



# ANNUAL REPORT

## 2012 - 2013



CALIFORNIA  
GRAPE & TREE FRUIT  
LEAGUE



# LEAGUE LEADERSHIP

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### SECOND VICE CHAIRMAN

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### SECRETARY/TREASURER

Louis Pandol, Pandol Bros., Inc.

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\*Steve Hash, Steve Hash Farms

Doug Hemly, Greene and Hemly, Inc.

Kevin Herman, The Specialty Crop Company

*\*Member of the Executive Committee*

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Casey Jones, Sun Valley Packing

Herbert Kaprielian, CRJ Farming Co. LP

David Marguleas, Sun World International, LLC

\*Harold McClarty, HMC Farms

George Nikolich, Gerawan Farming, Inc.

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Tom Schultz, Chase National Kiwi Farms

Toni Scully, Scully Packing Co.

Jim Simonian, Simonian Fruit Company

Brent Smittcamp, Wawona Packing Co., LLC

Kent Stephens, Marko Zaninovich, Inc.

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John D. Zaninovich, Merritt Farms

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### EX-OFFICIO

Micky George, Micky George

Cliff Sadoian, Cliff Sadoian & Associates

## CGTFL STAFF

Barry Bedwell, President

Marcy Martin, Director, Trade

Christopher Valadez, Director, Environmental & Regulatory Affairs

Megan Jacobsen, Director, Membership

Sara Frauenheim, Associate Director

Vicky Jones, Bookkeeper

Erin Ragnetti, Office Coordinator

Gina Elser, Administrative Assistant

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# TOP TEN ISSUES

- 1 Immigration Reform/Enforcement/E-Verify:** Past attempts to secure passage of both a comprehensive immigration package and piecemeal approaches have been met with fierce resistance and slowed by electoral politics. Efforts continue to bridge the gap between economic and political realities.
- 2 Labor Laws/Regulations:** This issue continues to rank high each year on the Top 10 Issues list. In 2013, for example, emboldened by a supermajority in the Legislature, union activists have introduced legislation to circumvent the bargaining process to move immediately to mandatory mediation. The bill would expand the definition of an “agricultural employer” to include subsequent purchasers of an agricultural employer’s business where the original employer had an obligation to bargain with its workers. These efforts are aimed at capitalizing on prior election results, often times decades old, in lieu of conveying the current value of collective bargaining representation to drive present day representative elections. Labor issues, like this, will continue to be a top priority for the League.
- 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. 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, spanning from Lake and Mendocino counties in the north down through the San Joaquin Valley and into the 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 an agreement on long-term water certainty in a state divided over questions of water conveyance, capturing supply and ecosystem protection.
- 5 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.
- 6 Invasive Pest Issues/Quarantine Costs & Impacts:** The League continues to work with key regulatory officials and trading partners in the effort to combat the devastating effect of invasive pests, such as the European Grapevine Moth, Melon Fruit Fly, Spotted Wing Drosophila and Light Brown Apple Moth, at a time when resources are shrinking.
- 7 Workers’ Compensation Costs:** Increases in workers’ compensation costs remain an important concern, as carriers have sought rate adjustments to cover the rising costs associated with health care.
- 8 Food Safety Regulations/Audit Harmonization:** The passage and subsequent implementation of the Food Safety Modernization Act (FSMA) has great significance for the nation’s food supply. The League is positioned to continue to work with agencies to shape the rules implementing FSMA to ensure appropriate applicability to the growing, harvesting, packing and holding activities of its membership.
- 9 Air Quality Regulations/Fees/Costs:** The League remains positioned to advocate on behalf of its membership against burdensome regulatory impacts which affect its member operations’ ability to remain economically and competitively viable, while remaining in the State of California.
- 10 Water Quality Regulations (Nitrogen, Salts, Etc.):** The state has placed much of the burden of improving water quality for disadvantaged communities in rural areas onto agriculture. With new regulations aimed at regulating agricultural irrigation and fertilization practices, farming operations will see added impacts in the form of compliance costs. The League is poised to continue its work across legislative and regulatory audiences to shape rules and legislative proposals in a way which recognizes that there is a responsibility on the part of the state, not just agriculture, to ensure compliance with drinking water regulatory goals.



# CHAIRMAN'S REPORT

This past year while serving as Chairman of the Board of Directors for the California Grape & Tree Fruit League, I had the delightful opportunity to witness firsthand the organization's robust and increasing visibility among California's policy makers and legislators. This has been a direct result of the organization's continued effort to build positive relationships.

We can all agree that times have changed. It is pertinent for our membership to recognize that the political arena is not an optional area of involvement for this organization. It is a vital area that must continue to be developed. I believe it is critically important that the League continue to strengthen its bond with our elected representatives. Through the numerous events I have attended this past year as chairman, it is evident, I assure you, that the League does an outstanding job in serving as a voice for our collective operations on a wide variety of issues. I can personally attest to the League's demonstrated leadership to maintain a strong voice on labor issues, specifically labor laws, regulations and costs. Of the League's top ten priority issues identified by the Board each year, labor continues to rein as the leading.

The League has a long history of service to our industry. The question for all of us is, where do we go from here? In my opinion, we have an obvious, correct choice – we must continue to work together and fight for the future of our industry. I strongly believe that the benefits of League membership far outweigh the costs. You and I are members of the League because we recognize that the League is a valuable part of our economic bottom line. It is essential for all of us to have a strong, united voice. Farming, the industry that we have chosen to invest our time and livelihood, is a unique business. It is an industry where the participants hold deep-rooted convictions about the importance of what they do. They have a close personal connection with the land and the people on it. Although farmers are businessmen, they care about more than just the bottom line. Most of us entered into this business because it is in our blood. Like many of you, I am part of a family that has staked our lives and our fortunes to agriculture. We stay in agriculture because we believe that what we do is important to ourselves, our workers, our communities and the nation and world that we help feed. We wouldn't have it any other way.

It has been an honor to serve as the California Grape and Tree Fruit League's Chairman of the Board of Directors during the 2012/2013 fiscal year. I would like to thank Barry Bedwell and the rest of the League's staff for their excellent service and a job well done.

On behalf of the Board of Directors and Executive Committee, thank you for your continued support of the California Grape & Tree Fruit League. We continue to be extremely grateful for the opportunity to be of service to our state's fresh table grape, blueberry and tree fruit growers and shippers and look forward to addressing the challenges in the years ahead.

## RYAN ZANINOVICH

Chairman 2012/13 FY

California Grape & Tree Fruit League



*Left, Chairman Ryan Zaninovich in Washington, D.C. during the United Fresh Produce Association's October 2012 Washington Public Policy Conference. Middle, Zaninovich welcomes guests to the 2013 Annual Meeting in Laguna Beach. Right, Zaninovich during the 2012 Governmental Relations Trip in Sacramento.*

# PRESIDENT'S REPORT



For the fiscal year just completed, a look back reveals a timeframe of highs and lows, accomplishments, as well as continuing challenges. On the positive side, growers and shippers of fresh table grapes and tree fruit continued, successfully, their quest for economic viability by maximizing efficiencies and participating in markets that were generally stronger than the year before. However, for growers of peaches, plums, apricots and nectarines, there was a realization that a portion of that market success was attributable to a hail event in April 2012 that reduced supply by approximately ten percent. For those growers impacted directly by that weather, the past year was definitely a low.

In the area of accomplishments, League members can take pride in successfully pushing back against a number of pieces of unfavorable legislation at the state level. One of which attempted to change the law to unreasonably alter heat illness prevention regulations and provide a path for unwarranted lawsuits by third parties. That bill was vetoed by Governor Brown who, once again, showed his understanding and knowledge of the importance of agriculture to the state's economy and citizens. Another bill which would have singled out agriculture in connection with changes to overtime was defeated by the Assembly after front line farm employees explained its real impact to legislators.

This past year was also an election year and the League, in cooperation with a small number of other agricultural associations, assisted in funding an independent expenditure effort against an incumbent of the Assembly who unwisely declined to communicate with agriculture. That individual was either badly misinformed or simply lacked the ability to be fair, but in the final analysis, the efforts of the independent expenditure committee resulted in defeat for that Assemblymember. The message was heard loud and clear by all parties that agriculture should not be taken for granted and we simply want to be assured a place at the table to properly discuss areas of importance to our members.

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At the federal level, the League continues to play an active role in the issues related to immigration reform, food safety and the formation of a new Farm Bill. In fact, as we prepare this annual report, we seemingly are closer to meaningful immigration reform than any time in the past two decades. However, even though the Senate has produced a bill, the House of Representatives, where the cry of "amnesty" has begun to be heard, remains a formidable challenge to the production of an acceptable piece of legislation.

In summary, this past year was a good one for both League members and the organization. The value provided by your association is widely recognized and membership continues to expand at a steady rate. Staff is primed to address the many pitfalls before us related to labor costs and regulations, water supply, health care mandates, invasive pests and diseases, air and water quality regulations, crop protection material availability and efforts to open more export markets.

