

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON AGRICULTURE
Esmeralda Soria, Chair
AB 1322 (Committee on Agriculture) – As Introduced February 21, 2025

SUBJECT: Agricultural commissions

SUMMARY: This bill make numerous changes to the California Grape Rootstock Commission (CGRC), the California Avocado Commission (Avocado Commission), the California Apple Commission (Apple Commission) and the Olive Oil Commission of California (O OCC) at the request of their respective commission boards. Specifically, **this bill:**

- 1) Adds violation of laws related to the CGRC to the list of items that can cause the revocation or suspension of a license, as specified.
- 2) Defines, for the Avocado Commission, “Ex officio members” to mean nonvoting members of the commission. (This currently only applies to the public member of the board)
- 3) Clarifies that alternative public member of the Avocado Commission board must not have any financial interest in the avocado industry. (This currently only applies to members of the board)
- 4) Clarifies that alternative member of the Avocado Commission board are not held liable for the defaults of other alternative members. (This currently only applies to members of the board)
- 5) Requires the Avocado commission to change from establishing an assessment each year to establishing the assessment as a fixed rate or percentage of value each year.
- 6) Requires the Avocado Commission assessment to not exceed 6 1/2 percent of the gross dollar value of the year’s sales of avocado, as specified.
- 7) Requires, for the Avocado Commission, any remaining assessment funds to be distributed for the benefit of the avocado industry into any state or federal programs in the event of termination or suspension of the commission.
- 8) Allows the Apple Commission, along with maturity standard, to make recommendations to CDFA on quality standards and product labeling standards; and to engage in any other activity, authorized by California Marketing Act.
- 9) Adds to the definition of “handler”, under the O OCC, a person who processes or mills olives into olive oil or has a toll process or mills olives on behalf of an olive producer, as specified.
- 10) Adds to the definition of “producer”, under the O OCC, a person that produces olives that toll process into olive oil.
- 11) Defines, under the O OCC, Toll processor to means to process or mill olives into olive oil on behalf of a producer.
- 12) Make numerous technical, conforming and deletions of out dated language changes.

EXISTING LAW:

- 1) Specifies the duties of CDFA and county agricultural commissioners with respect to the sale and control of nursery stock. *Food and Agriculture Code (FAC) 6701- 6995*
- 2) Requires a person to hold a valid license in order to sell nursery stock. *FAC 6721*
- 3) Establishes the California Grape Rootstock Improvement Commission to maintain and regulate grape rootstock in the state. *FAC 74701 - 74796*
- 4) Establishes the California Avocado Commission to efficiently develop and manage the marketing of avocados. *FAC 67001 - 67143*
- 5) Establishes the California Apple Commission to efficiently develop and manage the marketing of apples. *FAC 75501 - 75656*
- 6) Establishes the Olive Oil Commission of California to efficiently develop and manage the marketing of olive oil. *FAC 79800 - 79902*

FISCAL EFFECT: Unknown

COMMENTS:**What is an Agriculture Marketing Commission?**

The purpose of marketing programs is to provide agricultural producers and handlers an organizational structure, operating under government sanction, which allows them to solve production and marketing problems collectively that they could not address individually.

A California agricultural marketing commission is a body, often established by industry producers, that promotes and regulates the marketing of a specific agricultural commodity, such as apples or walnuts. These commissions are typically funded by assessments on producers and can be overseen by California Department of Food and Agriculture (CDFA). Their activities usually include promotion, research, and maintaining quality standards.

Current marketing programs' activities include commodity promotion, research, and maintenance of quality standards. Commissions provide a structure for solving problems and provide a vehicle for collecting funds to support activities. There are almost 50 commissions in California.

Current commissions and marketing orders have been successful in expanding markets, improving product quality, and providing more research for pests and disease prevention. In recent years, one commission was terminated by the industry and another had an audit by the secretary, which revealed potential misuse of funds.

California Grape Rootstock Commission: Changes to the CGRC are to allow for the non-renewal or cancelation of a nursery stock license for violation of CGRC laws.

Under existing law, grape rootstock nurseries/growers must abide by the commercial nursery law (requiring a license and subsequent inspections, etc.) and the Grape Rootstock Commission assessment requirements. If a nursery's license is no longer valid or revoked, they are no longer

eligible to serve on the Commission in any capacity. However, should an entity fail to pay their grape rootstock assessment, thus violating one portion of FAC, the law would maintain that they are in good standing with their nursery license. Some have exploited this perceived loophole. This proposal would reconcile the issue, by specifying that an entity that the secretary, after a hearing, may refuse to renew or revoke a nursery license for a grape rootstock nurseryman who fails to comply with Commission law.

California Avocado Commission: While most of the changes update and clarify duties and responsibilities of alternative board member, there is a change to the assessment. Currently, the assessment is assessed as a fixed rate. This change clarifies a procedure already in place while allowing the board to revise the assessment mechanism to a percentage of a value. There remains a cap on the total assessment on a handler or producer already in code, regardless of the manner in which the assessment is levied.

California Apple Commission: This authority is offered to several other commissions (Sea Urchin, cotton, pistachio, kiwi, blueberry, and seafood). Ultimately, this change merely offers authority for the Apple Commission to recommend action to the secretary and must be for an action specified in the Marketing Act.

Olive Oil Commission of California: The changes:

- 1) Specify that toll processors qualify as handlers under the law,
- 2) Clarify that producer includes not just those that produce, but also those the produce and work with toll processors as a part of the production process. In OOC law, the assessment is on those who process olive oil. So, if a producer uses a toll processor as an intermediary who then returns the olive oil to the producer, they are not captured as processing the olives and thereby not subject to the assessment when they should be, and,
- 3) Defines those entities whom process or mill olives as intermediaries for producers. Toll processors take olives from producers, mill or process them, and then return them to the producer, and it is an understood industry term.

According the author, agriculture marketing commissions play a crucial role in supporting the state's thriving agricultural industry. They are codified in state law and implemented by affirmative votes of assessed growers and processors who fund activities such as promotion, public education, and marketing. The laws that govern commissions are unique to the needs of individual commodities and, as such, require periodic modifications.

Supporters state many of the proposed changes in this bill are non-substantive and technical in nature. Other amendments allow industry to be more competitive. For example, the proposed amendment to the Apple Commission would allow adoption of quality standards and product labeling standards by the Secretary of the CDFA, if requested by the Apple Commission. This authority is presently available to other commissions and in the case of apples, would increase consumer awareness that California apples are grown using the Nation's most rigorous environmental and labor standards. This bill also seeks to amend the Grape Rootstock Commission by allowing the CDFA to expedite actions against those not in compliance with the law.

What is an Omnibus bill?

Each year, various private and public groups discover minor problems with state statutes affecting agriculture and policies under the jurisdiction of the California Department of Agriculture. These minor problems do not warrant separate and costly bills. According to the Legislative Analyst, the cost of producing a bill in 2001-02 was \$17,890.

Legislators respond by combining several of these minor topics into an annual “omnibus bill.” In 2022, for example, the Assembly Committee on Agriculture (Ag Com) omnibus bill was AB 1959 (Ag Com) which contained noncontroversial statutory changes to three areas of local government law, avoiding approximately \$35,780 in legislative costs. Although this practice may violate a strict interpretation of the single-subject and germaneness rules as presented in *Californians for an Open Primary v. McPherson* (2006), it is an expeditious and relatively inexpensive way to respond to multiple requests.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Apple Commission
California Avocado Commission
California Grape Rootstock Improvement Commission
Olive Oil Commission of California

Opposition

None on file

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