



2023 - 2024 Member Packet



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May 8, 2023

Dear LGMA Member,

Let me start off with words of appreciation to each of you. We estimate that 99% of California leafy greens are produced voluntarily under the LGMA, which means that our members find value in supporting the program, and for that we thank you.

We know it has not been an easy year – regulatory pressures, FDA sampling, buyer demands, INSV, the lingering effects of COVID, and then historic flooding. The resiliency and courage of this industry never ceases to amaze me.

While you have been grappling with these challenges and more, the LGMA too has been at work. We have made progress through collaborations with Western Growers, FDA, legislators, buyers, the Center for Produce Safety, Ag Neighbors and One Health. We have also been working toward goals set out in our strategic plan that include audit process improvements, identifying all growers who supply our handler members, a new audit database, enhanced training programs, and new messaging for LGMA.

In my opinion, the most exciting work underway right now is our work to improve the audit process, also known as Smarter Audits. This is a two-year effort to identify how we can reduce audit redundancy, make audits better focused on the key pillars of safety, and reduce member and auditor time. Dr. Bob Whitaker, who retired from IFPA three years ago, is leading this project with workgroups composed of subject matter experts and industry experts. This will lead to the most **significant effort in LGMA's history to rethink and revamp the audit process to make it more effective.**

And with COVID in the rear-view mirror, we will make efforts to meet with many members over the next year. We will let you know when we are scheduling regional visits, to meet with you and hear your suggestions and concerns on how we continue to grow the relevance and importance of LGMA to its members and the broader produce community.

Thank you again for your support of LGMA.

Best regards,

A handwritten signature in black ink, appearing to read "Tim York". The signature is fluid and cursive, with a large initial "T" and "Y".

Tim York
CEO

Appointment of Handler Representatives To the LGMA Board of Directors

Term of Office: March 30, 2023 – March 31, 2025

Members	Alternates
District One (Salinas / Watsonville / San Joaquin Valley / Kern County)	
Matt Amaral <i>D'Arrigo Brothers</i>	Steve Church <i>Church Brothers Produce</i>
Scott Grabau <i>Tanimura & Antle</i>	Gurmail Mudahar <i>Tanimura & Antle</i>
Colby Pereira <i>Braga Fresh Family Farms</i>	Cynthia Dominguez <i>Duda Farm Fresh Foods</i>
Chris Drew <i>Ocean Mist Farms</i>	Jake Odello <i>The Nunes Company</i>
Drew McDonald <i>Taylor Farms</i>	Timothy McAfee <i>Visionary Vegetables</i>
Tony Alameda <i>Sabor Farms</i>	Chato Valdes <i>Sabor Farms</i>
Ron Ratto <i>Ratto Bros., Inc.</i>	Vacancy
District Two (Oxnard / Santa Maria)	
John Jackson <i>Beachside Produce</i>	Nob Furukawa <i>Gold Coast Packing</i>
Jan Berk <i>San Miguel Produce</i>	Marcus Shebl <i>Taylor Farms</i>
Tony Banegas <i>Bonduelle / Ready Pac Foods</i>	Vacancy
District Three (Blythe / Imperial Valley)	
Jack Vessey <i>Vessey & Company</i>	Larry Cox <i>Coastline Family Farms</i>
Megan Chedwick <i>Church Brothers Produce</i>	Armando Figueroa <i>Braga Fresh Family Farms</i>
Todd Brendlin <i>Grimway Farms</i>	Vacancy



CERTIFIED MEMBERS 4.1.23

[Agro Jal Farms, Inc.](#)

Santa Maria

[Beachside Produce, LLC](#)

Guadalupe

[Boskovich Farms](#)

Oxnard

[Cinagro Farms, Inc.](#)

Fillmore

[Creekside Organics Inc.](#)

Bakersfield, CA

[Dole Fresh Vegetables](#)

Salinas

[EpicVeg, Inc.](#)

Lompoc

[Fresh Kist Produce](#)

Nipomo

[Golden West Vegetables, Inc.](#)

Oxnard

[Heritage Farms, LLC](#)

El Centro, CA

[Jayleaf, LLC](#)

Hollister

[Maine's Farms, LLC](#)

Holtville

[Muranaka Farm, Inc.](#)

Moorpark

[Pablo's Produce](#)

Oxnard

[Peter Rabbit Farms / Amazing Coachella, Inc.](#)

Coachella

[Ready Pac Foods, Inc.](#)

Irwindale

[Salad Savoy Corp.](#)

Salinas

[Spinaca Farms, Inc.](#)

Gilroy

[Sunsation Farms, Inc.](#)

Monterey

[The Nunes Co., Inc.](#)

Salinas

[Visionary Vegetables, LLC](#)

Salinas, CA

[Amigo Farms, Inc.](#)

Yuma, AZ

[Bella Vista Produce, Inc.](#)

Santa Maria

[Braga Fresh Family Farms / Braga Fresh Foods](#)

Soledad

[Classic Salads, LLC](#)

Salinas

[D'Arrigo Bros. Co. of California](#)

Salinas

[Duda Farm Fresh Foods, Inc-CA](#)

Salinas

[Field Fresh Farms](#)

Watsonville

[Fresh Venture Farms](#)

Oxnard

[Greengate Fresh, LLLP](#)

Salinas

[Hitchcock Farms, Inc.](#)

Salinas

[Joe Heger Farms, LLC](#)

El Centro

[Mann Packing Co., Inc.](#)

Salinas

[Muzzi Family Farms](#)

