



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

## MEETING AGENDA

### PRODUCER REVIEW BOARD

Stanislaus County Ag Commissioner's Office  
Harvest Hall – Room A, B, & C  
3800 Cornucopia Way, Suite B - Modesto, CA 95358

July 31, 2023 - 10:00 am

**The Board will call for public comment following each agenda topic\***

- (1) Call to Order
- (2) Roll Call / Establish Quorum
- (3) Approval of minutes
  - a. June 6, 2022
  - b. October 3, 2022
  - c. May 25, 2023
  - d. June 12, 2023
- (4) CDFA - Quota Administration Program (QAP) Update
  - a. QAP Budget Update
  - b. QIP Administration Fee Update
  - c. Assessment Rate Revision Reminder
  - d. Petition Update (Petition to Terminate the QIP #5)
- (5) QIP 5-year Effectiveness Survey – Research America Inc.
- (6) Public Comments - Comments are reserved for items not appearing on the agenda and are not for Board deliberation.
- (7) Adjournment

*\* Meetings of the Producer Review Board are open to the public and comply with the Bagley-Keene Open Meeting Act (Act). The Act allows for public comment on all agenda items. Materials presented and distributed during the meeting with a matter subject to discussion or consideration are disclosable public records under the California Public Records Act and shall be made available upon request without delay.*

*\*Each of the agenda items listed above will include discussion and possible action by the Board at this meeting. All times (if indicated) and the order of business are approximate and subject to change. For further information related to the agenda, please contact Kathy Diaz at 916-900-5012.*

### AMERICANS WITH DISABILITIES ACT

All Board meetings must be accessible to the physically disabled. Any person needing a disability-related accommodation or modification in order to attend or participate in any Producer Review





CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

Board meeting may request assistance by contacting Zindy Ramirez-Cornejo at 1220 N St, Sacramento, CA 95814 or by phone at (916) 900-5012.





CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

## PRODUCERS REVIEW BOARD

### MEETING NOTICE

**Monday, July 31, 2023**

**Beginning at 10 a.m.**

***Estimated Duration Time: 2 hours. Lunch will not be provided.***

#### **Location:**

**Stanislaus County Ag Commissioner's Office  
Harvest Hall – Room A, B, & C  
3800 Cornucopia Way, Suite B  
Modesto, CA 95358**

### **PUBLIC PARTICIPATION**

Members of the public are encouraged to provide comment to the Board and may suggest items to be placed on the agenda for discussion at a future Board meeting. While the Board values the participation of the public, the Board Chair reserves the right to limit the time for public comment depending on the length of agenda and number of commenters. Public comment must be related to the Board's authority and jurisdiction and its placement on the agenda is within the discretion of the Board Chair or if applicable, the Department.

All matters noticed on this agenda may be considered for action. Items listed on the agenda may be considered in any order at the discretion of the Board Chair. Any item not so noticed will not be considered or discussed. All meeting agendas and notices are available on the California Department of Food and Agriculture's website: <https://www.cdfa.ca.gov/dairy/meetings.html>

Each of the agenda items will include discussion and possible action by the Board. Time will be allowed for members of the public to make comments on each agenda item.

For further information regarding this meeting, please contact Zindy Ramirez-Cornejo at 916-900-5012. For questions about the PRB and the Quota Administration Program please contact Kathy Diaz at 916-900-5012.

### **AMERICANS WITH DISABILITIES ACT**

All Board meetings must be accessible to the physically disabled. Any person needing a disability-related accommodation or modification to attend or participate in any Producer Review Board meeting may request assistance by contacting Zindy Ramirez- Cornejo at 916-900-5012.



**Producer Review Board**  
Board of Directors Meeting Minutes  
June 6, 2022

Stanislaus County Agricultural Commissioner's Office  
Harvest Hall – Room D&E  
Modesto, CA 95358

**DRAFT**

**Agenda Item #1 Call to Order and Roll Call Establishing Quorum:**

Steven Donaldson called the meeting to order at 10:03 am. Mr. Donaldson conducted a roll call of members and alternates to establish a quorum. A quorum was present with eight (8) of fifteen (15) members present and an alternate Board member acting for a total voting member count of nine (9). In attendance were:

Members Present:

William Dyt  
Fred Fagundes  
Craig Gordon  
Frank Konyn  
John Moons  
Tony Nunes III  
Art Van Beek  
Arlin Van Groningen

Alternate:

Pete De Boer  
*Serving for*  
*Kerri Vander Poel*

Members Absent:

Charles Ahlem  
Jarrid Bordessa  
Ted DeGroot  
Arie H De Jong  
Joey Fernandes  
Kerri Vander Poel  
Case Van Steyn

CDFA Staff:

Haig Baghdassarian, Chief Council  
Kathy Diaz, Director, Marketing Services  
Division  
Kacie Fritz, Assistant Director, Marketing  
Services  
Beth Jensen, Staff Services Manager  
Marketing Services Division  
Ellen Walrath, Research Data Analyst II  
David Ko, Research Data Analyst I  
Steven Donaldson, Sr Agricultural Economist

**Agenda Item #2: Introductions**

Mr. Donaldson introduced CDFA Marketing Services Division Director Kathy Diaz, who has responsibility for oversight of the Quota Administration Program ("the Program") after the retirement of Don Shippelhouse. Ms. Diaz spoke about the changes in the branch after the pooling program was closed. Ms. Diaz also introduced CDFA staff Steven Donaldson, Kacie Fritz, Beth Jensen, David Ko, and Ellen Walrath.

**Agenda Item #3: Election of Officers; Chair and Vice Chair**

Mr. Donaldson requested nominations from the Board for a Chair and Vice-Chair.

**Draft PRB Meeting Minutes**

June 6, 2022

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**Board Action 2022-1:** It was moved by Mr. Dyt and Seconded by Mr. Van Groningen to nominate Art Van Beek as Chair. It was moved by Mr. Gordon and Seconded by Mr. De Boer to nominate Frank Konyn as Chair. It was moved by Mr. Konyn to nominate Mr. Gordon as Chair; Mr. Gordon declined the nomination.

**Vote on Board Action 2022-1:** Mr. Van Beek is elected chair with seven (7) members in his favor, one (1) in favor of Mr. Konyn, and one (1) abstention. Votes for Mr. Van Beek: William Dyt, Fred Fagundes, Frank Konyn, John Moons, Tony Nunes III, Arlin Van Groningen and Pete De Boer. Votes for Mr. Konyn: Craig Gordon. Abstain: Art Van Beek

Mr. Donaldson turned the meeting over to Mr. Van Beek who then asked for nominations for Vice-chair from the board.

**Board Action 2022-2:** It was moved by Mr. Van Groningen and Seconded by Mr. Moons to nominate William Dyt as Vice Chair.

