

California Department of Food and Agriculture

Marketing Branch

Approval of Meeting Minutes and Actions

Program:	Processing Tomato Advisory Board
Meeting Date:	January 31, 2023
Meeting Location:	Sacramento, CA

Notable Actions:

2023 0131	#23-03	Motion to recommend retaining Damore Hamric Schneider, Inc. CPAs to conduct a financial audit and a fiscal and compliance audit of the Board's 2022 fiscal year financial records. [Approved by Department Order on February 28, 2023]
2023 0131	#23-04	Motion to recommend approval of the 2023 fiscal year budget, based on a projected volume of 11.5 million tons and including salary increases as presented. [Approved by Department Order on March 8, 2023]
2023 0131	#23-05	Motion to recommend approval of an interim budget for the first quarter of the 2024 fiscal year as presented. [Approved by Department Memo on March 8, 2023]
2023 0131	#23-06	Motion to recommend re-hiring Karen Moreno as the Board Manager for the 2023 fiscal year. [Approved by Department Memo on March 15, 2023]
2023 0131	#23-07	Motion to recommend the establishment of a schedule of assessment rates for the 2023 fiscal year as presented, with a base assessment rate of \$14.00 per load. [Approved by Department Order on February 14, 2023]
2023 0131	#23-08	Motion to produce weekly tonnage estimates and tonnage and variety reports for all weeks of each season, regardless of the number of active processors.

APPROVED

SECRETARY OF FOOD AND AGRICULTURE

BY: 
Joe Monson, Branch Chief
Marketing Branch

DATE: MARCH 29, 2023



MINUTES

PROCESSING TOMATO ADVISORY BOARD (PTAB)

JANUARY 31, 2023

**The Westin-Sacramento (Tower Room)
4800 Riverside Blvd, Sacramento, CA**

CALL TO ORDER, ROLL CALL, ESTABLISH QUORUM

Board Chairman Chris Lehtikainen called the meeting to order at 10:05 A.M. Roll was called; a quorum was established. The following members and alternates were present:

Producers

Neil Dougherty
Darryl Bettencourt
Kevin Collins
Tim Maggiore
Patrick Pinkard (A)
Kyle Quinn (A)

Processors

Chris Lehtikainen
Roger Scriven
Tim Hamilton
Garrett Miller
Steve Freeman (A)
Lance Dami (A)

For others present please refer to the attached roster.

INTRODUCTIONS

Board Chairman Chris Lehtikainen welcomed the audience. Members of the audience introduced themselves.

APPROVAL OF PREVIOUS MEETING MINUTES

ACTION

A motion was made, seconded, and passed unanimously to approve the January 26, 2022, board meeting minutes. **Board Action 23-01**

BOARD APPOINTMENTS

CDFA re-appointed Neil Dougherty (Dougherty Farms) and Tim Hamilton (ConAgra Grocery Products) as processor members. Darryl Bettencourt (J.G. Boswell Co.) and Steve Freeman (Pacific Coast Producers) were re-appointed as processor alternates. Colby Fry (Opal Fry and Son Farming) was newly appointed as a producer alternate. (Exhibit A).

PTAB AUDIT RESULTS

Ron Ley, from Damore, Hamric & Schneider reviewed the 2021 PTAB financial and CDFA compliance audits.

ACTION

A motion was made, seconded, and passed unanimously to approve the 2021 financial and CFDA compliance audits as presented. **Board Action 23-02**

There was a motion that the Board designate Damore, Hamric and Schneider as auditors for the upcoming 2022 audits.

ACTION

A motion was made, seconded, and passed unanimously to designate Damore, Hamric and Schneider to perform the 2022 PTAB audits. **Board Action 23-03**

This action requires separate approval by the Department

WORKER'S COMPENSATION

John Bolce of LP Insurance reviewed PTAB's costs and Mod-Rate with Zenith Insurance. He said PTAB has done a great job at reducing accidents/injuries over the last three seasons and this will likely lead to nice savings in PTAB's Worker's Comp costs after the 2023 season, if the trend continues. He thinks the introduction of automation like the TJIS and the overall safety program are what has helped PTAB reduce its accidents/injuries since 2019. The Board asked if Zenith visits the inspection stations and shares findings with station personnel. Karen said that the PTAB Safety Officer and a Zenith representative visit the inspection stations annually and has requested contact information of all processor's safety officers to share information.