I am extremely grateful for the contributions of our Board of Directors, Executive Committee and all of our standing committee members. Their efforts are truly the foundation of success and growth for this organization. I also remain very appreciative of the opportunity to be of service to our members and the entire produce community and we, as staff, look forward to a successful future.

**BARRY BEDWELL**

President

California Grape & Tree Fruit League

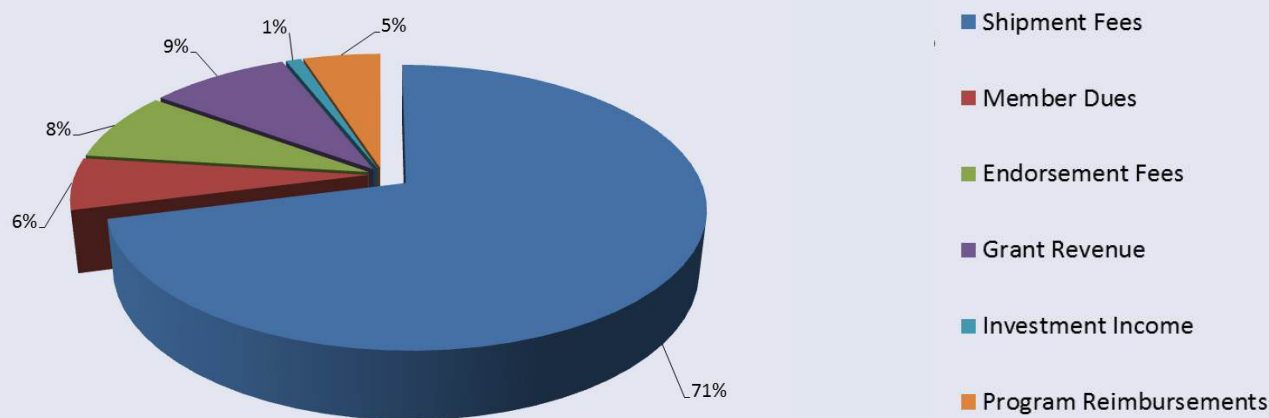
# FINANCIAL SUMMARY

The League continues to flourish financially, as membership dues and assessments hit all time records for the fiscal year (FY) ending February 28, 2013. A record table grape crop more than made up the slack due to weather events in April of 2012 which took a bite of production from other commodities, such as peaches, plums, nectarines and apricots. Though both total revenue and expense hit record highs, the net result was again a gain for member equity.

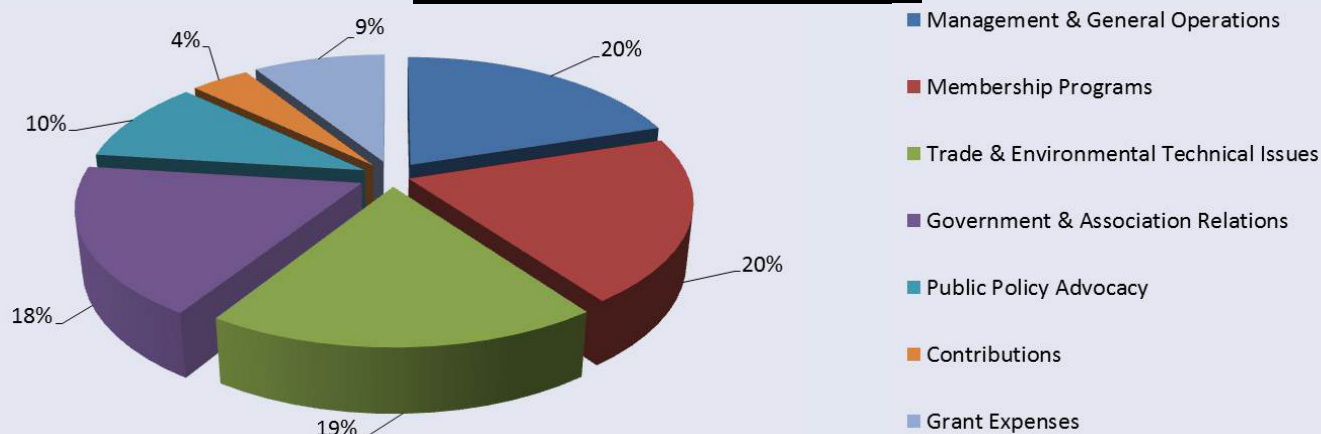
With almost \$1.5MM in equity, the Board of Directors and Executive Committee maintain tight fiscal control over expenditures, while continuing to search for new revenues, which are vital in fulfilling the mission statement. The League's Board is committed to maintaining financial stability while adhering to strict monetary policies. Prudent management of assets is at the forefront while targeting certain monetary ratios which are in excess of stated policies.

The following represents the League's revenue and expenditures for the latest FY.

**2012/13 FY LEAGUE REVENUE**



**2012/13 FY LEAGUE EXPENSES**





# YEAR AT A GLANCE

When you support the League, you are part of a unified voice that advocates relentlessly for the fresh grape, tree fruit and blueberry 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. We are committed to helping you succeed. It is because of your financial contributions and the organization's grassroots approach that we are able to accomplish the things that we do each and every year. The following four pages highlight a few of the areas the League has worked on this past fiscal year. As always, in addition to the Annual Report released every year, the League continues to publish its bi-weekly On Target Newsletter to keep you up-to-date regarding important industry news.

## Advocating Through Education

*During the 2012/13 FY, the League helped to educate our elected leaders:*

► Staff traveled to San Diego to participate in an Assembly District 76 tour hosted by Assembly member Toni Atkins (D-San Diego). The visit served as a way to connect the reach of California agriculture throughout the state, while bridging the understanding between cultural, business and political realities of rural and urban areas of the state. The tour included looks at biofuel operations, water conservation and treatment operations, wildlife habitat and a visit to the southern US/Mexico border.

► Welcomed California State Senator Alex Padilla (D-Pacoima) and Los Angeles City Councilman and Congressional Candidate Tony Cardenas (D-Van Nuys) for a tour of South Valley

agricultural operations. Tour participants visited a Sunview Vineyards (Marko Zaninovich, Inc.) table grape operation to view harvest activity and discuss labor availability and water supply concerns. Participants also visited Paramount Citrus, an almond hulling and shelling operation and a cotton gin.

► Member Harold McClarty (HMC Farms) and staff joined members of the Agricultural Presidents' Council in welcoming Latino Caucus Chairman Assembly members Ricardo Lara (D-Commerce), Henry T. Perea (D-Fresno), Felipe Fuentes (D-San Fernando) and Jose Solorio (D-Santa Ana), as well as numerous legislative staff members, to the Central Valley for a visit and look into farming operations. The two-day Valley tour exposed the legislators and staff to varied agricultural operations, which included citrus, table grapes, nuts, dairy, cotton, tomatoes and melons.





## Trade Facilitation

*During the 2012/13 FY, the League worked to ensure that our members and their operations have the necessary tools and resources to succeed:*

- ▶ Applied on behalf of California's stone fruit industry for Market Access Program (MAP) funds for the 2013 season. Funding awarded through MAP supports activities to promote trade within the export marketplace. The 2013 application included program activities to support stone fruit trade within Mexico, Taiwan, New Zealand and Australia.
- ▶ The League was awarded grants by the U.S. Department of Food & Agriculture's Foreign Ag Service (FAS) for California stone fruit post-harvest research and *Drosophila suzukii* to address export market access concerns in Australia and New Zealand in the amount of \$691,711 for a three-year project.
- ▶ Continued work on market access into Australia for California peaches and nectarines. Entrance is pending under post-harvest quarantine treatment for *Drosophila suzukii* for the 2013 season under preclearance.
- ▶ Developed industry protocol for the implementation of an In-transit cold treatment (CT) to maintain market access under New Zealand emergency measures for *Drosophila suzukii*.
- ▶ Worked to maintain market access into Chile under fumigation or cold treatment option to address concerns for stone fruits and *Drosophila suzukii*.

- ▶ The League coordinated individual grower member donations to help fund a study conducted by Texas A&M AgriLife, which found that stone fruit, particularly peaches, plums and nectarines, can potentially help to fight diabetes and cardiovascular disease, both of which are associated with obesity. These fruits contain phenolic compounds, which have anti-obesity, anti-inflammatory and anti-diabetic properties and may also reduce the oxidation of bad cholesterol (LDL), associated with cardiovascular disease.
- ▶ Provided technical assistance to our members regarding state and federal packaging and labeling regulations.
- ▶ The Stone Fruit Mexico Export Program was renewed in 2012, with 21 participating companies exporting 2.8 million boxes of peaches, plums, nectarines and apricots south of the border.



