

**AGENDA**  
**California Ripe Olive**  
**Full Committee Meeting**  
**Double Tree Modesto**  
**July 23<sup>rd</sup>, 2019**  
**11:30 AM**

**Conference Call Line: 1-877-643-6951 Passcode: 21533162#**

- I. Call To Order**
  - a. Roll Call
  - b. Chairman's comments
  - c. Approval of 12-11-2018 Full Committee Minutes (**action item**) Pg. 3
  
- II. Installation of 2019-2021 Committee**
  - a. Nomination of Open Member Positions Pg. 4
  - b. Election of Officers
    - i. Chairman (**action item**) Pg. 5
    - ii. Vice-Chairman (**action item**) Pg. 6
    - iii. Secretary/Treasurer (**action item**) Pg. 7
    - iv. Approval to empower the Chairman to appoint from its members and alternates to such subcommittees as deemed necessary (**action item**) Pg. 8
  
- III. Executive Subcommittee**
  - a. Sampson and Sampson 2018 Audit Review (**action item**) Pg. 9
  - b. Approval of Sampson and Sampson for 2019 COC Audit (**action item**) Pg. 10
  - c. Industry Analysis Review Pg. 11
  - d. 2019-2020 Crop Year Marketing Policy Statement (**action item**) Pg. 12
  - e. Voting Procedures (**action item**) Pg. 13
  - f. E-compliance Plan and Annual Compliance Plan (**action item**) Pg. 14
  - g. Export Program Update Pg. 15
  - h. Travel Policy Approval (**action item**) Pg. 16
  - i. Internal Control Policy Approval (**action item**) Pg. 17
  
- IV. Inspection Subcommittee**
  - a. Incoming and Outgoing 2019-2020 Inspection Charts (**action item**) Pg. 18
  - b. 2019 Import Inspection Report & Inspection Fees Update
  - c. Discussion of Inspection Policy & Procedures

**V. Marketing Subcommittee**

- a. Update on 2019 Marketing Activities Pg. 19

**VI. Review of Crop Estimates**

- a. NASS 2018 Crop Report Pg. 20
- b. 2019 Industry Crop Estimates (action item) Pg. 21

**VII. Research Subcommittee**

- a. 2018 Final Research Reports Pg. 22
- b. Review and Update on 2019 projects Pg. 23

**VIII. Other Business**

**IX. Closed Session**

**X. Adjournment**

# CALIFORNIA OLIVE COMMITTEE

June 1, 2019 – May 31, 2021

## PRODUCERS

**DISTRICT #1** (Counties of Alpine, Tuolumne, Stanislaus, Santa Clara, Santa Cruz all counties north thereof)

<b>Members</b>	<b>Alternates</b>
Edward Garcia	Carolina Burreson
Ed Curiel	Michael Silveira
Pablo Nerey	Chris Henderson

**DISTRICT #2** (Counties of Mono, Mariposa, Merced, San Benito, Monterey, and all counties south thereof)

<b>Members</b>	<b>Alternates</b>
Vito DeLeonardis	
Pat V. Ricchiuti	
Galen Pfeiffer	
Rick Benson	
Giulio Zavolta	Mark Heuer

## HANDLERS

<b>Members</b>	<b>Alternates</b>
Felix Musco	Bill McFarland
Dennis Burreson	Matt Miller
John Pieretti	Tracy Wood
Janet Edwards	Scott Hamilton
Colleen Morris	Sergio Mendez
Jacob Peters	Phil Quigley
Tim T. Carter	
Julia Tinsley	

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

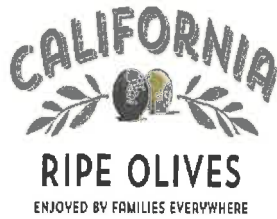
**FROM:** FULL COMMITTEE

**SUBJECT:** DECEMBER 12, 2018 FULL COMMITTEE MINUTES

**RECOMMENDATION:** THAT the Committee approve the minutes from the December 12, 2018 Full Committee Meeting.

**BACKGROUND:** Each meeting, the Committee must approve the previous meeting minutes.

**FISCAL IMPACT:** None



CALIFORNIA **OLIVE** COMMITTEE  
Full Committee Meeting Minutes  
Tuesday, December 11, 2018  
Double Tree Hotel – Modesto, CA

**I. CALL TO ORDER**

A meeting of the Full Committee was called to order by Mike SILVEIRA at 10:03 a.m., and the following members were present:

**Members**

Mike SILVEIRA  
Tim T. CARTER\*  
Rick BENSON\*  
Carolina BURRESON  
Edward GARCIA\*  
Dennis BURRESON\*  
Felix MUSCO\*  
Janet EDWARDS\*  
Tracy WOOD\*  
Bert QUEZADA  
Pablo NEREY\*  
Pat V. RICCHIUTI\*  
Mark HEUER\*  
Ed CURIEL\*  
Colleen MORRIS\*  
John PIERETTI  
Galen PFEIFFER

**Affiliation:**

GROWER  
BELL CARTER  
GROWER  
GROWER  
GROWER  
MUSCO  
MUSCO  
MUSCO  
MUSCO  
GROWER  
GROWER  
GROWER  
GROWER  
GROWER  
GROWER  
BELL CARTER  
MUSCO  
GROWER

**OTHERS PRESENT:**

Todd SANDERS	COC
Liza RAMON	COC
Elizabeth CARRANZA	COC
Lindsey BATTY	COC
Debra KEENAN	RESEARCH 2000
Kathie NOTORO	USDA
Shelly KESSEN	FLEISHMAN HILLARD

\*Denotes voting members for the Committee

With the appropriate number of members in attendance and the seating of an alternate member, a quorum was established.

**MOVED BY Pat V. RICCHIUTI, duly seconded by Rick BENSON, and unanimously carried THAT the minutes for June 13, 2018 for the Full Committee Meeting be approved. (Motion 12.11.18 #1)**

**II. MARKETING SUBCOMMITTEE**

Each year, the Marketing Subcommittee approves a marketing plan with a contracted agency. Last year, the Committee contracted with Fleishman-Hillard (FH) to implement a marketing program and requested FH to propose a plan for 2019. This year, FH is planning a marketing budget of \$450,000.

Additionally, the Committee needs to approve travel for staff, and growers to various marketing events, association fees, partnerships and international program research. These items total of \$63,500 making the total marketing budget \$513,500.

- 1) Education and Partnerships - \$63,500
  - a. Alliance for Food and Farming
  - b. CA Grown
  - c. Partnerships
  - d. Travel
  - e. Olive Day
  - f. Trade Show PMA
  - g. Crisis Communication

**MOVED BY Rick BENSON, duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee adopt the Marketing Budget of \$513,500 for 2019 FY. (Motion 12.11.18#2)**

**MOVED BY Mark HEUER, duly seconded by Felix MUSCO, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inter-Item transfer fund. (Motion 12.11.18 #3)**

**III. INSPECTION SUBCOMMITTEE**

With the systems in place, the industry is seeing success in both the reporting and optical sizing. Adjustments and maintenance will be needed for the program to maintain the integrity of the system and to ensure the technology keeps up with software and other items.

For the 2019 FY, the following items are expenditures for the Inspection program.

- 1. Travel - \$3,000
- 2. ORES Maintenance - \$40,000
- 3. Optical Sizer (misc. as needed) - \$15,000

Staff has put together a history of previous Inspection Committee Budgets.

<i>FISCAL YEAR</i>	<i>2019 (Proposed)</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
<i>INSPECT</i>	\$58,000	\$77,000	\$98,000	\$102,000	\$132,000	\$0	\$105,000	\$50,000	\$75,000
<i>Differ</i>	(19,000)	(21,000)	(4,000)	(30,000)	132,000	(105,000)	55,000	(25,000)	25,000

**MOVED BY Mark HEUER, duly seconded by Pablo NEREY, and unanimously carried THAT the Committee adopt the Inspection Budget of \$58,000 for 2019 FY. (Motion 12.11.18 #4)**

**MOVED BY Rick BENSON, duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inter-Item transfer fund. (Motion 12.11.18 #5)**

**IV. EXECUTIVE SUBCOMMITTEE**

The following is the General Administration Budget for the California Olive Committee. Exports are separated.

Staff has put together a history of previous Executive Committee Budgets.

<b>ISCAL YEAR</b>	<b>2019 (Proposed)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<i>ADMIN</i>	\$390,400	\$401,200	\$392,100	\$399,800	\$393,500	\$333,800	\$333,500	\$415,900	\$324,923
<i>\$Change</i>	(10,800)	9,100	(7,700)	6,300	59,700	300	82,400	90,977	(34,626)
<i>Exports</i>	\$173,500	\$186,000	\$121,000	\$85,000	\$72,000	\$0	\$0	\$0	\$0
<i>\$Change</i>	(12,500)	70,000	36,000	13,000	72,000	-	-	-	-
<i>MAP/EMP/ ATP</i>	\$801,000	\$250,000	\$236,000						
<i>\$Change</i>	551,000		236,000						

**MOVED BY Pat V. RICCHIUTI, duly seconded by Rick BENSON, and unanimously carried THAT the Committee adopt the General Administration of \$390,400 with \$173,500 for exports totaling \$563,900 2019 FY Budget. (Motion 12.11.18 #6)**

**MOVED BY Rick BENSON, duly seconded by Janet EDWARDS, and unanimously carried THAT the Committee improve USDA Section 8E of ripe olives imports not to exceed \$150,000. (Motion 12.11.18 #7)**

**MOVED BY Rick BENSON duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inner-item transfer fund. (Motion 12.11.18 #8)**

**MOVED BY Janet EDWARDS duly seconded by Pablo NEREY, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman to obtain legal counsel for employee personnel. (Motion 12.11.18 #9)**

**MOVED BY Ed CUIEL, duly seconded by Edward GARCIA, and unanimously carried THAT the Committee to approve the use of legal counsel should one be needed with approval from the USDA. (Motion 12.11.18 #10)**

**MOVED BY Felix MUSCO, duly seconded by Rick BENSON, and unanimously carried THAT the COC staff to evaluate a means for tracking non-California table olive product for potential assessment and industry data use. (Motion 12.11.18 #11)**

## V. RESEARCH SUBCOMMITTEE

Each year the Research Subcommittee approves various research projects funded by the Committee. The Subcommittee must which proposed projects to recommend to the Committee for funding. A budget of \$343,523 is proposed based on the submitted projects.

### 2019 RESEARCH PROPOSALS FOR THE CALIFORNIA OLIVE COMMITTEE

TOPIC	LEADERS	AMOUNT
Canopy management, tree hedging and topping to optimize yield	Rich Rosecrance	\$31,075
Evaluation of new chemistries to control Olive Fruit Fly	Debra Keenan	\$25,000
Managing Alternate Bearing in Olive with PGRs and Pruning	Carol Lovatt Elizabeth Fichtner	\$21,570
Control of overwintering olive fruit fly using insect pathogenic fungi	Frank Zalom Joanna Fisher	\$19,678
Southern San Joaquin Valley Olive Fruit Fly Monitoring Project	Jim Stewart	\$6,400
Sacramento Valley Olive Fruit Monitoring Project	Ernie Simpson	\$6,500
Epidemiology and management of olive knot caused by <i>Pseudomonas savastanoi</i> pv. <i>savastanoi</i>	J. E. Adaskaveg	\$16,650
Management of foliar diseases of olive (peacock spot)	J. E. Adaskaveg	\$16,650
Contingency Fund		\$200,000
Total		\$343,523

**MOVED BY Rick BENSON, duly seconded by Pablo NEREY, and unanimously carried THAT the Committee approve the \$343,523 Research Budget for 2019 FY. (Motion 12.11.18#12)**

**MOVED BY Rick BENSON, duly seconded by Janet EDWARDS, and unanimously carried THAT the Committee delegate authority for inter-item transfers, from the Committee to the Executive Director with oversight by the Chairman for the 2019 research budget. (12.11.18 #13)**

**VI. REVIEW OF FISCAL 2019 BUDGET**

The following is the total 2019 FY Budget.

**TOTAL 2019 BUDGET**

BUDGETS	MARKETING	RESEARCH	INSPECTION	EXECUTIVE	EXPORT	TOTAL
2019	\$450,000 \$63,500	\$143,523	\$58,000	\$563,900	TBD	\$1,278,923
Extras to be discussed		*\$200,000		**\$150,000		\$1,628,923
% Budget	31.5%	21.1%	3.5%	43.8%		100%

\*\$200,000 is being discussed for acrylamide & any additional research.

\*\*Additional item to be brought before the board for approval. Item totals \$150,000.

**HISTORIC BUDGET, TONNAGE, & ASSESSMENT COMPARISON**

FISCAL YEAR	2019 (Proposed)	2018	2017	2016	2015	2014	2013	2012	2011
Previous	\$1,278,923 \$1,628,923	\$1,795,477	\$1,752,366	\$1,525,415	1,296,731	1,129,682	\$1,289,198	\$1,197,291	\$2,203,909
\$ Difference	\$(166,554)	\$43,111	\$226,951	\$228,684	\$167,049	\$(159,516)	\$91,907	\$(1,006,618)	\$1,273,986
Tonnage	17,953	90,188	63,000	77,977	37,119	90,790	78,179	26,944	167,000
Assessment Rate		24.00	\$26.00	\$26.00	\$26.00	\$15.21	\$21.16	\$31.32	\$16.61

**MOVED BY Rick BENSON, duly seconded by Ed CURIEL, and unanimously carried THAT the Committee adopt the \$1,628,923 2019 FY Budget. (Motion 12.11.18 #14)**

**MOVED BY Tim T. CARTER, duly seconded by Mark HEUER, and unanimously carried THAT the assessment rate be set at \$44.00 per ton. (Motion 12.11.18 #15)**

**MOVED BY Pat V. RICCHIUTI, duly seconded by Janet EDWARDS, and unanimously carried THAT the Bylaws changes be approved. (Motion 12.11.18 #16)**

**VIII. ADJOURNMENT**

Chairman Mike Silveira adjourned the meeting at 11:39 a.m.

*December 12, 2018*

Date: December 12, 2018

*Liza Ramon*

Liza Ramon, California Olive Committee

## SUMMARY OF MOTIONS FOR DECEMBER 11, 2018

Motion 12-11-18 #1

**APPROVED**

**MOVED BY Pat V. RICCHIUTI, duly seconded by Rick BENSON, and unanimously carried THAT the minutes for June 13, 2018 for the Full Committee Meeting be approved.**

Motion 12-11-18 #2

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee adopt the Marketing Budget of \$513,500 for 2019 FY.**

Motion 12-11-18 #3

**APPROVED**

**MOVED BY Mark HEUER, duly seconded by Felix MUSCO, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inter-Item transfer fund.**

Motion 12-11-18 #4

**APPROVED**

**MOVED BY Mark HEUER, duly seconded by Pablo NEREY, and unanimously carried THAT the Committee adopt the Inspection Budget of \$58,000 for 2019 FY.**

Motion 12-11-18 #5

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inter-Item transfer fund.**

Motion 12-11-18 #6

**APPROVED**

**MOVED BY Pat V. RICCHIUTI, duly seconded by Rick BENSON, and unanimously carried THAT the Committee adopt the General Administration of \$390,400 with \$173,500 for exports totaling \$563,900 2019 FY Budget.**

Motion 12-11-18 #7

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Janet EDWARDS, and unanimously carried THAT the Committee improve USDA Section 8E of ripe olives imports not to exceed \$150,000.**

Motion 12-11-18 #8

**APPROVED**

**MOVED BY Rick BENSON duly seconded by Pat V. RICCHIUTI, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman, for Inner-item transfer fund.**

Motion 12-11-18 #9

**APPROVED**

**MOVED BY Janet EDWARDS duly seconded by Pablo NEREY, and unanimously carried THAT the Committee to delegate authority from the Committee to the Executive Director with oversight by the Chairman to obtain legal counsel for employee personnel.**

Motion 12-11-18 #10

**APPROVED**

**MOVED BY Ed CURIEL, duly seconded by Edward GARCIA, and unanimously carried THAT the Committee to approve the use of legal counsel should one be needed with approval from the USDA.**

**SUMMARY OF MOTIONS FOR DECEMBER 11, 2018**

Motion 12-11-18 #11

**APPROVED**

**MOVED BY Felix MUSCO, duly seconded by Rick BENSON, and unanimously carried THAT the COC staff to evaluate a means for tracking non-California table olive product for potential assessment and industry data use.**

Motion 12-11-18 #12

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Pablo NEREY, and unanimously carried THAT the Committee approve the \$343,523 Research Budget for 2019 FY.**

Motion 12-11-18 #13

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Janet EDWARDS, and unanimously carried THAT the Committee delegate authority for inter-item transfers, from the Committee to the Executive Director with oversight by the Chairman for the 2019 research budget.**

Motion 12-11-18 #14

**APPROVED**

**MOVED BY Rick BENSON, duly seconded by Ed CURIEL, and unanimously carried THAT the Committee adopt the \$1,628,923 2019 FY Budget.**

Motion 12-11-18 #15

**APPROVED**

**MOVED BY Tim T. CARTER, duly seconded by Mark HEUER, and unanimously carried THAT the assessment rate be set at \$44.00 per ton.**

Motion 12-11-18 #16

**APPROVED**

**MOVED BY Pat V. RICCHIUTI, duly seconded by Janet EDWARDS, and unanimously carried THAT the Bylaws changes be approved.**

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** SUBCOMMITTEE APPOINTMENTS

**RECOMMENDATION:** THAT the Committee elect a Chairman.

**BACKGROUND:** Every two years the Committee undergoes an election, and the Officers must be elected to govern the Committee.