BUDGET AND FINANCE COMMITTEE RECOMMENDATIONS

Karen Moreno presented the Budget and Finance Committee's recommendations (Exhibit B). She reviewed the 2022 budget. The committee recommended approving a budget based on an 11-million-ton crop, prior to the published intentions. Karen stated the 2023 crop intentions are estimated to be 12.4 million tons (Exhibit C). Karen asked the Board to approve a 2024 interim budget of \$36K in revenue and \$400K in expenses (Exhibit D). The Committee also recommended setting the base inspection fee at \$14.00 per load (Exhibit E). The budget includes salary increases. It was recommended the Board re-hire Karen Moreno as the Board Manager.

ACTION

There was discussion about the expected crop and there was a motion to adopt an 11.5M ton budget (Exhibit F), including salary increases, which was seconded, and passed unanimously. **Board Action 23-04**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to approve an Interim Budget, as presented, for the first quarter of 2024. **Board Action 23-05**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to re-hire Karen Moreno as the Board Manager. **Board Action 23-06**

This action requires separate approval by the Department

ACTION

A motion was made, seconded, and passed unanimously to approve a base inspection rate of \$14.00 for the 2023 season. **Board Action 23-07**

This action requires separate approval by the Department

OTHER BUSINESS

If the number of active Processors is three or less, PTAB does not produce a weekly tonnage estimate or weekly tonnage and variety report. This process was developed to ensure privacy for the active Processors, however there is nothing in writing that can be found on the origin of this. This practice has caused some confusion in the industry and there was discussion on the discontinuance of this practice. Further, the Board feels it is not necessary. The Board requests PTAB to report tonnage estimates and tonnage and variety reports for all weeks of the season regardless of how many Processors are running.

ACTION

A motion was made, seconded, and passed unanimously to have PTAB report all weekly tonnage estimates and tonnage and variety reports throughout each season. **Board Action 23-08**

ELECTION OF OFFICERS

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

ACTION

A motion was made, seconded, and passed unanimously, by the Producers, electing Neil Dougherty to serve as the 2023 Board Chair. **Board Action 23-09**

ACTION

A motion was made, seconded, and passed unanimously, by the Processors, electing Roger Scriven to serve as the 2023 Board Vice-Chair. **Board Action 23-10**

ADJOURNMENT

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

CERTIFICATION OF MINUTES

I, Karen Moreno, Manager of the California Processing Tomato Advisory Board, do hereby declare that the foregoing is a true and correct copy of the minutes of the California Processing Tomato Advisory Board meeting on January 31, 2023.



Karen Moreno, Manager
Processing Tomato Advisory Board



Date

ROSTER
PTAB MEETING- JANUARY 31, 2023

Board Members

Neil Dougherty
Chris Lehtikainen
Roger Scriven
Tim Maggiore
Tim Hamilton
Garrett Miller
Kevin Collins
Darryl Bettencourt
Steve Freeman
Patrick Pinkard

Dougherty Brothers
Stanislaus Food Products
The Morning Star Packing Co.
F.A. Maggiore & Sons
ConAgra Brands
J.G. Boswell Tomato Co.
Borba Farms
J.G. Boswell Company
Pacific Coast Producers
Terranova Ranch

Board Alternates

Lance Dami
Kyle Quinn

Los Gatos Tomato Products
Escalon Premier Brands

Others Present

Karen Moreno
J.D. Blevins
Jill Shepherd
Connie Read
Jim Dore
Ben Kardokus
Mike Montna
Zachary Bagley
John Bolce
Ron Ley
Justin Bream
Jeremy LaMendola

PTAB
PTAB
PTAB
PTAB
PTAB
CDFA
CTGA
CTRI
LP Insurance
Damore, Hamric and Schneider
Stanislaus Foods
ConAgra Brands

	PTAB Board Meeting 1/31/2023						
<u>Board Member</u>	<u>23-01</u>	<u>23-02</u>	<u>23-03</u>	<u>23-04</u>	<u>23-05</u>	<u>23-06</u>	<u>23-07</u>
Kevin Collins	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Darryl Bettencourt	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Tim Maggiore	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Neil Dougherty	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Patrick Pinkard	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Chris Lehtikainen	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Roger Scriven	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Garrett Miller	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Tim Hamilton	Aye	Aye	Aye	Aye	Aye	Aye	Aye
Steve Freeman	Aye	Aye	Aye	Aye	Aye	Aye	Aye
OUTCOME	Passed	Passed	Passed	Passed	Passed	Passed	Passed
<u>Board Member</u>	<u>23-08</u>	<u>23-09</u>	<u>23-10</u>				
Kevin Collins	Aye	Aye					
Darryl Bettencourt	Aye	Aye					
Tim Maggiore	Aye	Aye					
Neil Dougherty	Aye	Abstain					
Patrick Pinkard	Aye	Aye					
Chris Lehtikainen	Aye		Aye				
Roger Scriven	Aye		Aye				
Garrett Miller	Aye		Aye				
Tim Hamilton	Aye		Aye				
Steve Freeman	Aye		Aye				
OUTCOME	Passed	Passed	Passed				

