 – SUPPORT

*Assembly Member Luis Alejo (D-Salinas)*

This bill would prohibit communication between persons interested in a pending evidentiary hearing and a member of a state water board in the absence of other parties to the matter, if disclosed afterward.

### AB 2179 – OPPOSE

*Assembly Member Michael Allen (D-Santa Rosa)*

This bill would expand the authority of the California Department of Fish and Game to impose civil administrative penalties for any Fish and Game code violation, giving the Department authority to issue fines of up to \$20,000 for any violations. Further, the Department is allowed to keep all fine monies, which could provide the opportunity to serve as a significant revenue generator.





# Year In Photos

## 2011-12 EXECUTIVE COMMITTEE



Pictured above is the League’s 2011-12 Executive Committee. Members of this committee are asked to serve at this capacity by the Nominating Committee. Meeting prior to each Board of Directors meeting, the Executive Committee provides policy recommendations to the League’s Board.

## 2012 ANNUAL MEETING - THE RITZ-CARLTON, HALF MOON BAY



Pictured above, left-hand side is the League’s Incoming Chairman (FY 2012-13) Ryan Zaninovich and Outgoing Chairman (FY 2011-12) Steve Hash. Zaninovich presented Hash a gift as a small token of appreciation for his service to our organization.

Pictured above, right-hand side is League members greeting each other at the Chairman’s Welcome Reception during the 2012 Annual Meeting in Half Moon Bay.

Pictured bottom, left-hand side is the 2012 Supplier of the Year Awardee Tom Wilson (PPS Packaging Co., Inc.), who was recognized during the Suppliers Party held at the 2012 Annual Meeting in Half Moon Bay.

Pictured bottom, right-hand side are the featured industry workshop panel speakers at the 2012 Annual Meeting in Half Moon Bay. Speakers were (left to right) Frank Padilla, Costco; Steve Burnham, Safeway; Craig Ignatz, Giant Eagle; and Reggie Griffin, formerly with Kroger Company.

## 2012 GOVERNMENT RELATIONS TRIP SACRAMENTO, CALIFORNIA



Featured above are attendees and speakers who participated in the League’s 2012 Government Relations Trip in Sacramento. The trip contained numerous meetings, where participants had the opportunity to engage both Democrat and Republican legislators and regulators.



## 2012 LEAGUE GOLF TOURNAMENT

Pictured below are members who participated in the League’s annual golf tournament, held at Belmont Country Club in Fresno in March.





The League employs a collaborative approach to maximize its effectiveness by working together with other agricultural organizations and associations on issues that affect League members. Listed below are the group efforts in which the California Grape and Tree Fruit League participated in during FY 2011/12.

AGRIBUSINESS PRESIDENT’S COUNCIL

Description: To coordinate public policy issues among California agricultural associations and commissions.

Members: 33  
2011 Contribution: Included in the League’s regular government relations expenses

AIR COALITION TEAM

Description: Agricultural organizations that work together on issues related to air-quality litigation.

Members: 17  
2011 Contribution: \$5,000

ALLIANCE FOR FOOD AND FARMING

Description: Works in the areas of public relations, messaging and outreach related to food safety and pesticide-use related issues.

Members: 53  
2011 Contribution: \$10,000

CROP PROTECTION COALITION (CPC)

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.

Members: 14  
2011 Contribution: \$3,000

MINOR CROP FARMER ALLIANCE (MCFA)

Description: An alliance of agricultural organizations dedicated to addressing pesticide registrations.

Members: 18  
2011 Contribution: \$5,000

SPECIALTY CROP FARM BILL ALLIANCE (SCFBA)

Description: A broad alliance with the purpose of influencing the scope and efficiency of national agricultural policy.

Members: 130  
2011 Contribution: \$5,000

AGRICULTURAL COALITION FOR IMMIGRATION REFORM (ACIR)

Description: To serve as a leading advocate, seeking legislative reform addressing the short- and long-term labor needs of the nation’s agricultural interests.

Members: 75  
2011 Contribution: \$10,000

COALITION AGAINST CARD CHECK

Description: This coalition was formed under the leadership of the League to fight SB 104 (card check bill).

Members: 29  
2011 Contribution: \$10,000

OTHER IMPORTANT COLLABORATIVE EFFORTS

California Farm Water Coalition  
California Foundation for Agriculture in the Classroom  
California Women for Agriculture  
Central California Council  
The Maddy Institute  
National Council of Ag Employers  
Pacific Legal Foundation

1936/43 - A. SETRAKIAN

1943/45 - L. R. HAMILTON

1945/46 - J. M. PRENTICE

1946/47 - ROBERT TAYLOR

1947/48 - E. L. BARR, SR.

1948/49 - HAROLD BUTCHER

1949/50 - JOHN J. KOVACEVICH

1950/51 - DAVID J. ELLIOT, SR.

