

DEBBIE POWELL

Description of Proposed Amendments-General

I'm Debbie Powell, President of the Raisin Administrative Committee (Committee). I've worked 32 years with marketing orders; 4 with Naval Valencia Orange Administrative Committee and almost 29 with the Committee. I've been the acting President/General Manager since February 2015.

The Committee is one of the oldest Federal Marketing Orders, it was established in 1949. The Committee's current membership is the largest of all Federal marketing orders, with 47 members and 47 alternates.

The California raisin industry is in flux. Twenty years ago, the raisin industry had 255,000 bearing acres (CDFA & USDA-NASS) and approximately 3,500 producers. As of 2022, there was only 98,000 bearing acres (Land IQ, 2023) and approximately 1,500 producers.

The last time the Committee went through Formal Rulemaking was in April 2016. The primary reason at that time was to remove Volume Control from the Marketing Order. Reducing the size of the Committee was suggested by the USDA, but the Committee chose not to restructure at that time.

The RAC had previously organized a key group of committee members to form what is referred to as the Rulemaking Workgroup. The Workgroup reports to the Administrative Issues Subcommittee, which then any motions are ratified by the RAC.

The subject to reduce the Committee size was discussed again in January 2020. COVID delayed further serious talks until early January 2021 when the Committee Staff were directed to work with the Rulemaking Workgroup to flesh out several reduction options (size and structure). It was also determined that while rulemaking was in progress, the Committee would take the opportunity to include some housekeeping items well.

There were approximately twelve meetings where in-depth discussions were held and multiple proposals were presented and revised (*Exhibit A*).¹³ These meetings took place in the Rulemaking Workgroup, The Administrative Issues Subcommittee and the Full Committee. Ultimately, on August 17, 2022, the Full Committee met where a motion to proceed with the four amendments passed. It was not unanimous however, the vote consisted of twenty 'YES' and ten 'NO' votes (*Exhibit B*).¹⁴ The Committee met again on October 5, 2022 where the 9-Point Justification was approved and staff was directed to submit to USDA (*Exhibit C*).¹⁵

I'm here to provide a brief summary of the four proposed amendments per our 9-Point Justification. Other industry representatives will provide additional details in their testimony.

PROPOSAL 1. Reduce and modify the size of the Raisin Administrative Committee (Committee), reduce the quorum and remove Producer District Representation:

A review of the meetings held between August 2019 through June 2023, attendance records show that for the 23 full Committee meetings held, the number of acting Members (Member or voting Alternate) available to conduct Committee business averaged 33 out of the 47 positions, or 70%. The current quorum is 25. There were several meetings where only 26-28 of the 47 positions were represented and available to conduct Committee business, which averaged 57% of the total. (~~Exhibit D~~) 16

The Committee's Term of Office is a two-year period. Over the past 5 terms of office, the results of the elections provided for an average vacancy of 11 for Independent Producers and 2 for the Handler category. However, vacancy numbers increased during each term as members and/or alternates were either removed or left the RAC for various reasons; (i.e. membership within their respective groups changed, they chose not to continue serving, or other reasons (~~Exhibit E~~). 17

The Committee believes that reducing the size of its membership will make conducting business more efficient and will bring Committee size into balance with the overall size of the industry. Both the declining size of the industry, the large number of vacancies and the meeting attendance records support the restructuring of the Committee.

The Committee's membership has also been under scrutiny by the USDA for nepotism. There are many vertically integrated members who are producers and handlers that have representation by multiple family members in both producer and handler seats. Reducing and restructuring should make for a competitive process and reduce the nepotism.

A. The total number of Committee Member/Alternate seats would be reduced from 47 to 21 seats (~~Exhibit F~~) 18. The 21 seats would be comprised as follows:

- Twelve (12) Producer Member seats (reduced from 35), of which one producer seat would be allocated to a Non-Affiliated Producer (*no proprietary or employment affiliation with cooperative marketing associations, cooperative bargaining associations, or any handler*);
- Eight (8) Handler Members seats (reduced from 10); and
- One (1) Public Member.
- The seat representing cooperative bargaining association(s) would be removed.
- The requirement that independent producer members represent designated Districts would be removed.
- Each Committee Member position would continue to have one Alternate.

B. Reduce the quorum requirements from 25 voting members or alternates (53%) to 14 voting members or alternates (67%).

- C. Remove District Representation for independent producers. Currently, there is a designated seat for 1 member and 1 alternate each for Districts 1 and 2. Both Districts represent a very small number of producers in comparison to District 3 which has a very large producer base. Reducing the Committee's Independent Producer seats does not support keeping the three Districts as that would create unbalanced representation and an unfair advantage to the smaller Districts 1 and 2.

PROPOSAL 2: Remove separate nomination procedures for Independent and Small Cooperative Producers

This was added to the Order in 2016. The rationale at that time was to encourage participation by those who wished to be on the Committee specifically as Member or Alternate. Ultimately, this did not help increase participation. As I noted earlier, the vacancy numbers have remained high. Reducing and restructuring should make for a competitive process and where the number of votes will determine Member or Alternate positions.

PROPOSAL 3: Update Marketing Policy and Quality Standards for Reconditioned Raisins.

- A. Remove Factor 4 of the Marketing Policy requirement § 989.54(a)(4): The estimated desirable carryout at the end of the crop year, is no longer necessary now that there is no volume control authority under the Order.
- B. Remove the words "considering the estimated world raisin supply and demand situation" from § 989.54(a)(5), as the Factor 5 of the Marketing Policy requirement: The USDA source providing the information, USDA-NASS "Raisins: World Market and Trade Report", was discontinued in 2019. That information is also not needed in the absence of volume regulation authority.
- C. Quality Standards for Reconditioned Raisins: This adds language that clarifies that successfully reconditioned fruit that meets the Order's minimum grade requirements shall not be differentiated from other fruit.

PROPOSAL 4: Add Contribution Authority and Patent/Trademark Authority

- A. Contribution authority will enable the Committee to receive funds other than assessments.
- B. Patent/Trademark Authority: this language provides oversight on properties developed/created by the Committee.