



May 14, 2012

**NOTICE OF PUBLIC HEARINGS
CALIFORNIA POTATO RESEARCH PROGRAM
To Consider Proposed Major Amendments**

TO THE CALIFORNIA POTATO PRODUCER ADDRESSED:

At the request of the California Potato Research Advisory Board, the California Department of Food and Agriculture is conducting two public hearings to consider proposed major amendments to the California Potato Research Program (program). The hearings are scheduled as follows:

DATES/TIMES	LOCATIONS
Thursday, June 14, 2012 Beginning at 2:00 PM	Cooperative Extension Kern County 1031 South Mount Vernon Ave. Bakersfield, CA 93307 661-868-6200
Tuesday, July 10, 2012 Beginning at 10:00 AM	Cooperative Extension Modoc County Tulelake Office 2816 Havlina Road Tulelake, CA 96134 530-667-5117

PROPOSED AMENDMENTS

Amend Article 4 – Budgets and Rates of Assessment – The current assessment provision allows the program to establish an assessment rate up to **one cent (\$0.01)** per hundredweight (cwt). The proposed amendment would allow the program to establish an assessment rate of up to **three cents (\$0.03)** per cwt. The program advisory board meets every September to consider program research priorities and set the assessment rate for the upcoming season. The assessment can vary from year-to-year according to industry needs and research priorities.

Amend Article 13 – Effective Time and Termination – Successful passage of a major amendment substitutes for a continuation hearing and resets the timing for the next required five-year continuation hearing. The current program will be subject to a continuation hearing in 2014. By adding this provision, the program can “reset” the timing so that the next continuation hearing would not be conducted until five-years from now in 2017.

HEARING PROCEDURE

All affected parties and interested persons are encouraged to attend and participate. Written comments postmarked or otherwise received by **Friday, July 6, 2012**, will be accepted by CDFA and incorporated into the hearing record. You may send all such correspondence to April Izumi at april.izumi@cdfa.ca.gov.



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At the hearing, CDFA representatives will receive testimony and evidence, both oral and documentary, with respect to the following matters:

1. Production, economic and marketing conditions affecting the California potato industry and the potential effect of the proposed amendments upon such conditions.
2. Whether the proposed amendments to the marketing order are reasonably calculated to attain the objectives that are sought by the proposed amendment and whether the program tends to effectuate the declared purposes of the Marketing Act.

The hearing transcript, written comments and evidence submitted will form the hearing record. This record will then be considered by CDFA to determine whether or not to move forward and conduct the second phase of the major amendment implementation process; a referendum of potato producers. If the hearing record generally supports implementation of the proposed amendments, CDFA may decide to conduct the industry vote. However, if CDFA finds from the hearing record that a substantial question exists as to whether the proposed amendments should be implemented, CDFA may decide to terminate the implementation process.

HEARING PREPARATION

At the hearing, proponents should offer testimony supporting the proposed increase of the assessment rate cap. Witnesses should provide examples of how the proposed amendment will aid the industry to remain economically viable and competitive. Supporters may also wish to discuss future needs of the industry that could be addressed by the amendment. Opponents should provide testimony and give examples of why they believe that the marketing order should not be amended as proposed. Following are some examples of questions that hearing witnesses may wish to consider in preparing their testimony.

- Does the California potato industry have specific research needs? If yes, what are they?
- What attempts has the industry made in the past to address its needs? Have these efforts been successful?
- Would additional assessment revenues aid the board in addressing its research needs?
- How does the general public benefit by this program?

AFTER THE HEARING

If the hearing record—both oral testimony and written comments—are supportive of the amendment, then the department may conduct an industry vote to determine whether affected producers support this change.

If you have questions, contact April Izumi at this office. Text of the proposed amendments is attached as Exhibit A.

Sincerely,



Robert Maxie, Chief
Marketing Branch

Enclosure

**2012 Major Amendments to the
California Potato Research Program,
as Amended**

Please note: Additions are shown in **bold** and deletions are shown in ~~strike through~~.

ARTICLE IV

BUDGETS AND RATES OF ASSESSMENT

Section A. RECOMMENDATIONS OF BUDGETS AND RATES OF ASSESSMENT BY THE BOARD. At the beginning of each fiscal year hereunder and as may be necessary thereafter, the Board shall recommend to the Department a budget or budgets of estimated income, expenditures, and reserves for the administration and enforcement of this Program and the activities authorized hereunder. The Board shall also recommend a rate or rates of assessment to be levied upon producers of California potatoes upon a uniform basis, sufficient to provide adequate funds to defray the proposed expenditures and reserve as set forth in said budget or budgets, as follows: during any marketing season, such rate or rates shall not exceed a total of ~~one cent per one hundred pounds (\$0.01 per cwt.)~~ **three cents per one hundred pounds (\$0.03 per cwt.)** prepared for market or equivalent basis on all potatoes delivered by producers and received by handlers.

ARTICLE XIII

EFFECTIVE TIME AND TERMINATION

Section A. EFFECTIVE TIME. This Program shall become effective on the date specified by the Department and shall continue in effect until suspended or terminated by the Department or by operation of law in accordance with the provisions of the Act. (Amended February 16, 1984.) **Successful passage of a major amendment substitutes for a continuation hearing and resets the timing for the next required continuation hearing.**