Moss Landing

[Pacific Fresh Produce, Inc.](#)

Oxnard

[Pismo Oceano Vegetable Exchange](#)

Oceano

[River Fresh Farms, LLC](#)

Salinas

[San Diego Farms, LLC dba Fresh Origins](#)

San Marcos

[Steinbeck Country Produce](#)

Spreckels

[Talley Farms, Inc.](#)

Arroyo Grande

[The Salad Farm, LLC](#)

Salinas

[Western Harvesting, LLC](#)

King City

[Bebe Farms, Inc.](#)

Santa Maria

[Bengard Ranch, Inc.](#)

Salinas

[C and E Farms, Inc.](#)

Salinas

[Coastal Fresh Farms](#)

Westlake Village

[Don Andrews Farms](#)

Bakersfield

[Durant Distributing](#)

Santa Maria

[Fresh Choice Marketing, Inc.](#)

Oxnard

[George Amaral Ranches, Inc.](#)

Gonzales

[Grimmway Farms](#)

Bakersfield

[Ippolito International](#)

Salinas

[Kenter Canyon Farms](#)

Sun Valley

[Marmolejo Farms, Inc.](#)

Oxnard

[Ocean Mist Farms](#)

Castroville

[Pacific International Marketing](#)

Salinas

[Premium Valley Produce, Inc.](#)

Scottsdale

[Royal Rose, LLC](#)

Salinas

[San Miguel Produce](#)

Oxnard

[Sun Coast Farms](#)

Santa Maria

[Tanimura and Antle Fresh Foods, Inc.](#)

Salinas

[TLC Custom Farming Company, LLC](#)

Yuma, AZ

[Zada Fresh Farms](#)

Salinas

[Beloian Packing Co., Inc.](#)

Fresno

[Bonipak Produce Co.](#)

Santa Maria

[Church Bros, LLC / True Leaf Farms](#)

Salinas

[Coastline Family Farms, Inc.](#)

Salinas

[Deardorff Family Farms](#)

Oxnard

[Dynasty Farms](#)

Salinas

[Fresh Express, Inc.](#)

Salinas

[Gold Coast Packing Co.](#)

Santa Maria

[Harbinger Group, LLC dba Misionero](#)

Salinas

[J. Marchini Farms](#)

Le Grand

[Lakeside Organic Gardens, LLC](#)

Watsonville

[Mike Abatti Farms, LLC](#)

El Centro

[organicgirl, LLC](#)

Salinas

[Pajaro Valley Fresh Fruit and Veg Dist.](#)

Watsonville

[Ratto Bros., Inc.](#)

Modesto

[Sabor Farms](#)

Salinas

[Silve Farms, LLC](#)

Gonzales

[Sun Terra Produce Traders, Inc.](#)

Newport Beach

[Taylor Farms](#)

Salinas

[Vessey and Company, Inc.](#)

Holtville



LGMA STRATEGIC PLAN AT A GLANCE

IMPORTANT DEFINITIONS

Vision:

The destination we are working toward.

Mission:

LGMA's core business.

Purpose:

End benefit of LGMA to people or society.

Values:

Principles that drive decisions.

Strategic Priorities:

Areas of focus to achieve the vision.

VISION:

LGMA certified members are universally recognized as providing the safest leafy greens.

MISSION:

To adopt food safety standards, verify practices and promote a culture of food safety for leafy greens.

PURPOSE:

To build confidence and trust in leafy greens by making them even safer.

VALUES:

At LGMA we believe in:

- **Food Safety:** We believe in creating a culture of food safety among the leafy green community and putting people's health first in all we do.
- **Collaboration:** We work collaboratively with leafy green handlers, growers, industry partners, and buyers.
- **Science:** We draw upon sound science and subject matter expertise to execute informed decisions and evolve standards.
- **Taking Action:** We monitor the world around us for threats and opportunities, and act with urgency.

STRATEGIC PRIORITIES:

1. Continuously Evolve LGMA Food Safety Standards and the Audit Process:

Demonstrate leadership through improved food safety standards that are informed by sound science and subject matter expertise, and universally adopted by LGMA handlers and their growers.

2. Grow Industry Relationships and Support:

Deepen relationships with industry — handlers, growers, associations and more — through improved information sharing and communication, education and outreach.

3. Engage Buyers and Government Agencies:

Engage buyers, customers and government partners in the development of LGMA's food safety standards and ongoing communication about the value of LGMA.

4. Build Public Confidence:

Build public confidence in leafy greens through strategic, proactive communications, building a cadre of informed ambassadors and furthering trust-building efforts.

MAKE IT

MANDATORY

Collaboration is critical to food safety progress. Help us protect consumers and strengthen the supply chain by officially requiring **LGMA certification from all of your leafy greens suppliers.**

FIND A LIST OF LGMA MEMBERS AT LGMA.CA.GOV



9 Reasons to Make LGMA Certification Mandatory



Robust food safety standards

The LGMA food safety standards are informed by science, and are rigorous, thorough and trusted.



Frequent audits

LGMA members undergo several audits a year, both scheduled and unannounced.



Independent auditors

Auditors from the California Department of Food and Agriculture verify more than 500 food safety checkpoints.



100% Compliance is Mandatory

LGMA members must be in 100% compliance with all of the LGMA food safety practices in order to be certified.



Continuously evolving

The LGMA standards and audits are continuously getting better using new learnings, data, sound science and subject matter expertise.