**FISCAL IMPACT:** None

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** SUBCOMMITTEE APPOINTMENTS

**RECOMMENDATION:** THAT the Committee elect a Vice-Chairman.

**BACKGROUND:** Every two years the Committee undergoes an election, and the Officers must be elected to govern the Committee.

**FISCAL IMPACT:** None

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** SUBCOMMITTEE APPOINTMENTS

**RECOMMENDATION:** THAT the Committee elect a Secretary/Treasurer.

**BACKGROUND:** Every two years the Committee undergoes an election, and the Officers must be elected to govern the Committee.

**FISCAL IMPACT:** None

**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** NOMINATION OF OPEN MEMBER POSITIONS

**BACKGROUND:** In the event of a vacancy in either the Member or Alternate category after the votes have been tallied, the Committee shall nominate to fill any vacancies at the next COC Full Committee meeting.

Due to vacancies in the most recent COC election, the Committee will nominate to fill the vacancies.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** SUBCOMMITTEE APPOINTMENTS

**RECOMMENDATION:** THAT the Committee approve to empower the Chairman to appoint from its members and alternates to such subcommittees as deemed necessary.

**BACKGROUND:** Every two years the Committee undergoes an election, and the subcommittees must be re-formed by the new Committee.

**FISCAL IMPACT:** None

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** EXECUTIVE SUBCOMMITTEE

**SUBJECT:** SAMPSON & SAMPSON

**RECOMMENDATION:** THAT the Committee approves the 2018 FY audit.

**BACKGROUND:** A representative from Sampson & Sampson has completed the California Olive Committee's 2018 fiscal audit. The representative will present any findings to the Committee.

**FISCAL IMPACT:** None

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** EXECUTIVE SUBCOMMITTEE

**SUBJECT:** SAMPSON & SAMPSON

**RECOMMENDATION:** THAT the Committee approves the use of Sampson and Sampson for the 2019 FY audit.

**BACKGROUND:** A representative from Sampson & Sampson has completed the California Olive Committee's 2019 fiscal audit.

**FISCAL IMPACT:** None

**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** EXECUTIVE COMMITTEE

**SUBJECT:** INDUSTRY ANALYSIS SUMMARY

**BACKGROUND:** On May 9<sup>th</sup>, 2019, the Executive Committee met to conduct an Industry Analysis on the current state of the California olive industry and the policies and procedures of the California Olive Committee.

The COC staff will be presenting the findings from the meeting.

**\*\*\* ACTION REQUIRED \*\*\***

**FROM:** EXECUTIVE SUBCOMMITTEE

**SUBJECT:** 2019-2020 MARKETING POLICY STATEMENT

**RECOMMENDATION:** THAT the Full Committee approve the 2019-2020 amended Marketing Policy Statement.

**BACKGROUND:** Each year, the California Olive Committee (COC) must approve a Marketing Policy Statement. The Marketing Policy Statement (MPS) is an annual analysis of the industry that is used by the U.S. Department of Agriculture (USDA) to determine the effectiveness of the federal Olive Order 932 and its relationship to the requirement established by the Agricultural Marketing Agreement Act.

**FISCAL IMPACT FOR 2019-2020:** None

CALIFORNIA OLIVE COMMITTEE  
MARKETING POLICY STATEMENT  
**2019-2020 CROP YEAR**

The Committee is required to annually consider specific areas that directly affect the successful operation of the Marketing Order. This annual analysis of the industry is also used by the U.S. Department of Agriculture to determine the effectiveness of the Order in relationship to the requirement established by the Agricultural Marketing Agreement Act.

PROGRAM INVOLVED: Marketing Order No. 932 established in 1965 and amended in 1968, 1971, 1982, 1984, 1989, 1997, 2000 and 2005 regulating handlers of olives grown in California.

PROGRAM PURPOSES: Pursuant to the Act and continuing regulations, the purposes of the Order are: Orderly marketing between producers and handlers; assurance of product quality; improvement of grower returns and expansion of the market for California olives.

NEED FOR ACTION: The California Olive Committee (COC) continues to conduct research, marketing, inspection and compliance programs. The industry is facing many challenges from labor and water shortages, cost increases to acreage reduction, low growers returns, highly competitive imports and market changes. To meet these challenges the Committee has joined with the other Ripe Olive industry organizations to find solutions and create a workable plan to expand the viability of the California Ripe Olive industry. The industry is bannng together more than ever before exploring new technologies, enhancing capabilities, leveraging marketing efforts and research to enhance quality.

JUSTIFICATION: Justification for such programming is contained in the Agricultural Marketing Agreement Act of 1937 as amended (7 U.S. C. 601-674) and through Marketing Order No. 932 as amended - Olives Grown in California.

AGENCY: U.S. Department of Agriculture, Fruit and Vegetable Programs, Agricultural Marketing Service.

CONTACT: Dr. Patty Bennett, Chief of the Marketing Order Administration Branch, Fruit and Vegetable Programs, Agricultural Marketing Service. Telephone: 202-720-9914.

ANALYSIS OF ECONOMIC IMPACT

ACREAGE AND PRODUCTION TRENDS: California produces approximately 95% of the olives grown in the United States. Olive growing areas are scattered throughout California with most of the commercial production coming from Tulare, Tehama, Glenn, Madera, and Fresno counties. For the first time the industry has plantings in Imperial Valley.

Olive production has fluctuated from an unprecedented low of 16,968 tons in the 2006-07 crop year to a high of 164,984 tons in the 2010-11 crop year. The yield per bearing acre has varied from 0.59 tons in 2006 to a high of 5.83 tons in 2010-11. A total of 16,000 bearing acres will be used for this analysis. Actual production since 1997 is listed in Table A.

## 2019-2020 Marketing Policy Statement

Factors to consider in evaluating the potential 2019-20 crop year tonnage are:

1. Alternate bearing crop.
2. Bloom is looking normal.

USES FOR OLIVES GROWN IN CALIFORNIA: The primary use of California olives is for canned ripe olives which are eaten out-of-hand as a snack, in hors d'oeuvres, or as an ingredient in various entrees, side dishes and cocktails. They add texture, color and flavoring to any dish. A new growing trend is foodie crafts with olives being a natural fit.

RECEIPTS BY REGULATED HANDLERS: Historically 85-95% of the reported California olive crop has been delivered to regulated handlers. A portion of the total tonnage delivered to regulated handlers will be diverted to non-regulated uses in addition to the tonnage delivered to non-regulated handlers and oil processors.

EXPORTS: The canned olive market is historically a domestic market with only approximately 3 to 5% exported, primarily to Canada, Mexico, and Japan. Industry is exploring further exports to Mexico, Southeast Asia, and the United Kingdom.

PORTION OF COMMODITY AFFECTED: The portion of the California olive crop that is affected by the proposed actions those olives used in the production of canned ripe olives canning and limited sizes, which will be approximately 90% of total production.

IMPACT ON SUPPLY/DEMAND UTILIZATION: The Committee continues to utilize three areas marketing, research, and inspection programs to create a positive impact for the industry concerning supply and demand. Marketing efforts include an extensive database of industry assets, including recipes, photographs, grower videos and much more, that have been used to promote Ca olives through retail trade advertisements, digital and social media, and influencers. The story of our grower families has been a driving force in our marketing efforts. Research efforts have focused on cultural practices, pest and disease, and utilization of the latest technology to develop low cost solutions for producing olives in California. Lastly, inspection capabilities have been enhanced through an electronic reporting system to decrease waste, provide efficiency, reduce burden on canner staff and provide growers with more resources. The reporting system has been well received by growers. Growers are now able to make better management decisions in the field due to the real time data, as a result has provided back hire returns. The Committee has been making major strides over the past few years with efforts to assist growers in lowering production cost, while increasing the quality, supply, and demand of the product.

IMPACT ON SMALL BUSINESS: The Committee is required to assess the impact of its proposed regulations on small business units. The definition of a small grower unit is \$750,000 in gross income. With approximately 900 growers producing less than 1,000 tons, and approximately 2% of growers producing more than 1,000 tons, a majority of all growers would be considered small olive producers.

A grower would have to produce approximately 1,000 tons of olives to be above the \$750,000 gross income, required to meet the small grower definition.

The Committee's record keeping and reporting regulations do not affect growers directly since all regulations are enforced on the handlers.

## 2019-2020 Marketing Policy Statement

The Committee's regulation on the use of limited fruit affects all growers equally. By permitting handlers to use "Limited Size" olives, a higher price is paid to growers for that fruit than if the handlers could not use it.

The definition of a small handler unit is "those having annual receipts of less than \$6.5 million". Both handlers have olive sales above that level.

### OTHER ECONOMIC EFFECTS:

Growers are benefited by the marketing order through all the core programs such as: research, marketing, inspection, and compliance. The research programs provide the grower with new ways to enhance the production of quality fruit, combat disease, monitor pests, and reduce production costs. Marketing programs provide an outlet to build awareness and educate consumers on the availability and quality of California Ripe Olives. Inspection programs continue to provide growers with third party inspection of fruit, less subjective technologies for sizing fruit, and an electronic reporting system. The electronic reporting system provides growers with real time data, which has provided tremendous value to the grower. Growers are making better management decisions, and due to the real time data feedback are resulting in higher returns. Compliance programs provide growers with grades and standards for domestic and foreign product.

The consumer benefits from the federal marketing order because of the quality regulations in place and an ongoing supply.

Table A each year the estimated bearing and non-bearing acreage of California ripe olives, the production, and yield per acre of California olive trees from 1998 through 2018.

TABLE A  
ACREAGE AND YIELD - CALIFORNIA OLIVES  
1997-2017

Year	Bearing Acres	Non-Bearing Acres	Total Acreage	Tons Produced	Tons Per Acre
1998	35,311	1,000	36,311	85,375	2.42
1999	35,311	1,000	36,311	135,827	3.84
2000	35,311	1,000	36,311	49,331	1.40
2001	36,000	Unknown	36,000	129,977	3.61
2002	36,000	Unknown	36,000	94,446	2.61
2003	36,000	Unknown	36,000	107,997	2.99
2004	31,887	Unknown	31,887	92,245	2.89
2005	31,580	Unknown	31,580	123,589	3.92
2006	28,926	Unknown	28,926	16,968	.59
2007	27,599	Unknown	27,599	114,883	4.17
2008	27,599	Unknown	27,599	51,543	1.87
2009	28,615	Unknown	28,615	23,034	.80
2010	28,322	Unknown	28,322	164,984	5.83
2011	27,000	Unknown	27,000	26,945	.99
2012	25,090	Unknown	25,090	78,179	3.12
2013	22,956	Unknown	22,956	90,792	3.92

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2014	19,271	Unknown	19,271	31,120	1.93
2015	19,299	Unknown	19,299	77,594	4.02
2016	18,409	Unknown	18,409	66,575	3.62
2017	17,040	Unknown	17,040	90,237	5.30
2018	16,000	Unknown	16,000	17,952	1.06

Source: CALIFORNIA OLIVE COMMITTEE

PRICES: Field prices are determined by a number of factors: the estimate of the oncoming crop, the individual handler inventory and sales projections, and negotiations with growers. Grower returns are affected by the olive size-grade, quality of fruit delivered, and cultural and harvest costs. The average parity price (as computed by the USDA) for olives in 2018 was \$2,790 per ton. The price received by growers for the 2018 crop was approximately 47% of average parity.

Parity is a computed value based on government statistics and has no relationship to current prices or wholesale values. It is however, used by the USDA to determine if grower prices have reached a level at which regulations on handlers would not be permitted.

Table B reports the total Canning and Limited tons, average canning and limited prices paid to producers, average crop year parity price, and canning size price as a percent of parity.

TABLE B  
CALIFORNIA OLIVES - GROWER PRICES

Year	<u>Canning Size</u>		<u>Limited Size</u>		Average Parity Price	<u>Canning Size</u> Price-% of Parity
	Tons	Avg Price	Tons	Avg Price		
		\$		\$	\$	%
1998	64,161	540	12,830	200	1,420	38
1999	85,639	575	36,475	228	1,443	40
2000	41,260	742	6,571	380	1,468	50
2001	108,143	754	15,296	297	1,583	48
2002	79,113	672	9,893	306	1,603	42
2003	92,239	478	10,467	254	1,650	29
2004	69,737	720	16,126	276	1,692	43
2005	89,958	715	23,794	261	1,799	40
2006	14,667	961	2,176	249	1,864	52
2007	88,072	1,008	19,905	378	2,053	49
2008	43,360	1,109	5,891	381	2,195	51
2009	20,043	1,197	1,068	375	2,060	58
2010	114,930	1,040	36,754	378	2,333	45
2011	23,147	1,165	2,082	370	2,410	48
2012	68,044	1,150	6,062	333	2,578	45
2013	75,305	1,150	10,363	385	2,596	44
2014	29,078	1,207	5,648	419	2,840	43
2015	56,478	1,320	14,395	640	2,810	47
2016	50,675	1,354	10,920	751	2,673	51
2017	66,244	1,345	17,184	784	2,790	48
2018	14,920	1,332	2,060	785	2,790	47

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Average Price - Independent canner price not including standard bonus, extra bonus or hauling allowance.

Prices based on data compiled by Olive Growers Council.

**TRADE DEMANDS:** The market for California produced ripe olives in the United States is concentrated in retail and food service areas. Some ripe olives are used as ingredients in manufactured frozen or canned foods, but these usually come from fruit exempt from the Marketing Order requirements. Please note Table D represents olives processed and sold in the United States.

**IMPORTS:** Beginning in the 1981-82 crop year, supplies of California grown ripe olives were insufficient to consistently meet the demands of the market place. Processors in Spain & Morocco export canned California-style ripe olives into the U.S. Most of the imported product is sold to pizza chains and large foodservice distributors. Lower priced imports have replaced California olives for those customers whom are most sensitive to price. Unprocessed olives have been brought into California from Mexico, Spain, and Argentina for processing as canned ripe olives.

The effect of imports on California sales has resulted in a reduction in wholesale prices of specific items, lower grower returns and handler profits as canners lower selected prices to maintain volume. The threat of imports is in their lower cost, lower quality, governmental support, and an almost unlimited supply. If they continue to displace California product, growers' returns will continue to decline.

Effective with the start of the 2000-01 crop year, to date, the Committee has received monthly reports of imported sales by foreign countries, as well as imported bulk olives, which are mostly processed as California black ripe style. The report of canned ripe olives imports from foreign countries is obtained from the U.S. Customs Service. Table C shows imports expressed in U.S. tons for 2008-09 to date.