## Collaborating With Others

*During the 2012/13 FY, the League continued to collaborate with agricultural associations in positive advocacy efforts for the industry:*

- ▶ League President Barry Bedwell joined more than 1,200 pest control advisors and guests at the 38th Annual Conference of the California Association of Pest Control Advisers (CAPCA) in Anaheim to present on California pest management regulations and its challenges from the perspectives of California grape and tree fruit growers. Bedwell stated that growers and pest control advisors (PCAs) should stress to the general public that pesticides are simply designed to protect plants and that they are subject to careful precaution and intense regulatory oversight and that it is our job to educate the consumer about the safe and reliable food supply the industry provides.
- ▶ Staff participated in the United Fresh Produce Association's 2012 Washington Public Policy Conference. The series of workshops and Capitol Hill meetings, which included staff from the offices of Senators Boxer and Feinstein, and

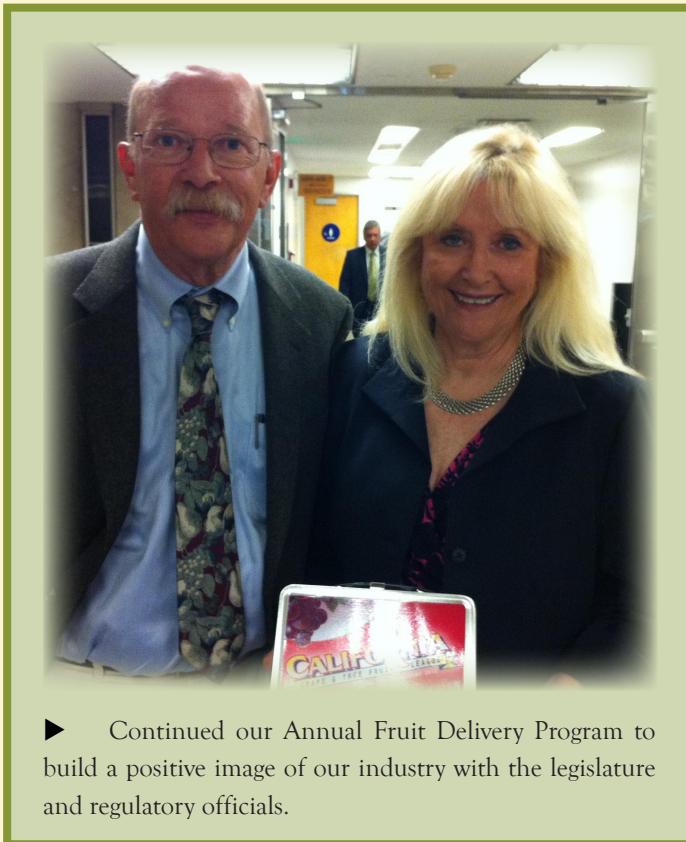
Representatives Costa, Denham and McCarthy, included updates on pending legislation, such as the USDA's support of the 2012 Farm Bill and the development of guidance documents for the Food Safety Modernization Act, which is of great importance to the League and its members

- ▶ In mid-February 2013, League President Barry Bedwell and Director of Environmental & Regulatory Affairs Christopher Valadez traveled to Washington, D.C. to take part in United Fresh's Government Relations Council Meeting. A variety of officials participated, including U.S. Secretary of Agriculture Tom Vilsack, who outlined the Department's 2013 priorities, including the anticipation of a completed Farm Bill development process. Additionally, trip participants were joined by key staffers to discuss caucus policy priorities affecting agriculture, the implementation of the Food Safety Modernization Act, Affordable Care Act and the likelihood of developing and advancing comprehensive immigration reform legislation.

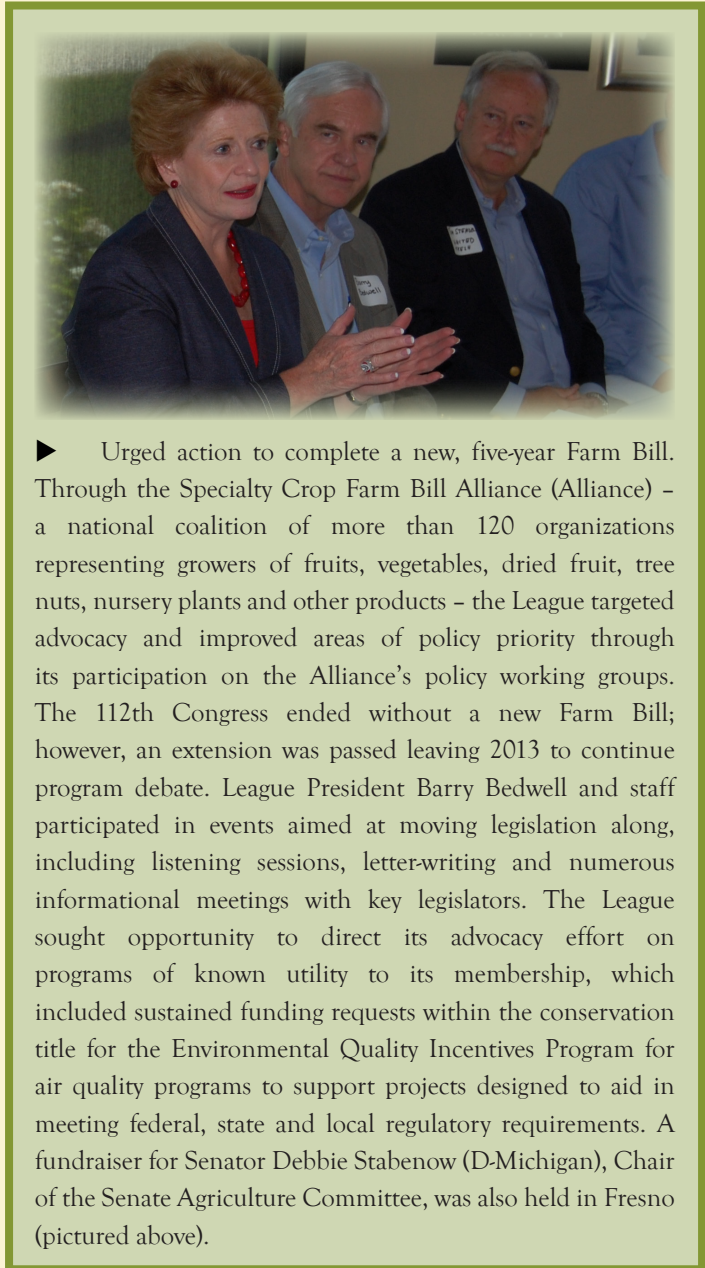
## Your Voice Heard

*During the 2012/13 FY, the League helped to make your voice heard:*

- ▶ Again served as a partnering organization with the Farm Employers Labor Service (FELS) in conducting the 2012 Wage and Benefit Survey, aimed at collecting data which was used to obtain an overall view of wage & benefit norms for the agricultural industry. Results were made available to League members only, obtainable by logging onto the League's website.
- ▶ Through our partnership with the Alliance of Food and Farming, we responded to commentary by the activist organization Environmental Working Group, which attempted to cast doubt by manipulating pesticide data to mislead consumers on the safety of fruit and vegetables. Information was disseminated to the public on the decision-making process and steps taken to ensure the continued safe production of commodities.
- ▶ Met with agricultural organization leaders throughout the state to discuss strategies for moving forward to secure the introduction of an agricultural labor element as part of an overall comprehensive immigration reform strategy. Together, leaders collaboratively worked on desired legislative principles for comprehensive immigration reform, which has served as points of discussion heading into advocacy efforts on the shape of an immigration package.



- ▶ Continued our Annual Fruit Delivery Program to build a positive image of our industry with the legislature and regulatory officials.



- ▶ Urged action to complete a new, five-year Farm Bill. Through the Specialty Crop Farm Bill Alliance (Alliance) – a national coalition of more than 120 organizations representing growers of fruits, vegetables, dried fruit, tree nuts, nursery plants and other products – the League targeted advocacy and improved areas of policy priority through its participation on the Alliance's policy working groups. The 112th Congress ended without a new Farm Bill; however, an extension was passed leaving 2013 to continue program debate. League President Barry Bedwell and staff participated in events aimed at moving legislation along, including listening sessions, letter-writing and numerous informational meetings with key legislators. The League sought opportunity to direct its advocacy effort on programs of known utility to its membership, which included sustained funding requests within the conservation title for the Environmental Quality Incentives Program for air quality programs to support projects designed to aid in meeting federal, state and local regulatory requirements. A fundraiser for Senator Debbie Stabenow (D-Michigan), Chair of the Senate Agriculture Committee, was also held in Fresno (pictured above).
- ▶ Maintained active involvement with water and air quality issues, working to ensure that any new regulations do not impose unfair and costly burdens on growers and shippers.
- ▶ The League led a grower initiative to preserve hail cannon use aimed at protecting valuable and sensitive crops from storm damage. Through a series of meetings, the coordination effort led to stakeholder development of best management practices (BMP) designed as guidelines for responsible hail cannon use in Kings County. The League engaged the Kings County Agriculture Commissioner's office to develop BMPs as a means to avoid harsh steps by the County to curtail use, including added scrutiny and possible proposals to change the County's right to farm ordinance. Through an agreement between the grower community, county officials, and surrounding residents, the BMPs were designed to permit continued, responsible use of hail cannons.



