

# Olive Oil Commission of California Board of Directors

Minutes of Meeting  
May 8, 2014  
Sacramento, CA

A meeting of the Olive Oil Commission of California was called to order by Joe Monson with the California Department of Food and Agriculture at 1:05 p.m. on May 8, 2014 at the California Department of Food and Agriculture – Gateway Oaks office in Sacramento, California. This was the first organizational meeting of the Olive Oil Commission of California, which was implemented on March 24, 2014. Self-introductions were made by those present, and a quorum was established with the following in attendance:

## **Producer Members**

Jeff Colombini, Lodi Farming  
Adam Englehardt, Kbar Farming  
Larry Maben, Maben Farms  
Richard Marchini, Marchini Ag  
Richard Neilsen, McEvoy Ranch  
John Williams, Cal Ag Properties, LLC

## **Producer Alternates**

Josh Barton, Barton Ranch  
Gregg Kelley, California Olive Ranch  
Rich Mathews, Sadeg Ranch Olive LLC  
Pat Ricchiuti, P-R Farms, Inc.

## **Handler Members**

Jim Etters, Yocha Dehe  
Brady Whitlow, Corto Olive

## **Handler Alternates**

Brendon Flynn\*, Pacific Sun  
Vincent Ricchiuti, Enzo Olive Oil Co.

## **Guests**

Patti Andrade, Borges USA  
Susan Boyd, California Senate  
Sharlene Garcia, AdFarm  
Bruce Golino, California Olive Oil Council  
Claudia Guillaume, Modern Olives  
Kimberly Houlding, AOOPA  
Nick Sciabica, Nick Sciabica & Sons  
Carolyn Veal-Hunter, Yocha Dehe Wintun Nation

## **CDFA**

Bob Maxie, Marketing Branch  
Joe Monson, Marketing Branch

*\*Acting in place of absent member*

## **Review of Laws Related to Commission Activity**

Monson provided an overview of the Olive Oil Commission of California, highlighting key provisions in Commission Law such as the composition and terms of office for the board of directors and the advisory committee, the powers and duties of the Commission, assessment authorities, continuation and termination procedures, and the establishment of grades and labeling standards. It was mentioned that all activities pertaining to Article 9 of the Commission Law (authority to adopt and amend quality standards) will be advisory to the Department of

Food and Agriculture (Department) and subject to the provisions of the California Marketing Act.

Following discussion of the Commission Law, Maxie provided an overview of the Bagley-Keene Open Meeting Act, highlighting the requirements that apply to the Commission. It was pointed out that the overarching purpose of this law is to provide a means for the public to observe and participate in business conducted by state bodies. A complete copy of the Bagley-Keene Open Meeting Act was provided to all members and alternates of the Commission prior to the meeting.

Monson informed the members and alternates of the Commission that they are required by law to complete a course in ethics training within six months of appointment and every two years thereafter while serving on a state body. A link to the Attorney General's website where the course can be accessed was provided (<https://oag.ca.gov/ethics>). Monson asked the Commissioners to complete the online course and provide a copy of their certificate of completion to the Department's Marketing Branch or the Commission's office, once it has been established.

### **Election of Officers**

Monson explained that the Commission Law authorizes the Commission to appoint its own officers from within its membership. Monson then opened the floor to receive nominations for Chairperson of the Commission. Jeff Colombini and Brady Whitlow were nominated. Jeff Colombini received the highest number of votes and was elected as the Chair. The floor was then opened to receive nominations for Vice Chairperson of the Commission. Adam Englehardt was nominated and elected by unanimous vote of the Commission. There was consensus among the Commission to table the election of additional officer positions until they are deemed necessary.

### **Options for Management of Commission**

Chairman Colombini asked Monson to discuss options available for management of the Commission. Monson explained that the Commission can either hire a full-time employee to serve as CEO of the Commission, or contract with a management organization or existing agricultural commodity program for management and administrative services. Discussion ensued about the advantages and disadvantages of each option.

**After discussion, a motion was made, seconded, and unanimously approved to solicit proposals through an open process from contractors interested in providing management services to the Commission. (Motion 5-8-14 #1)**

It was suggested that the request for proposals should be issued as soon as possible and remain open for approximately 15 days. Chairman Colombini said that he would like the proposals to be initially reviewed by the Executive Committee before finalists are invited to the next Commission meeting for a presentation and interview.