TABLE C  
U.S. CUSTOMS IMPORT DATA  
IN *GROWER TONS*

CROP YEAR	WHOLE/PITTED FS & RETAIL	SLICED	WEDGED/ CHOPPED	TOTAL CANNED	BULK Aug 1-July 31	TOTAL IMPORTS
2008-09	7,625	50,259	2,093	59,977	15,742	75,719
2009-10	9,775	56,696	4,341	70,812	27,494	98,306
2010-11	8,928	57,458	3,945	70,331	29,212	99,543
2011-12	8,439	60,209	4,475	73,123	4,641	77,764
2012-13	8,898	58,345	3,757	71,000	15,629	86,629
2013-14	10,277	63,923	3,961	78,161	12,878	91,039
2014-15	10,262	58,157	2,608	71,027	21,033	92,060
2015-16	11,142	64,611	2,958	78,711	8,185	86,896
2016-17	11,384	52,074	2,163	65,621	13,813	79,434
2017-18	13,257	48,188	2,336	63,781	13,813	67,531

**CURRENT SUPPLIES:** Table D shows the canned inventory as of April 30, 2019 (but will be updated in August 2019) of consumer and food service size containers of whole, pitted, sliced, chopped,

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wedged and broken pitted style olives, and certain key style and pack combinations. The projected sales for June and July are based on the average sales.

The estimated inventory as of July 31, 2019, and the month's supply of carryover are based on the estimated total sales for this year. The two handlers have unprocessed olives in storage. The estimated inventory should not be viewed in the total but as individual components for which trade demand varies dramatically.

**Table D**  
**Processed Ripe Olives in Cans (Converted into 24/300 Case Basis)**

ITEM	10 Month Sales thru 04/30/2019	Estimated Sales June & July 2019	Estimated Total Sales 2018-2019	Inventory 4/30/2019	Estimated Inventory 7/31/18	# Months Supply as of 8/1/19
<b>TOTAL</b>	8,963,449	2004690	<b>11,970,484</b>	5,630,497	9,968,937	12
<b>MARKETS</b>						
CONSUMER	6,759,159	1496100	<b>9,003,309</b>	4,496,023	7,766,667	12
FOOD SERVICE	2,204,290	219490	<b>2,533,525</b>	1,134,474	2,202,267	10
<b>STYLES</b>						
WHOLE	4,403	803	<b>5,607</b>	14,703	22,532	36
PITTED	5,416,111	1188527	<b>7,198,902</b>	3,879,580	6,814,044	13
WEDGED	25,065	5400	<b>33,165</b>	37,349	49,799	19
SLICED	3,344,699	768173	<b>4,496,959</b>	1,551,406	2,894,857	9
CHOPPED	158,074	37503	<b>214,329</b>	142,549	161,242	9
BROKEN PITT	15,096	4284	<b>21,522</b>	12,479	26,463	14
<b>KEY ITEMS</b>						
24/300 Pitted	5,167,817	1125603	<b>6,856,221</b>	3,587,025	6,415,270	13
6/10 Pitted	235,716	59920	<b>325,596</b>	282,376	376,792	16
6/10 Sliced	1,925,042	436145	<b>2,579,259</b>	775,593	1,705,232	9
24/300 Whole	3,290	629	<b>4,234</b>	10,907	17,624	37
6/10 Whole	1,113	173	<b>1,373</b>	3,796	4,908	33
6/10 Wedged	23,966	5115	<b>31,639</b>	28,768	46,861	19
2.25 Sliced	501,439	120710	<b>682,504</b>	285,126	350,180	7
4.5 Chopped	137,628	30267	<b>183,029</b>	90,613	78,560	6

**PRODUCTION, ESTIMATED CROP SIZE AND QUALITY:** Crop estimate questionnaires will be mailed to olive producers in accordance with procedures established by the National Agricultural Statistic Service and the California Olive Committee. Growers will be contacted by phone for their estimate. Since the computation of this survey will not be available when the Committee meets on July 23, 2019, the results of the grower survey will be submitted as an amendment to this Marketing Policy Statement when that survey is available. There are only two large regulated handlers for the industry, and confidentiality can still be breached by taking a handler survey at this time. The crop estimate listed on the next page is a survey of handler and producer members attending the June meeting:

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<u>VARIETY</u>	<u>California Olive Committee</u> <u>SURVEY</u> <u>July 23, 2019</u> <u>Tons</u>	<u>GROWER SURVEY (NASS)</u> <u>August 9, 2019</u> <u>Tons</u>
Sevillano		
Manzanillo	<b>XXX</b>	<b>XXX</b>
Other		
	(all varieties combined)	
TOTAL		

SUMMARY: The marketing order specifies the minimum grade and size requirements for olives that may be used in the production of canned ripe olives. The use of limited size olives will be allowed for "limited use" styles of canned ripe olives because the Committee voted unanimously on June 13, 1996 to recommend that canning smaller olives of the "limited use" size be permitted on a continuing basis. This regulation is the same that has been recommended in all but two years (1971-72 and 1980-81) since the establishment of the Marketing Order. This will permit the maximum utilization of the California olive supply for retail and food service use based on historic practices. The fresh olive Limited size mid-points will be same as those used for the 2018-2019 crop.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** VOTING PROCEDURES

**RECOMMENDATION:** THAT the Committee discuss voting procedures.

**BACKGROUND:** The COC would like to review current voting procedures.

**FISCAL IMPACT:** None

**\*\*\* ACTION REQUIRED \*\*\***

**FROM:** EXECUTIVE COMMITTEE

**SUBJECT:** 2019-2020 ANNUAL COMPLIANCE PLAN & E-COMPLIANCE PLAN

**RECOMMENDATION:** THAT the Committee approve the 2019-2020 Annual Compliance Plan and E-Compliance Plan.

**BACKGROUND:** Every year the California Olive Committee must approve the Annual Compliance Plan (ACP). The ACP describes compliance strategies, resources, and activities for the current year. USDA requires that this program be established in order for the industry to comply with the Order and regulations. Additionally, the ACP must be in place to provide the COC the procedures needed in the event that violations are brought forth to the Committee.

Additionally, in 2010, USDA required the Committee to file an E-Compliance Plan. This compliance plan is a USDA template which staff completes on behalf of the Committee. By 2011, USDA requested the Committee to approve both the completed E-Compliance Plan and ACP Plan. Although both plans are similar and duplicative, USDA has stated that both plans must receive approval from the Committee.

**FISCAL IMPACT FOR 2019/2020:** None

**ANNUAL COMPLIANCE PLAN  
FOR THE  
CALIFORNIA OLIVE COMMITTEE**

(Marketing Order 932 - Olives Grown in California)

**I. THE PURPOSE OF THE ANNUAL PLAN**

This compliance action plan describes compliance strategies, resources, and activities for the current year. It is formulated to assist the California Olive Committee (COC) and its staff, as well as the Agricultural Marketing Service, in assuring that all olive handlers are complying with the marketing order (order) and regulations. It is also designed to assure that the COC and its employees are following prescribed procedures, an essential prerequisite when violations are brought forward for criminal and civil prosecution. Following these procedures assures that all handlers are treated equitably.

**II. BACKGROUND OF MARKETING ORDER 932 (REGULATING OLIVES GROWN IN CALIFORNIA)**

The COC was established in 1965 and is composed of 8 handler members and 8 producer members. The order, as contained in the Code of Federal Regulations, 7 CFR Part 932, regulates the handling of olives grown in California. The order authorizes the establishment of minimum grade and size regulations with mandatory incoming and outgoing inspections. The order authorizes production and marketing research, and paid promotion activities. The order also permits fruit of certain sizes too small to be of good value as whole or pitted olives to be utilized in chopped, segmented (wedged), and sliced form. Finally, the order authorizes the collection of assessments to fund the approved program activities. No regulations or restrictions are imposed upon producers by the order. All provisions apply to the handling of olives, and only handlers are assessed and billed for the COC's expenses.

**III. INDUSTRY BACKGROUND**

Agricultural industries differ considerably. The production and handling of the many various specialty crops provide a unique perspective of California agriculture. Consider the following features of this state's and the nation's olive industry:

1. Virtually every olive grown commercially in the United States is grown in California.
2. Olive trees have an alternate-bearing characteristic, yielding large crops one year and smaller crops the next year. A record crop was harvested in the 2010 season with 164,984 tons delivered. The smallest crop harvested in recent years was in the 2006 season, with 16,968 tons delivered. Handlers try to hold higher inventories in years with larger crops to provide fruit for sales in years with smaller crops. Similarly, the COC plans program activities, budgets expenses, and recommends assessment rates based upon this crop characteristic.
3. The COC has established both a crop year and a fiscal year. The crop year begins August 1 while the fiscal year begins January 1. Actual crop harvest begins in September and usually continues through mid-November.
4. Several styles of olives are exempt from regulations: Greek, Sicilian, fresh shipments to market, and olive oil. Exemptions may be obtained from the COC for fruit that is used in new product market tests.

5. Assessments are based upon handler receipts of canning and limited size fruit. The budget and assessment rate are recommended after the fruit is received so that the total assessable receipts are known.
6. Delinquent assessments are subject to an interest charge and a 5% penalty late charge. The interest rate is calculated at 2% above the current commercial prime rate.
7. Handlers are required to report all olive receipts, sales, use, packout, and inventory of olives grown in California to the COC.
8. Records of olives acquired, held, and disposed of shall be retained by each handler for two years beyond the crop year in which the transaction occurred.
9. Olives are covered under the Agricultural Marketing Agreement Act of 1937, Section 608e; therefore, regulation of imported fruit is mandatory. Any grade and size regulation pertaining to the domestic crop also applies to imports of similar styles of olives.
10. Olives are subject to both incoming (when delivered by the grower to the handler) and outgoing (after processing) inspection. The incoming inspection is to establish weights, size-grades, and quality of olives received in natural condition. Outgoing inspection is for processed grade and size regulations. All inspections are based upon the U.S. Standards for Grades of Canned Ripe Olives (7 CFR part 52) and additional size tables adopted by the COC.
11. Receipts of "tree-ripened" fruit require that the handler notify the COC and the inspection service. Such fruit must be kept separate from other fruit received and in storage.
12. At the beginning of the current crop year and fiscal year there are two major handlers in the industry.

#### **IV. REPORTS**

The order requires that each handler report receipts of fruit, sales, utilization, packaged and bulk inventory, and packouts. The following forms are used by handlers to comply with this requirement.

A. The *Weight and Grade Report* (Form COC-3A/3C) is required as part of the incoming regulations. The report should contain at least the following information:

- i. lot number
- ii. date received/time received
- iii. variety
- iv. number and type of containers
- v. name of handler
- vi. name of producer
- vii. county of production
- viii. weight certificate number
- ix. net weight
- x. method of size-grade determination (lot or sample)
- xi. weight of sample if size graded by sample, and
- xii. the quantity of olives of each size designation.

The information from this report provides the basis for determination of canning, limited, undersize and cull olives; and also provides the basis for the handler payment to the producer. The inspection service shall certify this form.

B. The *Report of Olives Received* (Form COC-19) is a weekly report showing by size designation and culls:

- i. the respective quantity of each variety received
- ii. seasonal total receipts of each variety to date.

C. The *Report of Limited, Undersize and Cull Olives* (Form COC- 5) is a report filed with the COC upon disposition of limited, undersize and cull olives. The report should contain the following information:

- i. name of handler
- ii. name of consignee
- iii. number of containers
- iv. type of containers
- v. variety
- vi. net weight of limited, undersize and culls disposed of
- vii. style (whole or pitted)
- viii. outlet
- ix. handler or inspection service comments

This permits the COC to verify that the cull and undersize fruit has not been used in the production of canned ripe olives. The disposition of such fruit is done under the inspection of Shipping Point Inspection (SPI). All required disposition of non-canning olives shall be completed not later than September 30 of the crop year following the one in which the obligation is incurred or such later date that a handler may specify in a notice filed with the COC at least 15 days prior to September 15 of such subsequent crop year. Such notice shall show that a handler has sufficient quantity of olives held in storage to meet his obligation.

D. The *Pack and Certification Report* (Form COC-4) is a report from the handler of daily pack, certified by the inspection service, which contains the following information:

- i. name and address of handler
- ii. date
- iii. place of inspection
- iv. variety
- v. style of pack
- vi. fruit size
- vii. number of cans per case
- viii. can size
- ix. can code
- x. total number of cases of packaged olives
- xi. remarks (inspection grade/failed lots)

E. Reports are required monthly that show the quantity of packaged olives of the ripe and green ripe types *sold* during the month. Such reports include the following information, as applicable:

- i. With respect to the whole, pitted, and broken pitted styles: each style is reported separately in terms of the quantity of each size of olives. Such quantity is reported in terms of the total amount packaged in each of the container sizes listed on the form. The Form COC-29a is used for this type of report. Monthly sales of green ripe olives are listed on the form.
- ii. Limited use styles - halved, sliced, segmented (wedged) and chopped - are reported in terms of the quantity of each style packaged in each of the container sizes listed on the form. The Form COC-29b is used for this report.

F. *Packaged Olive Inventory Reports* are monthly reports showing the total quantity of packaged olives of the ripe and green ripe types held in *inventory* storage at all locations on the last day of the preceding month. Such reports shall contain the following information:

- i. With respect to whole, pitted, and broken pitted styles of packaged olives, each style is reported separately in terms of the packaged quantity of each size designated on the form. Such quantity shall be reported in terms of the total amount packaged in each of the container sizes listed on the form. Green ripe olive inventories are listed on the form. The Form COC-27a is utilized for this report.
- ii. Halved, sliced, segmented (wedged), and chopped styles of packaged olives of the ripe and green ripe type are reported in terms of the quantity of each style packaged in each of the container sizes listed. The Form COC-27b is utilized for this report.

G. *Natural Condition Olive Bulk Inventory Reports* are monthly reports showing the total quantity of natural condition olives held in *bulk storage* at all locations on the last day of the preceding month. Such reports shall contain the following information if applicable:

- i. The total tonnage of natural condition olives held in storage which are of any size that may be used in the production of packaged olives of the whole or pitted styles shall be reported in terms of the total quantity of each size designated. This report is filed on Form COC-27c.
- ii. The total tonnage of natural condition olives held in storage by the handler which are of sizes that may be used in the production of packaged olives of the halved, sliced, segmented (wedged), or chopped style shall also be reported on Form COC-27c.

H. *Packout Reports* are monthly reports showing the total production of packaged olives of the ripe and green ripe types. Such reports shall include the following information, as applicable:

- i. With respect to the whole, pitted, and broken pitted styles of packaged olives, each style shall be reported separately in terms of the total quantity of each size designated on the form. Such quantities shall be reported in terms of the total amount packaged in each of the container sizes listed on the form. Green ripe olives shall be listed on the form. This report is filed on Form COC-28a.
- ii. Halved, sliced, segmented (wedged), and chopped styles of packaged olive shall be reported in terms of the quantity of each style packaged in each of the container sizes listed on the form. This report is filed on Form COC-28b.
- iii. Monthly reports come to the COC office via email (scanned/signed pdf.), fax and mail from the handlers. They are date stamped, logged in Monthly Report Register, for record. The reports are then added into the computer for a continuing report the COC office keeps, and works in conjunction with CASS to make available through the CASS website for public review (as our industry currently has 2 handlers). Once the CASS report is up on site and “live” then the COC office blast emails the CASS reports to the entire industry.

I. The *Report of Interhandler Transfers* (Form COC-6) is filed within ten days of such transfer. The transferring handler reports natural condition shipments to the COC with at least the following information:

- i. name and address of the transferring and receiving handlers
- ii. date of the transfer
- iii. condition of fruit, either natural condition or processed

- iv. weight, number, and size of each type of container
- v. variety
- vi. transfer of obligation of Limited, Undersize or Culls.

Packaged olives cannot be transferred via an interhandler transfer. Such transfers are considered sales and are reported on Form COC-30.

J. The *Interhandler Sale or Purchase of Canned Ripe Olives* (Form COC-30) is used to report sales or purchases of processed canned ripe olives between regulated handlers. The form contains the following information:

- i. name and address of originating handler (seller)
- ii. name and address of receiving handler (buyer)
- iii. details of the transaction: type, size, style, can size, number of cases
- iv. signatures of originating and receiving handlers

K. The *Report of Assessable Tonnage* (Form COC-13) is an annual report of assessable tonnage received by variety and an estimate of tonnage expected to be diverted to exempt use.

L. The *Report of Final Assessment Payment* (Form COC-17) is an annual form verifying the amount of assessable tonnage of fruit handled and the actual and/or estimated exemptions. It also indicates previous payments to satisfy assessments levied.