**Vote on Board Action 2022-2:** Mr. Dyt is elected Vice-chair with seven (7) members in favor, and two (2) abstentions. Votes for Mr. Dyt: Art Van Beek, Fred Fagundes, Frank Konyn, John Moons, Tony Nunes III, Arlin Van Groningen and Pete De Boer. Abstain: Craig Gordon and William Dyt.

**Agenda Item #4: Review and Approval of Minutes August 27, 2020**

The Chair requested review and approval of the minutes from the board meeting on August 27, 2020. No additions or corrections were offered.

**Board Action 2022-3:** It was moved by Mr. Moons and Seconded by Mr. Nunes III to approve the August 27, 2020, meeting minutes as presented.

Discussion: There was no further discussion

Public Comment: There were no public comments

**Vote on Board Action 2022-3:** The motion passed with six (6) members in favor, none in opposition and three (3) abstentions. Yes votes: William Dyt, Fred Fagundes, John Moons, Tony Nunes III, Art Van Beek, and Arlin Van Groningen. No votes: none. Abstain: Craig Gordon, Frank Konyn, and Pete DeBoer

**Agenda Item #5: CDFA Quota Implementation Program Update:**

Ms. Diaz provided updates on Quota Administration Program (QAP) funding and enforcement.

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**Budget Update:** Ms. Diaz gave an update on the QAP budget including discussion of new expenditures this year including several new employees. Ms. Diaz mentioned the intention of the auditors to resume plant-level audits.

**Board Action 2022-4:** It was moved by Mr. Van Groningen and Seconded by Mr. De Boer to recommend to the Secretary, (Karen Ross, California Secretary of Food and Agriculture), approval of the operating budget for the Quota Administration Program for Fiscal Year 2022-2023 as presented.

Discussion: The Board, Ms. Diaz, and Mr. Donaldson discussed the auditing function of the Program, the possible financial impact of the resumption of audits, and the current assessment rate. In response to a comment from a member of the public, a Board member raised the possibility of returning the funds reserved after the end of the Pooling program and Ms. Diaz will research the legal requirements relating to the reserve and report to the Board.

Public Comment: A member of the public asked about the reserves retained after the transition from the pooling program and asks if those funds can be used to fund the new employees before the assessment is raised.

**Vote on Board Action 2022-4:** The motion passed with eight (8) members in favor, none in opposition and one abstention. Yes votes: William Dyt, Fred Fagundes, John Moons, Tony Nunes III, Art Van Beek, and Arlin Van Groningen. No votes: none. Abstain: Craig Gordon

**Quota Fund Update:** Mr. Donaldson presented the current state of the assessment fund, over \$17,000,000 on hand, and recommended the assessment be lowered starting in August 2022 to draw down the fund through April 2023.

**Board Action 2022-5:** It was moved by Mr. Moons and Seconded by Mr. Dyt to recommend effective August 1, 2022 through end of February 2023 a quota assessment rate of \$0.0315/SNF pounds (\$0.274/cwt), and then effective March 1, 2023 increase the quota assessment rate to \$0.0391/SNF (\$0.34/cwt).

Discussion: The Board, Mr. Donaldson and Ms. Diaz discussed the history of assessment changes, the possible methods of handling the funds above the reserve requirement, other possible rates than the rates recommended, whether a system where the assessment is adjusted quarterly by CDFA staff might be implemented, returning funds to those who paid into the fund previously, the possibility of reviewing the recommended adjustments before they would go into effect if approved at this meeting, and the timing of any actions. In response to a comment from the public, Chair requested legal comment, and Haig Baghdassarian, Chief Council for the Department responded.

Public Comment: A member of the public asked how long the program could run if the assessment were set to zero and received the answer that it would be about a month. A second member of the public asked if the assessment is an over-payment and therefore owed to the people who over-paid, even if it

is difficult for the Department. A third member of the public spoke to the Chair's suggestion (of the quarterly adjustments based on pre-approved benchmarks) and similarities to other funds.

**Vote on Board Action 2022-5:** The motion passed with seven (7) members in favor, one (1) in opposition and 1 (1) abstention. Yes votes: William Dyt, Fred Fagundes, John Moons, Tony Nunes III, Art Van Beek, Arlin Van Groningen and Pete De Boer. No votes: Frank Konyn. Abstain: Craig Gordon

**Board Vacancies and Expiring Terms:** Ms. Diaz said the appointment order includes being able to keep Board members in place. The Board, Ms. Diaz, and Mr. Baghdassarian discussed the appointment process for the Board, including who makes the nominations and appointments; and the selection criteria for Board members, specifically if regard is given to whether the proposed person holds quota or not. Ms. Diaz and Mr. Baghdassarian said staff is not legally permitted to share information about who does or does not hold quota.

**Financial Audit:** Ms. Diaz says there needs to be an audit of the Program. A Board member asked if that meant there had been no oversight of the program; Ms. Diaz said the audit would be of the accounting system, not the program.

#### Agenda Item #6 Legal Update:

Mr. Baghdassarian, Chief Counsel with CDFA, provided a legal update.

**Stop QIP Lawsuit Update:** The first item Mr. Baghdassarian reported on was the Stop QIP lawsuit and on the May 13, 2022 ruling ending the appeal of the petition's rejection.

**Farmdale Update:** After a question from a Board member, there was a brief update regarding the Farmdale lawsuit and payment in arrears.

#### Agenda Item #7 Petitions:

CDFA staff included the PRB-approved instructions for submitting petitions with the documents provided at the meeting.

#### Agenda Item #8 Petitions Received and Disposition:

Ms. Diaz presented the results of the Quota Implementation Plan Amendment Referendum conducted March 4 to June 1, 2021; the Petition to Terminate the QIP #1 received December 16, 2021; the Petition

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to Reapprove the QIP #2 received December 20, 2021; and the Petition for Reversal and Termination of the QIP received March 10, 2022. A discussion ensued among staff and members of the Board regarding the petitions, their disposition, the petition review process, and future petitions.

**Agenda Item #9 Public Comments:**

A member of the public asked a question about the role of PRB regarding the role of the Department, Ms. Diaz answered. A member of the public spoke about the confirmation of those eligible to sign related to petitions or referendums. A member of the Board asked when the QAP website would be updated with current information. The Board and Ms. Diaz discussed the scheduling of the next meeting. Mr. Dyt discussed the 5-year review survey required by the QIP, and requested it be an agenda item at the next meeting. A Board Member requested the Department inform the OAL/APA that the Quota Program was not created under the Marketing Act.

**Agenda Item #10 Adjournment:**

With no further business before the board, the Chair adjourned the meeting at 11:57 am.



