

RAISIN ADMINISTRATIVE COMMITTEE

ADMINISTERING THE FEDERAL MARKETING
AGREEMENT AND ORDER REGULATING THE
HANDLING OF CALIFORNIA RAISINS

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MINUTES OF THE RAISIN ADMINISTRATIVE COMMITTEE

August 17, 2022

Chairman Monte Schutz called the meeting of the Raisin Administrative Committee to order at 3:33 p.m. on Wednesday, August 17, 2022, in the RAC Conference Room, 2445 Capitol Street, Suite 200, Fresno, California, and by teleconference by GoToMeetings.com.

<u>MEMBER</u>	<u>ALTERNATE</u>
Abdulian, LindaKay	VACANT
[a] Aslan, Paul	Bowman, Ken
Asmar, Jane *	Moles, Doug *
Bagdasarian, Mitch	Carstens, Wayne
[a] Basila, Jon	Doyel, Jerry
Bedrosian, Bryan	[a] Bedrosian, Ryan
[a] Bedrosian, Michael	[a] Bedrosian, Paul
[a] Bortolussi, Jeff	King, Dan
Cardoza, Dwayne	[a] Huter, E.G.
[a] Cederquist, Doug	VACANT
Chooljian, Chad	VACANT
Chooljian, Gerald	[a] Chooljian, Michael
[a] Coelho, Ed	Olson, Brad
Crowe, Richard	VACANT
Cruff, Larry	[a] Khasigian, Paul
[a] Cubre, Chris	VACANT
DeBorde, Brent	Scrivner, Dan
Efird, Russel	[a] Teixeira, Arnold
[a] Gee, Jimmy	VACANT
Hardy, Sean	VACANT
Hoff, Darren	[a] Rodrigues, Tim
[a] Housepian, Dennis	[a] Boghosian, Philip
Kazarian, Ron	VACANT
Kister, Steve	[a] Estermann, David
Kriebel, Barry	[a] Noorigian, Jeff
Lion, Frank *	Sahatjian, Richard *
Locker, Paul	VACANT
Ludtke, Willy	[a] Rai, Jerry
Marthedal, Jon	[a] Unruh, Mark
Martin, Glenn	[a] Fanucchi, Ed
Medeiros, Manuel	[a] Medeiros, Nicholas

The Raisin Administrative Committee is an Equal Opportunity Employer and Provider.

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	Milinovich, Jeff	[a]	Burgess, Amy
[a]	Moles, Ray		VACANT
[a]	Naito, Tomo		Scott, David
	Overly, Harry		Bender, Braden
	Sahatdjian, Bill	[a]	Sahatjian, Robert
	Sahatdjian, Victor	[a]	Surabian, Kristina
	Salmon, Charles	[a]	VACANT
[a]	Sandhu, Nindy	[a]	Nielsen, Mike
	Sangha, Mitch	[a]	VACANT
[a]	Sarabian, Courtney		VACANT
	Schutz, Monte		VACANT
	Shamp, David		Singh, Harvey
[a]	Shapazian, David		VACANT
	Toste, Paul		VACANT
	VACANT		VACANT
[a]	van Zyl, Sonet	[a]	Sommers, Stephan

**Switched Positions on May 1, 2021*

[a] = Absent

Mr. T. Kenny, Mmes. M. Jones, D. Powell, N. Sprinkman, and D. Williams were present, as well as Ms. K. Notoro, Mr. B. Broadbent, and Mr. J. Sasselli of USDA, and Mr. Joel Kimmelshue of Land IQ on the phone, along with 2 industry representatives.

Ms. M. Jones was directed to call the roll and a quorum was established.

The Chairman then went over the process and procedures of the conference call asking all members to please mute their phones and/or computer. This helps eliminate background noise and allows everyone to hear the speaker. Additionally, the staff may mute you if there is background noise.

APPROVAL OF MINUTES

The Chairman called for corrections or additions to the minutes of the meeting on June 29, 2022, hearing none, the minutes were approved as mailed.

USDA/INSPECTIONS REPORT / MANAGEMENT REPORT

Ms. K. Notoro stated she had nothing to report.

Ms. D. Powell stated that she received an approval letter, dated July 12th from USDA, which included approval of the following: a) an Assessment Rate of \$22/per ton and an Organic Assessment Rate of \$5.00/per ton, b) a delegation to the Annual 2023 RAC/JDFIA Conference to be held in Hawaii, c) a delegation to travel to Washington D.C. to educate USDA on raisin issues, d) the contract with B. Schramm, a D.C. based Government educator, e) the engagement letter with Moss Adams, CPA, LLC to conduct the 2021/22 financial audit, f) granting authority to the RAC to retain outside legal counsel for personnel matters, and g) the contract with Morrison Foerster to continue to manage and renew international trademarks.