M. The *Authorization of Grower to Combine Lots* (Form COC-23) is used by the handler to indicate when lots have been combined by the permission of the grower. This is a seldom-used form. The report contains the following information:

- i. name and address of handler
- ii. date of authorization
- iii. variety (separate form required for each variety)
- iv. weight & grade certificate numbers included in combination
- v. signature of producer or agent
- vi. county
- vii. number of containers
- viii. net weight

N. The *Report of Special Shipments* (Form COC-155) is used by handlers to request permission to package and market experimental shipments of olives in order to conduct marketing research and development projects. Each application must provide at least the following information:

- i. quantity of olives to be utilized (no more than 5% of crop year acquisitions)
- ii. specific market outlet
- iii. flavorings or other added ingredients
- iv. style
- v. type of olives (black or green)
- vi. container size
- vii. variety
- viii. sizes
- ix. date when product to be packaged
- x. name and address of handler
- xi. place of inspection
- xii. certification that all marketing order requirements met

- xiii. certification that product will be kept separate
- xiv. purpose and nature of request
- xv. estimate of time needed to complete the test.

The reporting requirements as they currently exist provide cross-checks and safeguards against violations within the industry. The fact that the growers and the handlers, as an industry, support the order assists in that regard.

## **V. RESOURCES**

Both incoming and outgoing inspection are required under the order. Because incoming inspection is provided by SPI, and outgoing inspection by USDA Processed Products Branch (PPB), a high level of integrity in total receipts and output per handler is maintained. Cross-checks by COC's staff utilizing incoming and outgoing inspection certificates, pack, storage, disposition, exempt, inventory, and sales reports can account for virtually all fruit handled by each of the two regulated handlers in the industry.

Inspectors representing the PPB remain at the processing plant while handling and processing are underway. Inspectors with SPI remain on the premises while fruit is received, weighed, and size-graded. Receiving may be at the processing plant itself or may be at one or more of the handler's receiving stations. Each station may have more than one SPI inspector, depending on the amount of fruit received. SPI oversees the lot sampling, with the assistance of handler employees. Inspectors for the PPB are authorized to act in the stead of the SPI inspectors, if necessary. It should be noted that industry has begun moving forward.

The COC staff is represented by the Executive Director, Program Supervisor and a Programs Coordinator. A portion of each staff members' time is compliance related. Estimated time:

Executive Director	20%
Program Supervisor	50%
Programs Coordinator	30%

## **VI. COMPLIANCE ACTIVITIES**

Compliance activities that specifically address potential violations of these provisions are as follows:

1. Provide information to handlers annually to remind them of their regulatory responsibilities;
2. Identify and visit handlers to discuss regulatory requirements (i.e., record keeping, reporting, assessments, grade, size, pack and container);
3. Receive, investigate, document, and report to AMS complaints of violations of order provisions;
4. Check handler reports as to completeness, accuracy, and timeliness;
5. Monitor handler payments of assessments and late payments;
6. Reconcile handler reports with incoming inspection certificates;
7. Monitor disposition of obligation fruit using handler reports and verify, on a spot-check basis, with third-party records obtained from end users;
8. Periodically visit handlers, announced and unannounced, during the season to observe handling operations and monitor compliance with order provisions.

## **PART II**

### **DETAILS OF THE COMPLIANCE ACTIVITIES**

#### **1. Provide information to handlers annually to remind them of their regulatory responsibilities.**

**ACTIONS:**

**FREQUENCY:**

- |     |  |   |
|-----|--|---|
| 1.1 | Send out Annual Compliance Plan, Annual Marketing Order Policy Statement to all handlers, Committee members, and to other interested parties via Email, Fax, or Postal Mail. Packet should contain information relating to reporting, regulatory requirements, etc.  | In late June or early July, in preparation for the Annual Crop Meeting.                           |
| 1.2 | Send out via Email or Fax to Handlers and Receiving Stations the upcoming crop-year's receiving guidelines.  | In August at the start of the crop year.  |
| 1.3 | A copy of the meeting packet that is mailed out to the committee members in preparation of upcoming annual crop meeting- containing the Annual Compliance Plan, Annual Marketing Order Policy  | Whenever a rule change occurs, or a new member or alternate member is appointed to the Committee. |
| 1.4 | A copy of the meeting packet that is mailed out to the committee members in preparation of upcoming annual crop meeting- containing the Annual Compliance Plan, Annual Marketing Order Policy Statement, Antitrust Guidelines, COC Bylaws, updated Incoming and Outgoing Inspection Charts, and other pertinent current information is added to the Chronological Monthly Files, to be kept as permanent record. | As needed   |

#### **2. Identify and visit handlers to discuss regulatory requirements (i.e. record keeping, reporting, assessments, grade, size, pack and container.)**

**ACTIONS:**

**FREQUENCY:**

- |     |  |  |
|-----|--|--|
| 2.1 | Discuss the regulatory and reporting requirements with handlers.   | As necessary during the season, such as when a report is not received, or is not properly completed. As necessary during season, such as when a handler is not meeting grade, size, pack, or other requirements. |
| 2.2 | Visit handlers to clarify questions on grade, size, pack, etc. COC staff should document contact with handlers and record observations from each visit, phone call, or email.  |  |
| 2.3 | The Committee identifies new handlers via the Olive Growers Council. The California Olive Committee then sets up a meeting with the new handler, the inspection service, and MOAB to inform them of their responsibilities as a handler under Marketing Order 932. All correspondence with the new handler, including faxes, emails, call reports, etc., is documented and placed in their handler file. |  |

**3. Receive, investigate, document, and report to AMS complaints of violations of Marketing Order provisions. (Rules 932.139, 932.149, 150, 151 & 152)**

**ACTIONS:**

**FREQUENCY:**

- |     |  |   |
|-----|--|---|
| 3.1 | When a complaint is received (e.g., complaint from industry grower or handler, notice from Inspection Service, etc.) assess the merit of the complaint and action, if any, needed to be taken. | Immediately upon receipt of the complaint.                      |
| 3.2 | Investigate the complaint by visiting the handler, reviewing handler documents, contacting third parties, etc., as needed to resolve the complaint.  | After assessing the merit of complaint, above.                  |
| 3.3 | Document all complaints of Marketing Order alleged violations, including Committee follow-up actions, if any, and report to the Department.  | Immediately after following up and investigating the complaint. |

**4. Check handler reports as to completeness, accuracy and timeliness. (Rule 932.161)**

**ACTIONS:**

**FREQUENCY:**

- |     |  |                                  |
|-----|--|----------------------------------|
| 4.1 | <u>Report of Olives Received (Form COC-19)</u>   |                                  |
|     | a. Record receipt of, review form for completeness, check accuracy of figures.   | Weekly, during receiving season. |
|     | b. Verify handler totals compiled at COC with final report from handler. Cross-check against total receipts recorded from Forms COC-3A/3C. | Annually.                        |
| 4.2 | <u>Disposition and Obligation (Form COC-5)</u>   |                                  |
|     | a. Obligation for Limited, Undersize and Culls established when final receipts recorded from each handler.                                 | Annually.                        |
|     | b. Disposition recorded from each COC-5 in each category for each variety.   | Monthly or As necessary.         |
|     | c. Remaining Obligation calculated and Form COC-8 sent to handler for verification.  | Monthly or As necessary.         |
|     | d. Any discrepancies discussed with handler.   | As necessary.                    |
|     | e. Compare remaining obligation with handler's storage tons to ensure sufficient fruit available to meet obligation.                       | At end of crop year.             |
|     | f. When obligation fulfilled for each crop year, handlers notified in writing.   | As necessary.                    |
| 4.3 | <u>Pack and Certification Report (COC-4)</u>   |                                  |
|     | a. Reports scanned for any failed lots. Recorded in ledger.  | Upon receipt.                    |
|     | b. Disposal of failed lots recorded as they occur.   | Upon receipt.                    |

	c. Handler records checked or physical inventory taken of outstanding failed lots.	As necessary.
4.4	<u>Sales, Inventory, Pack Reports (COC-27a, 27b, 28a, 28b, 29a, 29b)</u>	
	a. Record receipt of, review forms for completeness, check accuracy of figures. Contact handler if form is incomplete or late.	Monthly.
	b. Audit handler's sales invoices, inventory controls, etc.	Periodically or as needed following a complaint.
4.5	<u>Natural Condition Olive Bulk Inventory Reports (COC-27c)</u>	Monthly.
	a. Record receipt of, review forms for completeness, check accuracy of figures.	
	b. Audit handler storage facilities at cannery.	Periodically or as needed following complaint.
4.6	<u>Interhandler Transfers (COC-6)</u>	
	a. Record any obligation transfers from transferring handler to receiving handler. Report on COC-8 to handler.	As reported.
4.7	<u>Interhandler Sale or Purchase (COC-30)</u>	
	a. Verify both originating and receiving handler signatures.	As reported.
	b. Investigate how this sale has been reported by each handler on their monthly sales reports to eliminate any double reporting.	
4.8	<u>Combination of Lots (COC-23)</u>	
	a. Verify weight & grade certificate numbers and net weights. (Note: This form is seldom used)	As necessary.

4.9 Report of Special Purpose Shipments (COC-155)

- |   |  |
|---|--|
| a. Communicate to handlers that a request for experimental shipments must be received by COC at least 10 days prior to shipments. | Annually.                                    |
| b. Notify the inspection service that COC has approved a special purpose shipment.  | At time of approval.                         |
| c. Verify that it will be kept separate by a means satisfactory to inspection service.  | At time of pack.                             |
| d. Follow up disposition of experimental shipment with handler.   | According to time frame reported on COC-155. |

4.10 Upon receipt, each report is date-stamped and initialed to show timeliness of report. The weekly and monthly reports are recorded on a register and kept in folder. The Register includes the date received, who reviewed report and the accuracy of the report. Should there be a discrepancy, the handler is notified, documented, handler employee signed, and date stamped with the corrected/revised corresponding report and updated/included in file. Files are set up for each type of report and all records are continually updated, kept for permanent record in secured file cabinets.

**5. Monitor handler payments of assessments and late payments. (Rule 932.139 & 221)**

**ACTIONS:**

**FREQUENCY:**

- |   |   |
|---|---|
| 5.1 Compare handler receipts as reported on Form COC-19 to receipts reported on Form COC-13 "Statement of Assessable Tonnage."  | Annually after crop completely harvested. |
| 5.2 Calculate handler's assessment due. Notify handler of amount due and payment schedule via Postal mail, Email, or Fax. Send handler copy of Federal Register notice of budget and assessment approval upon receipt from CAMFO. | Annually.<br>(January)                    |

- |     |   |   |
|-----|---|---|
| 5.3 | Send assessment bills to each handler via Postal Mail, Email or Fax, followed by phone call to confirm it was received.   | Monthly Payments                                |
|     |   |   |
| 5.4 | Calculate, and apply, on a consistent basis, late payment and interest charges to all delinquent accounts. Mail assessment penalty notices (Form COC-16) via Registered Mail.   | If payment not received by postmarked due date. |
| 5.5 | Notify AMS when delinquent notifications are sent.  | As necessary.                                   |
| 5.6 | Report status of all delinquent accounts to AMS per Compliance Manual instructions.   | As necessary.                                   |
| 5.7 | Delinquent assessments will be collected in accordance with procedures detailed in the AMS Compliance Manual (Page 20)  | As necessary.                                   |
| 5.8 | Both handlers are notified via email and fax, followed up fax journal copy attached for record to each handler, files are set up with each handler's schedule and invoice amounts. Upon receipt each check is date-stamped, Master Assessment Register is updated, recorded, and then check is deposited. | As necessary.                                   |

**6. Reconcile handler reports (COC-19) with incoming inspection certificates (COC-3A/3C).**

**ACTIONS:**

**FREQUENCY:**

- |     |  |               |
|-----|--|---------------|
| 6.1 | Compare handler receipts as reported on Form COC-19 with receipts as recorded from the COC-3A/3C Weight & Grade Certificates.  | Annually.     |
| 6.2 | Weight & Grade Certificates include trash (leaves, stems, etc.) weight. COC-19 reports do not. A discrepancy of 1-5% is acceptable depending on crop size and conditions. Discrepancies above 5% will be investigated.                           | As necessary. |
| 6.3 | Work with handler to resolve any discrepancies, by verifying certificate I.D. numbers, identifying revised, replaced, duplicate or voided certificates, checking individual batch or certificate totals by variety and net weight, if necessary. | As necessary. |

- |     |  |               |
|-----|--|---------------|
| 6.4 | Each receiving station sends the COC-3s in bulk, where COC staff puts them into batches, adding the total weight, using the calculator tape (twice) to verify the figures. A second person enters all pertinent data into a producing county report to verify and compare against the cumulative report (of first of each handler's CO-19 report,-and to later determine assessments) then, the harvest of the crop year, against the cumulative report of the COC-19. All hard copies are stored in files/boxes for permanent record. | As necessary. |
|-----|--|---------------|

**7. Reconcile handler reports to outgoing inspection certificates.**

**ACTIONS:**

**FREQUENCY:**

- |     |   |   |
|-----|---|---|
| 7.1 | Reconcile COC-4 (Pack & Certification Report) with monthly forms COC-28(a) and COC-28(b).   | Quarterly.  |
| 7.2 | Track disposition of failed lots as recorded on COC-4.  | On-going. Failed lots are opened and repacked or disposed of according to handlers' own schedule. |
| 7.3 | Investigate those lots which cannot be accounted for in conjunction with PPB and the handler.   | As necessary.   |
| 7.4 | The COC-4's get date stamped and reviewed to ensure that all reports have passed, and if so, then collected monthly, by date and number sequence, and boxed for permanent record up to completing each crop year (August 1 <sup>st</sup> through July 31 next year), especially for such cases as in the event of periodic auditing that is required. If any COC-4's have "failed lots" then the COC office is required to contact the handler to investigate what was the outcome of that "accounted for" fruit. The documentation is kept in a log binder for permanent record. | As necessary.   |

**8. Monitor disposition of obligation fruit using handler reports and verify, on a spot-check basis, to third party records obtained from end users.**

**ACTIONS:**

**FREQUENCY:**

- |     |   |               |
|-----|---|---------------|
| 8.1 | See 4.2   | See 4.2       |
| 8.2 | Conduct spot check audits to verify COC-8 balances of remaining obligation with handlers' actual inventory. | Periodically. |

- |     |  |               |
|-----|--|---------------|
| 8.3 | Spot check audit reports are completed and kept in secured file cabinets, along with all contact documentations, which are periodically updated. | As necessary. |
|-----|--|---------------|

**9. Periodically visit handlers, announced and unannounced, during the season to observe handling operations and monitor compliance with Marketing Order provisions.**

**ACTIONS:**

**FREQUENCY:**

- |     |  |  |
|-----|--|--|
| 9.1 | Visit canneries (announced and unannounced) during regular working hours, and verify handlers are having their products inspected. Observe handling of incoming fruit, size certification, disposition of obligation fruit, inventory controls, etc. | Visit all handlers' main plant and receiving stations at least once during receiving season and at least once during remainder of crop year. |
| 9.2 | Verify handler sales records for a randomly selected period (e.g. month) for randomly selected items, with sales invoices, printouts and other handler records.  | Annually or as necessary.  |
| 9.3 | Contact handler on any discrepancies observed during the visit, or when verifying handler records as described above.  | Immediately.   |
| 9.4 | Document and log all visits.   | As necessary.  |

Revised  
Lramon 07/16

For your convenience, you may copy and paste into this document.

**2019-2020**

*e-Compliance Plan*

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Full name of Marketing Order Program

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Marketing Order No.

**1. Sending information to handlers annually reminding them of their regulatory, reporting, and record keeping responsibilities.**

a. List the types of documents that will be sent to handlers reminding them of their regulatory and reporting requirements during the crop year.

(e.g., marketing order, current regulations, specific handler reports)

b. Regulatory requirements will be sent on or around: \_\_\_\_\_

(e.g., September 1, August 1, etc)

c. Describe what methods will be used to send regulatory requirements and amendments to handlers and what form of documentation will be used to confirm whether the requirements have been sent to all handlers.

(e.g., methods: regular mail, e-mail, facsimile, hand-delivered; and confirmation: a mailing log, certified return receipts, e-mail return receipts, facsimile transmission logs)

d. Amendments will be sent to handlers: \_\_\_\_\_  
(e.g., as implemented, in the beginning of the crop/calendar year)

**2. Identify and visit handlers to discuss regulatory requirements (e.g., record keeping, reporting, assessments, volume and disposition), observe handling operations, and monitor compliance with marketing order provisions.**

a. How does the Marketing Order Program (program) learn of new or potential handlers? When will regulatory and reporting requirements be discussed with new or potential handlers? How will the discussion be documented?