Nearly 100 companies working to provide the safest greens

LGMA members embrace a culture of food safety and are committed to continuous learning and professional development.



Your trusted partner and collaborator

LGMA is a powerful partner dedicated to building public confidence and trust through collaboration to make leafy greens even safer.



LGMA Certification = FSMA Produce Rule Compliance

Every LGMA audit that is conducted verifies that member companies are in compliance with the Produce Safety Rule of the Food Safety Modernization Act.



LGMA members produce 130 million servings of lettuce every day

Because of LGMA, leafy greens are safer than ever, and customers and consumers can have confidence that LGMA certified members are making a difference.

Help us protect consumers and strengthen the supply chain by officially requiring **LGMA certification from all of your leafy greens suppliers.**

[FIND A LIST OF LGMA MEMBERS AT LGMA.CA.GOV](http://LGMA.CA.GOV)



TraQtion Member User Reference Guide

Printed: April 18, 2023

LGMA has partnered with TraQtion for Member Audit Management. To begin, log into TraQtion per the instructions below.

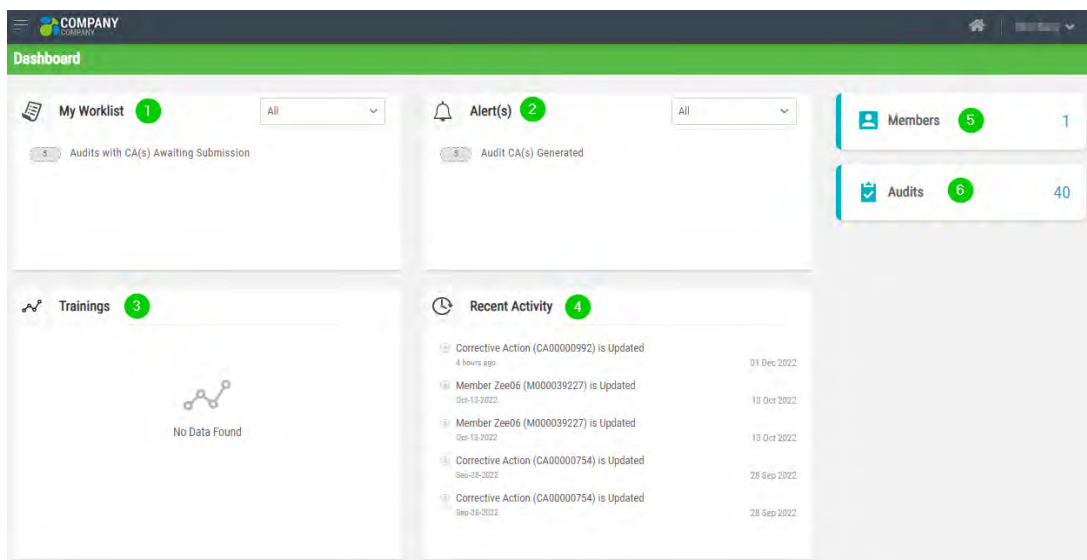
Initial Login and Account Set Up

The first step is for LGMA to create their member record in TraQtion. Next, the member's designated TraQtion user will receive an invitation via e-mail to register as an active user; this is a multi-step authentication process. Once the user registration is completed successfully, the user(s) will have access to the portal via the link below and can upload facility Auditation.

Link to TraQtion portal: <https://apps.traqtion.com/sqsapp/#/login>

Home Dashboard

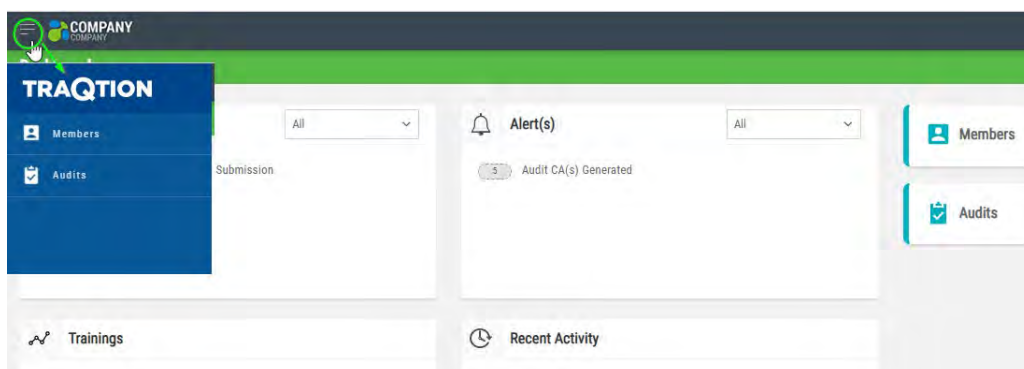
After logging in, the home dashboard appears. You can access it at any time by clicking on the Home button in the upper right corner. It will show:



1. Items that require action
2. Items that may need attention
3. Training guides, manuals, etc.
4. Any recent activity performed in the system
5. A full count of all members for this user.
6. A full count of audits for member(s)

Main Menu

At any point during your navigation of the TraQtion system, you can access the main menu by hovering your cursor over the menu icon in the upper left corner of the screen.