### **Public Member Appointment**

Monson stated that the Commission Law provides for a public member and an alternate public member to be appointed by the Department based on nominations received from the

Commission. The floor was opened for nominations for the public member position and Bruce Golino's name was placed in nomination.

**With no further nominations, a motion was made, seconded, and unanimously approved to recommend to the Department that Bruce Golino be appointed as the Commission's public member. (Motion 5-8-14 #2)**

There was consensus among the Commission to postpone the nomination of an alternate public member until the next meeting.

### **Appointment of Committees**

Monson explained that the Commission Law authorizes the Commission to appoint committees to advise the Commission in carrying out its activities. After discussion, the Commission agreed to form the following committees: Executive Committee, Steering Committee, Budget and Finance Committee, Grades and Labeling Standards Committee, and Research Committee. Chairman Colombini then asked for volunteers to serve on each committee.

**A motion was made, seconded, and unanimously approved to appoint the following members to the Executive Committee of the Commission. (Motion 5-8-14 #3)**

#### **Executive Committee**

Jeff Colombini, Chair  
Adam Englehardt

**A motion was made, seconded, and unanimously approved to appoint the following members to the Steering Committee of the Commission. (Motion 5-8-14 #4)**

#### **Steering Committee**

Adam Englehardt, Chair  
Jeff Colombini  
Josh Barton  
Bruce Golino  
Richard Marchini

**A motion was made, seconded, and unanimously approved to appoint the following members to the Budget and Finance Committee of the Commission. (Motion 5-8-14 #5)**

#### **Budget and Finance Committee**

Brady Whitlow, Chair  
Jim Eppers  
Vincent Ricchiuti  
Dick Neilsen

**A motion was made, seconded, and unanimously approved to appoint the following members to the Grades and Labeling Standards Committee of the Commission.**

*(Motion 5-8-14 #6)*

**Grades and Labeling Standards Committee**

Bruce Golino, Chair  
Gregg Kelley  
John Williams  
Jim Lipman  
Brady Whitlow  
Vincent Ricchiuti

Chairman Colombini stated that members of the Research Committee of the Commission will be appointed at a future date.

**Next Steps**

Monson presented a list of administrative items that the Commission will need to address during its start-up period (Attachment 1). It was mentioned that the Commission will need to hire legal counsel to assist in drafting necessary organizational documents such as Bylaws, Conflict-of-Interest Code, and other Commission-related procedures.

**A motion was made, seconded, and unanimously approved to hire Kahn, Soares & Conway, LLP to provide legal services to the Commission.** *(Motion 5-8-14 #7)*

Chairman Colombini said that he would contact counsel and ask them to draft Bylaws for the Commission to consider at its next meeting.

**Olive Oil Grades and Labeling Standards**

Monson and Maxie described the general process the Department will use to consider implementation of grades and labeling standards for olive oil. First, the Commission will need to draft proposed standards and submit them to the Department in the form of a recommendation. Upon receipt of a recommendation by the Commission, the Department will issue notice of a public hearing to consider the proposed standards. During the hearing, the Department will receive testimony and evidence pertinent to the proposal being considered. After the hearing has concluded, the Department will analyze the hearing record and prepare a set of findings based on the record. Based on these findings, the Department will issue a decision regarding the proposed standards.

Maxie was asked who will serve on the hearing panel. Maxie responded that the panel will consist of two or three economists from the Department's Marketing Branch and a hearing officer who is typically a Department employee with specific training from outside the Division of Marketing Services. Maxie also mentioned that depending on the technical nature of the proposed standards, the Department may also solicit the assistance of an outside expert, such as a scientist from the University of California.

Maxie was asked how the panel will weigh testimony and evidence entered into the hearing record by each witness. Maxie responded the goal of the Department is to have as complete of a hearing record as possible regarding the proposed standards, including why persons support the proposed standards and why persons have concerns about the proposed standards. The Department will be evaluating testimony and evidence based on its substance and merit, not based on who is offering it or the number of witnesses making the same point. If a witness testifies who is not directly affected by the proposed standards, but makes a very relevant point or offers evidence that is pertinent to the call of the hearing, the Department will consider that testimony and evidence.