(e.g., a new handler typically calls to say he/she intends to begin operating as a handler, regulatory requirements are discussed with the new handler as soon as the program learns of the handler's intent to operate, and these discussions are documented in the form of a memorandum of discussion)

b. When will regulatory and reporting requirements be discussed with existing handlers - as applicable? How will these discussions be documented? (Activity 2.f. specifically refers to handler audits.)

(e.g., as needed during the season, such as when a report is not received or is not properly completed and the discussions are documented in the form of memorandum of discussion.)

c. Will a representative of the program periodically visit handlers to observe their operations?

Yes      No      If No, please explain in box below 2d.

d. If yes, what types of activities will be observed during these periodic visits at handlers' operations? How often will these visits take place? How will these visits be documented? Explain below, (Activity 2.f. specifically refers to handler audits).

(e.g., observes where failing products are going; visits handlers weekly; keeps a memorandum of visit)

\_\_\_\_\_ will visit \_\_\_\_\_% of handlers this crop year.  
(e.g., Committee Manager, Compliance Officer)

e. If less than 1/3 of all handlers will be visited, what percentage of the total volume of production will those handlers that will be visited represent? \_\_\_\_\_%

f. Will the program conduct handler audits?

Yes      No

g. If yes, how will the audits be documented?

(e.g., handler audit files are filed by year and then by handler, all handlers will be visited within an audit cycle of four years)

\_\_\_\_\_ % of handlers will be audited this crop year.

*Note: If done, the program should ensure all handlers will be audited within a four year audit cycle.*

**3. Receive, investigate, document and report to the Marketing Field Office (MFO), complaints of violations of program provisions.**

a. Describe how the program receives complaints of marketing order violations. Additionally, explain how the program will investigate, substantiate, and document such allegations and related compliance action.

(e.g., complaints are usually received from other handlers; program investigates complaints by visiting the handler, reviewing handler documents and contacting third parties; all documentation is kept in complaint files by handler including any communications between the program and the handler)

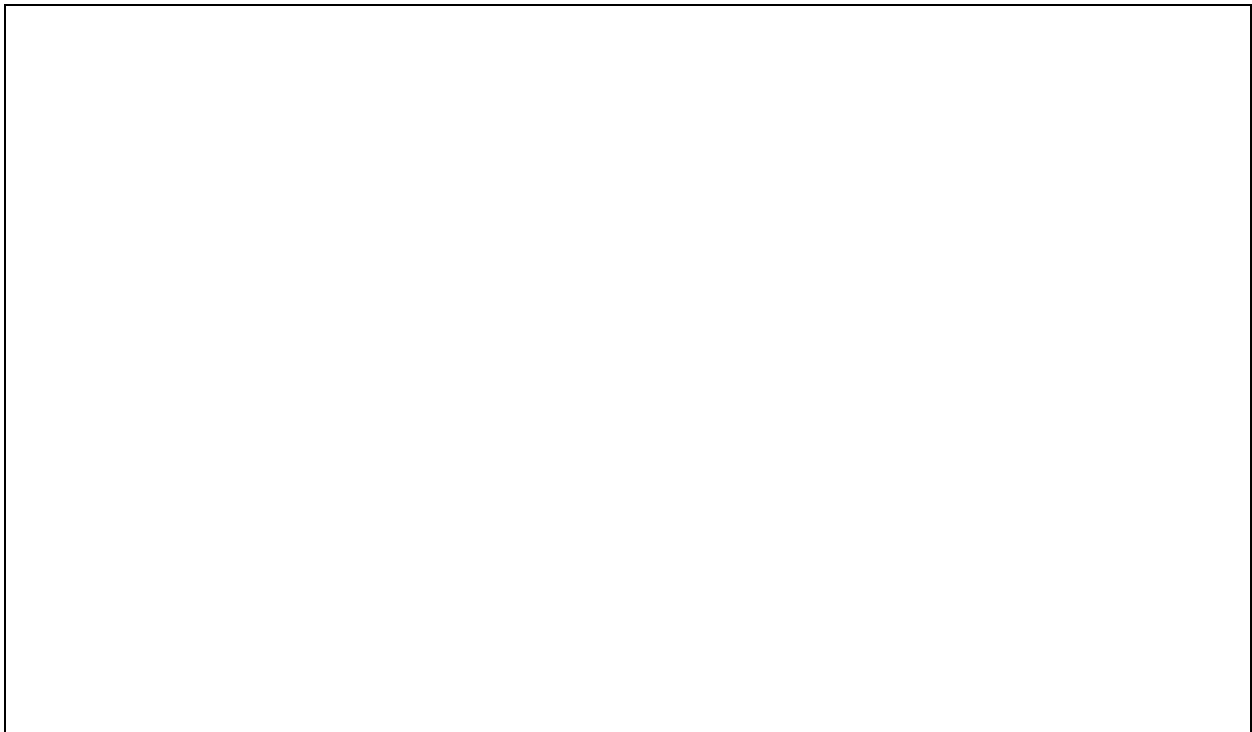
b. Describe the process of sending a case referral report to the MFO after a complaint has been substantiated.



(e.g., follow up action will be sent to the MFO as a case referral report immediately after substantiating the violation)

**4. Check handler reports for completeness, accuracy and timeliness.**

a. List all of the reports the program anticipates receiving from handlers and third parties, including from inspection stations/service, this coming crop year. Also, provide when each report is due or typically received.



(e.g., special purpose shipment reports- 9/1, note sheets, - daily)

b. The program should be able to determine when a report was received and should review reports in a timely manner after receipt. Describe how the program will determine if reports are received when due. Also, describe how the program ensures reports are reviewed in a timely manner. In addition, what actions will the program take with handlers that have missing/late reports?

(e.g., date-stamping reports upon receipt, data entry the same day received, electronic dates; after three unsuccessful attempts by phone, visit and letter to obtain a handler report, the program will document the attempts and report the violation to the MFO in the form of a case referral report)

c. Explain how the program will check reports that are received from handlers for accuracy.

(e.g., handler reports are reconciled with incoming and outgoing inspection certificates)

d. If changes or corrections will be necessary to a report, explain how authorization by the handler to make the necessary changes or corrections will be obtained and documented. If handlers are required to resubmit their handler reports, explain how the handlers will be contacted.

(e.g., authorization is conducted by a confirmation letter, facsimile, e-mail or phone call from the handler)

**5. Monitor handler payments of assessments.**

a. Explain how handler assessments are determined.

(e.g., Assessments were billed by inspection certificates, invoices; assessments were self-reported by handlers sending in handler reports)

b. Will the program have controls in place over processing deposits (accounts receivables)?

Yes            No

c. Handler assessments will be collected on a \_\_\_\_\_ basis.  
(e.g., weekly, monthly, quarterly.)

d. Copies of invoices, reports and past due notices will be retained in files by: \_\_\_\_\_.  
(e.g., handler, month, quarter)

e. The first past due notice will be sent to handlers \_\_\_\_\_ days after the invoice date.  
(e.g., 30, 60)

f. The second past due notice will be sent to handlers \_\_\_\_\_ days after the invoice date.  
(e.g., 30, 60)

g. Will the program charge a late payment fee and/or interest rate on delinquent accounts?

Yes            No

h. If yes, describe the late payment fee and/or interest rate on delinquent accounts below. You may include the citation in the marketing order as a description.

*Note: Please check the marketing order to see if imposition of interest rate and/or late payment fee, penalties are authorized/mandatory.*

i. Will the program take any further actions in attempting to collect past due assessments from handlers (e.g., phone call or visit) before referring the action to the MFO?

Yes      No      If yes, explain below.

j. At \_\_\_\_\_ days, delinquent accounts will be referred to the MFO for appropriate action.  
(e.g., 65, 90)

**6. Monitor compliance through inspection services, disposition of exempt, special purpose shipments, restricted, substandard, off grade, other failing, and/or residual commodities using handler reports.**

a. Will the program monitor some form of a waiver of inspections for handlers?

Yes      No      N/A      If not explain below.

(e.g., reviewing the waiver application for a handler and ensuring that the handler is in compliance)

b. Will the program monitor an export program under the marketing order?

Yes      No      N/A      If applicable, explain below.

(e.g., determining whether there are discrepancies between the amounts reported by the handler, USDA inspectors, and/or shipping reports)

c. Will the program monitor handlers that conduct special purpose shipments?

Yes      No      N/A      If applicable, explain below.

(e.g., reconciling handler's reports to the receiver's copies of the special purpose shipment reports submitted to the program)

d. Will the program monitor the disposition of off-grade and/or other failing products?

Yes      No      N/A      If applicable, explain below.

(e.g., using surveillance to ensure failed product is used in only approved outlets)

e. Will the program contact third parties, which includes inspection services, on a spot-check basis to monitor compliance with marketing order and/or inspection requirements?

Yes      No      N/A      If applicable, explain below.

(e.g., contacting buyers, consignees, brokers, retailers, terminal markets, and road guard stations)

## 7. Other Compliance Activities

a. List any additional compliance activities that will be monitored by the program and have not been discussed previously. Also, discuss how these activities will be documented.

(e.g., reserves, inventories, diversion programs, controlled buys, etc)

b. List any sections or provisions of the program's marketing order, due to formal suspension of rule making, that will not be in effect for the upcoming crop year. Additionally, list any new marketing order activities that are anticipated to take effect.

(e.g., diversion program will not be in effect for this crop year, export program may be in effect sometime during this crop year)

## 8. Financial Audit Policies

a. Name of Certified Public Accountant (CPA) that will conduct audit:  
\_\_\_\_\_ ; if not known, put TBD.

b. How many years has the CPA conducted the audit for the program? \_\_\_\_\_

c. Explain how the CPA presents the audit findings to the program.

(e.g., CPA will provide a written report in person at the December program meeting; CPA will participate in a video conference at their April meeting; or CPA will provide report to the audit subcommittee who will report to the program at the May meeting)

d. Will the program have its audits conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS a.k.a. The Yellow Book)? You may visit: <http://www.gao.gov/govaud/ybk01.htm> for further information.

Yes      No      If no, explain below.

e. Did the program have any audit deficiencies from the prior year audit?

Yes      No      If yes, describe how the program resolved the deficiencies below; if deficiencies have not been resolved, explain how the program intends to do so.

f. Does the program receive any federal grant funds?

Yes      No      If yes, describe the funds below:

(e.g., MAP, TASC, FSMIP. Please do not include specialty crop block grants from state departments of agriculture)

**9. Internal Control Policies**

Please note that the term “staff members” used throughout this plan means employees, as well as individuals, who are employed by an organization that provides administrative services to the program on a contract/agreement basis. Refer to questions 9.a.

a. Will the program separate duties among its staff members (e.g., will one staff member handle the accounts receivable and another handle accounts payable)?

Yes      No      How many staff members do you have? \_\_\_\_\_

b. Will the program use an independent contractor or some other type of organization to perform its management and/or administrative services? (For employee dishonesty insurance purposes)

(Should an agreement exist which documents the category/type of the relationship, please attach a copy)

Yes      No      If yes, attach a copy of the current contract/agreement

If yes, what is the name of the independent contractor or organization that the program will be using?

c. What are the names and e-mail addresses of the program officers?

Chairperson(s)

Other Officer Positions (if applicable)

(Name(s) and e-mail address(es))

d. Are any of the above officers a manager or staff member of the program?

Yes      No      If yes, identify officer(s) below.

e. Who is the Chairperson of the Audit Subcommittee? If not applicable, state N/A below.

(e.g., name or N/A)

f. Is the Audit Subcommittee Chairperson a member or alternate on the program?

Yes      No      N/A      (if there is no Audit Subcommittee)

g. Will the program commingle federal funds with any other funds? If a clearing account is used to split dual payments of assessments, the program may mark "No."

Yes      No

h. Will the program comply with Agricultural Marketing Service (AMS) Directive 2210.2 Investment of Public funds? Upon request, you may receive a copy of the policies from MOAD Compliance and Enforcement Branch.

Yes      No

i. Are all investments of a maturity period of one year or less, risk free, and interest bearing?

Yes      No      If no, explain below.

j. Are all accounts held at financial institutions, insured by the Federal Deposit Insurance Corporation (FDIC) ?

Yes      No      If no, explain below.

k. Are all funds in separate accounts which are covered by the FDIC limit for each bank (standard coverage up to \$250,000) or collateralized for any funds in excess of the FDIC limit? Yes      No      (If collateralized and the program has a letter, please attach)

l. Has the program changed financial institutions in the past year?

Yes      No      If yes, provide complete information, name(s) of the new institution(s) and dates(s) of change, phone, fax, email, point(s) of contact.

m. Will the program inform MFO if there is a change in financial institution in the future?

Yes      No

n. The program maintains fidelity bond/employee dishonesty insurance in the amount of \$\_\_\_\_\_ (coverage should be at least 1/3 highest liquid assets).

o. If applicable, is the program listed, as an additional insured, on the independent contractor's/organization's fidelity bond/employee dishonesty insurance?

Yes      No      N/A

p. What is the highest amount of liquid assets that the program will receive this year?

\$\_\_\_\_\_ (e.g., assessments, savings, etc)

q. Will a duplicate copy of the monthly bank statement be sent directly to an officer of the program or will they have electronic viewing access?

(If the program's annual revenue exceeds \$500,000, this activity is *mandatory*)

Yes      No      If no, provide explanation below.

r. Will the program replace a manager's signature with a facsimile signature or rubber stamp on checks?

Yes      No

s. Will the program have appropriate written policies which have been approved by the program, for credit card use and approval of expenditure(s)?

Yes      No      N/A

t. Will the program have appropriate written policies, which have been approved by the program, for incurring and approving expenses?

Yes      No      N/A

u. When was the program's internal control policy last reviewed and approved: \_\_\_\_\_  
(e.g., dd/mm/yyyy)

## 10. Operational controls

Please note “appropriate management” should be the next higher level of management. For example, if a manager of a program is the same person who is preparing the vendors invoices for payment or is doing the bank reconciliations, then the manager would need to get an officer of the program to approve those transactions. In other instances, appropriate management can be the Manager or the President of the program. Refer to question 10.c., 10.f. and 10.g.

a. Will checks received for payment of assessments be restrictively endorsed “For Deposit Only”?

Yes      No

b. Do all deposit slips omit handler identifiable information?

Yes      No

c. Will vendor invoices be reviewed and approved by appropriate management prior to being paid?

Yes      No

d. Will bank statements be attached to bank reconciliations before being approved by a program officer? (e.g., program Treasurer)

Yes      No

e. Provide the names of those individuals who are authorized users of credit cards. Also, provide the type, number of credit cards and credit limit that have been issued to each of the individuals.

If not applicable, state N/A below.

(e.g., John Smith- 1 Visa, 1 Exxon; Mary Jones- 1 Visa, etc.)

f. Will appropriate management review and approve credit card statement(s) before statements are paid?

Yes      No      N/A

g. Will travel expenditures be approved by appropriate management?

Yes      No      N/A

h. All program checks must be signed by two individuals. Who are the two primary signers of the program's checks? Provide their names and titles, and indicate whether they are an employee, officer or contractor of the program below:

\_\_\_\_\_ Employee      Officer      Contractor/Organization  
(e.g., John Smith, Treasurer, etc.)

\_\_\_\_\_ Employee      Officer      Contractor/Organization  
(e.g., Jane Doe, Manager, etc.)

i. If primary check signers listed above are unavailable, provide the names and titles of other authorized check signers, and indicate whether they are an employee with an "(E)," an officer with an "(O)," or a contractor with an "(C)." If not applicable, please state N/A below:

(e.g., Doug Jones, Secretary (O) etc.)

j. Does the program use petty cash and/or postage?    Yes      No      If no, skip 10.k.-l.

k. Describe how petty cash and/or postage is reconciled and how the reconciliation is documented below.

l. Describe how petty cash and/or postage is handled, and secured below.