You will have access to the following items:

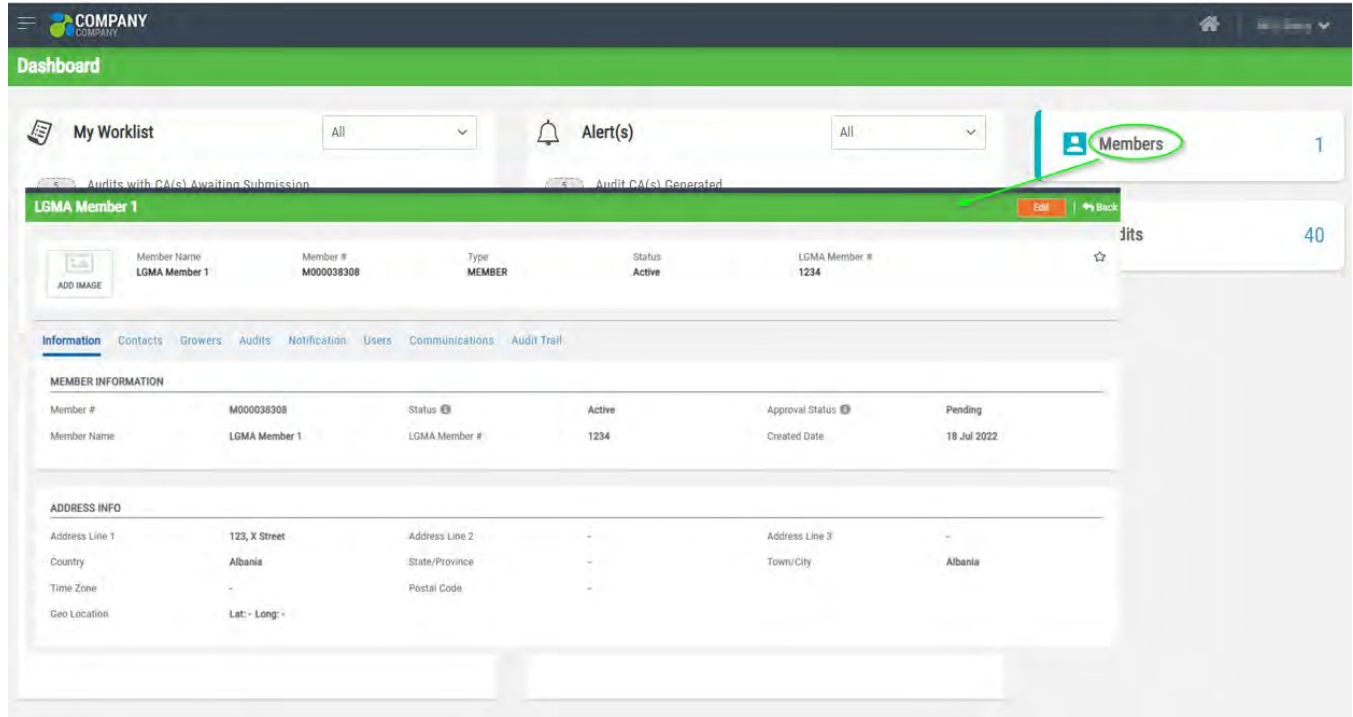
1. Member Module – this will direct you to the Member Landing Page
2. Audit Module – this will direct you to the Audit Landing Page

TraQtion Member User Reference Guide

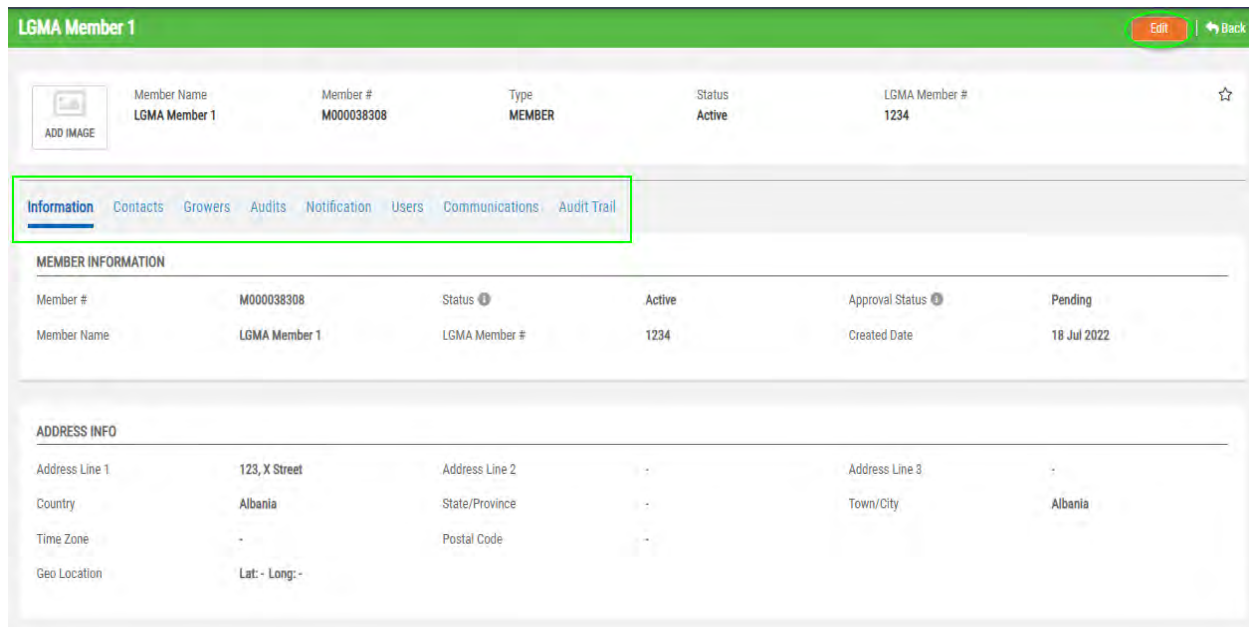
Printed: April 18, 2023

Member screen

From the Home screen, you can click on the Member section on the right side of the screen, or click on the Member module from the main menu, you will be taken to your assigned member record.