January 30, 2023

Dear Kathy Diaz,

This letter is in regards to the June 6, 2022 meeting minutes that we felt there should be some more information on the minutes that were discussed at the meeting.

Under Board Action 2022-5 This should be added. A board member agreed with the member of the public that our solution is not fair, and there should be a rebate or refund to all of the producers and that it was not a difficult task to do. It is not our money to take, was mentioned by another board member. It especially hurts the producers who went out of business.

Under Board Vacancies and Expiring terms. It should be added that composition of the board was brought up again , and the question was asked is it legal to have a 13-2 composition of quota to non-quota on the board. Staff said that it is proprietary information of who owns quota. A board member said it was not, because why is it okay to disclose quota transfers that have, who owns quota and how much and what they pay and the percentage of ownership and that is not considered proprietary.

Under #6 Legal update

Farmdale update - What is the Farmdale update?

Agenda Item #7 Should be added that the PRB board instructions are only recommendations and not regulations.

Agenda item #8 the reason given for declining the petition was rebutted and staff did not argue against the rebuttal. None of the petitions were discussed among the board members as far as the merits or anything of purpose. It was predecided by the staff.

Agenda #9 that Michelle Dias no longer works for CDFA and whatever she said in regards to the OAL and APA is wrong. Ms. Dias told the APA that the QIP did not have to be turned into the APA because it was a referendum under the CMA 1937 and cited a case to show why it did not have to be turned into the APA. However, Mrs. Diaz said that is all wrong.

I have the tapes if you need to review anything.

Respectfully Submitted,

Craig Gordon  
Gordon Dairies  
16395 Euclid Ave  
Chino, CA 91708

**DRAFT**

**Producer Review Board (PRB)**

Board of Directors Meeting Minutes

October 3, 2022

Stanislaus County Agricultural Commissioner's Office

Harvest Hall – Room D&E

Modesto, CA 95358

**Agenda Item #1 & 2 Call to Order and Roll Call Establishing Quorum:**

The Chair called the meeting to order at 10:01 am. Mr. Donaldson conducted a roll call of members and alternates to establish a quorum. A quorum was present with nine (9) of fifteen (15) members present and two (2) alternate Board members acting for a total voting member count of eleven (11). In attendance were:

Members Present:

Charles Ahlem  
William Dyt  
Craig Gordon  
Frank Konyon  
Tony Nunes III  
Art Van Beek  
Arlin Van Groningen  
Kerri Vander Poel  
Case Van Steyn

Alternate:

Pete De Boer  
*Serving for*  
*Arie H De Jong*  
Debbie Azevedo  
*Serving for*  
*Fred Fagundes*

Members Absent:

Jarrid Bordessa  
Ted DeGroot  
Arie H De Jong  
Fred Fagundes  
Joey Fernandes  
John Moons

C DFA Staff:

Haig Baghdassarian, Chief Council  
Kathy Diaz, Director, Marketing Services  
Division  
Kacie Fritz, Assistant Director, Marketing  
Services  
Beth Jensen, Staff Services Manager  
Marketing Services Division  
Ellen Walrath, Research Data Analyst II  
David Ko, Research Data Analyst I  
Steven Donaldson, Sr Agricultural Economist

**Agenda Item #3 Approval of minutes: June 6, 2022:**

Ms. Diaz introduced the minutes from the June 6, 2022, meeting and presented the draft to the board members for review and approval.

Mr. Gordon requested the following amendments to the drafted minutes before approval: 1) a comment from the public regarding rebates on assessments, 2) discussion regarding the composition of the board and related statues, 3) legal update regarding Farmdale, 4) a discussion regarding APA and correspondence with Steve Escobar.

For the third item, Ms. Diaz responded that the department cannot share information based on legality and can only comment on public information because the litigation is on-going. Ms. Diaz proposed to postpone the approval of the minutes until the next meeting to give the Board an opportunity to review

an updated version. The Board accepted the proposal and postponed the approval of the minutes until the next meeting.

**Agenda Item #4 CDFA – Quota Administration Program (QAP) Update:**

Ms. Diaz introduced the QAP updates.

- a. QAP Audit Unit Update: Ms. Diaz shared with the Board that QAP brought back Ms. Nancy Iljana, a retired annuitant who previously worked in the Milk Pooling Branch. Ms. Iljana has been actively recruiting and training staff. Ms. Diaz shared that it has been difficult to obtain applicants for vacant auditor positions. Going forward, Ms. Diaz explained the Division is looking to hire auditors who are new graduates.
- b. CDFA Internal Audit (Quota Fund) Update: Ms. Diaz shared with the Board that CDFA internal audit is scheduled to start in December. The audit will be conducted by the CDFA audit unit.
- c. Quota Administration Fund Condition Update: Mr. Donaldson reviewed the quota assessment rate, which was reduced to \$0.0315/SNF pounds (\$0.274/cwt) effective August 1, 2023. Mr. Donaldson shared that assessment collection had been reduced so far from \$12 million to \$9.5 million, bringing down the monthly net. Mr. Donaldson explained that the monthly net is on track to bring the fund down to around \$2 million as discussed prior.

Public comment: A member of the public asked to be reminded what is an appropriate level for the reserve. Mr. Donaldson responded the reserve should be around \$2 million to pay the premium every month.

A Board member raised a question regarding quota fund condition. Ms. Diaz responded there will be a presentation later in the meeting to go over the flow of the fund.

A Board member asked a question regarding receiving a rebate for overpayment to the Quota Administration Fund. Mr. Donaldson explained the program is continuing the practice of lowering the assessment rate instead of issuing refunds, as the board previously approved. The board discussed and asked questions on quota fund payout, quota holding status, monthly data collection, and auditing of producers with no shipment. The staff addressed the questions.

- d. Quota Implementation Plan (QIP) 5-year review plan: Ms. Diaz shared excerpts from the QIP regarding the process in place for a 5-year review of the program. Ms. Diaz explained the plan is to issue a Request for Proposal (RFP) to contract with an independent firm to carry out a survey. Ms. Diaz told the Board that if they had any suggestions of vendors to encourage them to respond to the RFP.

The Board discussed and asked questions on the process of contracting a vendor, developing survey questions, timeline of the review process, and logistics. The staff addressed the Board's questions and encouraged the Board to provide input and recommendations throughout the process. Ms. Diaz proposed to schedule an online meeting to go over questions and suggestions.

- e. Nomination Process Update: Ms. Diaz shared that the nomination forms have been mailed to the industry and asked for nominations. A board member raised a question on the makeup of the Board. The staff responded the goal is to achieve balance in the Board.
- f. OAL Response Update: Ms. Diaz updated the Board that the Department had received a response from OAL once again confirming their determination that the QIP was not an underground regulation.
- g. Communications: Ms. Diaz shared information on an on-going independent referendum process that was happening outside of the department. Ms. Diaz clarified that only the Department has the proper authority and jurisdiction to conduct a referendum.