## 11. Confidential Information and Record Keeping

a. Under Section 608d(2) of the Agricultural Marketing Agreement Act of 1937, all information furnished to or acquired by the USDA for marketing order program categorized as trade secrets and financial or commercial information shall be kept confidential by all USDA officers and employees. These individuals may disclose such information only in a suit or administrative hearing brought at the direction, or upon the request, of the USDA. Because marketing order programs are quasi-governmental entities, this regulation applies to marketing order program management. Will the marketing order program staff protect personal, commercial, financial, and employment information from an unauthorized disclosure? Will the program have appropriate computer controls in place that are adequate for the size of the program (e.g., password protection to log onto network, automatic logging off after 10 minutes, use of password protected files, etc.)?

Yes      No

b. Explain the program's security protocol to protect confidential information below.

e0Personally Identifiable Information (PII) can be used to distinguish or trace an individual's identity. It includes, among other things, the use of names, social security numbers, or financial information associated with an individual. PII is subject to the Privacy Act, and should be held, processed or stored only where facilities and conditions are adequate to prevent unauthorized access. Will the program protect PII from an unauthorized disclosure?

Yes      No

f0Is the program following the retention schedule in the MOAD Operations Manual?

Yes      No

e. Where are the records stored?

(e.g., stored off-site in filing cabinets which are locked when not in use)

f. How does the staff dispose of records past retention?

(e.g., Shredded after 4 years, etc)

g. If you wish to explain or clarify your answer to any of the previous questions, use the text box below. Begin by identifying the question or item number, for example: Item 2.c. Item 10.k, etc.

## Marketing Order Program Representative Certification

*Instructions for Marketing Order Program: Please complete this certification page. Once completed, please e-mail this file as an attachment to your Marketing Field Office Specialist for approval.*

I, \_\_\_\_\_, of the  
Name and Title

\_\_\_\_\_, certify that  
Full Name of Marketing Order Program

the foregoing compliance plan was approved by program members on: \_\_\_\_\_  
Date

**Required: By checking this box, I certify that the foregoing compliance plan reflects, to the best of my knowledge, the program's compliance strategies, resources and activities for the upcoming season.**

\_\_\_\_\_  
Name Date

My e-mail address is: \_\_\_\_\_

---

### Only complete below this line if *resubmitting* the e-Compliance Plan.

---

Resubmitted for approval on: \_\_\_\_\_ by \_\_\_\_\_  
Date Name

Resubmitted for approval on: \_\_\_\_\_ by \_\_\_\_\_  
Date Name

Resubmitted for approval on: \_\_\_\_\_ by \_\_\_\_\_  
Date Name

If this e-Compliance plan has been pre-approved and received final approval during the program meeting, please list any modifications that were made during the meeting:

**Marketing Specialist Certification**

Marketing Field Office

*Instructions for Marketing Field Office Specialist: Please complete this certification page. If the e-Compliance Plan is not approved, please e-mail it back to the program for revisions. If the e-Compliance plan is recommended for pre-approval/approval, please e-mail it to the Compliance and Enforcement Branch Chief. The e-Compliance Plan will then be assigned to a Compliance and Enforcement Specialist for review.*

I, \_\_\_\_\_, Marketing Specialist at the  
Name

\_\_\_\_\_, certify that  
Field Office Location

I have reviewed the foregoing program’s compliance plan on this day: \_\_\_\_\_  
Date

Recommend for pre-approval                      The program will approve on: \_\_\_\_\_  
Date

Recommend for approval

Returned for revisions

See Comments Below:

Received On: \_\_\_\_\_  
Date

Recommend for approval

Returned for revisions

See Comments Below:

**Compliance and Enforcement Specialist Certification**

USDA Headquarters

*Instructions for Compliance and Enforcement Specialist: Please complete the following certification. Once completed, please e-mail this file either to the Field Marketing Specialist if returned for revisions (the Field Office will forward to the program for revision) or to the Compliance and Enforcement Branch Chief for final approval.*

I, \_\_\_\_\_, Compliance and Enforcement  
Name

Specialist, certify that I have reviewed the foregoing program's compliance plan on this day:

\_\_\_\_\_  
Date

Received on: \_\_\_\_\_  
Date

Recommend for pre-approval

Recommend for approval

Returned for revisions

See Comments Below:

Received On: \_\_\_\_\_  
Date

Recommend for approval

Returned for revisions

See Comments Below:

**Compliance and Enforcement Branch Chief**

Headquarters

**FINAL APPROVAL**

I, \_\_\_\_\_, Compliance and Enforcement  
Name

Branch Chief, certify that I have reviewed the foregoing program's compliance plan on

this day: \_\_\_\_\_  
Date

Received on: \_\_\_\_\_  
Date

Approved

Rejected for Revision

See Comments Below:

Received on: \_\_\_\_\_  
Date

Approved

Rejected for Revisions

See Comments Below:

**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** EXECUTIVE COMMITTEE

**SUBJECT:** EXPORT PROGRAM UPDATE

**BACKGROUND:** In December of 2018, the Subcommittee approved the 2019 Export Program.

The COC staff will present a brief progress summary on the 2019 Export Program activities to date.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** COC TRAVEL POLICY

**RECOMMENDATION:** THAT the Committee adopt the Travel Policy.

**BACKGROUND:** The COC would like to establish a Travel Policy in order to ensure that travel expenses reimbursed are essential to Committee business.

**FISCAL IMPACT:** None

## **CALIFORNIA OLIVE COMMITTEE TRAVEL POLICY**

Travel expenses that are reimbursed to the employee are confined to those expenses essential to Committee business.

The Committee will reimburse employees for necessary business-related expenses upon prior approval by the Executive Director. Each employee is required to substantiate proof of expenses with proper documentation. Business expense claims should be submitted by the 5th day of each month, using the reimbursement request forms available from the administrative manager. Business expenses will be reimbursed when the next payables are processed, following the submission of a request.

Employees may request a travel allowance. However, these travel allowances are for employees who are authorized to travel on behalf of the Committee only. In addition, cash advances for travel must be requested in writing and approved by the Executive Director. When traveling for greater than 14-hours including wait time for layover, employees may be upgraded to business class, provided that prior approval by the Executive Director is granted.

A receipt is required for any single expense.

Automobile mileage recorded will be reimbursed at the approved IRS mileage reimbursement allowance per mile in an employee's personal vehicle, when used for Committee business. Any employee utilizing their personal vehicle to perform their employment responsibilities must provide the Committee with proof of vehicle insurance.

In certain instances, the COC may allow employees to rent-a-car for Committee business in lieu of using personal vehicles for travel. However, prior approval must be granted by the Executive Director before renting the vehicle. Receipts must be included in travel expenses.

Credit Cards issued to employees are for Committee use only. Each employee utilizing their own personal credit card will be reimbursed as per the Committee's reimbursement policy stated above.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** INTERNAL CONTROL POLICY

**RECOMMENDATION:** THAT the Committee adopt the Internal Control Policy.

**BACKGROUND:** In an effort to maintain check and balances, the California Olive Committee would like to implement the following procedures when handling deposits and disbursements of monies.

**FISCAL IMPACT:** None

## **CALIFORNIA OLIVE COMMITTEE INTERNAL CONTROL POLICY**

In an effort to maintain check and balances, the California Olive Committee shall follow the following procedures when handling deposits and disbursements of monies. These procedures will be reviewed annually with the independent auditor. All payroll, shall be distributed by an independent agency.

- 1) The Committee shall have an independent bookkeeper that will be separate and independent of the Committee staff;
- 2) All checks received by the Committee shall be recorded by the Administrative Assistant and shown to the Executive Director;
- 3) The Administrative Assistant shall give a record of the checks received to the bookkeeper;
- 4) The Administrative Assistant shall then make the deposit of checks to the appropriate accounts;
- 5) The bookkeeper shall maintain all financial books;
- 6) Prior to cutting checks for disbursement, all expenditures shall be reviewed by the Executive Director and coded to the appropriate account;
- 7) The bookkeeper shall cut the checks in sequential order and code to the appropriate account;
- 8) The bookkeeper shall give the Executive Director all checks and invoices for review and signature;
- 9) All invoices shall require two signatures (one from the Executive Director, and one by the Chairman, Treasurer or other Board designee);
- 10) After signing all checks, the Administrative Assistant shall mail the checks to the appropriate receivers;
- 11) At the end of every month, the bookkeeper and the Executive Director shall review all financial activities; and
- 12) At the end of every financial year, the Committee shall conduct an independent financial audit of all Committee financial activities.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** INSPECTION SUBCOMMITTEE

**SUBJECT:** 2019-2020 INCOMING & OUTGOING INSPECTION REQUIREMENTS

**RECOMMENDATION:** THAT the Committee adopt the 2019-2020 Incoming & Outgoing Inspection Requirements.

**BACKGROUND:** Each year, the industry approves the Incoming and Outgoing Inspection Requirements. The following charts are used to ensure that the industry meets an acceptable U.S. standard and Marketing Order size regulations, in addition to the acceptable count ranges and mid-points. The following chart is for the 2019-2020 season.

**FISCAL IMPACT:** The fiscal impact of USDA Specialty Crop Inspection is \$76.03 per hour.

CALIFORNIA OLIVE COMMITTEE  
INCOMING INSPECTION REQUIREMENTS  
2019-2020

U.S. Standards & Marketing Order Sizes		Acceptable Count Ranges and Mid-Points											
		(Per Pound)											
Size Designation	Avg Count Range Per Pound	Variety Group 1				Variety Group 2							
		Sevillano		Ascolano**		Obliza		Mission/Manzanillo*					
		Acceptable Count Range	Mid Point	Acceptable Count Range	Mid Point	Acceptable Count Range	Mid Point	Acceptable Count Range	Mid Point				
Undersize	226-up	Undersize 106 - UP		Undersize 181- Up		Undersize 181- Up		Undersize 206 - Up					
Sub-Petite	181-225							181-205	193				
Petite	141-180							158-174	166	158-174	Ltd 166	158-174	166
Small	128-140							132-138	Ltd 135	136-140	Ltd 138	132-138	135
Medium	106-127							110-122	116	110-122	116	110-122	116
Large	91-105	91-105	98	91-105	98	95-101	98	91-105	98				
Extra-Large Sev "L"	76-90	82-90	Ltd 86	--	--	--	--	--	--				
Extra-Large	65-90	--	--	67-85	72-80	65-88	72-80	65-88	72-80				
Extra-Large Sev "C"	65-75	67-73	70	--	--	--	--	--	--				
Jumbo	47-60	47-60	47-60	47-60	47-60	47-60	47-60	47-60	47-60				
Colossal	33-46	33-46	33-46	33-46	33-46	33-46	33-46	33-46	33-46				
Super Colossal	32 or less	32 or less	32 or less	32 or less	32 or less	32 or less	32 or less	32 or less	32 or less				

\* Manzanillo includes Haas

\*\* Ascolano includes St. Agostino and Barouni

Undersize

Limited Sizes

CALIFORNIA OLIVE COMMITTEE  
 OUTGOING INSPECTION REQUIREMENTS  
 2019-2020

SIZE REQUIREMENTS AND PERCENTAGE TOLERANCES							
Size Designation	SEVILLANO		ASCOLANO*		OBLIZA		MISSION/ MANZANILLO**
Undersize	Undersize		Undersize		Undersize		Undersize
Sub-Petite	Undersize		Undersize		Undersize		L 35% less than 1/205
Petite	Undersize		L 35% less than 1/ 180		L 35% less than 1/ 180 lb.		L 35% less than 1/205
Small	Undersize		Undersize		Undersize		C 128-140
Medium	Undersize		Undersize		C 106-127		C 106-127
Large	LL 35% less than 1/ 105		C 91-105		91-105		91-105
Extra Large	Undersize		65-90		65-90		65-90
Extra Large	C 65-75		65-90		All sizes 5 %		65-90
Jumbo	47-60		All sizes 5%		47-60		less than
Colossal	33-46		less than		33-46		1/ 105 lb.
Super Colossal	32 or less		1/ 75 lb		C 32 or less		C 32 or less
	C		C		C		C
	Tolerance (by count) 35% under 1/ 75 but not more than 10% under 1/ 86		Tolerance (by count) 35% under 1/ 105 but not more than 10% under 1/ 113		Tolerance (by count) 35% under 1/ 127 but not more than 7% under 1/ 138		Tolerance (by count) 35% under 1/ 140 but not more than 7% under 1/ 166

\* Ascolano includes St. Agostino and Barouni

\*\* Includes Haas variety

L LIMITED USE SIZE and PERCENTAGE TOLERANCES

C

Tolerances apply to MINIMUM WHOLE OR PITTED CANNING SIZE:

Sevillano- Extra Large "C"; Ascolano- Large; Obliza- Medium; Mission/Manzanillo- Small



1400 Independence Avenue, SW  
Room 2077-S, STOP 0235  
Washington, DC 20250-0235

Mr. Todd Sanders  
Executive Director  
California Olive Committee  
770 East Shaw Avenue  
Fresno, California 93710-7708

Dear Mr. Sanders:

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service, Specialty Crops Program (SCP) thanks you and the California olive industry for your continued support of USDA's inspection program. We are committed to providing the highest quality inspection service at a fair and equitable cost.

We have completed a review of our revenue and expenses for the 2017-2018 crop year. As you are aware, SCP is required to cover all of our expenses through user fees. Based on current data, we expect user fee revenue to cover our costs for the olive inspection program in FY 2019. Accordingly, SCP has determined that the inspection fee for the 2019-2020 season will remain unchanged from this year's levels. The current fee will remain in effect from August 1, 2019, through July 31, 2020.

If you have any questions, please contact me at 202-720-4722.

Thank you for your support during the past year, and we look forward to our continued productive relationship with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Sonia N. Jimenez", written over a horizontal line.

Sonia N. Jimenez  
Deputy Administrator  
Specialty Crops Program

## Import Olives Entry Count by Country, Port, & Office Report

Report Date: 7/01/2018 to 6/30/2019

Report Data Source: USDA Specialty Crops Inspection Imports Database

Entry Count By Country	
Chile	1
Egypt	296
Greece	19
Israel	3
Italy	18
Mongolia	1
Morocco	1099
Poland	1
Portugal	304
Spain	1329
Sudan	1
Turkey	23
	<b>3095</b>

Entry Count By Office	
College Park	308
Covina	409
Hunt Valley	203
North Brunswick	869
Oshkosh	121
Portland	2
Puerto Rico	7
South Bend	247
Stockton	75
Weslaco	567
Winter Haven	210
Yakima	77
	<b>3095</b>

Entry Count By Port	
Baltimore, MD	165
Boston, MA	2
Charleston, SC	72
Chicago, IL	213
Cincinnati Ohio	14
Dallas-Fort Worth, TX	4
Detroit, MI	7
Houston-Galveston, TX	554
Indianapolis, IN	134
Jacksonville, FL	58
Kansas City, MO	4
Long Beach, CA	6
Los Angeles, CA	403
Miami, FL	73
Milwaukee, WI	1
Mobile, AL	6
New Orleans, LA	36
New York City, NY	22
Newark, NJ	888
Norfolk, VA	4
Oakland, CA	31
Port Everglades, FL	44
San Francisco, CA	42
San Juan, Puerto Rico	7
Savannah, GA	220
Seattle, WA	77
Tampa, FL	8
	<b>3095</b>

## Imported Olive Meeting & Failing Lots Report

Report Date: 7/1/2018 to 6/30/2019

Report Data Source: USDA Specialty Crops Inspection Imports Database

Month	Year	Meeting Lot Count	Meeting Pounds	Failing Lot Count	Failing Pounds
1	2019	257	6,012,377		
2	2019	321	6,923,666		
3	2019	331	5,989,315		
4	2019	372	831,058		
5	2019	204	5,086,048		
6		0	0		
7	2018	310	57,494,358	2	50,820
8	2018	288	5,431,224		
9	2018	230	4,363,887	2	5,580
10	2018	296	5,728,732		
11	2018	229	4,106,352		
12	2018	252	4,642,337	1	2,514
		3,090	106,609,354	5	58,914

Total Lot Count:	3,095
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Total Weight (lbs):	106,668,268
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Percentage Failing (lbs):	0.06%
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## Imported Olives Failing Defect Count by Country - Cumulative Report

Report dates: 1/01/2004 to Present

Report Data Source: USDA Specialty Crops Inspection Imports Database

Country	Defect	Defect Count
Argentina	Color	1
Argentina	Defects	3
Argentina	Flavor	3
Argentina	Foreign Material	2
Argentina	Insect	1
Argentina	Maturity	1
Argentina	Other	5
Argentina	Sand	1
Brazil	Flavor	1
Chile	Capstems	3
Chile	Mold	3
Chile	Pebble	1
Chile	Sand	3
Chile	Stems	3
Chile	Sugar	1
China	Stems	1
Egypt	Broken	1
Egypt	Capstems	1
Egypt	Color	2
Egypt	Flavor	8
Egypt	High Salometer	1
Egypt	Other	5
Egypt	Pits	1
Greece	Flavor	2
Greece	High Salometer	5
Iceland	Flavor	1
Israel	Insect	1
Israel	Mold	1
Italy	Character	3
Italy	Color	2
Italy	Defects	1
Italy	Flavor	11

Italy	High Salometer	6
Italy	Size	1
Italy	Stems	4
Lebanon	High Salometer	1
Morocco	Broken	2
Morocco	Capstems	1
Morocco	Defects	2
Morocco	Flavor	34
Morocco	Foreign Material	6
Morocco	High Salometer	1
Morocco	Mold	1
Morocco	Other	1
Pakistan	Character	4
Pakistan	Size	4
Portugal	Broken	2
Portugal	Character	2
Portugal	Color	2
Portugal	Defects	1
Portugal	Flavor	1
Portugal	High Salometer	3
Portugal	Other	1
Portugal	Size	2
South Africa	Flavor	1
Spain	Broken	27
Spain	Capstems	1
Spain	Character	1
Spain	Damage	1
Spain	Defects	12
Spain	Flavor	78
Spain	Foreign Material	21
Spain	High Salometer	25
Spain	Insect	1
Spain	Low Salometer	3
Spain	Other	25
Spain	Pits	2
Spain	Size	1
Tunisia	Character	1
Tunisia	Size	1

Turkey	Broken	1
Turkey	Character	3
Turkey	Defects	3
Turkey	Flavor	13
Turkey	High Salometer	4
Turkey	Low Salometer	1
Turkey	Mold	1
Turkey	Other	4
Turkey	Size	1
Turkey	Undeveloped	1



**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** MARKETING UPDATE

**BACKGROUND:** In November of 2018, the Subcommittee approved the 2019 marketing plan presented by Fleishman Hillard.

Fleishman-Hillard will present a brief progress summary on the 2019 COC marketing activities to date. The presentation is also available in the meeting packet.