It will direct you to the member record screen and it will allow you to view and manage the following after you select Edit:



- Information – the member detail information, i.e. address
- Contacts – the contact associated to the Member. Additional contacts can be added to the members address, or if the additional contact has a different address, you can add a new address as well for that contact. You can also

TraQtion Member User Reference Guide

Printed: April 18, 2023

select whether that new contact will receive email notifications and/or if they will also get an account created for login.

- Grower – you can view the growers that are associated to your member. You can also view the Valid From and Valid To dates. You can select a grower ID and then view the details for that grower.
- Audits –these are the Audits associated to the member. Each Audit will have a link to the Audits module where you will have full access to the Audit details, as well as the option to submit the required corrective actions.
- Notification – a history of all the communications sent from the system to the Member
- Users – all users with access to this member only.
- Communications – LGMA can create Member comments visible to Member users.
- Audit Trail – a history of changes for the Member, broken down by each tab.

Audits

If you select Audits from the button on the left, you will be brought to your Audit Dashboard. You will see the following details:

- Audits by Status
- Recent Activity
- My Worklist
- Alerts

Within the Audit dashboard, you can select the Search Audit button, this will bring you to a list of all of your audits, you can also access this list by selecting the number from the main dashboard within the Audit button. Here you can sort/access your audits, view corrective action statuses.

Audit #	Member	Grower	Audit Type	No. of Corrective Actions by Status	Auditor Name	Audit Status	Audit Round	Schedule Date	Schedule
AUD0001261	M000038308 - LGMA Member 1	G000038321 - Grower A2	Audit 2022-2	In Review(1)	Member Name	Completed	Round 2022 - 2	01 Dec 2022 13:00	
AUD0001247	M000038308 - LGMA Member 1	G000038310 - LGMA Grower 16	Audit 2022-2		Member Name	Created	Round 2022 - 2		
AUD0001243	M000038308 - LGMA Member 1	G000038310 - LGMA Grower 16	Audit 2022-2			Created	Initial Full Scope		
AUD0001242	M000038308 - LGMA Member 1	G000038321 - Grower A2	Audit 2022-2			Created	Initial Full Scope		
AUD0001240	M000038308 - LGMA Member 1	G000038321 - Grower A2	LGMA Announced		Member Name	Booked	Round 2022 - 2	30 Nov 2022 14:00	

When you select an Audit number, you will be taken to that audit and are able to see the following:

1. Audit Information
 - a. Audit Number
 - b. Audit Type
 - c. Audit Status
 - d. Pending CA
2. Assessment Details

TraQtion Member User Reference Guide

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- a. Member Audited
 - b. Grower Audited
 - c. Grower Address
 - d. Product(s)
 - e. Auditor Name
 - f. Date
 - g. Duration of Audit
 - h. Geo Location
3. List of Audit Categories
 4. Selected Category Questions
 5. Approval Cycle
 6. Corrective Actions
 7. Download Audit Report
 8. Download Corrective Action Report

Audit - AUD0001261 Back

1	Audit # AUD0001261	Audit For Member	Audit Type Audit 2022-2	Audit Status Completed	
	Announced Yes	Review Required Yes	Audit Category Regular	Pending CA Yes	

Information **5** **6** Approval Cycle Corrective Actions

ASSESSMENT DETAILS **2** **7** Audit Report **8** Corrective Action Report

Audit Round	Effective Date	Due Date
Round 2022 - 2	01 Oct 2022	31 Dec 2022

Member: M000038308 - LGMA Member 1
Grower: G000038321 - Grower A2
Grower Address: [Redacted]
Product: [Redacted]
Auditor Name: [Redacted]
Schedule Audit: 01 Dec 2022, 13:00
Audit Facetime: 01 Dec 2022, 09:33 - 01 Dec 2022, 09:41
Reason for Rebook: -
Geo Code Location: Lat: [Redacted] Long: [Redacted]
Special Instructions: -

Map Satellite

Section 1: Pre-Season Environmental Assessments **3** 2/3 < PREVIOUS | NEXT >

4 FA01 Was a detailed Pre-Season Die Assessment completed prior to the first seasonal planting? If yes, answer questions #FA 2

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Corrective Actions

Once an audit has been performed and reviewed, corrective actions might be generated. An email notification will be sent indicating that action is necessary. You can access the corrective action in multiple ways:

- My Worklist
- Alerts
- Audit

When you enter an audit with pending corrective actions, select the Corrective Actions tab, then select the Respond to CA button.

The screenshot displays the 'Corrective Actions' tab for Audit - AUD0001163. The audit details are as follows:

Field	Value
Audit #	AUD0001163
Audit For	Member
Audit Type	LGMA Announced
Audit Status	Completed
Announced	Yes
Review Required	Yes
Audit Category	Regular
Pending CA	Yes

The 'Corrective Actions' section shows a list of actions with the following details:

CA ID	Due Date	Status
CA - CA00000916	09 Dec 2022	Closed
CA - CA00000917	09 Dec 2022	Response Pending
CA - CA00000918	09 Dec 2022	Response Pending
CA - CA00000919	09 Dec 2022	Response Pending
CA - CA00000920	09 Dec 2022	Response Pending
CA - CA00000921	09 Dec 2022	Response Pending

The 'Respond to CA' button for CA - CA00000917 is highlighted with a green circle. The page also shows 'Section 1: General Requirements' and a navigation bar with 'PREVIOUS' and 'NEXT' buttons.