# YEAR AT A GLANCE

## Education-Centered Seminars

*During the 2012/13 FY, the League conducted numerous educational workshops and seminars on a wide range of topics to help you succeed:*

- ▶ Collaborated with numerous agricultural organizations to resume positive training efforts with the Department of Industrial Relations and Cal/OSHA on Heat Illness Awareness in agriculture. Classes were conducted free of charge and focused on safety precautions to be taken to protect farm workers during times of high heat. The League continues to strongly encourage members to participate to keep up on safety procedures.
- ▶ Partnered with Zenith Insurance Company to provide two free “Lunch N’ Learn” sessions that covered Cal/OSHA’s interest in formalizing worksite personal protective equipment plans. Jack Passarella, Zenith’s Safety & Health Supervisor, moderated the workshops.
- ▶ Joined forces with Zenith Insurance Company to provide agricultural motor vehicle safety updates in the League’s bi-weekly OnTarget Newsletter. The updates identified steps to take to prevent accidents, including mandatory use of safety belts, zero tolerance for drug or alcohol use and providing training which includes driving in poor weather, such as rain and fog.
- ▶ In cooperation with multiple other organizations, the League produced a workshop series focusing on aerial lift work equipment and fall protection training as part of ongoing efforts to foster the safest possible working environment for employees in the agricultural industry.
- ▶ Hosted a meeting with Zenith Insurance Company to allow our members to hear directly from Cal/OSHA leaders,



including Aston Ling, senior safety engineer and Labor Enforcement Task Force coordinator, about top priorities for tree fruit, fresh grape and berry producers in regard to their Confined Space Emphasis Initiative, which aimed to educate the public on the risks associated with working in confined spaces. Priorities included creating a written confined space plan and employee/supervisor training on safe work procedures, hazard controls and rescue procedures.

- ▶ Conducted a seminar focusing on employer communication with farm employees in response to union activity resulting in multiple strike elections. The workshop was presented by League Associate member Ron Barsamian (Barsamian & Moody, Attorneys at Law) and aimed to educate members in regard to the efforts of the United Farm Workers of America (UFW) to gain access and certification as the collective bargaining representative under the strike election scenario under which a petition for certification must be supported by a majority of the workforce, along with a determination that a majority are engaging in a strike activity, which then triggers an election within a 48-hour window. It also served to reinforce the idea that communication with one’s farm workers may prevent their future support of the UFW to gain said certification.

# ENVIRONMENTAL RESOURCES COMMITTEE

The Environmental Resources Committee is one of the League's most active committees, due to the tremendous regulatory oversight that exists in California. Led by Chairman Paul Giboney, the committee targeted numerous issues last fiscal year, including:

## VOC Emissions

Throughout the development of the regulation on volatile organic compounds (VOCs), the League has actively engaged the California Department of Pesticide Regulation (DPR) for greater flexibility. This effort resulted in changes to the final regulation to permit DPR's director to use discretion to remove an active ingredient or crop from the regulatory scope if use patterns change, resulting in a decrease in pesticide VOC emissions. Additionally, if the trigger is reached and the required use of a low-VOC formulation for the active ingredients (AI) on the affected crops demonstrates that use of the low-VOC formulation was less efficacious, the regulation was amended so the director could add an exemption to permit use of the high-VOC formulation.

## FSMA Produce Rules

In 2013, FDA released for public comment a proposed rule on Food Safety Modernization Act's (FSMA) Preventive Controls for Human Food and a proposed rule on Standards for Produce Safety. Many operations currently employ practices which would satisfy minimum requirements within the FSMA implementing regulations. The League has worked to analyze the rules and is developing comments on what is anticipated to be a first draft of two of FSMA's implementing rules.

## Water Quality

The League worked as part of an agricultural coalition with the Central Valley Regional Water Quality Control Board staff to issue concerns and guide changes to water quality regulations. The Board aimed to replace its current surface water discharge water quality program - Irrigated Lands - with a program to regulate both surface and groundwater quality. The regulation was crafted to require the identification of numerous monitoring areas to assess impact of management practices onto site conditions. The League resisted the broad representative program to work with regional board staff to consider a program to create an existing conditions studies at limited sites, analyzing nitrogen impacts to generate better information on the likelihood

of impacts to groundwater. The League continues to work with its key stakeholders and engage staff to recognize potential impacts from the continued development and implementation of regulations.

## Critical Use Exemption (CUE)

The League, along with 25 other national organizations, formed the Crop Protection Coalition (CPC) to focus advocacy for the continued availability of methyl bromide for production agriculture, quarantine and food sanitation uses. Collectively, these actions support the industry's ability to provide input to U.S. government regulators on the significance of maintaining its availability and assists with activities on Capitol Hill. The League continues to work with the methyl bromide registrant and EPA to address the need to promote the CUE process or stakeholders.

## Proposition 65

The current Proposition 65 list includes several chemicals utilized in the production of fresh fruits and vegetables. Sulfur dioxide (SO<sub>2</sub>), a fungicide applied to table grapes, has been designated as causing reproductive harm through inhalation. The League performed an internal review of the published literature from the available dietary and residue foods trials and contracted with USDA Agricultural Research Services (ARS) to evaluate the dietary exposures in relation to combined sulfite equivalents within fresh grapes. The results of these evaluations confirm consumer warnings regarding SO<sub>2</sub> exposure would not apply to fresh grapes.

### COMMITTEE MEMBERS

Paul Giboney, *M. Caratan, Inc.*, Committee Chair • George Nikolich, *Gerawan Farming, Inc.* • Brett Britz, *Sunwest Fruit Company, Inc.* • Dave Bryan, *Etchegaray Farms, LLC* • Jim Bryan, *Jasmine Vineyards, Inc.* • John Carter, *M. Caratan, Inc.* • Nassar Dean, *Bayer CropScience* • Moe DiBuduo, *DiBuduo Fruit Co.* • Nat DiBuduo, *Allied Grape Growers* • David Fenn, *Sun World International, LLC* • Micky George • Steve Hash, *Steve Hash Farms* • Virginia Hemly Chhabra, *Greene and Hemly, Inc.* • Mike Hemman, *DuPont Crop Protection* • Cindy Ibrahim, *La Vina Ranch* • Richard Machado, *Agrian Inc.* • Andrew J. Pandol, *Pandol Bros., Inc.* • Cliff Rolland, *Abe-El Produce* • Andy Zaninovich, *Jasmine Vineyards, Inc.* • John D. Zaninovich, *Merritt Farms* • Judy Zaninovich, *CCV Table Grape Pest & Disease Control District* • Selleck Zaninovich, *V.B. Zaninovich & Sons, Inc.*



# GOVERNMENT RELATIONS COMMITTEE

Making your voice heard is one of the primary missions of the Government Relations Committee. Led by Committee Chairman Carol Chandler (Chandler Farms, LP), the committee is 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. Below is a review of two of the Committee's most notable programs.



## Annual Fruit Delivery Program

The Annual Fruit Delivery Program serves as an opportunity for the League to connect state legislators and regulators, and their staff, with the fresh and nutritious produce grown and shipped by our members. League Board Member Ken Enns and League staff members Christopher Valadez and Megan Jacobsen traveled to Sacramento on August 22, 2012 to deliver the fresh produce. For 2012, state leaders were presented with a redesigned League lunch pail, delicately packed with delicious fruit. More than 100 League fruit deliveries were made, covering the Capitol and various regulatory agencies, including the Department of Food & Agriculture, Labor & Workforce Development Agency and Environmental Protection Agency. The success of the fruit delivery would not have been possible without the generous contributions

from League members Dean Thonesen (Sunwest Fruit Company, Inc.), Ken Enns (Enns Packing Co.), Harold McClarty (HMC Farms), Louis Pandol (Pandol Bros, Inc.), Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.) and Jon P. Zaninovich (Jasmine Vineyards, Inc.).