Ms. D. Powell stated that over a year ago we informed Procurement that we could supply a Section 32 for \$50 million. The USDA has bought \$30 million to date, and the RAC requested follow-up on the remaining \$20 million of the Section 32 buy. Ms. D. Powell learned yesterday of a Section 32 buy, that may finish up the \$20 million, will be solicited within the next two/three weeks. Ms. D. Powell stated she followed up on the request to add the varieties of goldens and flames to the solicitations. The response received so far said they didn't like the goldens, as inspections said too many sulfates/sulfites, and they are still considering flames.

Ms. D. Powell asked Ms. M. Jones to provide an update on government purchases.

Ms. M. Jones stated since the meeting on June 29th, we have received two solicitations and awards. A solicitation for Fruit & Nut Mix Dried (1lb) of 16,016 cases, was awarded on 7/29/22 for an amount of \$1,077,571.04. A solicitation for Raisin Boxes (1.33oz) and Raisin Packages (15oz) of 725.85 tons, was awarded on 8/9/22 for an amount of \$2,848,681.82

Ms. D. Powell reported that the RAC recently completed a very in-depth Compliance Audit Review and one of the findings the auditors noted that affects the handlers, was the RAC forms were out of date/old forms. At the bottom of every RAC form is an expiration date and forms should be replaced with the most current form, and look just like the forms provided by the RAC. The RAC has notified all handlers and posted the current forms on the website (www.raisins.org/meetings-reports/rac-forms/), and are asking handlers if they use DataTech or another programmer, to make sure to include the new expiration date on all forms. In addition, in the fine print is a "failure to report" fine dollar amount, which was different on everyone's forms. This amount has already changed since the approval of the current forms, so new forms may come out prior to the expiration of these forms.

Mr. V. Sahatdjian asked to refer back to the Section 32 item, regarding the goldens and the sulfite/sulfate issue, he remarked that sulfites and sulfates are two different things. Mr. V. Sahatdjian stated you would have to eat a lot of goldens before the sulfites would impact you. Mr. B. Kriebel stated that there is a knee-jerk reaction against sulfur and Prop 64, and stated some education with USDA may be necessary. Ms. D. Powell noted the difference and would follow up with Procurement for more information.

LAND IQ PRESENTATION

Ms. D. Williams stated that by request of the Committee, Mr. Joel Kimmelshue of Land IQ was contacted and asked to make a presentation regarding the options available to provide a report similar to the Grape Acreage report that we have historically funded through the CA Department of Food & Agriculture (CDFA).

Mr. J. Kimmelshue of Land IQ specializes in providing solutions to challenging agricultural and environmental problems throughout the world. Their areas of expertise include soil science, water quality and demand evaluation and management, agricultural systems, salinity and nutrient management, ecosystem restoration, statistics, remote sensing, geospatial analysis, land stabilization, and regulatory policy. Mr. J. Kimmelshue provided a presentation on Land IQ and their process for assessment, mapping, and reporting (**attached A**).

The Committee requested that staff work with Land IQ on a cost estimate and timeline for the project and reporting, as well as gather recommendations from other commodities that have used Land IQ. In addition, requested the Chairman create a workgroup to review and discuss the current reports vs the reports from Land IQ. This topic will be added to the October 5th RAC meeting for further discussion.

REPORT FROM ADMINISTRATIVE ISSUES SUBCOMMITTEE

Mr. J. Marthedal reported the Administrative Issues Subcommittee met on August 2, 2022, to review the proposed amended Marketing Order language and the 9-points justification. Ms. D. Powell reviewed the proposed reduction from the 47-member to the 21-member Committee which was approved by the RAC on March 30, 2022 (**attached B**). This document showed the breakdown of the 12 producers, 8 handlers, and the public member, eliminating the RBA seat.

- The 12 producer members are broken down as follows:
 - Sun-Maid receives a proportionate share, RBA receives a proportionate share, and the remaining share goes to independent producers, with 1 reserved seat for a non-affiliated producer (no relationship with a handler)
- The 8 handler members are broken down as follows:
 - Sun-Maid receives a proportionate share, the four largest handlers receive 2 designated seats, and the remaining handlers would receive the remaining available seats.
- The Public Member remains the same with 1 seat.

Ms. D. Powell then reviewed the Marketing Order Rules and Regulations touching on the proposed changes (**attached C**), focusing on section 989.29 **Initial members and nomination of successor members** (2)(ii) noting the districts have been removed, and the introduction of the Independent nonaffiliated producer member who receives one reserved seat.