#### **Agenda Item #5 QIP Assessment Presentation:**

Mr. Ko and Ms. Walrath gave a presentation on the QIP Assessment. The presentation explained the flow of information to and from the Department, monthly data collection and analysis, monthly outputs generated by the program, flow of the quota fund, and an example of quota premium payment.

The Board asked clarifying questions regarding the assessment rate. The department staff addressed the questions.

#### **Agenda Item #6 Hardship Consideration Request – August 14<sup>th</sup>, 2022, Craig Gordon:**

Ms. Diaz shared a hardship case letter received by the Department from Mr. Gordon. The chair gave Mr. Gordon an opportunity to present his case to the Board and provide additional information. Mr. Gordon explained his request to receive a reimbursement and refund for past quota payments, and an exemption from the future assessments.

After Mr. Gordon presented his case, Mr. Dyt asked the Department to explain what the typical process is involved in a hardship case. Ms. Diaz clarified that the definition is broad in the QIP, and this type of case wasn't brought forth when the state order was in effect. Ms. Diaz asked the Board to recommend a response to this case to the Secretary.

Mr. Gordon voluntarily recused himself from the discussion of the hardship case.

**Board Action 2022-1:** It was moved by Mr. Van Steyn and Seconded by Mr. Dyt to recommend to the Secretary, (Karen Ross, California Secretary of Food and Agriculture), a denial of the hardship case from Gordon Dairies.

Discussion: The Board shared their conflict regarding the case. Some board members felt the hardship case was warranted but there was not a specified legal mechanism to follow. Other board members felt that owning quota is a business decision with inherent risks and the hardship request was unjustified. A board member commented that this case is unlike any previous hardship requests. Another board member commented that the job of the Board is to follow the rule as written.

Public Comment: Members of the public weighed in on the discussion of the hardship case.

**Vote on Board Action 2022-1:** The motion passed with Seven (7) members in favor, three (3) in opposition and one (1) abstention. Yes votes: Chuck Ahlem, William Dyt, Tony Nunes III, Kerri Vander Poel, Art Van Beek, Arlin Van Groningen, and Case Van Steyn. No votes: Frank Konyn, Debbie Azevedo, Pete De Boer. Abstain: Craig Gordon

After the vote, the Board requested CDFA staff to provide legal considerations and parameters to consider similar cases in the future. The chair and Mr. Nunes III asked an item related to staff recommendations to be placed on a future agenda.

#### **Agenda Item #7 Public Comments:**

A member of the public corrected his previous statement that deduction on quota was not based on SNF.

#### **Agenda Item #8 Next Meeting:**

The Board requested a meeting that will be reserved exclusively for the QIP review survey. The meeting is planned as a teleconference meeting in December.

The Board requested to set a tentative meeting date for March for a future PRB meeting.

#### **Agenda Item #9 Adjournment:**

With no further business before the Board, the Chair adjourned the meeting at 12:44 pm.

07/26/2023

**Exhibit A.**

**Editions to the October 3, 2022 Minutes requested by Mr. Craig Gordon**

Dear Producer Review Board,

In this exhibit, you will find editions to the October 3, 2022 requested by Mr. Craig Gordon. The Department received the request on June 4, 2023.

The positions of the requested editions in the minutes are denoted by the headers from the minutes. A sentence preceding the requested editions are provided in the brackets [...]. The requested editions are in **Bold** and **red** letters.

Please review the requested editions. If you would like to accommodate the editions, please be ready to discuss them at the PRB meeting prior to the approval of the minutes.

**Requested Editions:**

Under Agenda Item #4 CDFA – Quota Administration Program (QAP) Update:

c. Quota Administration Fund Condition Update

Public Comment:

After [Ms. Diaz responded there...the flow of the fund.]

**“A board member asked the staff under what authority the Secretary have to take money out of our checks. The staff told him that has already been answered and could not give him under what authority the QIP was operating under.”**

After [Mr. Donaldson explained ... the board previously approved.]

**“A board member challenged that statement that just because we did it that way before, doesn’t necessarily mean we should do it again if it is wrong.”**

f. OAL Response Update:

After [Ms. Diaz shared that...QIP was not an underground regulation.]

**“(this statement is wrong) The APA confirmed that despite throwing out Michele Dias information which would have proved it was not necessary to turn the QIP into the APA, their decision to investigate StopQIPs claims that the QIP is an underground regulation still stands. That decision was StopQIP’s claim is neither right or wrong, and the APA is not going to investigate it.”**

g. Communications:

After [Ms. Diaz clarified that...conduct a referendum.]

**“A board member said the results of that referendum were 91% in favor of the reversal of the monies of the QIP and termination of QIP.”**

Under Agenda Item #6 Hardship Consideration Request – August 14<sup>th</sup>, 2022, Craig Gordon:

Public Comment:

After [Members of the public...of the hardship case.]

**“A member of the public said that Mr. Gordon was entitled to a refund on the surplus he paid for and a board member agreed with that and said the money Mr. Gordon over paid into the QIP was Mr. Gordon’s money and he should at least get that back. Another board member was worried that if they gave Mr. Gordon a refund, how many more producers would come in and ask for refunds.”**

**Producer Review Board (PRB)**  
Board of Directors Meeting Minutes  
May 25, 2023

Stanislaus County Agricultural Commissioner's Office  
Harvest Hall – Room D&E  
Modesto, CA 95358

**DRAFT**

**Agenda Item #1 & 2: Call to Order and Roll Call Establishing Quorum**

The Chair called the meeting to order at 10:12 am. Mr. Ko conducted a roll call of members and alternates to establish a quorum. A quorum was present with ten (10) of fifteen (15) members present for a total voting member count of ten (10). In attendance were:

Members Present:

William Dyt  
Fred Fagundes  
Joseph Fernandes  
Craig Gordon  
Frank Konyn  
John Moons  
Tony Nunes III  
Art Van Beek  
Kerri Vander Poel  
Case Van Steyn

Members Absent:

Charles Ahlem  
Jarrid Bordessa  
Ted DeGroot  
Arie H De Jong  
Arlin Van Groningen

CDFA Staff:

Haig Baghdassarian, Chief Council  
Kathy Diaz, Director, Marketing Services  
Division  
Kacie Fritz, Assistant Director, Marketing  
Services Division  
Beth Jensen, Staff Services Manager  
Marketing Services Division  
Ellen Walrath, Research Data Analyst II  
David Ko, Research Data Analyst I

**Agenda Item #4: CDFA Quota Administration Program (QAP) Update**

The Chairman shared that Mr. Konyn will be late due to a flight delay and is on the way to the meeting. The Board suggested waiting for all members to be present before approving minutes.