## 2013 Government Relations Trip

The 2013 Government Relations Trip to Sacramento was a great success. During the evening of February 19, participants were joined for more than two hours during a reception and dinner by Governor Jerry Brown and First Lady Anne Gust Brown. Since coming into office, the League has sought to develop a working relationship with the Governor and members of his cabinet and was fortunate to receive dedicated attention during the trip to discuss issues of importance, as well as strengthen the existing relationship. The regulatory briefing participation included, from California Department of Food & Agriculture Secretary Karen Ross and California Environmental Protection Agency Secretary Matt Rodriguez. Briefings were also held with Agricultural Labor Relations Board Chair Genevieve Shiroma and Board Member Cathryn Rivera-Hernandez; California Department of Pesticide Regulation Director Brian Leahy and Chief Deputy Director Chris Reardon; and Central Valley Regional Water Quality Control Board Executive Officer Pamela Creedon. Each speaker addressed key issues affecting California agriculture. Assembly Member Marc Levine (D-San Rafael) joined trip participants for a breakfast meeting, and Assembly members Adam Gray (D-Merced), Susan Eggman (D-Stockton), Connie Conway (R-Visalia), Rudy Salas (D-Bakersfield) and Senator Tom Berryhill (R-Modesto), also participated, meeting one-on-one with trip participants.

### COMMITTEE MEMBERS

Carol Chandler, *Chandler Farms, LP*, Committee Chair • Randy Giumarra, *Giumarra Vineyards Corporation* • Maria Alvarado, *Manectar Farms* • Peter Baldwin, *Aon Risk Services* • Justin Bedwell, *Bari Produce LLC* • David Clyde, *Grapeman Farms dba Stevco* • Moe DiBuduo, *DiBuduo Fruit Co.* • Richard Elliot, *David J. Elliot & Son* • Kevin Herman, *The Specialty Crop Company* • 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* • Melissa Poole, *Paramount Farming Company* • Pat Ricchiuti, *PR Farms, Inc.* • Blair Richardson, *Wes Pak Sales, Inc.* • Cliff Rolland, *Abe-El Produce* • Cliff Sadoian, *Cliff Sadoian & Associates* • Tom Schultz, *Chase National Kiwi Farms* • 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 appraised 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 focus on the needs of its colleagues in the fresh grape, tree fruit and berry communities. For the 2012/13 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 more than 15 years. The League encourages its members to select the company for their crop insurance needs. The value of the partnership is based on 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. The company continues to be the leading crop insurance provider in the state, with approximately 30 percent of its business in California. Rain and Hail Insurance Service, L.L.C. works with numerous agencies throughout California to provide this coverage.

## Workers' Compensation

Zenith Insurance Company is the League's official endorsed carrier of workers' compensation insurance. Zenith draws on more than 60 years of expertise working with a broad spectrum of businesses to meet workers' compensation needs. Each business faces unique challenges and risks, and a one-size-fits-all solution rarely works. Zenith has built a reputation as an industry leader by providing superior service and assisting customers with self-sufficiency, all with a focus on improving the business' bottom line. Zenith is committed to improving workplace safety and health; emphasizing the long-term health of employees; obtaining quality medical care for the injured, managing claim processes; fighting fraud and abuse; and returning injured employees to work.

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. Check out page 8 of this report to read about events Zenith and the League have co-hosted this past year as part of our collaboration.

## Retirement

League members continue to be eligible to participate in a full-service retirement program with Alerus Retirement Solutions. This specialized program offers great value to members, as they can receive additional services without the added charges and fees.

### COMMITTEE MEMBERS

Ken Enns, *Enns Packing Co., Inc.*, Committee Chair • Louis Pandol, *Pandol Bros., Inc.* • Ed Bolger, *Wells Fargo Insurance Services* • Joe Cacace, *Enns Packing Co., Inc.* • Craig Gonzales, *Rain and Hail Insurance Service, L.L.C.* • Nelda Lewis, *Pan American Insurance Agency* • Marcia Shafer, *Shafer Family Farm* • Brent Swanson, *Buckman-Mitchell, Inc.* • Lyle Willems, *Lyle & Becky Willems*



# LABOR COMMITTEE

Under the leadership of Board of Directors and Committee Chairman Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.), the Labor Committee continually monitors the complex set of agricultural labor regulations at both the state and federal levels. Some of the activities of the Committee are highlighted below.

## Keeping Immigration Reform at the Forefront

Building upon prior success in strengthening relationships with members of California's Latino Caucus, the League accepted an invitation from Assemblyman V. Manuel Perez (D-Coachella) to support AB 1544, the California Agricultural Jobs and Industry Stabilization Program. While acknowledging the reality that California was not likely to receive federal authorization to execute a state-based immigration program, the League took the opportunity to work with Perez to utilize the bill as a way to keep the need of securing comprehensive immigration reform at the forefront of the political landscape. The bill served as an example of how a state as diverse as California could execute a work program for agriculture and service industry jobs, utilizing the roadmap laid out by the federal-level AgJOBS legislation to shape work permit authorization to undocumented aliens to work in the agricultural and service industries and who meet specified criteria.

Additionally, the League, as part of the Agricultural Coalition for Immigration Reform (ACIR), maintained activity through efforts to generate support for comprehensive immigration reform that would include an agricultural component. Discussions centered on the introduction of a single proposal, inclusive of a worker program for new hires, as well as a status adjustment for people currently residing in the U.S. and employed in ag. The League expanded its advocacy strategy in working with a grassroots coalition targeting conservative congressional members on the importance of securing immigration reform. The



effort focused on forming small coalitions to lobby congressional members to ask for their support of comprehensive immigration reform. Organizing these distinct, yet parallel, operating tracks, a broader coalition was formed. The Agriculture Workforce Coalition (AWC), of which the League is a partner, crafted and circulated on Capitol Hill a proposal for a work program that contained an adjustment of status component for current workers and a future worker component to help employers find qualified employees as others leave the workforce through a visa program. The AWC's core principles ultimately shaped the agricultural component of S. 744, the Border Security, Economic Opportunity and Immigration Modernization Act.

## California State Legislation

During the 2012 California legislative cycle, two bills were at the forefront of opposition from the agricultural community. Upon the introduction of AB 1313 and AB 2346, the League immediately worked to bridge coalition efforts to channel opposition. AB 1313 would have repealed the longstanding 10-hour daily overtime requirement for agricultural employees and required overtime pay for hours worked in excess of an eight hour work day or 40 hour work week. The bill failed to pass out of the Legislature on the last day of session. AB 2346 initially included unnecessary provisions regarding distance of both shade and water and contained language to create a private right of action permitting farm employees or advocate group to sue farm employers for failing to comply with the heat illness prevention standard, as well as create joint-liability between the farm labor contractor and farm employer. The League expressed concern which ultimately led to the defeat of AB 2346 by way of a veto from Governor Brown.

## Confined Space Emphasis Initiative

The League collaborated with Cal/OSHA to offer a Confined Space Emphasis Initiative Workshop to educate members on regulatory requirements regarding the risks associated with working in confined spaces. Acknowledging the high priority placed on the initiative by Cal/OSHA, the League worked to bring awareness of workplace hazards and employer requirements.

### COMMITTEE MEMBERS

Ryan Zaninovich, V. B. Zaninovich & Sons, Inc., Committee Chair • Kerry Whitson, Golden Maid Packers • Maria Alvarado, Manectar Farms • Ron Barsamian, Barsamian & Moody, Attorneys at Law • Nicholas Bozick, R. Bagdasarian, Inc. • Brett Britz, Sunwest Fruit Company • Carol Chandler, Chandler Farms, LP • Greg Feaver, Enns Packing Co., Inc. • Dan Gallegos, Marko Zaninovich, Inc. • Joe Garcia, Jaguar Labor Contracting • Bob Greiner, HMC Farms • Cindy Ibrahim, La Vina Ranch • Nelda Lewis, Pan American Insurance Agency • Rick Milton • Pat Ricchiuti, PR Farms, Inc. • Cliff Rolland, Abe-El Produce • Karen Vived, Sun World International, LLC • David Ysusi, DiBuduo & Defendis Insurance Brokers, LLC • Andy Zaninovich, Jasmine Vineyards, Inc. • John D. Zaninovich, Merritt Farms

# MARKETING COMMITTEE

Under the leadership of Chairman Harold McClarty, the Marketing Committee provides oversight to market access and competitiveness at domestic and international levels.

## Stone Fruit Mexico Export Program

Mexico represents the second largest export market behind Canada for peaches, plums, nectarines and apricots from California. In 2012, twenty-one stone fruit shipper members participated in the League's administered export program. The program allows for exports into Mexico during the periods of May 1 through November 15 annually. Total volumes exported into Mexico during the season were 2.8 million cartons; apricots 72,389, peaches 1.62 million, plums 694,564 and nectarines 376,799.

## North American Plant Protection Organization (NAPPO)

NAPPO's regional mandate was formalized by Canada, U.S. and Mexico in a Cooperative Agreement signed in 1976 and is accountable to the Secretary(s) of Ag within the member countries. The League is one of two U.S. industry members within the NAPPO Fruit Panel and works on assignments mutually agreed to by the organization's executive committee. As the administrator of California's stone fruit export program to Mexico, our participation within panel assignment has direct impact on potential development of standards or decisions which may affect member commodities.