Ms. D. Powell then reviewed the document (**attached D**) which showed an example of how independent producers could be seated. Ms. D. Powell noted the intent of this Body was that the non-affiliated producers receive at least 1-member seat. In the event no unaffiliated producer(s) are nominated, to prevent an empty seat the following language addition is proposed for section 989.26 (2)(iii), "In the event, there are no qualified candidates for any specifically designated producer member or alternate producer member position, such position may be filled by any producer candidate not otherwise slated for the position."

Ms. D. Powell reviewed all the points that will be covered in the 9-point justification as follows:

- A. Change the size of the Committee (47 to 21 members), the quorum (25 to 14 members), and voting requirements, and
 - B. The addition of the language that clarifies failing fruit that has been successfully reconditioned and meets the minimum grade is a quality fruit, and
 - C. Marketing Policy section 989.54; remove Factor 4, and
 - D. Marketing Policy section 989.54; modify Factor 5 title by removing "considering the estimated world raisin supply and demand situation".
- **Moved by Mr. J. Marthedal, seconded by Mr. V. Sahatdjian to recommend to USDA, the proposed language changes to the Marketing Order 989 and the 9-Point Justifications, which supports the previously recommended Marketing Order adjustments. This includes the elimination of Factor 4 and a title change to Factor 5 of the Marketing Policy 989.54, as presented by staff.**

Mr. B. Kriebel noted that there may be justification for reducing the size of the Committee, but the 9-points do not have a specific justification for eliminating the Raisin Bargaining Association (RBA) designated seat and reiterated that the argument for the RBA seat shouldn't rest as explained.

Ms. D. Powell responded that the 9-points along with the minutes of the RAC meetings will be sent to DC and that DC could come back and ask for more details and in-depth explanations. Mr. B. Broadbent agreed with Ms. D. Powell that by the RAC making the motion to change the Marketing

Order, in concept, what you are recommending is that these changes be done to the Order and are requesting rulemaking to take place. During the rulemaking process is when anybody who has a specific problem with any portion of the changes, can voice their opinion either in person, at a hearing, or in writing. Mr. B. Broadbent stated there is more opportunity for input for or against this recommendation to eliminate a position.

Mr. B. Kriebel & Mr. H. Singh noted for the record that the elimination of the RBA designated seat has not been fully justified.

Ms. D. Powell informed the Body that until the Committee submits the documents to USDA we don't know if rulemaking will take place as formal or formal through informal. Formal rulemaking is with a hearing where opinions/testimony will be heard in person. Formal through informal rulemaking will be writing letters to USDA voicing your opinions.

A roll call vote was requested.

Those members voting in favor of the motion: Ms. J. Asmar, Messrs. M. Bagdasarian, C. Chooljian, G. Chooljian, R. Crowe, L. Cruff, B. DeBorde, J. Doyel, R. Efird, S. Hardy, D. Hoff, S. Kister, P. Locker, J. Marthedal, J. Milinovich, B. Olson, H. Overly, V. Sahatdjian, D. Scott, and P. Toste.

Those members voting against the motion: Messrs. K. Bowman, D. Cardoza, B. Kriebel, W. Ludtke, G. Martin, M. Medeiros, B. Sahatdjian, C. Salmon, M. Sangha, and D. Shamp,

The motion carried 20 Yes votes and 10 No votes.

REPORT FROM MARKETING SUBCOMMITTEE

Mr. G. Chooljian reported the Marketing Subcommittee met earlier today 8/17. The Subcommittee discussed the Specialty Crop Block Grant (SCBG) and the request to work with a consultant to submit the 2023 application, we discussed the extension of the Merchandise Incentive Program (MIP) for All Countries (All Varieties) beyond July 31, 2022 (8/1/22-1/31/23), heard an update on Export Marketing including Trade Missions, Gain reports and Travel reports from Mr. T. Kenny, and heard a report from the IP Workgroup on the Graphics Standards Manual and the expiration of two trademarks.

→ **Moved by Mr. G. Chooljian, seconded by Mr. J. Marthedal submit an application for the 2023 Specialty Crop Block Grant (SCBG) program with a cost not to exceed \$18,000 for Morrison (consultant) to assist with the concept proposal and any additional proposals as needed.**

The motion carried unanimously.

Mr. G. Chooljian stated the intent of the RAC has always been to fund the Merchandise Incentive Program (MIP) for a full year, but as the MIP program falls in two different crop years, the USDA will only approve the portion that falls in this year's budget. The 1st 6-months of the current program were approved at the January 26, 2022 meeting, and the 2nd 6-months of the program have been added to the current 2022/23 crop year budget. This is to continue the current program for the 2nd 6-months from 8/1/22 to 1/31/23, with the same terms and conditions as agreed upon for the 1st 6-months.