You will be taken to the corrective action that needs addressing. Select the Edit button to enable the response sections.

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1. Edit button – enables response fields
2. View All – view any images attached to the CA from the audit
3. Corrective Action Response – respond with the plan to correct the nonconformance
4. CA Response Attachment – attach any necessary files
5. Submit CA Response – select Submit CA Response button to send plan response

Once the CA response is submitted, it will be reviewed and accepted or returned with comments. If returned, an email and notification in My Worklist will be sent.

Please contact TraQtion Support at support@traqtion.com with any questions or issues in the application.



CHANGES TO THE FOOD SAFETY STANDARDS / METRICS

The LGMA Advisory Board approved two changes to the LGMA Food Safety Standards during a meeting on 03/30/23. These changes go into effect immediately. Updated Metrics and Checklist will be shared as soon as they are available on

www.lgmaconnect.com

1. Removal of Biopesticides

EPA-registered pesticides have always been exempt from the LGMA's crop input requirements due to their federal oversight. EPA-registered bio-pesticides were unintentionally added to the LGMA's input requirements when they were updated recently so this change is fixing that error.

2. Removal of Risk-based Pre-Harvest Testing Requirement

In 2021, a risk-based pre-harvest testing requirement was added to the LGMA standards, the LGMA Advisory Board voted to remove this as a requirement but to maintain it in the LGMA Food Safety Standards document as guidance.

Contact Greg Komar for further clarification or with questions:

greg@lgma.ca.gov 408.607.2232



Food Safety Resources for Leafy Green Shippers, Growers and Harvesters

The website LGMA Connect is your destination for food safety updates, training, and resources. This is where you will find the food safety standards (metrics), audit checklists and training - both online and live events. This year the LGMA will be debuting a variety of new training resources. Stay tuned for more and make sure to visit:

www.lgmaconnect.com



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CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

April 11, 2023

**Notice of 2023-2024 Assessment Rate for the
California Leafy Green Products Handler Marketing Agreement (LGMA)**

Set at \$0.011 per 24-count carton or its equivalent

TO THE CALIFORNIA LGMA SIGNATORY HANDLER ADDRESSED:

Upon the recommendation of the California Leafy Green Handler Advisory Board (Board), the California Department of Food and Agriculture (Department) has established an assessment rate to be levied on LGMA signatory handlers during the 2023-2024 marketing season, which is period of April 1, 2023 through March 31, 2024. The assessment rate for the 2023-2024 marketing season has been set at \$0.011 per 24-count carton, or its equivalent, on all leafy green products put into commerce by a signatory handler during the season. The assessment rate for the 2023-2024 marketing season is the same as last season's rate.

The party responsible for paying assessments on leafy green products is the signatory handler whose name appears on the legal panel on packs as they move into commerce. If the product is not packed under a signatory trade name, the signatory handler with the legal responsibility for the product as it moves into commerce is responsible for paying the assessment. For additional information about the party responsible for paying assessments under various business scenarios, please refer to the enclosed LGMA Administrative Rules and Regulations.

Assessment forms with additional instructions for reporting and remitting assessments will be provided to all signatory handlers by the Board office. These instructions will include a list of assessment equivalencies for various pack styles and bulk leafy green products.

Funds generated by this assessment are used to conduct food safety audits to assure that signatory handlers are marketing leafy green products that have been produced and handled in accordance with the LGMA's food safety practices. Additionally, the LGMA conducts technical food safety education activities for leafy green producers and handlers and educates the public about its food safety efforts.

If you have questions regarding this assessment rate or the activities of the California Leafy Green Products Handler Marketing Agreement, please contact Tim York, CEO of the LGMA, at 831-320-3137, or Dennis Manderfield with the Department's Marketing Branch at 916-900-5018.

Sincerely,

Joe Monson, Branch Chief
Marketing Branch

Enclosure

2023 0331 | 2023 0410 | 2177



Administrative Rules and Regulations Under the California Leafy Green Products Handler Marketing Agreement

**To Clarify the Responsible Party for Compliance
With the LGMA Best Practices and the LGMA Assessment Payment**

**And to Set Forth Provisions
for Assuring Equitable and Proper Payment of the LGMA Assessment**

Approved by the LGMA Board on November 8, 2018

I. General Information

These administrative rules and regulations are issued pursuant to the California Leafy Green Products Handler Marketing Agreement (LGMA or Agreement), originally made effective February 7, 2007, with amendments effective through March 4, 2015. Said Agreement was issued under the provisions of the California Marketing Act of 1937 (Act) being Chapter 1, of Part 2, Division 21 of the Food and Agricultural Code.

II. Definitions and Interpretation of Terms

A. Definitions and interpretation of terms in these administrative rules and regulations are the same as set forth in Article II of said Agreement.

B. The Agreement does not contain definitions for “responsible party” and “equivalent assessment rates”. For the purpose of these rules and regulations, these terms shall be defined as follows:

“Responsible Party” means the signatory handler that bears the legal obligation to assure that the leafy green products moving into commerce have been grown and harvested according to the LGMA Good Agricultural Practices and the legal obligation to pay the LGMA assessment that is applicable to such leafy green products.