## Mexico Tomatoes & U.S. Dispute

While this is not a trade dispute involving member commodities, disputes do have a history of impacting the commodities we represent. Despite the suspension of tariffs from the 2011 Mexico Trucking Program, retaliatory tariffs are within the realm of possibility and so it is important to monitor U.S. commodity disputes. Both the League and the California Table Grape Commission continue to communicate to legislative officials the importance of maintaining good trade practices to avoid unintended consequences impacting those outside of the target.

## U.S. Trade Representatives (USTR)

The League responded to requests in the fall of 2012 for comments by the office of the U.S. Trade Representatives (USTR) in advance of preparing the annual report for Congress. These comments were to communicate circumstances where U.S. trade is negatively impacted through various penalty systems adverse to trade relations; quarantine or invasive pest detections, administrative omissions within the scope of an export activity or when sanctions applied are more onerous than U.S. sanctions imposed on

imported commodities. The League serves as the industry's representative for stone fruit production within California and we monitor the economic impacts associated with exporting, as impacted by the agreements entered into by U.S. and trade partners.

## Produce Traceability Initiative (PTI)

The League actively sought information from members to attain a deeper understanding of the level of implementation of PTI, a voluntary electronic case-level labeling effort. Members were asked which, if any, PTI case-level labeling milestones had been implemented. The survey proved helpful in understanding that, while some members were further along in implementing case level traceability, others proceeded with caution, partially due to concerns about the level of upfront expense and whether the retail sector would commit to electronic case-level system upgrades to track and store data on the receipt of inbound produce cases. PTI impacted some participants in the 2012 Stone Fruit Mexico Export Program, those utilizing PTI-case level labeling to convey lot and orchard information, when a conflict arose with the established carton labeling work plan, which required stamped or printed lot/orchard information, as opposed to a PTI-style case level label. The League, in recognizing that packing and labeling mechanisms were evolving, worked with the domestic and Mexican regulatory communities to allow for flexibility to implement PTI-style case level labeling, amending the work plan for the 2012 season to provide an option to apply printed, PTI-style, labels directly onto the packed cartons to meet carton marking requirements.

## Farm Bill

The League exercised persistent advocacy with members of the California Congressional Delegation to continue and enhance resource gains made to enrich the competitiveness of specialty crops through the Farm Bill. See page 7 for more information.

### COMMITTEE MEMBERS

Harold McClarty, *HMC Farms*, Committee Chair • George Nikolich, *Gerauan Farming, Inc.* • Justin Bedwell, *Bari Produce LLC* • Scott Boyajian, *Marko Zaninovich, Inc.* • Brett Britz, *Sunwest Fruit Company, Inc.* • Ian Burnett, *IBS Supplies, 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, *Sunfresh International LLC* • Randy Giumarra, *Giumarra Vineyards Corporation* • David Jackson, *Family Tree Farms* • Steve Hash, *Steve Hash Farms* • Rodney Milton • Kathleen Nave, *California Table Grape Commission* • John Rast, *Rast Produce Company, Inc.* • Gordon Robertson, *Sun World International, LLC* • David Silva, *Dayka and Hackett, LLC* • Sam Stewart, *Wes Pak Sales, Inc.* • David Stone, *Valhalla Sales & Marketing Co.* • Kerry Whitson, *Golden Maid Packers* • Jon P. Zaninovich, *Jasmine Vineyards, Inc.*





# MEMBERSHIP COMMITTEE

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 Carol Chandler, the group helped the League's membership continue to be a strong suit for the organization. For the 2012/13 fiscal year, a total of 18 new member applications were approved. We believe that this 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. The year focused on exploring broader commodity representation with the fresh fruit industry in California.

## Trial Grower Membership

In addition to the League's standard efforts to recruit new members, the Board of Directors again authorized a one-year extension of the Trial Grower Membership Program. 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.

### COMMITTEE MEMBERS

Carol Chandler, *Chandler Farms, LP*, Committee Chair • David Jackson, *Family Tree Farms* • Nicholas Bozick, *R. Bagdasarian, Inc.* • Chris Caratan, *M. Caratan, Inc.* • Verne Crookshanks, *Venida Packing, Inc.* • Ken Enns, *Enns Packing Co., Inc.* • Tony Fazio, *Tri-Boro Fruit Co., Inc.* • Ron Frauenheim, *Ron Frauenheim Farms* • Steve Hash, *Steve Hash Farms* • Gabrielle Kirkland, *Zenith Insurance Company* • David Mann, *Sunridge Nurseries, Inc.* • 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.* • Ryan Zaninovich, *V. B. Zaninovich & Sons, Inc.*

## 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 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. Looking ahead this next year the Membership Committee will help the League launch a new website, which is being designed by AndNowUKnow. The website will feature a fantastic new look, quality information and, most importantly, will serve as a better resource for our membership. The committee will also continue to look for avenues to better communicate to our membership the League's value.

### NEW MEMBERS

*The Membership Committee kept a steady pace to recruit new League members and communicate to current members about the many benefits associated with membership. Overall income received from membership dues exceeded the budgeted amount for the 2012/13 fiscal year. The newest membership additions include:*

#### Shipper Members

Sierra Sun Fruit Marketing  
Sundale Vineyards

#### Associate Members

Actagro, LLC  
APL  
APTCO, LLC  
C.D. Simonian Insurance Agency  
California Cherry Board  
Community Food Bank  
Crystal Geyser Water Company  
Dan Parrish Insurance Services, Inc.  
Fallgatter Rhodes Insurance Services, Inc.  
Gallagher Benefit Services of California  
Global Agricultural Trade Experts, Inc.  
Isagro USA  
Resource Compliance  
Security First Bank  
Sierra IP Law, PC  
Transamerica Retirement Services  
Trece, Inc.

# STANDARDIZATION & PACKAGING COMMITTEE

Under the leadership of Committee Chairman Louis Pandol, the Standardization & Packaging Committee serves its primary objective, which is to promote the use of standardized packaging to ensure that California fruit is delivered to consumers in the best possible condition. Additionally, that minimum quality and maturity standards support that of the industry's current production.

## Reusable Plastic Containers (RPCs)

The Committee formulated industry-wide communication in response to retailer driven requests to amend the labeling format for RPCs that would duplicate efforts and impact the industry's significant investment in the early phases of the Produce Traceability Initiative.

## Pomegranates

League members with pomegranate production communicated the need to revise the current maturity requirements to address the production of newer (and earlier) varieties. The Committee will facilitate the development of a maturity evaluation to assist industry in adapting consistent standards for the state's production.

## California Shipping Point Inspection (SPI)

SPI is part of the nationwide fresh fruit and vegetable inspection program administered by the U.S. Department of Agriculture (USDA) and exists under a cooperative agreement with the California Department of Food & Agriculture. SPI operations include an industry committee which functions in an advisory

capacity, developing recommendations concerning inspection and certification services. League staff, along with several members, maintain active roles within the advisory committee, including League Committee Chairman Louis Pandol (Pandol Bros., Inc.)

Currently, 60% of SPI services in California occur during almond and table grapes inspections. Within the USDA, the Fresh and Processed Products Branches have begun merging into one single branch in order to increase effectiveness and to make the organization more efficient. In 2012, the advisory committee approved a \$14.2 million budget, including a one-year renewal of the 10% reduction in inspection fees, excluding 3rd party food safety audit fees for commodities currently utilizing inspection services. The reduction in inspection fees was due to expire in June 2012; however, it will now continue until June 30, 2013.

The SPI Advisory Committee meets an average of once or twice per season and currently has several vacancies. The Secretary has the desire to increase diversity of participation, creating the pathway for additional League members who are interested in serving on the committee the opportunity to do so. Industry members who utilize SPI services can contact Marcy Martin in the League office, if interested in participating on the committee.

## Industry Packaging & Labeling Guidelines

Members frequently contact the League with questions regarding both state and federal packaging and labeling requirements. In an effort to provide clear and concise guidance, the Committee has developed a packaging & labeling summary identifying all relevant requirements for the commodities covered within League membership. The guidelines are available for download on the League's website ([www.cgfl.com](http://www.cgfl.com)).

### COMMITTEE MEMBERS

Louis Pandol, *Pandol Bros., Inc.*, Committee Chair • Nicholas Bozick, *R. Bagdasarian, Inc.* • Dave Bryan, *Etchegaray Farms, LLC* • Jim Bryan, *Jasmine Vineyards, Inc.* • Garry Chaban, *American Container, Inc.* • Stan Cosart, *W. F. Cosart Packing Co.* • Edge Dostal, *Chiquita Fresh North America* • Ron Frauenheim, *Ron Frauenheim Farms* • Casey Jones, *Sun Valley Packing* • Mark Merritt, *Fruit Patch Sales, LLC* • Kathleen Nave, *California Table Grape Commission* • Doug Phillips, *Phillips Farms Marketing* • David Silva, *Dayka & Hackett, LLC* • Walt Tindell, *Calpine Containers, Inc.* • 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.