→ **Moved by Mr. G. Chooljian, seconded by Mr. C. Chooljian to recommend to the RAC to fund the Merchandise Incentive Program (MIP) from 8/1/22 to 1/31/23 (2nd 6-months of a 12-month program) for All Countries (All Varieties) with the same terms and conditions as the current program.**

The motion carried unanimously.

Mr. G. Chooljian reported the Subcommittee discussed the two trademarks 1) California Raisins Rock and 2) California Raisins the Wise Choice for Natural Energy. Both of these trademarks were created for specific campaigns many years ago and are no longer in use, and both marks are expiring soon. It is difficult to renew the marks if they haven't been used, as samples of use are required. The Subcommittee recommends letting them go through the 6-month grace period and ultimately letting them expire.

→ **Moved by Mr. G. Chooljian, seconded by Mr. C. Chooljian to recommend to the RAC that the two trademarks 1) California Raisin Rock and 2) California Raisins the Wise Choice for Natural Energy go through the 6-month grace period and eventually expire, as they are no longer needed for marketing.**

The motion carried unanimously.

Mr. G. Chooljian stated the final topic was the Graphics Standards Manual which was moved into the RAC meeting for further discussion. Chairman Schutz commented no action was taken in the Marketing Subcommittee and asked Ms. D. Powell to provide background.

Ms. D. Powell stated the Circle logo and the Teapot character logo are held by the CDFA in trust and were managed by CRMB. The Committee approved a Trademark Agreement, for the RAC to manage the marks, which was approved by USDA and CDFA. The next step is the approval of the Graphics Standards Manual (**attached E & F**), which are the guides on how the trademarks can be used, and by whom the trademarks can be used. There are two categories: **Industry:** All packers of raisins, and **Non-Industry:** All manufacturers of food products that use raisins or raisin products. During the IP Workgroup meeting, Mr. B. Kriebel on behalf of the RBA proposed to add a third category of "All Growers of California raisins and their associations". An example was the vineyard yard sign (**attached G**). The Workgroup determined that this vineyard sign could be done by the RAC as it is generic (without individual branding) and is allowed in the current Standards manual. This vineyard sign could be made for \$5 or \$24 depending upon the materials used, growers could request a sign from the RAC, and sign an agreement about how the sign could be used.

→ **Moved by Mr. M. Sangha, seconded by Mr. W. Ludtke to accept the Graphics Standards Manual, as presented, and adding a third category of "All Producers of California Raisins".**

Mr. B. Kriebel stated that at the meeting of the RAC on 8/18/21 he made the motion to approve the Trademark Licensing Agreement with the caveat that a Workgroup was created to address the Industry Guidelines which included the use of the character on items other than packaging, i.e., vineyard signs. Mr. B. Kriebel continued the Intellectual Property Workgroup has been working under that premise for over a year, and the asking to add "All Growers of California Raisin" seems to be very consistent and should not come as a surprise. Chairman Schutz responded that no unanimous decisions on this additional language have come from the Intellectual Property Workgroup or the Marketing Subcommittee.

Ms. D. Powell stated with the additional language of "All Growers of California Raisins" there comes the need to address the guidelines of how the growers would be allowed to use the trademarks, this has not been developed and would need to be added to the Trademark Agreement, as well. The Trademark Agreement would then need to be reviewed by USDA and CDFA again, which could take significant time.

Discussion continued with comments for and against the changes to the language. Mr. G. Chooljian stated we don't need to change the language at this time to make the vineyard signs. If it is the wish of the Committee then we find the funds to cover the signs, create guidelines for use, and offer them up to growers to put in their fields. Then we see how many growers are actually interested and how the signs are being used, and then we can change the language at a later date.

Mr. B. Kriebel stated that this is the best time to address the addition of growers to the Graphics Standards Manual, which would allow them to utilize the trademarks.

Mr. J. Marthedal stated that as an Industry we need to have an approved Graphics Standards Manual that will allow the RAC to address questions that impact our markets, whether export or domestic and is against the motion as it stands.

Discussion continued with supporters of the motion voicing their opinions. The request to reiterate the motion was received and Ms. D. Williams stated that in the Graphics Standards Manual, on page 5, number 2 there are an A & B currently that read:

2. Any and all use shall be available upon the same terms and conditions to:
 - a. All packers of raisins.
 - b. All manufacturers of food products which use California raisins or California raisin products.

The motion would add a C. All Producers of California Raisins.

The question was called for. A roll call vote was requested.