Ms. Diaz provided updates on QAP funding.

Budget Update: Ms. Diaz gave an update on the QAP budget including a discussion of new expenditures and projections. A member of the public made a comment on Quota Administration Fees and increasing the reserve.

A Board member asked if costs associated with current litigations are included in the budget. Ms. Diaz clarified various legal costs from litigations are included in the budget. The Board asked questions about left over funds from the Dairy Marketing and Pooling Branches. Ms. Diaz responded that redirecting the funds will require a legislative action.

**Board Action 2023-1:** It was moved by Mr. Moons and seconded by Mr. Dyt to recommend to the Secretary that the PRB supports any proposals of legislation from representation of the Dairy Industry to direct the funds leftover from the Dairy Marketing Branch and the Pooling Branch back to Dairymen.



**Draft PRB Meeting Minutes**

May 25, 2023

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Discussion: Mr. Konyn arrived prior to the vote. The Board wants to consider adding an agenda item for future meetings to explore how the funds can be used.

**Vote on Board Action 2023-1:** The motion **passed** unanimously with nine (9) members in favor, none in opposition and one (1) absent. Yes votes: William Dyt, Fred Fagundes, Joseph Fernandes, Craig Gordon, Frank Konyn, John Moons, Tony Nunes III, Kerri Vander Poel, and Art Van Beek. No Votes: none. Absent during the vote: Case Van Steyn

Public Comment: a member of the public made a comment that the funds in question cannot be touched without legislation.

**Agenda Item #3: Approval of minutes: October 6, 2022 and December 5, 2022**

Ms. Diaz introduced the approval of minutes from the June 6, 2022, October 3, 2022, and December 5, 2022 meetings and presented the drafts to the board members for review and approval.

The Board recognized that the agenda contained an error on the dates of the minutes as presented. The Board noted the minutes are from the October 3, 2022, meeting instead of the October 6, 2022 date that was listed on the agenda. In addition, the Board recognized that the June 6, 2022, minutes are not listed on the agenda for approval.

Some Board members requested edits to the October 2022 and June 2022 minutes as presented. Ms. Diaz requested the board members to submit the suggested edits in writing.

The Board agreed to postpone the approval of the June 6, 2022, and October 3, 2022, minutes until the next meeting.

**Board Action 2023-2:** It was moved by Mr. Konyn and Seconded by Mr. Fagundes to approve the December 5, 2022, meeting minutes as presented.

Discussion: There was no further discussion.

**Vote on Board Action 2023 – 2:** The motion unanimously **passed** with ten (10) members in favor, none in opposition. Yes votes: William Dyt, Fred Fagundes, Joseph Fernandes, Craig Gordon, Frank Konyn, John Moons, Tony Nunes III, Kerri Vander Poel, Art Van Beek, and Case Van Steyn. No votes: none.

Public Comment: There were no public comments.

#### **Agenda Item #4: CDFA – QAP Update continued.**

Mr. Ko provided an update on the 5-Year Quota Implementation Plan Survey. He shared that the Request for Proposal (RFP) is posted online for vendors to submit their proposals. He notified the Board that the next PRB meeting will be remote and on June 12, 2023, to review and select the RFP to approve.

Ms. Walrath provided resources related to flood emergency. She encouraged the Board to let producers know to contact the Department if they are experiencing hardship due to flooding.

#### **Agenda Item #5: Legal Updates**

Ms. Diaz and Mr. Baghdassarian provided Legal Updates on STOP QIP Tax Coalition v. CDFA, Farmdale Creamery Inc. v. CDFA and Save QIP Dairy Farmers, and Gordon v. CDFA. A Board member asked why Save QIP Dairy Farmers are listed in the case title. Ms. Diaz clarified they were listed as co-defendants in the case.

They indicated that CDFA had prevailed on the Stop QIP Tax Coalition v. CDFA, Farmdale Creamery Inc. v. CDFA cases. They also formally informed of the filing of the Gordon v. CDFA case.

#### **Agenda Item #6: Hardship Consideration Request**

a) Other Requests Received

Ms. Diaz shared the hardship request letters received by the Department from various former producers. Ms. Diaz explained the Department's decision to deny the requests based on the definition of Producer from the Quota Implementation Plan (QIP). A Board member asked for a clarification on the definition of Producer as stated in QIP. Ms. Diaz provided an excerpt from the QIP that defined Producer and hardship consideration. She clarified a producer means any person that produces market milk in the State of California from five or more cows and includes members of cooperative associations.

b) Meirinho West Inc – February 1<sup>st</sup>, 2023; Mark Meirinho

Ms. Diaz presented a hardship request from Meirinho West Inc. The Board asked the public if the petitioner is present to provide additional information. Mr. Mark Meirinho was not present at the meeting. Ms. Diaz shared with the Board that the Department made efforts to communicate with Mr. Mark Meirinho via certified mail, phone calls, and emails. Ms. Diaz shared that Mr. Mark Meirinho was not fully aware of the hardship request during the correspondences.

c) Meirinho Holsteins Inc – February 1<sup>st</sup>, 2023; Larry Meirinho

Ms. Diaz presented a hardship request from Meirinho Holsteins Inc. The Board asked the public if the petitioner is present to provide additional information. Mr. Larry Meirinho was not

present at the meeting. Ms. Diaz shared with the Board that the Department made efforts to communicate with Mr. Larry Meirinho via certified mail, phone calls, and emails. Ms. Diaz shared that Mr. Larry Meirinho was not fully aware of the hardship request during the correspondences.

**Board Action 2023-3:** The Board made a motion to recommend to the Secretary (Karen Ross, California Secretary of Food and Agriculture), an acceptance of the hardship case from Meirinho West Inc.

**Board Action 2023-4:** The Board made a motion to recommend to the Secretary (Karen Ross, California Secretary of Food and Agriculture), an acceptance of the hardship case from Meirinho Holsteins Inc.

Discussion: The Board discussed the merits of the hardship requests. The board members noted that the current hardship request is similar in nature to the recently rejected request from Gordon Dairies. Some Board members felt the Board should consider the hardship request. Some Board members clarified there is no mechanism in the QIP to grant the request as stated. Ms. Diaz shared that, based on the conversations with the petitioners, the petitioners were not fully aware of the hardship requests. They were associating the hardship requests with interest rates and government assistances.

Mr. Baghdassarian provided a memorandum on QIP Hardship Requests to the Board. The Board agreed with the recommendation of the memorandum that the “PRB continue to consider pending and future hardship requests within the framework historically applied: being granted relief from provisions regarding eligibility, exemptions, transfers”. The Board recognized that the pending requests did not meet the criteria of hardship requests under the QIP.

