

Assembly Bill No. 2830

CHAPTER 737

An act to amend Sections 55601.5, 55601.6, and 55613 of, and to repeal Section 55612 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 21, 1996. Filed
with Secretary of State September 23, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2830, Bordonaro. Agriculture: grapes: objective measurement survey.

Existing law provides that if the Secretary of Food and Agriculture determines by March 1, of any year, that an objective measurement survey of the grape crop is desired by the processors and producers of grapes for wine, and if the producers and processors of grapes for raisins agree to pay their proportionate share of the cost of the survey, the secretary shall conduct the survey.

This bill would repeal that provision.

The people of the State of California do enact as follows:

SECTION 1. Section 55601.5 of the Food and Agricultural Code is amended to read:

55601.5. (a) Notwithstanding Section 55461, on or before January 10 of each year, every processor who crushes grapes in California shall furnish to the secretary, on forms provided by the secretary, a report of the total number of tons of grapes purchased by the processor in California during the preceding crush within each grape pricing district. In the report the tonnage shall be broken down by variety, price, including any bonuses or allowances, and sugar calculations. Every processor shall also furnish the secretary, on forms provided by the secretary, a report of the total number of tons of each variety of grapes crushed during the preceding crush and the average sugar content of each variety within each grape pricing district.

(b) On or before February 25 of every year, each processor who crushes grapes in California shall furnish the secretary information concerning the final prices, including any bonuses or allowances, paid by variety and grape pricing district to all growers holding reference price contracts in effect prior to January 1, 1977, which payments have not been reported on January 10.

(c) "Grape pricing districts," as used in this section, shall be those districts used by the federal-state cooperative news services, as provided in Section 58231.



(d) The secretary may not release or otherwise make available any information furnished by an individual processor under this section, except in proceedings brought against the processor by the secretary for the purpose of enforcing this section, or in the case of a producer who holds any reference price grape purchase contract, to whom there may be furnished, upon request and at a reasonable cost, the information needed to verify the reference price, including any bonuses or allowances, set forth in the contract.

(e) The secretary shall enforce the collection of the information and shall, on or before February 10 of each year, publish a preliminary summary report on the preceding crush. The report shall include all of the following:

(1) The weighted average price paid on the basis of the prices, including any bonuses or allowances, reported and average sugar content for each grape variety purchased within each grape pricing district.

(2) The total number of tons of grapes crushed and the average sugar content for each grape variety within each grape pricing district.

(3) Each price category paid, separated by sugar calculations, if any, and the percentage each represents of the total for each variety within each grape pricing district.

On or before March 10 of each year, the secretary shall publish a final summary report, which report shall contain all of the data furnished by the processors on or before January 10 and on or before February 25 of each year covering purchases under reference price contracts.

(f) The forms provided to processors by the secretary pursuant to this section shall provide for the separate reporting of grapes used by a processor (1) as distilling material and (2) for both beverage brandy and other than beverage brandy. A processor shall report all grapes used as distilling material by variety. The secretary, in determining the weighted average price paid for each grape variety purchased within each grape pricing district, shall not include the prices paid for grapes of any variety used as distilling material for other than beverage brandy in determining the weighted average price. The secretary's report shall include a separate summary regarding grapes used by processors as distilling material.

(g) All grape purchase contracts entered into on or after January 1, 1977, shall provide for a final price, including any bonuses or allowances, to be set on or before the January 10 following delivery of the grapes purchased. Any grape purchase contract entered into in violation of this provision is illegal and unenforceable. For the purpose of this section, a grape purchase contract shall not include any existing supply contract between a nonprofit cooperative association and a commercial processor.



(h) If the secretary finds that any processor has failed, refused, or neglected to provide the information required herein, the secretary may proceed in accordance with Sections 55721 and 55722.

(i) The willful failure of any processor to report to the secretary, as required by this section, shall constitute a violation of this chapter and shall be a separate and distinct violation of this chapter for each day the processor fails to meet the reporting requirements.

SEC. 2. Section 55601.6 of the Food and Agricultural Code is amended to read:

55601.6. (a) To provide funds to carry out Section 55601.5, each processor who crushes more than 100 tons of grapes in California shall pay to the secretary the amount determined by the secretary to be necessary to cover these costs, but not to exceed ten cents (\$0.10) per ton of grapes received for crushing, fresh weight equivalent, during each marketing season beginning July 1 and ending the following June 30. However, five cents (\$0.05) per ton of grapes received for crushing, or one-half of the fee if the fee is less than ten cents (\$0.10), shall be paid by the processor who crushes grapes and five cents (\$0.05) per ton of grapes received for crushing, including any grapes produced by the processor, or one-half of the fee if the fee is less than ten cents (\$0.10), shall be paid by the processor who crushes grapes and may be deducted from moneys owed to the producer.

(b) The amount of the fee shall be paid to the secretary on or before January 10 of each year on all grapes received for crushing through December 15. The amount of the fee on any grapes received for crushing after December 15 shall be paid to the secretary on or before June 30 of that marketing season.

(c) The secretary may fix the fee at a lesser amount and may adjust the fee from marketing season to marketing season.

(d) Any processor who crushes grapes who fails, neglects, or refuses to pay the required fee shall be in violation of this chapter as provided in subdivision (i) of Section 55601.5. Any processor who crushes grapes shall not be entitled to pass the penalty on to the producer of the grapes.

(e) If the secretary conducts an acreage survey pursuant to Section 55613, the secretary may increase the fee charged pursuant to subdivision (a) by not more than four cents (\$0.04) per ton of grapes received for crushing, fresh weight equivalent, to cover costs of the survey. The same ratio of payment between processor and producer shall be maintained if the fee is increased pursuant to this subdivision.

(f) The fee authorized by subdivision (a) for the reports required to be prepared by the secretary pursuant to Section 55601.5 and the increase in that fee authorized by subdivision (f) for the survey authorized by Section 55613 shall be established by the secretary so as to generate only the amount of revenue that the secretary reasonably anticipates will be needed to cover the cost incurred by



the secretary in gathering and producing the reports required by Section 55601.5, in conducting the survey authorized by Section 55613, and in conducting related enforcement activities. The funds generated by the fees authorized by this section shall only be used for the purpose of gathering the information and producing the reports required to be prepared by the secretary pursuant to Section 55601.5 and conducting the survey authorized by Section 55613.

(g) All moneys received under this section shall be deposited in the State Treasury to the credit of the Department of Food and Agriculture Fund.

SEC. 3. Section 55612 of the Food and Agricultural Code is repealed.

SEC. 4. Section 55613 of the Food and Agricultural Code is amended to read:

55613. (a) If the secretary determines by February 1 of any year, commencing in 1992, that an acreage survey of the grape crop is desired by the processors and producers of grapes for wine, and if the producers and processors of grapes for raisins and the producers and packers of grapes for fresh market use agree to pay their proportionate share of the cost of the survey, as determined by the secretary, the secretary shall conduct the survey. The secretary shall implement subdivision (e) of Section 55601.6 to fund the wine industry's proportionate costs of the survey. If an acreage survey is conducted, the results of the survey shall be printed and made available on or before May 30 of the year in which it is conducted.

(b) The department shall reimburse any processor or producer of grapes for wine to cover the costs incurred by any of those persons to fund the wine industry's proportionate share of an acreage survey in 1991, from funds collected pursuant to subdivision (e) of Section 55601.6.

(c) For purposes of this section, "acreage survey" means an accumulation of plant removals, new plantings, and graftings to provide reliable information on the changing character of the state's grape industry. This information shall be tabulated for each county and on a statewide basis and for each variety of grapes.