→ **Moved by Mr. M. Sangha, seconded by Mr. W. Ludtke to accept the Graphics Standards Manual as presented and adding a third category of "All Growers of California Raisins".**

Those members voting in favor of the motion: Messrs. B. Bedrosian, D. Cardoza, G. Chooljian, R. Crowe, S. Hardy, B. Kriebel, F. Lion, W. Ludtke, G. Martin, M. Medeiros, C. Salmon, M. Sangha, D. Shamp, K. Bowman

Those members against the motion: Messrs. M. Bagdasarian, L. Cruff, B. DeBorde, R. Efird, D. Hoff, S. Kister, P. Locker, J. Marthedal, J. Milinovich, H. Overly, P. Toste, J. Doyel, B. Olson, D. Scott.

Abstaining: Mr. V. Sahatdjian

The motion was tied at 14 in favor and 14 against the motion. To break the tie, the Chairman voted against the motion, at the same time Mr. D. King voted through a member's cell phone in favor of the motion. The motion was again tied at 15 for and 15 against, and as such failed.

The Chairman stated this discussion could be reintroduced at the October 5, 2022 meeting.

REVIEW YEAR-END ACQUISITIONS, SHIPMENT AND INVENTORY DATA

Ms. D. Powell stated that the Final Acquisition and Shipment reports, as of July 31, 2022, were distributed by email on 8/17, and have been posted to the RAC website.

Ms. D. Powell reviewed the inventory data as of July 31, 2022.

Ms. D. Powell reported that this year's Natural Seedless shrink is 5.294, compared to last year's shrink of 5.594, with the five-year shrink reported at 5.283. The Organic Natural Seedless shrink is 6.63, compared to last year's shrink of 12.04, with a five-year shrink of 8.731.

Ms. D. Powell stated that the RAC staff worked really hard this year with Packers to correct issues with their reporting, and that we will be reaching out to educate/train packer's staff with correct reporting processes/procedures.

OTHER BUSINESS

Ms. D. Powell stated there are meetings scheduled for Wednesday, October 5th, to review the Crop Estimate and Marketing Policy. This date is already on the schedule and should be reserved in your calendars. The Wednesday, September 14th reserved date could be used for the creation of the Acreage Workgroup to discuss the Land IQ proposal for discussion at the October 5th meeting.

The Chairman called for any further business, hearing none, and adjourned the meeting at 5:17 p.m.

I, the undersigned, do hereby certify that I am the President/General Manager of The Raisin Administrative Committee and that the foregoing is a true and correct copy of the Minutes of the Meeting of the Raisin Administrative Committee held on **Wednesday, August 17, 2022**.

IN WITNESS THEREOF, I have hereunto set my hand this **31st** day of **August, 2022**.

DATE August 31, 2022



Debbie Powell, President/General Manager
Raisin Administrative Committee

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Persons who require alternative means for communication of program information (Braille, large print, audiotape, language translation or interpretation, etc.) should contact Debbie Powell at 559-225-0520.

Proposed Raisin Administrative Committee Membership

21-Member Proposal

Proposal Utilizes
2022/2024 Term Stats

12 Producers
8 Handlers
1 Public Member

Used 2020/21 Statistics

	<u>MO Ref.</u>	<u>Number</u>
<u>Producer Members (12)</u> Designated at 12 members.	989.26	12
Cooperative Marketing Association <i>Proportionate Share</i>	989.26(a)	5
Cooperative Bargaining Association <i>Proportionate Share</i>	989.26(b)	2
Independent Producer Members <i>Remaining Number of Seats, Except 1 Designated Seat</i>	989.26(c)	5
Non-Affiliated Producer <i>Designated 1 seat, eligible for Independent Producer seat</i>	-	1
Independent Producers <i>Remaining producing members</i>	-	4
<u>Handler Members (8)</u> <i>Designated at 8 members.</i>	989.26(d)	8
Cooperative Marketing Association <i>Proportionate Share (tonnage)</i>	989.26(d)(1)	3
Four Largest Handlers <i>Designated at 2 members</i>	989.126(b)(1)	2
Rest of Handlers/Processors <i>Remaining Number of Seats (leftover)</i>	989.126(b)(3)	3
<u>Public Member (1)</u> <i>Designated at 1 member</i>	989.26(f)	1
	TOTAL	21

§ 989.24 Standard raisins, off-grade raisins, other failing raisins, and raisin residual material.