2023 PROCESSING TOMATO ADVISORY BOARD

Producer Members	
Member	Alternate Member
Dan Burns Nickel Family LLC Term: 1/1/21 – 12/31/23	Colby Fry Opal Fry and Son Farming Term: 1/1/21 – 12/31/23
Kevin Collins Borba Farms Term: 1/1/18 – 12/31/23	Lee Del Don Del Mar Farms Term: 1/1/18 – 12/31/23
Phillip Perez Silverdale Farms, Inc. Term: 1/1/22 – 12/31/24	Patrick Pinkard Terranova Ranch, Inc. Term: 1/1/22 – 12/31/24
Tim Maggiore F.A. Maggiore & Sons Term: 1/1/22 – 12/31/24	Seth Rossow Rossow Farms Term: 1/1/22 – 12/31/24
Neil Dougherty Dougherty Farms, Inc. Term: 1/1/23 - 12/31/25	Darryl Bettencourt JG Boswell Company Term: 1/1/23 - 12/31/25
Processor Members	
Member	Alternate Members
Garrett Miller JG Boswell Company Term: 1/1/21 – 12/31/23	Kyle Quinn Escalon Premier Brands Term: 1/1/21 – 12/31/23
Roger Scriven Morning Star Company Term: 1/1/21 – 12/31/23	Robert Krahn Neil Jones Food Company Term: 1/1/21 – 12/31/23
Craig Leathers Campbell Soup Co. Term: 1/1/22 – 12/31/24	Lance Dami Los Gatos Tomato Products Term: 1/1/22 – 12/31/24
Chris Lehtikainen Stanislaus Food Products Term: 1/1/22 – 12/31/24	Tome Lima Ingomar Packing Term: 1/1/22 – 12/31/24
Tim Hamilton Conagra Grocery Products Term: 1/1/23 - 12/31/25	Steve Freeman Pacific Coast Producers Term: 1/1/23 - 12/31/25

PROCESSING TOMATO ADVISORY BOARD

Budget and Finance Committee Meeting Minutes
January 11, 2023
Embassy Suites Hotel
Charles Crocker Board Room
100 Capitol Mall, Sacramento,
CA 95814

Call to Order and Introductions

The meeting was called to order at 10:04 a.m. by Neil Dougherty. The following members, alternates, and non-board members participated in the meeting:

Chris Lehtikainen (Stanislaus Food Products), Neil Dougherty (Dougherty Farms), Roger Scriven (Morning Star), Dan Burns (Nikel Family LLC), Garrett Miller (J.G. Boswell), Lance Dami (Los Gatos), Karen Moreno (PTAB), and Ben Kardokus (CDFA).

1. PTAB Continuation Hearing – Karen reminded the committee that PTAB's Continuation hearing occurred and was approved for another five years.
2. 2022 Budget Review — Karen reviewed the 2022 Budget Projections.
3. The committee met in closed session. Recommendations for pay raises were decided.
4. PTAB 2023 Budget Proposal – The committee discussed various tonnage scenarios, office leases and policy. In general the price of business has gone up over the last few years with inflation being at unprecedented numbers. There is a proposal for an increase in special services and GODAB management fees. The committee had a motion to approve the budget with no opposition and all voting in favor with the following assumptions:
 - a Budget based on 11M paid for tons.
 - b Increase in inspection fee to an average of \$14.00 per hour
 - c Pay raises for PTAB employees.
5. There was discussion about the need to mask the projections when there are three or less processors running. It was decided to discuss at the next Board Meeting on January 31.
6. Meeting adjourned at 11:53 a.m.



United States Department of Agriculture
National Agricultural Statistics Service



2023 California Processing Tomato Report

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

Released: January 25, 2023

TOMATO PROCESSORS EXPECT TO CONTRACT 12.4 MILLION TONS IN 2023

As of January, California's tomato processors reported they have, or will have, contracts for 12.4 million tons in 2023, which is an increase of 18% compared to 10.5 million contracted tons forecast in the August 2022 California Processing Tomato Report. Processors estimate that the contracted production for 2023 will come from 248,000 acres, generating an average yield of 50.0 tons per acre. The contracted planted acreage forecast is 8% higher than the 2022 acreage of 229,000 reported under contract in August.