Public Comment: A member of the public made a comment that producers should receive a refund from the over collection of the fund.

**Vote on Board Action 2023 – 3:** The motion **failed** with two (2) members in favor, eight (8) in opposition. Yes votes: Craig Gordon, Frank Konyn. No votes: William Dyt, Fred Fagundes, Joseph Fernandes, John Moons, Tony Nunes III, Kerri Vander Poel, Art Van Beek, and Case Van Steyn.

Mr. Gordon exited the meeting at 11:52 am, changing a total voting member count to nine (9).

**Vote on Board Action 2023 – 4:** The motion **failed** with one (1) member in favor, eight (8) in opposition, and one (1) absent. Yes votes: Frank Konyn. No votes: William Dyt, Fred Fagundes, Joseph Fernandes, John Moons, Tony Nunes III, Kerri Vander Poel, Art Van Beek, and Case Van Steyn.

a) Quota Administration Fund Condition Update

Mr. Ko shared a chart of the Quota Fund Condition and Monthly Activity. He highlighted the running total balance as of April 2023 at \$5,716,564.63 which is higher than the suggested fund level. A Board member asked what a suggested level of the fund is. Mr. Ko responded that traditionally the goal is to maintain it at \$2 - \$2.5 million.

Mr. Ko presented a chart of Estimated Fund Balance upon a Rate Change effective July 1, 2023, and a graph of fund condition predictions. The estimated fund balances were calculated using past 12-month production data. Mr. Ko recommended the SNF rate of 0.0340. He explained the proposed rate will decrease the fund balance to \$2.5 million by December 2023.

**Board Action 2023-5:** It was moved by Mr. Konyn and Seconded by Mr. Fernandes to recommend effective July 1, 2023, a quota assessment rate of \$0.0330 / SNF Pounds (\$0.2870/cwt).

Discussion: A board member suggested to recommend the SNF rate of \$0.0330 because the rate of \$0.0330 will decrease the fund closer to the goal of \$2 million by December 2023. The Board asked if it could give authority to the Department to adjust rates without holding a meeting to vote on a recommendation. Ms. Diaz responded the Department appreciates the involvement of the Board in determining the assessment rate and wants to keep the tradition of incorporating the Board's feedback to the assessment rate changes. The Board noted that the fund level will start to rise again in January of 2024 despite the rate decrease. Mr. Ko responded the estimation is based on past 12-month production data and only a prediction. The actual trend can be different. He noted that the Department will continue to monitor the fund level to inform the Board of any changes. He also suggested it will be important to have a meeting around September – November in order to reevaluate the assessment rate.

Public Comment: A member of the Public asked if the Board would consider giving an authority to the Department to adjust the rates without the Board's approval. He shared that the Department will be able to adjust the rates quickly to prevent the fund from growing. He also shared that the growing of the fund in recent years was unpredictable due to external circumstances such as COVID-19, and a production surge.

**Vote on Board Action 2023 – 5:** The motion unanimously **passed** with nine (9) members in favor and none in opposition. Yes votes: William Dyt, Fred Fagundes, Joseph Fernandes, Frank Konyn, John Moons, Tony Nunes III, Kerri Vander Poel, Art Van Beek, and Case Van Steyn.

**Agenda Item #8: "Does Class 1 Fund Cover Quota Payments?" – Frank Konyn**

The Chairman invited Mr. Konyn to start his presentation. Mr. Konyn presented his analysis comparing Federal Milk Marketing Order (FMMO) Class 1 price and CDFM Quota payments. Mr. Konyn presented a question whether Class 1 Fund covers Quota Payments.

Ms. Diaz provided a clarification to Mr. Kony'n's presentation that the Department no longer collects necessary information/data to calculate milk pricing. Moreover, the Class 1 price calculated by the FMMO uses different data for milk than the Department. The number of total milk pounds considered between FMMO and CDFA can differ by as large as 1 billion pounds. Mr. Kony'n thanked Ms. Diaz for the clarification and shared he wishes to gather additional information to improve his analysis going forward.

#### **Agenda Item #9: Public Comments**

A Board member asked if there is a rule on how many Board meetings a Board member can miss before they are dismissed from their position. Ms. Diaz responded she will provide an answer after further research.

The Board requested a meeting that will be reserved exclusively for the QIP review survey. The meeting is planned as a teleconference.

#### **Agenda Item #10: Adjournment**

With no further business before the Board, the Chair adjourned the meeting at 12:49 pm.

**DRAFT**

**Producer Review Board (PRB)**

Meeting Minutes

June 12, 2023

Remote Meeting - Zoom

**Agenda Item #1 & 2: Call to Order and Roll Call / Establishing Quorum**

The Chair called the meeting to order at 10:10 am. Mr. Ko conducted a roll call of members and alternates to establish a quorum. A quorum was present with thirteen (13) of fifteen (15) members present and one (1) alternate Board member acting for a total voting member count of fourteen (14). In attendance were:

Members Present:

Jarrid Bordessa  
Ted DeGroot  
William Dyt  
Fred Fagundes  
Joseph Fernandes  
Craig Gordon  
Frank Konyn  
John Moons  
Tony Nunes III  
Art Van Beek  
Arlin Van Groningen  
Kerri Vander Poel  
Case Van Steyn

Alternate:

Pete De Boer  
*Serving for*  
Arie H De Jong

Members Absent:

Charles Ahlem  
Arie H De Jong

CDFA Staff:

Kathy Diaz, Director, Marketing Services  
Division  
Kacie Fritz, Assistant Director, Marketing  
Services  
Nicole Lucas, Contract Analyst, Office of  
Grants Administration  
Ellen Walrath, Research Data Analyst II  
David Ko, Research Data Analyst I

**Agenda Item #3: 5-Year Quota Implementation Plan Survey (the Survey)**

**a) Request for Proposal (RFP) Review and Selection**

Ms. Diaz reminded the Board that the meeting will be narrow in scope to honor the Board's request from the previous meeting. Mr. Ko explained the RFP review process to the Board. He clarified that the review process must adhere to the State Contracting Manual. Individual items from *Evaluation Scoring and Criteria* (attached) were reviewed and given final scores agreed by the group. The Department only received one RFP, submitted by Research America, Inc (RAI). Ms. Lucas explained that the Department will need to restart the bidding process if the proposal did not meet the minimum passing score. After the review, the RFP was rewarded a score of 86 out of the total 110 available points.

**Board Action 2023-6:** It was moved by Mr. Gordon and Seconded by Mr. Konyn to approve the Request for Proposal from Research America, Inc.

## Draft PRB Meeting Minutes

June 12, 2023

Page 2 of 3

### Discussion:

The Board discussed their scores and reasonings for each item from the Evaluation Scoring and Criteria. Mr. Ko provided the Department's scores and reasonings to guide the discussion as necessary.