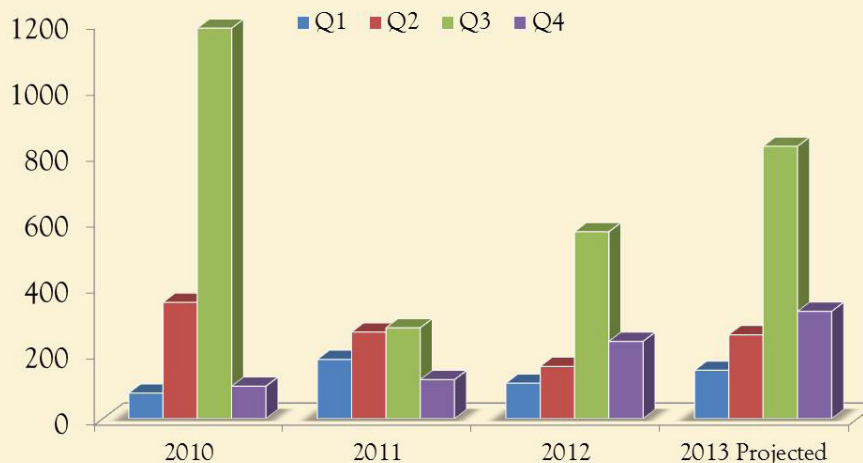
## Featured Partnership

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 2012 growing season served as the fifth 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.

## 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

Freight Volume Analysis (YoY)



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 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

In late 2012, the League partnered with CHR to stream the webinar "The New California Air Resources Board (CARB) Regulations and Coping with Holiday Markets," as a tool to help the shipper community understand compliance and requirements. CARB required as of January 1, 2013 that California shippers conform to new refrigerated transportation regulations. Additionally, 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.

### COMMITTEE MEMBERS

John Rast, *Rast Produce Company, Inc.*, Committee Chair • Jim Bryan, *Jasmine Vineyards, Inc.* • David Bennett, *Pandol Bros., Inc.* • Tyler Durant, *C.H. Robinson Worldwide, Inc.* • Aaron Hollander, *Kingsburg Orchards* • Drew Johns, *Marko Zaninovich, Inc.* • Chance Kirk, *V.B. Zaninovich & Sons, Inc.* • 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. Last fiscal year, FruitPAC successfully raised more than \$18,000 at the 2012 Harvest Event, more than \$14,500 from the 2012 Annual Meeting Raffle and more than \$17,000 from the positive check-off program. All of the funds raised from these sources are used to make contributions to political candidates and incumbents at the state and federal levels, and are approved by the FruitPAC Board of Directors.

FruitPAC's total expenditures reached an all time high in 2012, surpassing the \$100,000 mark. Of that amount, \$40,000 was contributed to an independent expenditure campaign (IEC) effort, named Family Farmers Working For A Better California, designed to emphasize weak points of two incumbent legislators, Assemblymember Betsy Butler (D-El Segundo) and Assemblymember Michael Allen (D-Santa Rosa). Butler was author of AB 2346, a bill designed to create joint-liability between a farming operation and a farm labor contractor, as well as create a private right of action to permit either farmworkers or activist organizations to file suit for monetary damages resulting from violations of the state's heat illness prevention standard. FruitPAC's total IEC contribution was devoted to a messaging effort to defeat Butler. The campaign's effort proved successful when, by close margins, both incumbent Democrat legislators were defeated.

## FRUITPAC BOARD OF DIRECTORS

### CHAIRMAN

*Stan Tufts, Tufts Ranch LLC*

### VICE CHAIRMAN

*John D. Zaninovich, Merritt Farms*

### SECRETARY

*David Jackson, Family Tree Farms*

*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*

## FRUITPAC CANDIDATE CONTRIBUTIONS SUMMARY

### 2012 Federal Contributions

Total: \$27,200\*

Republican: \$12,240

Democrat: \$14,960

\*\$750 was donated to the United Fresh Produce Association's FreshPAC

### 2012 State Contributions

Total: \$34,250

Republican: \$12,330

Democrat: \$21,920





# FEDERAL LEGISLATIVE REVIEW

## Bill Would Establish An Office of Agriculture Inspection

S 1673, sponsored by Senators Daniel Akaka (HI) and Dianne Feinstein (CA), would amend the Homeland Security Act of 2002 to establish the Office of Agriculture Inspection within US Customs and Border Protection, which would be headed by the Assistant Commissioner for Agriculture Inspection.

The bill aimed to enhance the federal government's resources in countering the economic impact of foreign pest and disease infestations in the U.S. Until 2001, the U.S. Department of Agriculture (USDA) had responsibility for inspections of goods, including agricultural products, which entered the U.S. After 9/11, the Department of Homeland Security (DHS) took over those activities and, under the revised system, federal resources were primarily directed toward terrorist threats and away from agricultural priorities. Subsequent Government Accounting Office investigations found that DHS has suffered from diminishing employee morale and dwindling resources for these highly skilled, labor-intensive agricultural activities. Unfortunately, federal resources were failing as the U.S. saw huge increases over the decade in foreign imports of fruit and vegetable host material for these exotic threats.

As the largest agricultural state in the country, California is disproportionately affected by foreign pest and disease infestations. The state's high-volume sea, air and land ports carry millions of passengers and millions of tons of cargo annually. Ultimately, the bill aimed to raise the priority of the agriculture inspection role within DHS.

## TRAFFIC COMMITTEE

### HR 612 (Support)

*Representative Michael Michaud (D-Maine)*

Titled "The Safe and Efficient Transportation Act," this bill would give states the authority to allow trucks fitted with a sixth axle to haul up to 97,000 pounds on federal interstates; potentially adding to increased transportation efficiencies.

## ENVIRONMENTAL RESOURCES COMMITTEE

### HR 3678 (Support)

*Representative Jerry McNerney (D-Pleasanton)*

This bill would provide emergency loans for quarantine-related losses.

### HR 6194 (Support)

*Representative Phil Gingrey (R-Georgia)*

Titled "U.S. Agriculture Sector Relief Act of 2012", this bill directs the United States Environmental Protection Agency (EPA) to take all appropriate actions within the agency's authority to seek a critical use exemption under the Montreal Protocol for the full amount of methyl bromide necessary for approved critical uses; to not deny or reduce an application unless the Administrator has substantial evidence, provided to the applicant in writing, establishing that there is a technically and economically feasible alternative; and in evaluating any potential alternatives, to consider the cost, commercial availability and demonstrated effectiveness of the alternative, and consider any state or local regulations that may restrict its use. Also directs the EPA to allow for the use of methyl bromide in response to emergency events.

### HR 1837 (Support)

*Representative Devin Nunes (R-Fresno)*

Titled the "Sacramento-San Joaquin Valley Reliability Act," the bill would amend contracted water deliveries to the levels agreed upon in the 1994 Bay Delta Accords between California and the federal government; stating that water project pumps need to be operated at the 1994 agreement levels, regardless of the Federal Endangered Species Act or any other law that reduces the flow. Its effect would increase water deliveries through the Central Valley Project.



# CALIFORNIA LEGISLATIVE REVIEW

## ENVIRONMENTAL RESOURCES COMMITTEE

### AB 8 & SB 10 (Support)

*Assembly Member Henry T. Perea (D-Fresno)*

*Senator Fran Pavley (D-Agoura Hilla)*

Both bills contain identical language and would extend the sunset on the Carl Moyer Program.

### AB 403 (Support)

*Assembly Member Luis Alejo (D-Watsonville)*

This bill would have appropriated \$2 million to the state board for integrated water planning to address drinking water quality in the Salinas Valley. The bill was a result of the Governor's Nitrate Working Group and focused on identifying and targeting existing resources to support disadvantaged communities with drinking water impacted by nitrates, as opposed to creating a new fee burden on agricultural operations to fund mediation programs. Ultimately, it did not advance out of the Legislature.

### AB 2174 (Support)

*Assembly Member Luis Alejo (D-Watsonville)*

This bill would specify the use of the \$.0001 per dollar of sales to go to support education programs that result in efficient and agronomically sound uses of fertilizer products that aim to also minimize environmental impacts of fertilizer use. As a result of a recent groundwater study performed by UC Davis, there is enhanced interest by regulatory agencies and the Legislature in learning more about causes of groundwater contamination and the role of agriculture in contributing to it. The bill may assist future research and education efforts by funding related programs. It was signed into law by Governor Brown.

### AB 2238 (Support)

*Assembly Member Henry T. Perea (D-Fresno)*

This bill would have authorized the State Department of Public Health to expend funds from the Emergency Clean Water Grant Fund for drinking water. The bill was a result of the Governor's Nitrate Working Group, and focused on identifying and

targeting existing resources to support disadvantaged communities with drinking water impacted by nitrates, as opposed to creating a new fee burden on agricultural operations to fund mediation programs. Ultimately, it did not advance out of the Legislature.