- (a) *Standard raisins* means raisins which meet the then effective minimum grade and condition standards for natural condition raisins.
- (b) *Off-grade raisins* means raisins which do not meet the then effective minimum grade and condition standards for natural condition raisins: *Provided*, That raisins which are certified as off-grade raisins shall continue to be such until successfully reconditioned as standard raisins or become “other failing raisins.”
- (c) *Other failing raisins* means any raisins received or acquired by a handler, either as standard raisins or off-grade raisins, which are processed to a point where they qualify as packed raisins but fail to meet the applicable minimum grade standards for packed raisins.
- (d) *Raisin residual material* means defective raisins, stemmer waste, sweepings, and other residue accumulated by a handler from reconditioning raisins or from processing standard raisins and other failing raisins.

§ 989.26 Establishment and membership.

A Raisin Administrative Committee is hereby established consisting of ~~47~~21 members of whom ~~35~~12 shall represent producers, ~~10~~8 shall represent handlers, ~~1~~ shall represent the ~~cooperative bargaining association(s)~~ and 1 shall be a public member.

(a) The producer members shall be selected as follows:

(1a) Producer members representing the cooperative marketing association(s) shall be members of such association(s) engaged in the handling of raisins, each of which acquired not less than 10 percent of the total raisin acquisitions during the preceding crop year, and those members shall be equal to the product, rounded to the nearest whole number, obtained by multiplying ~~35~~12 by the ~~ratio~~ the cooperative marketing association(s) raisin acquisitions are to the acquisitions of all handlers during the preceding crop year.

(2b) Producer members representing cooperative bargaining association(s) shall be members of such association(s), and the number of those members shall be equal to the product, rounded to the nearest whole number, obtained by multiplying ~~35~~12 by the ratio the raisins acquired by handlers from bargaining association members are to the total acquisitions of all handlers during the preceding crop year.

(3e) All other producer members, who shall not be members of a cooperative bargaining association(s), cooperative marketing association(s) engaged in the handling of raisins which acquired 10 percent or more of the total acquisitions during the preceding crop year, nor sold for cash to cooperative marketing association(s), shall represent all producers not defined in

~~paragraphs (a)(1) or (a)(2) paragraph (a) or (b) of this section and shall be selected in the number and, when appropriate, for the districts as designated in the rules and regulations.~~

~~(b)~~ The handler members shall be divided into two groups and include the following:

(1) Handler members shall be selected from and represent cooperative marketing association(s) engaged in the handling of raisins each of which acquired not less than 10 percent of the total raisin acquisitions during the preceding crop year, and the number of those members shall be equal to the product, rounded to the nearest whole number, obtained by multiplying ~~10~~ 8 by the ratio of the cooperative marketing association(s) raisin acquisitions are to the total acquisitions of all handlers during the preceding crop year.

(2) The remaining handler members shall be selected from and represent all other handlers, which would include all independent handlers and small cooperative marketing association(s) who acquired less than 10 percent of the total raisin acquisitions during the preceding crop year. Handler nominees for this group shall be nominated by all handlers in the group in a manner determined by the Committee, with the approval of the Secretary, and specified in the rules and regulations.

~~(c) The “cooperative” bargaining association'(s) member shall be selected from the cooperative bargaining association(s). The public member shall be nominated by the Committee and selected by the Secretary as public member.~~

~~(d)~~ For each member of the Committee there shall be an alternate member who shall have the same qualifications as the member for whom he is an alternate.

§ 989.29 Initial members and nomination of successor members.

(a) ***Initial members.*** Members and alternate members of the Committee serving immediately prior to the effective date of this amended subpart shall, if thereafter they are eligible, serve on the Committee until April 30, ~~1984~~2024, and until their respective successors have been selected and qualified.

(b) ***Nominations for successor members.*** Nominations for successor members and alternate members of the Committee shall be made as follows:

(1) The Committee shall notify the cooperative marketing association(s) engaged in handling not less than 10 percent of the total raisin acquisitions during the preceding crop year, and cooperative bargaining association(s), of the date by which nominations to fill member and alternate member positions shall be made. The Committee shall give reasonable publicity of a meeting or meetings of producers who are not members of cooperative bargaining association(s), or cooperative marketing association(s) which handled 10 percent or more of the total raisin acquisitions during the preceding crop year, and of independent handlers and cooperative marketing association(s) who handled less than 10 percent of the total raisin

acquisitions during the preceding crop year, for the purpose of making nominations to fill the member and alternate member positions prescribed in § 989.26 (ac)(3) and (bd):

Provided, That member and alternate member nominations by independent handlers and cooperative marketing association(s) who acquired less than 10 percent of the total raisin acquisitions during the preceding crop year may be made to the Committee by mail in lieu of meetings.