Some Board members shared their concerns on the completeness of the proposal because they felt it was missing important details about the survey. Other Board members provided additional information to alleviate this concern. Through discussion, the Board came to a final score that was acceptable to all the members.

Some Board members felt RAI did not clearly demonstrate their knowledge of the market milk industry. Other Board members cited RAI's background and previous experiences working with the dairy industry to counter these concerns. Some Board members still did not feel confident to reward a high score and agreed to reward an average score.

A Board member made a comment that they will be rewarding a score to pass the proposal given the circumstance. Ms. Lucas warned the Board to only score and evaluate the items on the merits of the proposal to maintain the integrity of the review process.

Overall, the Board agreed on the qualifications of the personnel, RAI's ability to complete the survey, and felt they sufficiently demonstrated their ability to meet the timeline. The Board reached a consensus on the final scores for each item through discussion.

Since the proposal met a minimum score of 85 points, the Board discussed and evaluated additional items. The Board felt the cost is justified given the nature of the Survey. They agreed it will require a certain cost to employ professionals to conduct the Survey. The RFP received a score of 50 (out of 60) for cost, bringing the total score to 136 (out of 170). Ms. Lucas confirmed that RAI is not a small business and will not be receiving points for Small Business Preference. A Board member commented that RAI is a registered, Veteran-Owned Company. RAI received points for Disabled Veterans Business Enterprise Incentive. After the additional points, the RFP received a score of 146 out of total 190 possible points.

**Vote on Board Action 2023-6:** The motion passed unanimously with fourteen (14) members in favor.

Yes votes: Jarrid Bordessa, Ted De Groot, William Dyt, Fred Fagundes, Joseph Fernandes, Craig Gordon, Frank Konyn, John Moons, Tony Nunes III, Kerri Vander Poel, Art Van Beek, Arlin Van Groningen, Case Van Steyn, and Pete De Boer.

### **Agenda Item #4 Next Meeting:**

An agenda for a future PRB meeting will be drafted and shared with the Board for review prior to the meeting. If RAI accepts and starts the project, an in-person meeting is expected to provide an opportunity for the Board to develop the Survey questions with RAI.

The Board requested to set a tentative meeting date of July for a future PRB meeting to develop the Survey.

**Agenda Item #5 Adjournment:**

With no further business before the Board, the Chair adjourned the meeting at 11:38 am.

DRAFT



## QUOTA ADMINISTRATION BUDGET FY 2022/2023 & 2023/2024

	2022/23 Budget	Actual 2022/23 Expenditures	2023/24 Budget
<b>Personnel Years</b>			
Total Positions	5	4	5
<b>Personnel Costs</b>			
Salary and Wages	437,613	322,826	459,493
Benefits	262,568	186,436	275,696
<b>Total Personnel Expenses</b>	<b>700,181</b>	<b>509,262</b>	<b>735,189</b>
<b>Operating Expense</b>			
Administrative	4,000	2,437	4,000
Printing	6,000	0	6,000
Communications	4,000	1,657	4,000
Postage	5,000	4,225	5,000
Travel	32,000	11,660	32,000
Training	5,000	0	5,000
Facilities Operations	25,000	24,858	25,000
Consulting & Legal Services	60,000	5,583	60,000
Equipment & Vehicle	36,200	1,076	36,200
<b>Total Operating Expenses</b>	<b>177,200</b>	<b>51,496</b>	<b>177,200</b>
<b>Distributed Expense</b>			
Department Indirect	100,560	100,560	100,560
Division Indirect	80,065	80,065	80,065
State Pro-rata	48,588	48,588	55,038
<b>Total Distributed Expenses</b>	<b>229,213</b>	<b>229,213</b>	<b>235,663</b>
<b>Program Expenses</b>			
Personnel	700,181	509,262	735,189
Operating and distributed	406,413	280,709	412,863
<b>Total Program Expenses</b>	<b>1,106,595</b>	<b>789,972</b>	<b>1,148,052</b>
<b>Funding</b>			
C/A 221 (Assessment)	1,200,000	1,200,000	1,200,000
Direct Reimbursement	18,500	18,500	18,500

**Quota Administration Program Estimated Fund Balance  
Based On Revenue & Expenditures Estimates as of June 1, 2023**

<b>Beginning Balance, July 1, 2022</b>	<b>\$ 3,644,139</b>
<b>Current Estimated Fiscal Year Revenues</b>	
Quota Administrative Fee	\$ 1,200,000
Reimbursements	\$ 18,500
Interest Income	\$ 91,504
<b>Total Estimated Current Fiscal Year Revenue</b>	<b>\$ 1,310,004</b>
<b>Total Funds Available for Expenditure</b>	<b>\$ 4,954,143</b>
<b>Expenditures</b>	<b>\$ (789,972)</b>
<b>Fund Balance, June 30, 2023 (estimated)</b>	<b>\$ 4,164,172</b>

**Comments from Budget Overview Document**

As Presented to the PRB		
Budget for FY 2023/24		Comment
Administrative	\$ 4,000	General Expense - \$4,000 (Office Supplies)
Printing	\$ 6,000	Copier Expense, toner
Communications	\$ 4,000	Phones : \$1,600 Cell Phones; \$2,400
Postage	\$ 5,000	Planned mailings, 5-Year Effectiveness Survey mailings
Travel	\$ 32,000	Travel In-State \$32,000. Auditor and RDA Travel
Training	\$ 5,000	Projected cost of \$1,000 per employee
Facilities Operations	\$ 25,000	2022/2023 Rent (\$1,853.12 x 12 mos. = \$22,300) ; DGS fees \$2,700
Legal Services	\$ 60,000	Research America Inc Contract \$40,000 Attorney General \$20,000
Equipment & Vehicle	\$ 36,200	Projected Vehicle Exp \$1,200, Replacement Equipment \$35,000
Total Oper Expenses	\$ 177,200	



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

June 1, 2023

**QUOTA IMPLEMENTATION PLAN  
ASSESSMENT RATE REVISIONS EFFECTIVE  
July 1, 2023**

TO ALL INTERESTED PARTIES:

The California Food and Agricultural Code (FAC) section 62757 provides that should a federal milk marketing order be established in California the Secretary of Food and Agriculture is authorized to establish a stand-alone quota program. FAC 62757 further authorizes the program to be funded by an assessment on milk produced in the state.

FAC section 62757 and Article 9, Section 901 of the Quota Implementation Plan (QIP) provides for a quota revenue assessment to fund the quota premiums. Since March 1, 2023, the rate has been set at \$0.0391 per pound of Solids Not Fat (\$0.34 per hundredweight). The rate has generated more reserves than needed to pay quota premiums; accordingly, at its meeting on May 25, 2023, the Producer Review Board (PRB), as an advisory board to the California Department of Food and Agriculture (CDFA), voted to recommend that effective July 1, 2023, the rate be decreased to **\$0.0330 per pounds of Solids Not Fat (\$0.2870 per hundred weight)**.

