

March 2, 2012

CALIFORNIA WALNUT COMMISSION REFERENDUM
Proposal to Increase the Assessment Rate Cap
Voting Period ends March 31, 2012

TO THE CALIFORNIA WALNUT PRODUCER ADDRESSED:

At the request of the California Walnut Commission (CWC) the California Department of Food and Agriculture (CDFA) is conducting a referendum to have California walnut growers consider an increase in the Commission's maximum allowable assessment rate of \$0.01 per in-shell pound on all walnuts shipped. Such an increase is allowed by the Commission Law provided it is approved by growers in an industry vote. The proposed change consists of:

Summary of Proposed Change	
Current Assessment Provision	Proposed Assessment Revision
Current language in Section 77151(b) of the Commission Law allows the Commission to establish an assessment rate of up to one cent (\$0.01) per in-shell pound on all walnuts shipped.	The proposed change would allow the Commission to establish an assessment rate of up to one and three quarter cents (\$0.0175) per in-shell pound on all walnuts shipped.
Setting the Annual Assessment Rate	Setting the Annual Assessment Rate
The CWC meets every summer to consider the needs of the industry and set the assessment for the upcoming season. The assessment rate varies from year to year accordingly.	The procedure to set the annual assessment rate would not be affected by the proposed change.

The Commission is proposing to increase the cap of the assessment rate to address the potential loss in revenue it could experience due to reductions or elimination of federal funding for the maintenance, development and expansion of foreign markets. Since currently 60% of the California crop is utilized overseas, the CWC believes that it is important to maintain the level of services it provides to the industry in the area of exports.

REQUIREMENTS FOR PASSAGE OF THE PROPOSED INCREASE IN THE ASSESSMENT RATE CAP: The proposed change can only be implemented if **both** of the following conditions are met:

Condition #1: At least 40% of the California walnut growers on record must participate in the referendum.

AND



Condition #2: The majority of those voting in the referendum must vote in favor of the proposal, and their volume must represent the majority of the total *voted* quantity of the walnuts handled in the preceding marketing season.

ELIGIBILITY:

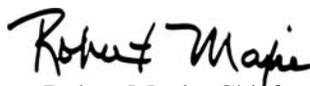
- Pursuant to Section 77032 of the Commission Law, "producer" means any person in this state who grows walnuts for market and who, upon request, provides proof of commodity sale. "Producer" does not include any person who handles 2,000 pounds or less of walnuts during a market year.
- Each producer/legal entity is entitled to ONE vote. If you are affiliated with a legal entity that did not receive a ballot, please call CDFA at (916) 900-5018 to obtain an official ballot for that entity.
- If you no longer qualify as a walnut producer, please let us know by checking the box in the top right corner of the ballot, sign the ballot, and return it in the enclosed return envelope.

Please use the enclosed ballot and postage-prepaid envelope to cast your vote. Be sure to sign your ballot.

**Only signed ballots postmarked or otherwise received by the Marketing Branch
by *March 31, 2012* will be counted.**

The Department encourages all walnut producers to vote in this important referendum. Once the referendum is complete, the Department will tally the ballots and notify the industry of the results. If you have questions regarding the Commission please contact Mr. Dennis Balint, CEO of the California Walnut Commission, at (916) 932-7070. For questions regarding the referendum please contact Kathy Diaz-Cretu at this office.

Sincerely,



Robert Maxie, Chief
Marketing Branch

Enclosures