(2)(i) Any producer representing independent producers and producers who are affiliated with cooperative marketing association(s) handling less than 10 percent of the total raisin acquisitions during the preceding crop year must have produced grapes which were made into raisins in the particular district for which they are nominated to represent said district as a producer member or alternate producer member on the Committee. In the event any such nominee is engaged as a producer in more than one district, such producer may be a nominee for only one district. One or more producers may be nominated for each such producer member or alternate member position.

(ii) Each such producer whose name is offered in nomination for producer member positions to represent on the Committee independent producers or producers who are affiliated with cooperative marketing association(s) handling less than 10 percent of the total raisin acquisitions during the preceding crop year shall be given the opportunity to provide the Committee a short statement outlining qualifications and desire to serve if selected. Similarly, each such producer whose name is offered in nomination for producer alternate member positions to represent on the Committee independent producers or producers who are affiliated with cooperative marketing association(s) handling less than 10 percent of the total raisin acquisitions during the preceding crop year shall be given the opportunity to provide the Committee a short statement outlining qualifications and desire to serve if selected. These brief statements, together with a ballot and voting instructions, shall be mailed to all independent producers and producers who are affiliated with cooperative marketing associations handling less than 10 percent of the total raisin acquisitions during the preceding crop year of record with the Committee in each district. The producer member candidate receiving the highest number of votes shall be designated as the first member nominee for a member position in which they qualify, the second highest shall be designated as the second member nominee for a member position which they qualify, until nominees for all producer member positions have been filled. Similarly, after all producer member positions have been filled, the producer alternate member candidate receiving the highest number of votes shall be designated as the first alternate member nominee for a member position in which they qualify, the second highest shall be designated as the second alternate member nominee for a member position in which they qualify, until nominees for all alternate member positions have been filled.

(iii) In the event there are no qualified candidates for any designated producer member or alternate member positions, such positions may be filled by other producer candidates not otherwise nominated for a position. In the event that there are more producer member nominees than positions to be filled and not enough producer alternate member nominees to fill all positions, producer member nominees not nominated for a member seat may be nominated to fill vacant alternate member seats. Member seat nominees shall indicate, prior to the nomination vote, whether they are willing to accept nomination for an alternate seat

~~in the event they are not nominated for a member seat and there are vacant alternate member seats. Member seat nominees that do not indicate willingness to be considered for vacant alternate member seats shall not be considered.~~

(iv) Each independent producer or producer affiliated with cooperative marketing association(s) handling less than 10 percent of the total raisin acquisitions during the preceding crop year shall cast only one vote with respect to each position for which nominations are to be made. Write-in candidates shall be accepted. The person receiving the most votes with respect to each position to be filled, in accordance with paragraph (b)(2)(ii) and (iii) of this section, shall be the person to be certified to the Secretary as the nominee. The Committee may, subject to the approval of the Secretary, establish rules and regulations to effectuate this section.

* * * * *

§ 989.30 Selection.

The Secretary shall select producer, handler, ~~cooperative bargaining association(s)~~, and public members and alternate members in the number specified in § 989.26, as applicable, and with the qualifications specified in § 989.27. Such selections may be made from nominations certified pursuant to § 989.29 or from other eligible producers, or handlers, ~~or cooperative bargaining association(s) officers or employees.~~

§ 989.38 Procedure.

The Committee shall meet at the call of the chairman, or vice-chairman when acting as chairman, or at the call of any three members. All decisions of the Committee reached shall be by majority vote of the members present. All votes shall be cast in person and a quorum must be present. ~~The presence of 25~~ 14 members shall be required to constitute a quorum. The Committee shall give to the Secretary the same notice of meetings of the Committee as it gives to its members.

§ 989.54 Marketing policy.

(a) **Marketing policy.** Each crop year, the Committee shall prepare and submit to the Secretary a report setting forth its recommended marketing policy, including quality regulations for the pending crop. In developing the marketing policy, the Committee may give consideration to the production, harvesting, processing, and storage conditions of that crop, as well as the following factors:

- (1) The estimated tonnage held by producers and handlers at the beginning of the crop year;
- (2) The expected general quality and any modifications of the minimum grade standards;
- (3) The estimated tonnage of standard and off-grade raisins which will be produced;

~~(4) An estimated desirable carryout at the end of the crop year;~~

~~(45) The estimated market demand for raisins, considering the estimated world raisin supply and demand situation;~~

~~(56) Current prices being received and the probable general level of prices to be received for raisins by producers and handlers;~~

~~(67) The trend and level of consumer income;~~

~~(78) Any prohibition of trade practices, pursuant to § 989.62 intended for the crop year; and~~

~~(89) Any other pertinent factors bearing on the marketing of raisins including the estimated supply of and demand for other varietal types and regulations applicable thereto.~~

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§ 989.58 Natural condition raisins.