CDFA has adopted the PRB's assessment recommendation. It is anticipated that this rate will generate roughly the same assessment revenue that is paid out; to this effect, CDFA and the PRB agreed to meet as needed to re-evaluate the quota premium assessment levels.

Sincerely,

Kathy Diaz-Cretu

Digitally signed by Kathy Diaz-  
Cretu  
Date: 2023.06.01 15:27:48 -07'00'

Kathy Diaz-Cretu, Director  
Marketing Services Division



**Petition to Terminate the QIP # 5**



June 1, 2023

Madame Secretary,

We, the undersigned submit the following petition in support of immediately terminating the Quota Implementation Plan (QIP) and request that the CDFA conduct a referendum in accordance with the procedures set forth in California Food & Agriculture Code, §§62716 and 62717, 62719.

Merits to terminate the Quota Implementation Plan are as follows:

The QIP is a burdensome assessment on most California dairies and is hurting families and the entire California dairy industry. All Grade A shippers are currently paying \$433,000 a day because of the QIP assessment. The cost exceeds the benefit for most dairy producers in California. We no longer wish to pay a small group of quota holders over \$12 million per month. We want to terminate the QIP and establish a level playing field for all dairymen.

Under Article 11, Section 1103 of the QIP it states, "Upon receipt of a petition signed by at least 25% of market milk producers regarding the amendment or termination of this plan, the Secretary shall convene the Producer Review Board to review the merits of the petition and make a recommendation to the Secretary. The Secretary shall submit the Plan for referendum in the same manner as provided for its initial approval." *The State is required to hold a referendum vote when this 25% threshold is met.*

**Dairy Name** \_\_\_\_\_

**Address (no PO Box#)** \_\_\_\_\_  
\_\_\_\_\_

**Owner – Producer** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** June 1, 2023

**Pool Producer State #** \_\_\_\_\_

**Avg. Monthly Milk Volume (cwts.)** \_\_\_\_\_



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

## DEPARTMENT PROCEDURES FOR HANDLING PETITIONS REQUESTING CHANGES TO OR THE TERMINATION OF THE QUOTA IMPLEMENTATION PLAN

### BACKGROUND

The Quota Implementation Plan (QIP) provides that anyone seeking substantive amendments or termination of the QIP must do so by submitting a petition to the California Department of Food and Agriculture (Department) signed by at least 25 percent of market milk producers. The QIP does not specifically outline the procedures or process for a petition received by the Department.

As a result, the Producer Review Board (Board) was convened to develop the procedures. The Board conducted two public meetings on December 19, 2018 and March 6, 2019 to receive input from the public and technical assistance from Department staff, and to develop the procedures for submitting a petition for proposed changes to or termination of the QIP.

### RESULTS

Based upon input from the public, the Department has developed the attached procedures for handling a petition for substantive amendments to or termination of the QIP.

Karen Ross, Secretary  
California Department of Food and Agriculture

Date





**Procedures for Submitting a Petition for Substantive  
Amendments or Termination of the Quota Implementation Plan  
April 3, 2019**

Purpose of this document is to provide direction regarding the process for any petition received by the California Department of Food and Agriculture (CDFA) to amend or terminate the Quota Implementation Plan (QIP or Plan), as outlined in Article 11, Section 1103 of the QIP.

Any petition to amend or termination the QIP shall include:

- The name and contact information for a representative of the petitioning party.
- A brief description of the proposed changes including a copy of the suggested language to amend the Plan.
- Specific justifications for the proposed changes including legal authorities, relevant analysis, comments, and data supporting the request including any time frames (i.e. ongoing or temporary) for the proposed changes are suggested.
- The producer name, producer number under the QIP program, physical dairy ranch address, signature of the producer, and signature date.
- The information for each petitioner may be on a single page (i.e. one petitioner per page) or information for multiple petitioners may be listed on a single page. A brief description of the proposed changes including an exact and complete copy of the language to amend the Plan must be on each signature page.
- The petition shall be submitted in one package to the CDFA Secretary or the QIP Administrator, via mail at CDFA-QIP 1220 N Street, Sacramento, CA 95814 or emailed to: [dairy@cdfa.ca.gov](mailto:dairy@cdfa.ca.gov)
- To be considered a complete package, the package shall include all the above listed items.
- Once a petition is submitted to the Department it cannot be amended.

Upon receipt of a petition:

- The Secretary shall notify the petitioner in writing of its receipt of the petition.



- The Secretary shall notify the Producer Review Board of its receipt via email and post the petition with producer's personal information and signatures redacted on the CDFA website for no less than 90 days. The QIP Administrator will begin the verification process to validate submitted signatures. No more signatures will be received after the date the petition is received.
- In the event the QIP Administrator receives substantial evidence that petition signatures may have been forged, the Department will take reasonable steps to confirm the validity of all petition signatures, except those that have been verified by a notary public at the time the petition was signed. Substantial evidence means more than a mere scintilla [a tiny trace or spark of a specified quality or feeling]; it is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.
- The QIP Administrator shall verify all dairy ownership using the latest QIP Program producer information available to ensure petitioner information, as submitted, is valid.
- Producers eligible to receive a referendum ballot are persons, as defined in Food and Agricultural Code 61836, and producers of market milk.
- The QIP Administrator shall tabulate whether the required twenty-five percent (25%) signature threshold has been achieved within ninety calendar days (90) of receipt of the petition. If the Department cannot validate the 25% signature threshold, the petition will be deemed invalid. The petitioner may resubmit another petition.
- The Secretary shall notify the petitioner, the Producer Review Board (via email) and effected producers of the final tabulation and post the result on the CDFA website. (<https://www.cdfa.ca.gov/dairy/>)
- If the 25% threshold is achieved, the Secretary shall schedule, a meeting of the Producer Review Board within sixty calendar days (60) of petition certification.
- The Producer Review Board shall review the petition in one or more meetings, adopt findings, and make a recommendation to the Secretary.
- The Secretary shall review the PRB recommendation and if the Secretary finds that the Plan no longer tends to effectuate the purpose intended, the petition shall be submitted for referendum in the same manner as provided for its initial approval, per Food and Agriculture Code 62717.
- The Secretary's determination shall be reported to the Petitioner, the Producer Review Board, effected producers and posted on the CDFA website within thirty calendar days (30) of the Producer Review Board's recommendation.
- Within forty-five (45) days of the Secretary's determination, CDFA shall initiate the referendum process in the same manner as provided for the QIP's initial approval.