# CALIFORNIA RIPE OLIVES:

*2019 MID-YEAR PROGRAM HIGHLIGHTS*

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*Presented By: FleishmanHillard | July 23, 2019*

# APPROACH TO 2019

Elevate the best-of-the-best

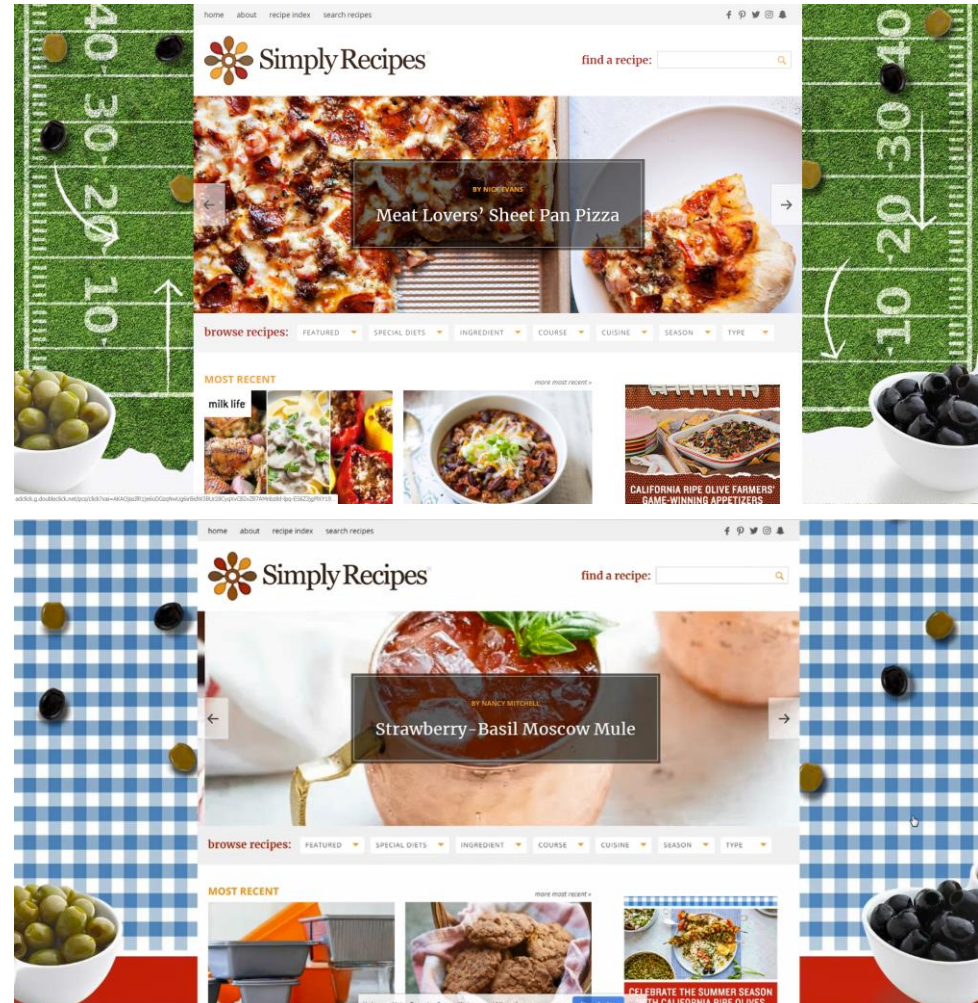
- Grower integration



# APPROACH TO 2019

Elevate the best-of-the-best

- Grower integration
- Simply Recipes site takeovers



# APPROACH TO 2019

## Elevate the best-of-the-best

- Grower integration
- Simply Recipes site takeovers
- Social + digital media influencer engagement



# APPROACH TO 2019

## Elevate the best-of-the-best

- Grower integration
- Simply Recipes site takeovers
- Social + digital media influencer engagement

## Make the most of existing content

## Create greater alignment on program elements

Continue to bring the “Grown in California, Enjoyed by Families Everywhere” theme to life through it all







# CALIFORNIA RIPE OLIVES 2019 PROGRAM AT-A-GLANCE



## California Ripe Olives & The Big Game!




*Pulse point package #1*

-  Simply Recipes site takeover
-  Full page feature
-  Influencer ambassador activation
-  CA Ripe Olives social media integration and asset refresh



## California Ripe Olives & July 4 Fun




*Pulse point package #2*

-  Simply Recipes site takeover
-  Influencer ambassador activation
-  CA Ripe Olives social media integration and asset refresh



## California Ripe Olives & Thanksgiving

*Pulse point package #3*

-  Simply Recipes site takeover
-  Full page feature
-  Influencer ambassador activation
-  CA Ripe Olives social media integration and asset refresh



***Special Event:***  
*Everything Food Conference*

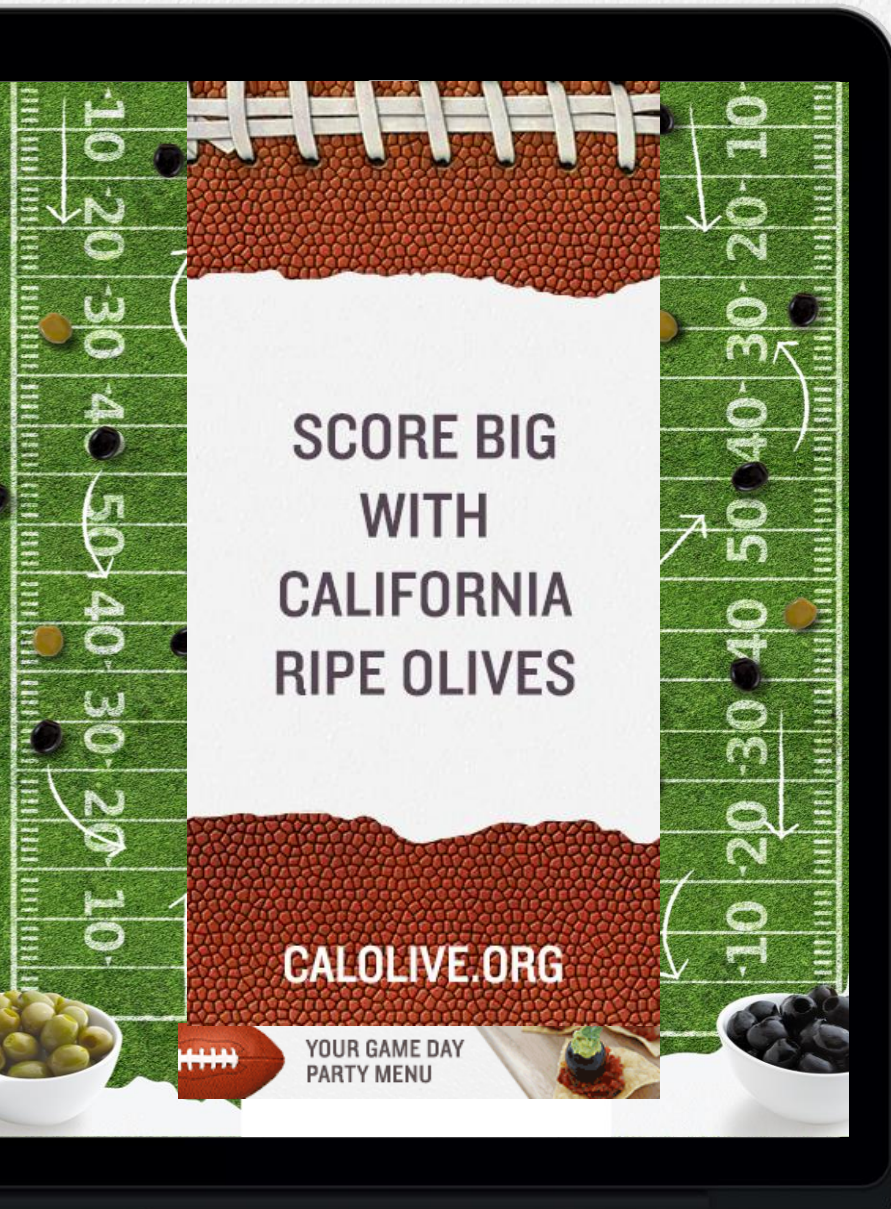


# PULSE POINT 1

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CALIFORNIA RIPE OLIVES & THE BIG GAME





## SIMPLY RECIPES SUPER BOWL SITE TAKEOVER

- Simply Recipes is the #1 food site for women, age 25 – 49
- California Ripe Olives took over Simply Recipes the Friday before Super Bowl
- Site visitors saw 5 different ads throughout the site featuring game day recipes (including recipes from California Ripe Olive growers)
- Ads linked back to CalOlive.org
- 1.4 million impressions in 24 hours



### Pulled Pork Sandwiches with Peach-Olive Jam

- 1 teaspoon olive oil
  - 2 pounds pork shoulder roast
  - 1/2 cup kosher salt, to taste
  - 1/2 cup ground black pepper, to taste
  - 4 cloves garlic, quartered
  - 1 cup low-sodium chicken broth
  - 8 ounces dried peaches
  - 1 tablespoon chili powder
  - 1 can California Black Ripe Olives, washed
  - 2 teaspoons country mustard
  - 1 ounce arugula
  - 8 slices rye, split and toasted
- Heat oven to 375 F.

In large, high-sided sauté pan, heat oil over medium-high heat. Season pork with salt and pepper, to taste, and cook to pan 3-4 minutes on each side until browned. Stir in garlic and continue cooking 3-5 minutes. Pour in chicken broth, peaches and chili powder, bring to boil. Cover loosely with foil and bake in oven 2 hours. With slotted spoon, carefully remove peaches and transfer to small mixing bowl. Mix olives and mustard with peaches, set aside. Continue to cook pork in oven 30-60 minutes until fork tender. Allow to cool slightly then shred by pulling apart with fork. Assemble sandwiches by spooning pork onto toasted rolls. Top with arugula and peach-olive mixture.

## GAME DAY EATS AND TREATS

SCORE MAJOR POINTS WITH DELICIOUS DISHES

### FAMILY FAVORITES

If the crew is coming over to root for your favorite team, it may be time to give up the menu. Whether you're hosting the weekend pre-game or watching the game after work, switch up your typical spread and serve something new to leave your guests cheering for more. When it comes to choosing an ingredient that can lead a winning recipe to victory any dish and score you some major points, look no further than California Ripe Olives. Variety is key when mapping out food for a crowd, regardless of the event. Plan

on serving one main course and two sides, and consider no-fuss options like chips and dips. If there are kids in attendance, make sure there is something neutral for even the pickiest eaters to snack on. However, try your best to avoid anything that needs a knife and fork to eat – finger foods typically work best when the game is on and conversation is flowing. The mild and tangy taste of California Ripe Olives lends itself well to many different flavor pairings, such as these recipes for Pulled Pork Sandwiches with Peach-Olive Jam, Easy Olive Bread and Sun-Dried Tomato and Olive Tapenade.

Whether your guests are fans of spicy, mild, sweet or savory, the only limit is your imagination when you pull a can of olives from the pantry. Family farms across California grow 95 percent of the ripe olives consumed in the United States. Each can is a labor of love. Multi-generational family farms work with family-owned companies in California to produce each can and ensure only the highest quality olives make it from the farm to your game-day table. For more creative ways to use olives, including family recipes from growers across California, visit [CalOlive.org](http://CalOlive.org).



### Easy Olive Bread

Recipe courtesy of The Wicked Noodle

- 8 ounces cream cheese, softened
- 1/4 cup unsalted butter, softened
- 1/2 cup mayonnaise
- 1 clove garlic, minced
- 2 cups shredded cheddar cheese
- 10 ounces California Green Ripe Olives, chopped
- 2 green onions, chopped
- 1 loaf French bread, sliced in half lengthwise

Heat oven to 350 F. In bowl, mix cream cheese, butter and mayonnaise until thoroughly combined. Add garlic, oil, salt to taste. Add cheddar cheese, green olives and green onions, stir to combine. Spread mixture on cut sides of bread. Bake 20-30 minutes, until cheese is hot, bubbly and starting to brown.



### Sun-Dried Tomato and Olive Tapenade

- 1/2 cup shallots, chopped
- 1/4 cup chopped minced sun-dried tomatoes
- 2 tablespoons extra-virgin olive oil
- 2 tablespoons white balsamic vinegar
- 2 cloves garlic, minced
- 1 can (4 ounces) California Green Ripe Olives, drained
- 1 can (4 ounces) California Black Ripe Olives, drained

1/4 cup lightly packed fresh basil  
sea salt, to taste  
freshly ground pepper, to taste  
crackers or toasted baguette slices

In food processor, pulse shallots, sun-dried tomatoes, olive oil, vinegar and garlic until finely chopped. Add olives, basil, salt and pepper, pulse again until chopped. Cover and chill 1 hour. Serve with crackers or toasted baguette slices.

Note: Recipe can be prepared one day in advance.

### Simple Entertaining Tips to Take Your Table to the Next Level

1. A colorful platter is an easy way to spice up a spread.
2. Pair something salty with something sweet for a juxtaposition of flavors.
3. If you're serving food on neutral plates, add more colorful linens.
4. Place the menu around a central theme or ingredient.
5. Guests love choices – making more options available can make for better spreads.
6. Use versatile ingredients, like California Ripe Olives, to keep picky eaters happy.