The USDA-NASS Pacific Regional Office surveyed California's tomato processors for their intended contract acreage and tonnage for the upcoming 2023 season. The data reported by processors was either tonnage with derived acreage, or acreage with derived tonnage.

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

INTENDED AND FINAL HARVESTED CONTRACTED PRODUCTION

Year	January 1	Final	Difference
	Thousand tons		
2006	11,600	10,024	-1,576
2007	12,000	11,965	-35
2008	11,800	11,691	-109
2009	13,300	13,148	-152
2010	12,600	12,212	-388
2011	12,600	11,900	-700
2012	12,700	12,540	-160
2013	13,000	11,900	-1,100
2014	13,500	13,965	+465
2015	15,000	14,307	-693
2016	13,200	12,527	-673
2017	11,600	10,407	-1,193
2018	12,000	11,994	-6
2019	12,100	11,130	-970
2020	12,000	11,312	-688
2021	12,100	10,739	-1,361
2022 ¹	12,200	(NA)	(NA)
2023	12,400	(NA)	(NA)

¹ Final production will be released in the Vegetables Annual Summary on February 15, 2023.
(NA) Not available.

PROCESSING TOMATO ADVISORY BOARD

PH: 781.780.8340 • FAX: 781.780.8341 • 1-800-455-9234 • 7501 • FAX: 7501-7501-7504

TO: PTAB Board Members

FROM: Karen Moreno

RE: Interim 2024 Budget

Greetings,

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

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

Below is the proposed interim budget for Quarter 1, 2024. This should be an ample amount to cover fixed expenses like rents, insurance payments and salaries until the official budget is signed and approved by the Board and CDFA. The official 12-month budget supersedes the Quarter 1 interim budget once we receive the approved version at our office.

PTAB's Interim Budget January 1, 2024 through March 31, 2024
Revenue: \$36,000
Expenses: \$400,000

PTAB Inspection Fees Distribution - 2023
\$14.00 Base Rate

Exhibit E

<u>Inspection Station</u>	<u>Inspection Fee per Load</u>
Dixon	\$14.78
Escalon	\$15.18
Hanford	\$14.68
Hollister	\$16.94
Ingomar	\$13.54
JG Boswell Kern	\$14.18
JG Boswell Kings	\$14.52
Los Banos	\$13.70
Los Gatos	\$13.70
Oakdale	\$14.42
Patterson	\$19.56
PCP	\$14.06
Santa Nella	\$13.28
Stanislaus	\$14.08
Toma Tek	\$14.02
Valley	\$14.70
Williams	\$13.84
Exempt Tonnage	\$0.56 per Ton

**PTAB Budget Proposal
2023**

Exhibit F

	<u>2023 Budget</u>
Inspections	460,000
Inspection Fee (per load)	\$14.00
Inspected Paid For Tons	11,500,000
Revenue:	
Other Revenue	\$164,220
GODAB Revenue	\$136,000
Inspection Fees	\$6,440,000
Interest	\$12,000
Total Revenue	\$6,752,220
Expenditures:	
CDFA Administration	
Marketing Branch	\$57,000
Salaries:	
Non-Seasonal Staff	\$950,000
Inspectors	\$3,577,721
Personnel Benefits:	
Med (1.45%) + SS (6.2%)	\$345,012
Unemployment	\$108,665
Workers Comp.	\$95,178
Health Insurance	\$220,000
Pension Plan Non-Seasonal	\$135,300
Insurance, Liability	\$19,800
Administration Travel	\$15,000
Board Meetings	\$5,000
Seasonal Staff Travel	\$193,200
Printing, Contract	\$8,800
Telephones	\$43,575
Postage & Shipping	\$12,960
Rents	\$118,500
Office Upkeep & Utilities	\$26,250
Professional Services:	
IT Services	\$90,000
Other	\$63,720
Operation Supplies	\$135,000
Repair & Maintenance:	
Operation Equipment	\$352,000
Office Equipment	\$54,000
Miscellaneous Expenses:	\$45,000
Research & Development	\$0
Total Operating Expenses	\$6,671,682
Capital Costs:	
Office Equipment	\$0
IT Equipment	\$2,000
Operations Equipment	\$50,000
Total Capital Expenditures	\$52,000
Total Program Expenditures	\$6,723,682
Net Cash Flow	\$28,538
 Beginning Cash Reserve	 \$2,116,000
Net cash Flow	\$28,538
Ending Cash Reserve	\$2,144,538