1951/52 - WILLIAM A. HAMILTON

1952/53 - WILLIAM A. LAMBERT

1953/54 - VIRGIL E. RASMUSSEN

1954/55 - W. C. “JERRY” DAY

1955/56 - MARTIN ZANINOVICH

1956/57 - ALFRED TISCH

1957/58 - JULIO PERELLI-MINETTI

1958/59 - J. A. DIGIORGIO

1959/60 - LEONARD LEBLANC

1960/61 - M. A. NIELSON

1961/62 - FRANKLIN GINDICK

1962/63 - EDWARD M. ZELLER

1963/64 - JACK PANDOL, SR.

1964/65 - GROVE E. DYE

1965/66 - GEORGE SADOIAN

1966/67 - MARION P. NEWTON

1967/68 - NICK BURATOVICH, SR.

1968/69 - E. L. BARR, JR.

1969/70 - R. K. SANDERSON

1970/71 - ROBERT A. GRANT

1971/72 - HOWARD A. HALL

1972/74 - DAVID J. ELLIOT, JR.

1974/75 - ALLAN CORRIN

1975/76 - FRANKLIN DEBUSKEY

1976/77 - DEAN MORRISON

1977/78 - MILAN CARATAN

1978/79 - TONY TRANEL

1979/80 - LUCILLE TIDWELL

1980/81 - JOHN GIUMARRA, JR.

1981/82 - JAMES RUBY

1982/83 - HOWARD MASON

1983/85 - JACK G. ZANINOVICH

1985/86 - DARREL FULMER

1986/87 - VERNE CROOKSHANKS

1987/88 - MICKY GEORGE

1988/89 - LOUIS S. CARIC

1989/90 - SARKIS SARABIAN

1990/91 - CRAIG RASMUSSEN

1991/92 - DOUG HEMLY

1992/93 - DENNIS PARNAGIAN

1993/94 - KENT STEPHENS

1994/95 - WAYNE BRANDT

1995/96 - CLIFF SADOIAN

1996/97 - STEVE BISWELL

1997/98 - RICK WIDHALM

1998/99 - KEN ENNS

1999/00 - NICHOLAS BOZICK

2000/01 - FRED BERRY

2001/02 - JIM SIMONIAN

2002/03 - JON P. ZANINOVICH

2003/04 - DAVID ELLIOT III

2004/05 - TONY FAZIO

2005/07- LOUIS PANDOL

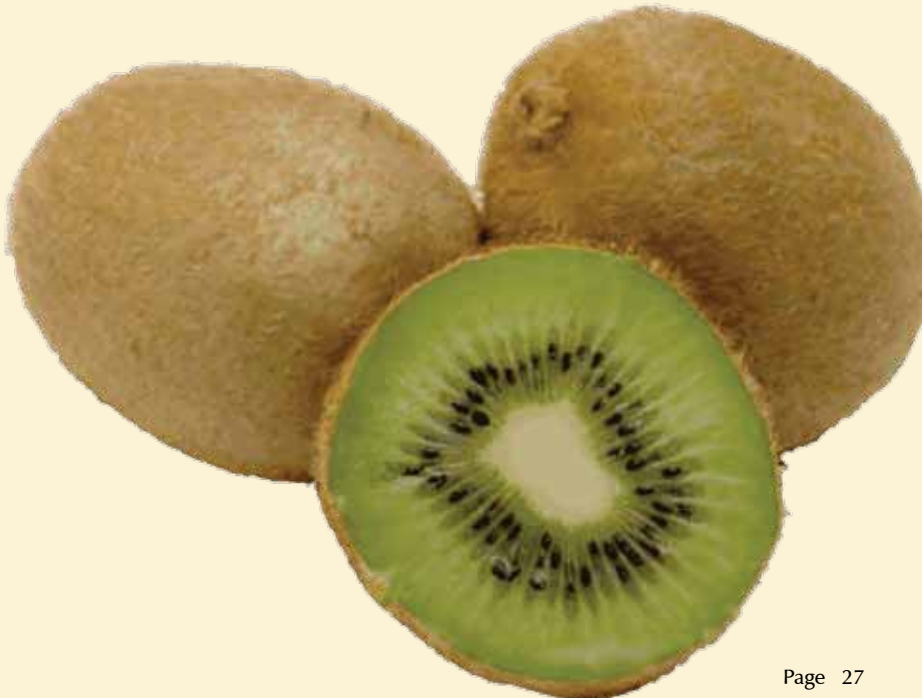
2007/08 - JERRY DIBUDUO

2008/09 - JOHN D. ZANINOVICH

2009/10 - MARKO S. ZANINOVICH

2010/11 - DAVID O. MARGULEAS

2011/12 - STEVE HASH



“ Our identity as an organization, as well as the driving force behind what makes us your organization, has stayed the same over the past 76 years – being responsive to our members and passionately advocating and protecting the California fruit industry’s needs and interests by communicating thoughtfully and effectively with our regulators, legislators, international trading partners and others. As an organization, we pride ourselves on developing and implementing a pragmatic approach to working with policy makers in Sacramento and Washington, DC by setting aside personal convictions in a bi-partisan political environment and reflecting the collective interests of the entire fresh fruit industry in California. ”  
–Steve Hash, 2011/12 Chairman of the Board of Directors





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