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(g) All raisins which have been inspected and certified as meeting the minimum grade, quality, and condition standards established pursuant to this section, whether upon incoming inspection or upon later inspection after reconditioning, shall be determined to be standard raisins, labelled accordingly, and shall be eligible for commercial disposition as natural condition raisins or packed raisins in normal outlets.

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~~§ 989.122 Districts for independent and small cooperative producer representation on the Committee.~~

~~For the purposes of § 989.26(c) and commencing with the term of office beginning May 1, 1984, independent and small cooperative producer districts are as follows:~~

~~(a) *District No. 1.* All of the counties north of Fresno County.~~

~~(b) *District No. 2.* All of the counties south of Fresno County.~~

~~(c) *District No. 3* All of Fresno County.~~

§ 989.126 Representation of the Committee.

(a) Pursuant to § 989.26(a)(3), and commencing with the term of office beginning May 1, 2024, ~~apportionment of To provide independent and small cooperative producers equitable representation throughout the production area commencing with the term of office beginning May 1, 1984, representation shall be apportioned among the three districts specified in § 989.122. Districts 1 and 2 shall each have one producer member, and District 3 shall have the remaining producer members to which independent and small cooperative producers are entitled pursuant to § 989.26(c).~~ shall be:

(1) One (1) producer member, selected from and representing all producers, who is unaffiliated with any handler (including, but not limited to, ownership, employment, or agent of any handler, and whose family members are similarly unaffiliated with any handler); and

(2) The remaining producer member(s) selected from and representing all other independent and small cooperative producers.

(b) Pursuant to section § 989.26**(bd)(2)**, and commencing with the term of office beginning May 1, ~~2024~~1994, apportionment of the independent and small cooperative marketing association handlers shall be:

(1) Two (2) members selected from and representing the four handler(s) other than major cooperative marketing association handler(s) who acquired the largest percentage of the total raisin acquisitions during the preceding crop year;

~~(2) Three members selected from and representing the six handlers other than major cooperative marketing association handler(s) who acquired the next largest percentage of the total raisin acquisitions during the preceding crop year; and~~

(23) The remaining member(s) selected from and representing all other handlers, including small cooperative marketing association handler(s) and all processors.

§ 989.129 Voting at nomination meetings.

Any person (defined in § 989.3 as an individual, partnership, corporation, association, or any other business unit) who is engaged, in a proprietary capacity, in the production of grapes which are sun-dried or dehydrated by artificial means to produce raisins and who qualifies under the provisions of § 989.29(b)(2) shall be eligible to cast one ballot for a nominee for each producer member position and one ballot for a nominee for each producer alternate member position on the committee which is to be filled ~~for his district~~. Such person must be the one who or which: Owns and farms land resulting in his or its ownership of such grapes produced thereon; rents and farms land, resulting in his or its ownership of all or a portion of such grapes produced thereon; or owns land which he or it does not farm and, as rental for such land, obtains the ownership of a portion of such grapes or the raisins. In this connection, a partnership shall be deemed to include two or more persons (including a husband and wife) with respect to land the title to which, or leasehold interest in which, is vested in them as tenants in common, joint tenants, or under community property laws, as community property. In a landlord-tenant relationship, wherein each of the parties is a producer, each such producer shall be entitled to one vote for a nominee

for each producer member position and one vote for each producer alternate member position. Hence, where two persons operate land as landlord and tenant on a share-crop basis, each person is entitled to one vote for each such position to be filled. Where land is leased on a cash rental basis, only the person who is the tenant or cash renter (producer) is entitled to vote. A partnership or corporation, when eligible, is entitled to cast only one vote for a nominee for each producer position to be filled ~~in its district~~.

Attachment D

Top 5 votes fill Member Seats / Next 5 votes fill Alternate seats.

	Members	# of Votes	Alternates	# of Votes
1 Designated Unaffiliated Producer Seat	Unaffiliated Producer	26	Unaffiliated Producer	9
4 Independent Producer Seats	Independent Producer	28	Independent Producer	13
	Independent Producer	22	Independent Producer	12
	Independent Producer	18	Independent Producer	11
	Unaffiliated Producer	16	Independent Producer	10

Top 5 votes fill Member Seats / Next 5 votes fill Alternate seats

	Members	# of Votes	Alternates	# of Votes
1 Designated Unaffiliated Producer Seat	Unaffiliated Producer	33	Independent Producer	18
4 Independent Producer Seats	Independent Producer	26	Independent Producer	17
	Unaffiliated Producer	24	Independent Producer	12
	Independent Producer	22	Independent Producer	3
	Unaffiliated Producer	21	Independent Producer	2