## CALIFORNIA RIPE OLIVES FOOD FEATURE

- Full-page California Ripe Olives print/web-ready article distributed nationwide
- “Game Day Eats and Treats” article distributed before Super Bowl, but had longevity to tie into other spring sporting events like March Madness
- Content illustrates how California Ripe Olives elevates game-day favorites
- 1,359 total online + print placements
- 300 million impressions over 6 months



LEIGH ANNE WILKES  
*your homebased mom*



healthy nibbles



**Heather**  
**LIKES FOOD**  
*Outrageously Delicious Recipes*



**CULINARY HILL**  
*modern home cooking with a midwestern heart*

## INFLUENCER AMBASSADOR ACTIVATION

- Hand-selected 5 social and digital media ambassadors for year-long partnership and California Ripe Olive recipe development
- “Game day” content amplified across influencer properties including blogs and social media
- 5 new recipes featured across California Ripe Olives social channels and CalOlive.org
- 1.9 million impressions

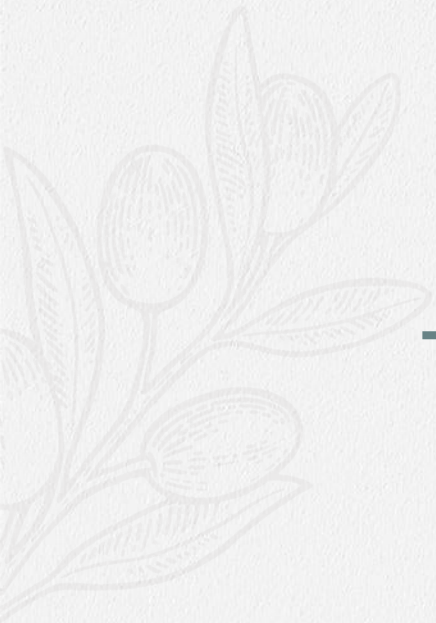




# SPECIAL EVENT

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EVERYTHING FOOD CONFERENCE



# EVERYTHING FOOD CONFERENCE

- California Ripe Olives showcased at top-rated food influencer conference in Layton, Utah in May
- Over 600+ of the top food content creators and influencers attended
- Ed Curiel + Rick Benson shared their unique perspective as growers with attendees
- Branded booth with product displays, sampling, and collateral
- One-on-one speed networking sessions with 40+ influencer attendees
- Custom California Ripe Olives offsite influencer dinner with 18 attendees



# EVERYTHING FOOD CONFERENCE HIGHLIGHTS

*“This is the heart of food. All of it comes from the hands of another human tending carefully cared-for crops. The land and families are part of that food's story and need to be shared. Too often, that story gets lost. **Thank you for making this an important point of California Ripe Olive's mission**”*



Learning all about olives  
@calripeolives  
#calripeolivesv



Excited for dinner with  
@calripeolives!



emilyenchantedm  
@CALRIPEOLIVES



## VEGETABLE STEAK

CALIFORNIA GREEN RIFE OLIVE ROSEMARY RUB  
CHARRED ASPARAGUS  
DRIED OLIVE CRUMB  
TOASTED FARRO



## Morgan Valley Leg of Lamb

California Green Rife Olive Rosemary Rub & Charred Asparagus  
Dried California Rife Olive Crumb and Toasted Farro

*“I loved the samples you all had, and especially the **fact you had an olive grower right there in the booth to have a chat.**”*

*“I really enjoyed getting to visit with the olive farmers and learning about how the process works. It was fascinating to learn why **California is the perfect location for raising olives.**”*

*“I so enjoyed watching all of the videos about your growers and learning about the craftsmanship that goes into bringing California Ripe Olives to the table. **The history and heritage of the brand really impressed me.**”*

*“I not only loved the food but also the opportunity to learn more about the **California olive farming.**”*



## PULSE POINT 2

---

CALIFORNIA RIPE OLIVES & JULY 4 FUN





**CELEBRATE THE  
SUMMER SEASON  
WITH CALIFORNIA RIPE OLIVES**

## SIMPLY RECIPES JULY 4<sup>TH</sup> SITE TAKEOVER

- California Ripe Olives transformed Simply Recipes into a summer picnic on July 2<sup>nd</sup>
- Site visitors saw 5 different ads throughout the site featuring recipes from influencer ambassadors
- Ads linked back to [CalOlive.org](https://CalOlive.org)
- 3.1 million impressions in 24 hours



## INFLUENCER AMBASSADOR ACTIVATION

- Ambassadors showcased July 4<sup>th</sup> content highlighting the versatility and flavor of California Ripe Olives
- Amplification of content across blogger and California Ripe Olive digital channels
- 5 new recipes added to CalOlive.org and used in Simply Recipes advertising
- 1.4 million impressions

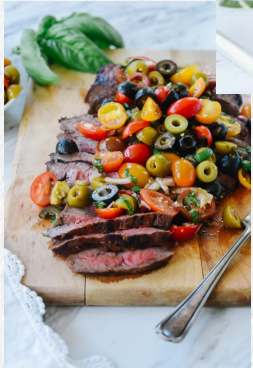


# THE POWER OF SOCIAL + DIGITAL INFLUENCERS



Leigh Anne Wilkes  
*Your Homebased Mom*

Creates Recipes



Original Content

**2 blog posts**

**10 social posts**

**2 recipes**

**14 photos**

=

**28 content items**

Shared with  
Leigh Anne's  
Audience

LEIGH ANNE WILKES  
*your homebased mom*



Leigh Anne's  
Audience Shares



483

70

553

Content Amplified on  
California Ripe Olive  
Channels



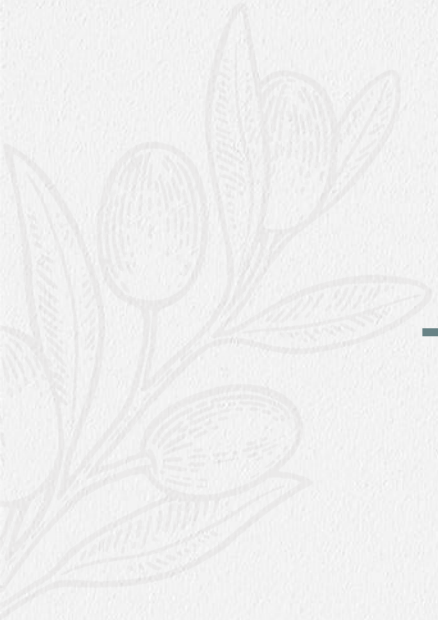
1,339,827  
Online Impressions  
From Leigh Anne



# ONGOING ACTIVITIES

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SOCIAL MEDIA | ASSET CREATION



# CALIFORNIA RIPE OLIVES SOCIAL MEDIA INTEGRATION

- Average of 91K post impressions for ambassador created content on Facebook
- Average of 3.2K monthly impressions in Instagram
- Average of 1.1K monthly views and 5 new diet-friendly boards on Pinterest
- Social channels are a top driver to CalOlive.org
- CA Grown Instagram takeover highlighting growers



CONTINUING TO TELL THE GROWER STORY



# MAKING THE MOST OF EXISTING GROWER VIDEOS

- **45+ “mini” videos** created from the existing full-length grower videos and the mini-documentary
- Custom created for social media content
- All videos reflect “Grown in California, Enjoyed by Families Everywhere” theme



85 views · Liked by lifearoundmytable

**calripeolives** Did you know that the curing process for California Ripe Olives has been around since the 1800s? It's all thanks to a woman named... more





## STILL TO COME:

### California Ripe Olives & Thanksgiving:



Simply Recipes

- *Thanksgiving site takeover*



Full page food feature

- *Celebrate the Flavors of Fall*



Blogger influencer activation



California Ripe Olives asset refresh  
and social media integration

- *Facebook | Instagram | Pinterest*





THANK YOU!

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TO BE CONTINUED...



**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** NASS 2018 CROP REPORT

**BACKGROUND:** The USDA National Agricultural Statistics Service (NASS) provided the COC with 2018 Crop Report in preparation of the 2019 Crop Forecast that will release on August 9<sup>th</sup>, 2019.

Gary Keough, the Director of the Nass Pacific Regional Office, was not able to attend the meeting, so the COC staff will present his report.



# California Olive Committee Report

USDA, NASS, Pacific Regional Office  
Gary R. Keough  
Director  
July 23, 2019



# 2018 Table Olive Forecast Survey

*release August 10, 2018*

- Bearing Acres – 16,000
- Yield – 1.88 tons/acre
- Production – 30,000 tons

A freeze in late February damaged developing buds and negatively impacted production, especially in the Sacramento Valley. The bloom was normal in the San Joaquin Valley. Variable crop yields and labor shortages continue to impact growers. Harvest is expected to start early, in mid-September.



# 2018 Olive Production Utilization



released June 26, 2019

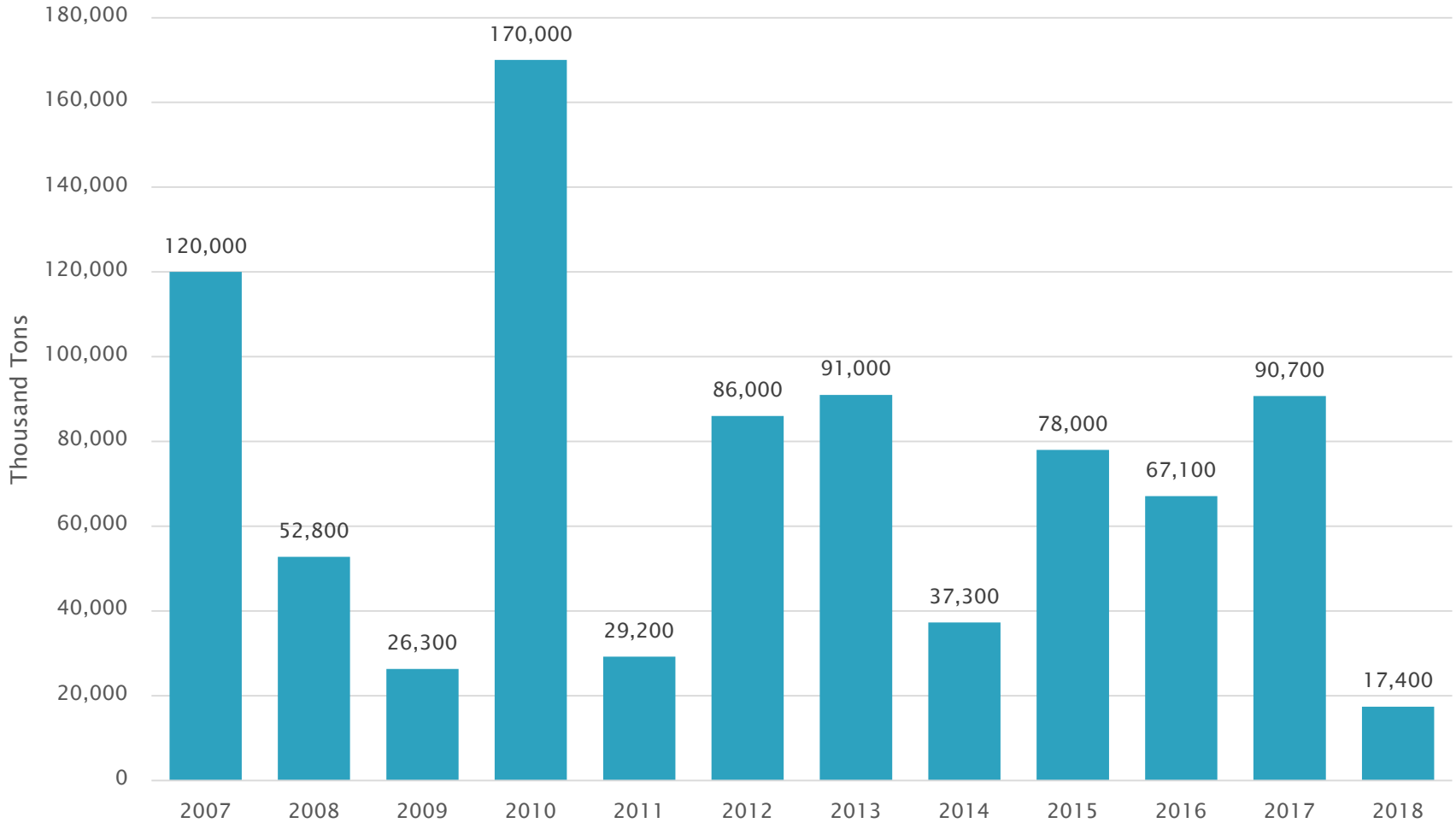
USDA NASS *Noncitrus Fruits and Nuts 2018 Summary (June 2019)*

- Table usages 17,400 tons
  - Canned 14,920 tons
  - Limited 2,060 tons
  - Undersized 420 tons

Forecast over estimated actual utilization by 13,600 tons. Growers sited market and labor issues as reasons for not harvesting.



# California Table Olive Production 2007 – 2018





# 2019 Olive Forecast Survey

- Sampled 313 Growers
- Mailing Date – Early July
- Return Date – Mid July
- Phone follow up – End of July
- Forecast Released – August 9, 2019
- [www.nass.usda.gov/ca](http://www.nass.usda.gov/ca)



## Contact Information:

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*Serving California, Hawaii and Nevada*



Thank you for what you do for  
California Agriculture.

**\*\*\*\*\* ACTION REQUIRED \*\*\*\*\***

**FROM:** FULL COMMITTEE

**SUBJECT:** 2019 INDUSTRY CROP ESTIMATES

**RECOMMENDATION:** THAT the Committee adopt a 2019 forecast.

**BACKGROUND:** Each year, the industry creates an internal crop forecast for the California Olive industry. The Committee will discuss and develop a 2019 crop estimate.

**FISCAL IMPACT:** None

**\*\*\*\*\* INFORMATION \*\*\*\*\***

**FROM:** RESEARCH SUBCOMMITTEE

**SUBJECT:** FINAL 2018 RESEARCH REPORT

**BACKGROUND:** In 2017-2018, the Research Subcommittee funded various projects. The final research reports, in addition to the no cost extensions, are included in the Research Addendum.

Researcher	Project	Amount Funded
<b>Ehsani</b>	A New Fruit Removal Head for an Olive Harvesting System	<b>\$45,741</b>
<b>Rosencrance</b>	Canopy Management: Tree Hedging and Topping to Optimize Yield	<b>\$31,075</b>
<b>Lovatt &amp; Fichtner</b>	Managing Alternate Bearing in Olive with PGRs and Pruning	<b>\$20,698</b>
<b>Wang</b>	Evaluation of Several Promising Additives for Reducing Acrylamide in Black Ripe Table Olives	<b>\$53,280</b>
<b>Adaksaveg</b>	Epidemiology and management of olive knot caused by <i>Pseudomonas savastanoi</i> pv. <i>savastanoi</i>	<b>\$16,500</b>
<b>Wang</b>	Differentiation of Olive Cultivars using DNA and NMR-based fingerprinting methods	<b>\$67,433</b>
<b>Keenan</b>	Evaluation of New Chemistries to Control Olive Fruit Fly	<b>\$25,000</b>
<b>Adaskaveg</b>	Management of Foliar Diseases of Olive	<b>\$15,000</b>
<b>Simpson</b>	Northern Fly Trapping	<b>\$6,500</b>
<b>Stewart</b>	Southern Fly Trapping	<b>\$6,400</b>

**\* \* \* \* \* INFORMATION \* \* \* \* \***

**FROM:** RESEARCH SUBCOMMITTEE

**SUBJECT:** REVIEW AND UPDATE ON 2019 PROJECTS

**BACKGROUND:** The Research Subcommittee funded various projects for the 2018-2019 crop year. The COC staff will be giving an update on the current status of each project.

## 2019 Research Projects

Updated 7/1/2019

Researcher	Project	Amount	Finalized MOU	Paid thus far	% Paid	No Cost Extension
Rich Rosecrance	Canopy Management, Tree Hedging and topping to Optimize Yield	\$ 31,075.00	2/1/2019		0%	
Debra Keenan	Evaluation of new chemistries to control Olive Fruit fly	\$ 25,000.00	1/29/2019	\$5,000.00	20%	
Carol Lovatt & Elizabeth Fichtner	Managing Alternate Bearing in olive with PGRs and Pruning	\$ 21,570.00	1/28/2019		0%	
Frank Zalom & Joanna Fisher	Control of overwintering olive fruit fly using insect pathogenic fungi	\$ 19,678.00	2/11/2019	\$ 3,935.60	20%	
Jim Stewart	Southern Fly Trapping	\$ 6,400.00	1/28/2019	\$2,375.00	37%	
Ernie Simpson	Northern Fly Trapping	\$ 6,500.00	1/16/2019	\$2,500.00	38%	
J. E. Adaskaveg	Epidemiology and management of olive knot caused by Pseudomonas savastanoi pv. Savastanoi	\$ 16,650.00	2/25/2019	\$3,330.00	20%	
J. E. Adaskaveg	Management of foliar diseases of olive (peacock spot)	\$ 16,650.00	2/25/2019	\$3,330.00	20%	
	Contingeny Fund	\$ 200,000.00			0%	
	<b>Total</b>	<b>\$ 343,523.00</b>			0%	