“Equivalent Assessment Rates” means the rates of assessment that are calculated for the various leafy green products and pack styles for the purpose of assuring that the assessments paid by signatory handlers are approximately equivalent on per acre basis.

III. Purpose of These Administrative Rules and Regulations

A. These administrative rules and regulations are established by the California Department of Food and Agriculture (CDFA) upon recommendation of the California Leafy Green Handler Advisory Board (Board) to facilitate the effective administration, operation and enforcement of the Agreement. It is the responsibility of the Board to assist CDFA in the proper

administration of the Agreement. This includes the collection of information necessary for carrying out this responsibility and reporting to CDFA any failures to comply with or any violations of the provisions of said Agreement and these administrative rule and regulations.

B. These administrative rules and regulations are established for the following purposes:

1. To prescribe methods and procedures for compliance with and to explain or clarify the provisions of said Agreement;
2. To clarify who is the responsible party for ensuring compliance with the LGMA Best Practices and for payment of the LGMA assessment;
3. To set forth provisions for assuring the equitable and proper payment of the LGMA assessment.

IV. Responsible Party

A. In general, the signatory handler whose name appears on the legal panel on packs as they move into commerce, or if the produce is not packed under a signatory trade name, the signatory with the legal responsibility for the product as it moves into commerce, is responsible for assuring that the product has been grown and harvested according to the accepted LGMA Good Agricultural Practices and also responsible for payment of the LGMA assessment that is applicable to such product.

B. Because the leafy greens industry is complex with many diverse relationships, the following scenarios are provided to further clarify who is the responsible party in various circumstances.

Scenario 1: Signatory Handler A contracts with Grower B for a block or a field of product. Product is harvested and packed with Signatory Handler A's label.

Signatory Handler A is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments.

Scenario 2: Signatory Handler A purchases product from Signatory Handler B on the spot market. Product is sold to Signatory Handler A in Signatory Handler B's packages/boxes and with Signatory Handler B's legal label.

Signatory Handler B is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments.

Scenario 3: Signatory Handler A purchases bulk product from Signatory Handler B for further processing.

Signatory Handler A is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments.

Scenario 4: Signatory Handler A sells product to an out-of-state processor.

Signatory Handler A is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments. This is true regardless of whether the product is sold in bulk or in cartons. Since the out-of-state processor is a non-signatory, the last signatory handler to handle the product assumes the role of the responsible signatory party for the product.

Scenario 5: Signatory Handler A packs in Customer B's box (foodservice distributor or retailer).

Signatory Handler A is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments. Since retail and foodservice buyers cannot be signatories to the marketing agreement, the last signatory handler to handle the product (Signatory Handler A) assumes the role of the responsible signatory party even though the product is being packed in Customer B's box.

Scenario 6: Handler A is a signatory in both California and Arizona. During the winter months, Handler A handles product from both States.

Handler A is the responsible party for both the Arizona LGMA and the California LGMA. Handler A must ensure that the respective LGMA's Good Agricultural Practices are used, must report volume shipped to the respective LGMA and pay the appropriate assessments to the respective LGMA according to where the product was grown, not where it was processed or shipped to market.

Scenario 7: Signatory Grower/Handler A sells bulk product to Signatory Handler B who subsequently sells the bulk product to Non-Signatory Handler C.

Signatory Handler B is the responsible party and must ensure that the Good Agricultural Practices are used, must report volume shipped to the LGMA and pay the appropriate assessments. Since Handler C is a non-signatory, the last signatory handler to handle the bulk product assumes the role of the responsible signatory party for the product.

Scenario 8: Signatory Handler A purchases and markets, as a broker, product from Non-signatory handler B in handler B's box.

Signatory Handler A is *not* in compliance with the LGMA if he or she markets product that has not been certified by the LGMA. Brokering product that has not been grown in compliance with the LGMA's requirements is a violation of a signatory handler's obligations as a member of the marketing agreement.

Scenario 9: Grower A (non-signatory) sells bulk product to out of state processor for further processing.

In this scenario, the product is not subject to the LGMA since no Signatory Handler is involved. There is no responsible party.

V. Assessment Rates

A. Each fiscal year, the Board will recommend a standard carton assessment rate for the approval of CDFA. The assessment is applicable to all received tonnage of qualifying leafy green products.

B. The maximum assessment rate allowed by the Agreement is \$0.05 per standard 24-count carton or carton equivalent.

C. The standard 24-count carton is the traditional standard for iceberg lettuce in the industry, which is why this unit was chosen for the basis of the assessment. However, because the Agreement covers many different leafy green products, shipped in bulk form for further processing or shipped in a wide variety of pack styles, weights and box sizes, there must be a set of equivalent assessment rates established in order to equitably assess all of the products handled by signatory members. The goal in establishing these equivalent assessment rates is that all such rates will generate approximately the same level of assessment per acre across all products and pack styles. The Board, on an as needed basis, conducts analyses in order to develop and fine tune the formulas needed for calculating the equivalent assessment rates. The equivalent assessment rates are calculated each year after the standard 24-count carton assessment rate is recommended by the Board and approved by the Secretary.

D. Notification of the annually established assessment rates in effect for any marketing season will be given to signatory handlers no later than April 1.

E. If a crop failure or unanticipated expenditures create an assessment - related budget crisis, the Board may request an assessment rate adjustment from CDFA.