### SB 965 (Support)

*Senator Rod Wright (D-Inglewood)*

This bill permits the regulated community (State or Regional Water Boards) to communicate with members in connection with specified permit proceedings, as long as the communications are disclosed on record. It was signed into law by Governor Brown.

### SB 1455 (Support)

*Senator Christine Kehoe (D-San Diego)*

The bill would have extended the sunset provision for the Carl Moyer Program. It did not advance out of the Legislature.

### AJR 29 (Oppose)

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

Called on the State of California during the 2012 legislative cycle to ban the sale and use of an entire class of pesticides, neonicotinoids. This bill failed to pass.



## LABOR COMMITTEE

### AB 1439 (Oppose)

*Assembly Member Luis Alejo (D-Watsonville)*

This bill would have increased the state's minimum wage from \$8 to \$8.50 and created an automatic increase tied to annual adjustments to the Consumer Price Index. It failed to advance out of the legislature.

### AB 1675 (Support)

*Assembly Member Susan Bonilla (D-Concord)*

Existing law requires farm-labor contractors to be licensed by the Labor Commissioner and to comply with specified employment laws and stipulates punishment for violations. This bill, which was signed into law by Governor Brown, will subject a violator of the requirement that a farm-labor contractor be licensed to citations issued by the Labor Commissioner and civil penalties that increase

as the number of citations for violations increase. The League moved to support AB 1675, contingent upon language qualifying events where a licensed Farm Labor Contractor, had a lapse where the license expired due to approval and processing backlogs on the part of the State Labor Commissioner's office. This bill was signed into law.

### AB 1855 (Oppose)

*Assembly Member Norma Torres (D-Pomona)*

The bill was drafted to target contracts between warehouse operators and their clients. It would require employers to furnish the contract it has with clients to employees, upon an employee request. The bill does not adequately define the "warehouse" industry and therefore could inadvertently cover many other businesses that store goods. There is concern that the bill may allow a farm employee to obtain a copy of the contract that a farm labor contractor has with a farm operation. This bill was signed into law.

## TRAFFIC COMMITTEE

### AB 2287 (Oppose)

*Assembly Member Sandre Swanson (D-Alameda)*

It would have increased bar pilotage rates on vessels and increased cost related to moving shipments through the ports. Ultimately, it failed to advance out of the Legislature.

## Bill Circumvents Union Bargaining Process

During the 2013 legislative cycle, Senate Bill 25 rose to the top of the concern list. The bill, which was introduced by Senator Darrell Steinberg (D-Sacramento), was created as an attempt by the United Farm Workers (UFW) to force the Agricultural Labor Relations Board (ALRB) to put its decisions into effect immediately, a maneuver in response to another case where the ALRB ruled an employer had the right to an appeal and was granted an immediate stay of the decision. The bill targeted circumvention of the bargaining process to move immediately to mandatory mediation and would bind employers to perpetual mediation. Additionally, Senate Bill 25 would define an "agricultural employer" to include subsequent purchasers of an agricultural employer's business where the original employer had an obligation to bargain with its workers.

The UFW embarked on a strategy of reviewing past elections where they were selected to serve as the collective bargaining



representative for employees, but had failed to effectively bargain with the employer in reengaging them to demand bargaining. Due to no statute of limitations on certifying unions as the collective bargaining representative, the UFW has maneuvered to capitalize on prior elections, despite fact that the labor force they seek to represent may not have been involved with the previous election.

The League took steps to address concerns with the Legislature, seeking defeat, and focused its concern with Governor Brown and key members of the Governor's administration.



# YEAR IN PHOTOS



**2012/13 EXECUTIVE COMMITTEE:** Pictured above is the California Grape & Tree Fruit League's 2012/13 Executive Committee. Members of this committee are asked to serve in 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 of Directors.



**LATINO CAUCUS TOUR:** Congressional Candidate Tony Cardenas and California State Senator Alex Padilla visited League members Marko Zaninovich, Inc. (Sunview Vineyards) & Paramount Citrus in October 2012. They are pictured above showing off their CGTFL lunch pails.



**NOVEMBER BOARD OF DIRECTORS MEETING:** Pictured are members of the League's Board of Directors who are hard at work during the November 2012 meeting held in Monterey, CA.



**2012 ANNUAL FRUITPAC HARVEST EVENT FUNDRAISER:** Left, League Board Members Doug Hemly (Greene and Hemly, Inc.) and Herb Kaprelian (CRJ Farming Co. LP) mingle in the cool night air at the League's 2012 Harvest Event held at the Vintage Press Restaurant in Visalia. Right, Harvest Event Silver Sponsor Dale Arthur (Styrotek, Inc.) and his wife, Carolyn, enjoy the cocktail hour.



**JUNE BOARD OF DIRECTORS MEETING:** League President, Barry Bedwell, League Vice Chairman David Jackson (Family Tree Farms) and Governor Jerry Brown share a laugh at the June 2012 Board of Directors meeting in Sacramento, CA.





**2013 ANNUAL MEETING:** Top-Left, Chairman Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.) and his wife Carrie, pose for the camera while waiting to welcome attendees to the 77th Annual Meeting in Laguna Beach, CA. Top-Right, “What Keeps You Awake at Night?: Addressing Farmers’ Major Concerns” workshop panel (from left): Brian Leahy (CA Dept. of Pesticide Regulation), Richard Schmidt (UnitedAg), George Soares (Kahn, Soares & Conway, LLP), Sylvia Torres-Guillen (Agricultural Labor Relations Board), and Charlie Hoppin (CA State Water Resources Board). Bottom-Left, Jerry Najarian (Michelsen Packaging Co. of California) is welcomed by the Zaninovichs and President, Barry Bedwell. Bottom-Middle, Supplier of the Year Recipient, Ian Burnett (IBS Supplies, Inc.). Bottom-Right, Suppliers Party Contributors Gabrielle Kirkland (Zenith Insurance Company), Brent & Ronda Swanson (Buckman-Mitchell, Inc.) and Marcia Shafer (Zenith Insurance Company), enjoying the lovely evening.



**2013 CGTFL GOLF TOURNAMENT:** Top, Pictured are the chairmen of the 42nd Annual Golf Tournament, Nick Buratovich (Wildwood Packing and Cooling) and Cliff Sadoian (Cliff Sadoian & Associates). Bottom, Pictured are the winners of the tournament Mike Burchett (standing in for son, Nolen, MB Fresh International LLC ), Jim Bryan (Jasmine Vineyards, Inc.) and Josh O'Brien (Mr. Box, Inc.)



**2013 GOVERNMENT RELATIONS TRIP:** Top-Left, Barry Bedwell and Anne Gust Brown smile for the camera at Kahn, Soares & Conway’s office during the League’s 2013 Government Relations Trip. Top-Right, Pictured are attendees of the 2013 Government Relations Trip who are posing on the floor of the California Senate Chambers with Senator Tom Berryhill. Bottom, League Chairman, Ryan Zaninovich (V.B. Zaninovich & Sons, Inc.), Sylvia Torres-Guillen (Agricultural Labor Relations Board) and League President, Barry Bedwell take a moment to mingle during the Legislative Reception.

# COMMITTEE CHAIRS

*The League would like to say a special thank you to our 2012/13 Committee Chairs for their leadership!*



**David Jackson**  
Family Tree Farms  
Executive Committee



**Paul Giboney**  
M. Caratan, Inc.  
Environmental Resources



**John Rast**  
Rast Produce Company, Inc.  
Traffic



**Harold McClarty**  
HMC Farms  
Marketing



**Ken Enns**  
Enns Packing Co., Inc.  
Insurance & Financial Benefits



**Carol Chandler**  
Chandler Farms, LP  
Government Relations  
& Membership



**Ryan Zaninovich**  
V.B. Zaninovich & Sons, Inc.  
Board of Directors &  
Labor



**Louis Pandol**  
Pandol Bros., Inc.  
Standardization &  
Packaging

## LEAGUE'S AG NETWORK

*The League employs a collaborative approach to maximize its effectiveness by working together with other agricultural organizations and associations on issues that affect our members. Listed below are the group efforts in which the California Grape & Tree Fruit League participated in during FY 2012/13.*

### Agribusiness President's Council

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

Members: 33

2012 Contribution: Included in the League'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.

Members: 75

2012 Contribution: \$10,000

### Air Coalition Team

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

Members: 17

No Contribution in 2012

### 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.

Members: 14

2012 Contribution: \$10,000

### Alliance for Food & Farming

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

Members: 53

2012 Contribution: \$10,000

### Minor Crop Farmer Alliance

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

Members: 18

2012 Contribution: \$5,000

### Specialty Crop Farm Bill Alliance

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

Members: 130

2012 Contribution: \$5,000

### 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



# PAST CHAIRMEN OF THE BOARD OF DIRECTORS

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



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