

DEPARTMENT OF FOOD AND AGRICULTURE

CALIFORNIA CODE OF REGULATIONS  
TITLE 3. FOOD AND AGRICULTURE  
DIVISION 3. ECONOMICS  
CHAPTER 2. MARKETS  
ARTICLE 1. REPORTS BY GRAPE PROCESSORS  
(Notice published June 9, 2023)

**NOTICE OF PROPOSED RULEMAKING**

NOTICE IS HEREBY GIVEN that the California Department of Food and Agriculture (Department) proposes to adopt or make changes to Title 3 of the California Code of Regulations (CCR), Division 3, Chapter 2, Article 1, Section 1700.

**PUBLIC HEARING**

The Department will hold a public hearing starting at 10:00 AM on August 11, 2023 in the auditorium located at the Department's headquarters at 1220 N Street, Sacramento, CA 95814. The Auditorium is wheelchair accessible. At the hearing, any person may present comments, orally or in writing, relevant to the proposed action. The Department requests, but does not require, that persons who make oral comments also submit a written copy of their testimony at the hearing.

**WRITTEN COMMENT PERIOD**

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to the Department by mail, fax, or email.

Submit comments to:

Kacie Fritz, Special Assistant  
California Department of Food and Agriculture  
Marketing Services Division  
1220 N Street  
Sacramento, CA 95814  
(916) 900-5011  
FAX: (916) 900-5341  
[Kacie.Fritz@cdfa.ca.gov](mailto:Kacie.Fritz@cdfa.ca.gov)

The written comment period closes on **August 11, 2023**. The Department will consider only timely received comments.

## **AUTHORITY AND REFERENCE**

Notice is hereby given that the Department, pursuant to the authority vested by California Food and Agricultural Code (FAC) section 407, proposes to amend Title 3 CCR Section 1700 to implement FAC section 55601.5.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

This rulemaking action modifies the boundary between Grape Pricing Districts 5 and 17 utilized for the Grape Crush Report.

### **Summary of the Existing Laws and Effect of the Proposed Action**

The FAC section 55601.5 (a) requires every processor who crushes grapes to furnish the Secretary, prior to January 10 each year, a Grape Crush Report that includes all grape tonnage crushed in California during the crop year season, including variety and price, including any bonuses or allowances, and sugar calculations. Degrees Brix, sugar content, tonnage to be marketed as grape concentrate, and weighted average prices are reported by grape type and variety, as well as by 17 grape pricing districts. Grape Pricing Districts are defined in Section 55601.5 (i)(3) of the FAC as districts used by the federal-state cooperative market news services, as provided in Section 58231 of the FAC.

The CCR section 1700 defines the boundaries of the 17 grape pricing districts in the state which are required to report the information required by Section 55601.5 of the FAC.

The amendment proposed in this rulemaking action would modify the boundary between Grape Pricing Districts 5 and 17 utilized for the Grape Crush Report to include the Ryer Island region as part of District 17.

### **Objectives and Anticipated Benefits of the Proposed Regulation**

The broad objective of the regulation is to ensure market data accuracy and equity of average grape price reports in the annual grape crush report. The specific benefits anticipated from the regulation are to correct unintended negative economic impacts to the western viticultural areas of District 5 due to the inclusion of the Ryer Island area in District 5 and to better align the grape pricing districts with federal American Viticultural Areas (AVAs).

### **Evaluation of Inconsistency/Incompatibility with Existing State Regulations**

The Department evaluated the proposed regulation and determined that the proposed regulation is not inconsistent or incompatible with existing state regulations.

## **DISCLOSURES REGARDING THE PROPOSED ACTION**

The Department has made the following initial determinations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with California Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.

Significant effect on housing costs: None.

**Small Business Determination:** The Department has determined that the proposed regulation may have a minimal effect on small businesses. Many wine grape producers and processors in the western parts of District 5 are classified as small businesses, and accurately reported grape prices may help them secure higher priced grape contracts and land valuation. While many processors required to submit grape crush data to the Secretary can be classified as small businesses, there is no additional cost to these small businesses due to this regulation nor any anticipated adverse economic impact.

## **RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

The Department concludes that it is (1) unlikely that the proposal will create or eliminate any jobs within California, (2) unlikely that the proposal will create new businesses or eliminate existing businesses within the State of California, (3) likely that the proposal will affect the expansion of businesses currently doing business within the State of California, (4) unlikely that the proposal will affect the health and welfare of California residents, workersafety, and the state's environment.

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code Section 11346.5 (a)(13), the Department must

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determine that no reasonable alternative is considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

### **CONTACT PERSONS**

Inquiries and comments concerning the proposed action may be directed to:

Kacie Fritz, Special Assistant  
California Department of Food and Agriculture  
Marketing Services Division  
1220 N Street  
Sacramento, CA 95814  
(916) 900-5011  
[Kacie.Fritz@cdfa.ca.gov](mailto:Kacie.Fritz@cdfa.ca.gov)

The backup contact person for this proposed action is:

Beth Jensen, Staff Services Manager  
California Department of Food and Agriculture  
Marketing Services Division  
1220 N Street  
Sacramento, CA 95814  
(916) 900-5011  
[Beth.Jensen@cdfa.ca.gov](mailto:Beth.Jensen@cdfa.ca.gov)

### **AVAILABILITY OF DOCUMENTS**

#### **Availability of Statement of Reasons, Text of Proposed Regulation, and Rulemaking File**

The Department will have the entire rulemaking file available for inspection throughout the rulemaking process. A copy of this Notice, the Proposed Regulation Text, and the Initial Statement of Reasons may be obtained by contacting Beth Jensen at the information provided in the “Contact Persons” section.

#### **Availability of Changed or Modified Text**

After holding the hearing and considering all timely and relevant comments received during the comment period, the Department may adopt the proposed amendment

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substantially as described in this notice. If the Department makes modifications which differ, but are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days prior to amendment. Please send requests for copies of any modified regulations to the attention of Beth Jensen at the information provided in the “Contact Persons” section. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

Availability of the Final Statement of Reasons

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Beth Jensen at the information provided in the “Contact Persons” section.

Availability of Documents on the Internet

Copies of this Notice, the proposed text of the regulation, and the Initial Statement of Reasons can be accessed on the Department’s website at:  
<https://www.cdfa.ca.gov/mkt/grapepetition/>.