VI. Assessment Collection Procedures

A. The Board will mail assessment report forms to all signatory members on a monthly basis.

B. Signatory handlers are required to complete the monthly assessment report form and submit their assessment payment for the prior month on a monthly basis. Signatory handlers shall complete the assessment report form by reporting all regulated leafy green products received for the prior month by type and quantity and then calculating their assessment obligation for that prior month by multiplying the quantity of each leafy green product type by the applicable equivalent assessment rate.

VII. Assessment Due Date and Penalties

A. The assessments are due in the Board office by the end of the month after product is handled. If payment is not received by the 15th day of the second month after product is handled, a charge of 10% of the unpaid assessment will be added. In addition, the handler shall pay a penalty of 5 percent for each 30 days the assessment is unpaid, prorated over the

days unpaid, unless CDFA determines that such failure to pay is due to reasonable cause beyond the handler's control.

B. Unpaid handler assessments will be referred to CDFA for collection.

VIII. Handler Audits

A. Signatory handlers will be audited periodically to verify accurate and complete reporting of commodity quantities received and assessments paid. Such audits will typically be conducted by a CDFA auditor at the request of the LGMA.

B. It is the intent of the LGMA to audit signatory handlers at least once every three years because Section 59231 of the California Marketing Act sets a three-year statute of limitations on filing any action or penalty against a handler for violation of reporting requirements in the Act. Therefore, when conducting a handler audit, the auditor will typically examine records from the three prior fiscal years.

C. The auditor will begin the audit with an interview to learn the details of each handler's accounting system. The auditor will then review the handler's receiving records and grower accounts. If the auditor finds errors, he or she will continue reviewing all applicable records until the accounts are reconciled.

D. The auditor will typically provide the handler with preliminary audit findings before leaving the premises. Shortly thereafter, the auditor will send a final audit results letter to the handler and the Board to indicate whether the handler reported correctly. This letter will state whether a refund is forthcoming or whether the handler owes additional assessments, penalties, interest, and/or collection costs.

IX. Required Records

For auditing purposes, signatory handlers must maintain records of leafy green products received for a minimum of three years following the end of the previous fiscal year (March 31).

X. Assessment Deposits

In order to provide funds to defray necessary expenses incurred by the Board prior to the receipt of sufficient assessment income, the Board may recommend, and the Secretary may require each handler to make advance assessment deposits. Advance deposits for each handler are based upon the quantity of leafy greens received by each handler during the preceding marketing year.



Service Mark Usage Guidelines

The LGMA Service Mark represents a signatory company's commitment to the food safety practices accepted by the LGMA. It identifies a signatory as a member in good standing of the Marketing Agreement and it communicates to the signatory's customers that the California leafy green products marketed by the signatory have been grown according to LGMA accepted food safety practices.

- Use of the Service Mark is mandatory on bills of lading
- Use of the Service Mark is a way of assuring customers that products have been grown according to science-based and government reviewed food safety practices
- Decertification and loss of the Service Mark can lead to a decline in business, credibility and access to key customers



Use

1. The Service Mark shall only be used by members of the LGMA in accordance with the LGMA policy for use of the mark (see points a. and b. below). Members of the LGMA agree to produce and handle product according to the Good Agricultural Practices (GAPs) promulgated by the LGMA.

a. The Service Mark is mandatory for use on all bills of lading.

b. Signatories may use the Service Mark on other documents, such as invoices, manifests, letterhead, etc. but such use is not mandatory.

2. The Service Mark shall not be used as a certification mark to certify product as meeting the standard contained in #1 above.

a. Use of the Service Mark on packaging or product is not allowed.

3. The Service Mark shall be used without reference to a private brand or label.

4. Participant shall provide reasonable assurances it has a system in place to meet the above requirements. Participant shall maintain records sufficient to audit this system for the life of the Compliance Agreement and shall make those records available upon request to the Department.

Image Requirements

1. The Service Mark shall be reproduced only in authorized colors as displayed in the original CD version.

2. The Service Mark may be adjusted in size provided the proportions are not changed.

3. The Service Mark shall not be altered in any way other than specified in B.2., above.

4. Participant's name and/or trademark may not be inserted within or overlap the boundaries of the Service Marks.

5. Participant shall not use the Service Mark as its own mark, or as the exclusive representation of Participant's business entity.



HANDLER MEMBER DATABASE CONTACT INFORMATION

Handler Member: _____

Handler Address: _____

Primary Contact for LGMA Information:

Name: _____

Telephone: _____ Mobile: _____

Email: _____

Primary Contact for Audit Scheduling, Corrective Actions, and Information:

Name: _____

Telephone: _____ Mobile: _____

Email: _____

Assessment Contact:

Name: _____

Telephone: _____ Mobile: _____

Email: _____

Certificate Contact:

Name: _____

Telephone: _____ Mobile: _____

Email: _____

Return Form to: Connie Quinlan, connie@lgma.ca.gov



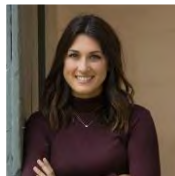
Staff Directory



Tim York
CEO
tim@lgma.ca.gov
831-320-3137



Greg Komar
Technical Director
greg@lgma.ca.gov
408-607-2232



Alyssa Licata
Compliance Officer
alyssa@lgma.ca.gov
831-884-2062



Brooke Palmer
Administrative Assistant
brooke@lgma.ca.gov
916-441-1240



Connie Quinlan
Program Coordinator
connie@lgma.ca.gov
831-594-8060



Jennifer Scherpinski
Project Coordinator
jenn@lgma.ca.gov
831-594-0081



April Ward
Marketing Communications
april@lgma.ca.gov
916-947-0751