Maxie was asked what type of testimony and evidence will the Department be looking for at the hearing. Maxie offered several items that witnesses should consider addressing, including the challenges the industry currently faces, the objective of the proposed standards, the cost of complying with the proposed standards, and the impact of the proposed objectives on consumers. Monson added that sample questions will be provided in the hearing notice issued by the Department.

Maxie noted that once a hearing notice is issued, Department staff cannot discuss subject matters related to the call of the hearing with parties outside the Department, until a final decision is issued by the Department.

Golino suggested that the Grades and Labeling Standards Committee convene multiple times over the next few weeks in order to draft the proposed grades and labeling standards for the Commission to review and take possible action on at its next meeting. Members of the Grades and Labeling Standards Committee agreed to notice meetings for May 19, 2014, May 27, 2014, and June 2, 2014.

#### **Assessment Rate and Budget for 2014-2015 Fiscal Year**

Monson presented a table that showed projected assessment revenues for the Commission, based on various scenarios of assessment rates and industry volumes (Attachment 2). Discussion ensued regarding the 2014 crop and possible rates of assessment. Monson mentioned that the Commission Law states the rate of assessment needs to be established prior to the beginning of the fiscal year, which is July 1, 2014, or as soon thereafter as possible. There was a consensus among the Commission to table the adoption of the assessment rate for the 2014-2015 fiscal year until further information regarding a reliable crop estimate and budgetary details can be developed. Chairman Colombini asked the Budget and Finance Committee to hold a meeting to address these items and develop a recommendation for the Commission to consider at its next meeting.

It was mentioned that the Commission will not have funds available to spend until it collects its first assessment revenue this fall when harvest begins. Monson explained that there are several options available to address this issue, including establishing a line of credit, requesting voluntary advancements of assessments, and seeking a loan or contribution from a proponent group. Chairman Colombini asked the Budget and Finance Committee to look into the options for bridging the gap in funding and make a recommendation to the Commission. Members of the Budget and Finance Committee agreed to notice a meeting for May 21, 2014.

### **Update of Deposit Account with CDFA**

Monson presented financial information regarding the deposit provided to the Department by the American Olive Oil Producers Association to cover costs associated with implementation of the Commission, including developing producer and handler lists, conducting the implementation referendum, conducting district nomination meetings, soliciting applications and appointing the Advisory Committee, and organizing the initial meetings of the Commission (Attachment 3). As of April 1, 2014, the Department has expended \$5,271 of the \$9,500 deposited with the Department, with a remaining balance in the account of \$4,229. Once the deposit has been fully expended, the Department will begin to invoice the Commission for reimbursement of its costs on a monthly basis. Maxie noted that the Department will be flexible with when the first few monthly invoices are paid, because the Commission will not be able to collect assessment revenue until the fall when harvest begins. Whitlow asked Monson to provide an estimate of the Department's costs for the upcoming fiscal year so the Budget and Finance Committee can incorporate it into its draft budget.

### **Next Meeting**

There was consensus among the Commission to schedule its next meeting for Tuesday, June 3, 2014, beginning at 1 p.m. in Sacramento. The following items were requested to be included on the meeting agenda: report from Grades and Labeling Standards Committee regarding proposed standards, report from Budget and Finance Committee regarding budget and assessment rate for 2014-2015 fiscal year and method of funding until assessments are collected, report from Executive Committee regarding management search, report from the Steering Committee regarding adoption of Bylaws and other organizational documents develop by legal counsel, and filling of vacant positions on Board of Directors. Monson said that he would coordinate the meeting arrangements and work with Chairman Colombini on developing the final agenda.

### **Adjournment**

There being no further business, the meeting adjourned at 4:10 p.m.

### **Certification of Minutes**

I, Joe Monson, Senior Agricultural Economist for the California Department of Food and Agriculture, do hereby certify that to the best of my knowledge, the foregoing is a true and correct copy of the minutes of the meeting of the Olive Oil Commission of California held in Sacramento, California on May 8, 2014.

**June 3, 2014**

Date

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Joe Monson, Senior Agricultural Economist  
California Department of Food and Agriculture  
Marketing Branch