

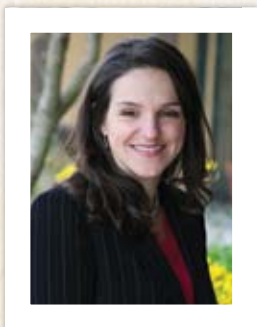
2011 Impact Report

Protecting California's #1 IndustrySM



Agricultural Council
of California

President's Letter



Emily Rooney
President

Greetings Ag Council Members,

We are excited to share our 2011 Impact Report, which is designed to give you an update on the many ways we have advocated on your behalf this past year through efforts at the capitol, legislative visits, speaking at member events and much more. We also want to share a recap of the in-depth rebranding effort we've undertaken this year.

As you may know, because of our diverse membership, Ag Council has a unique position among trade associations. We believe that pragmatism trumps dogmatism in political outreach efforts, and we have focused on a politically balanced approach that is in the farming community's best interest. We are the only organization in the state that comprehensively represents every step of the food chain from "farm to fork," in all nutritious forms including fresh, dried, canned, frozen fruits and vegetables and tree nuts. We are all-inclusive.

Recognizing that Ag Council must continue to evolve in order to best serve current and new members, a messaging development and rebranding effort was undertaken by our board members with the help of a Sacramento-based marketing and branding agency. Our new messaging and brand reflects our strong foundation, current membership and inspires growth for our organization.

Our new logo and messaging is now incorporated into our website and communications pieces, such as our weekly "In the Know" eNewsletter. If you're not receiving our weekly updates, please visit our new site at www.agcouncil.org to sign up!

Best,

Emily Rooney



Ag Council Logo Mark



Ag Council Website



Ag Council In the Know eNewsletter



AG COUNCIL ON THE ROAD

Sharing Political and Policy Insights at Member Events in 2011



- 1** Butte County Rice Growers Association Annual Meeting
Chico, 1/11/11
- 2** Blue Diamond, Young Leaders Program
Sacramento, 1/27/11
- 3** CA Canning Peach Association Annual Meeting
Sacramento, 1/28/11
- 4** CALAMCO, Regional Shareholder Meetings
Maxwell, 1/27/11
Visalia, 2/2/11
San Luis Obispo, 2/3/11
Stockton, 2/15/11
- 5** Almond Huller & Processors Association Annual Meeting
Napa, 4/26/11
- 6** CA Wool Growers Association Annual Meeting
Bass Lake, 8/26/11
- 7** Squab Producers of CA Annual Meeting
Modesto, 10/1/11



Agricultural Council
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Building Bridges

Ag Council Holds Successful Legislative Day

More than 25 Ag Council members made their way to the state capitol in June to visit with legislators about important issues impacting farmer-owned businesses and cooperatives in California. Of note, Governor Jerry Brown, First Lady Anne Gust Brown, Agriculture Secretary, Karen Ross, and other state officials joined Ag Council members at their legislative reception.



Gov. Brown, Ag Council Pres., Emily Rooney, and board member Peter Hurn

Ag Council's Legislative Day kicked off with a briefing that included an update on budget negotiations from Assemblywoman Connie Conway (R-Tulare) who represents the 34th District and is Assembly Minority Leader. Sandra Schubert, newly appointed undersecretary at the California Department of Food and Agriculture (CDFA), provided Ag Council members with an update on activities within the department. Ag Council also heard from Secretary of Natural Resources John Laird and discussed key water issues with him.

Ag Council members then met with elected officials in the afternoon to discuss legislation related to water, land use, food safety and nutrition programs.

“The opportunity for our members to meet face-to-face with elected officials is critical to help those legislators understand how the decisions they make in Sacramento impact California’s most economically valuable industry,” said Jon Marthedal, chairman of the board for Ag Council and chairman of Sun-Maid Growers of California.

Assemblyman Perea Visits Valley Fig Growers

Ag Council member, Valley Fig Growers, hosted Assemblyman Henry Perea (D-Fresno) for a tour of its processing facility located in the legislator's district and met with him to discuss regulatory issues.

Perea toured the plant in Downtown Fresno and viewed the wastewater and anaerobic digester facility, which serves as an environmentally-friendly model in the food processing industry. In addition, Perea sat down with Mike Emigh, President of Valley Fig Growers, his staff, and others to talk about regulatory hurdles obstructing economic and job growth in the region and to discuss possible solutions.



Assemblymember Henry Perea and Mike Emigh, President of Valley Fig Growers



Assemblywoman Halderman Visits Sun-Maid

Assemblywoman Linda Halderman (R-Fresno) met with Sun-Maid board members and management to talk about issues at the state policy and political forefront and to tour the Sun-Maid facility in Kingsburg.



Assemblywoman Linda Halderman Visits Sun-Maid Growers

Halderman discussed the ongoing budget issues and the statewide ballot initiative. In addition, Halderman, who worked as a surgeon in the San Joaquin Valley prior to serving in the Assembly, discussed how efforts in the Legislature to implement a state system to carry out the contentious federal health care law could impact the business community.

Halderman also toured the Sun-Maid processing plant, which operates year-round and provides over 700 jobs in an area with high unemployment.

Assemblywoman Yamada Tours Pacific Coast Producers

Assemblywoman Mariko Yamada (D-Davis) toured Pacific Coast Producers' (PCP) food processing plant in Woodland. During district work periods, Yamada creates "farm to fork" tour days for her and her staff, so they have the opportunity to learn about agriculture from the field to the table.

Yamada and her staff saw the scales where tomato trucks are brought in and weighed and the fruit is sorted and peeled. The tour included the entire cannery processing facility. Even though springtime is "off-season," Yamada's staff observed several workers prepping the plant for this year's upcoming harvest. Several welders and mechanics were on-site working on the plant to implement the latest technologies and recent capital investments made by PCP. This gave PCP the opportunity to highlight their efforts in sustainability and create discussion surrounding labor and jobs provided in the local communities.

AG COUNCIL HOSTS MEMBER-ONLY FUNDRAISERS FOR LEGISLATORS

IN AN EFFORT TO BUILD BRIDGES BETWEEN THE AGRICULTURAL COMMUNITY AND OUR STATE'S LEGISLATORS, AG COUNCIL HOSTED MEMBER-ONLY FUNDRAISERS FOR THE FOLLOWING LEGISLATORS IN 2011:

- *Congressman Sam Farr (D-Monterey);
March 7, 2011; Monterey*
- *State Senator Anthony Cannella (R-Ceres);
June 7, 2011; Sacramento*
- *Assemblymember Kristin Olsen (R-Modesto);
September 15, 2011; Sacramento*

Our small group fundraisers are a vital tool in making connections with legislators. Thank you to our members who participated, which was key to holding successful events in 2011.

Advocacy in Action

Ag Council Holds Briefing with Legislative Rural Caucus

Late 2011, Ag Council held a joint informational briefing with members of the Legislative Rural Caucus in Fresno to discuss the impacts of AB 32 climate change regulations on our agricultural economy and jobs, specifically food manufacturing. Over 50 attendees gathered to hear legislators and speakers talk about the effect of climate change regulations on food manufacturers.

The meeting was led by Assemblymember Linda Halderman (R-Fresno), who is Chair of the Legislative Rural Caucus. Assemblymember

of the California League of Food Processors, also spoke at the meeting.

At the briefing, Ag Council members stated that it is critical that CARB move food manufacturers from the medium leakage emissions category to the high category under the regulation to alleviate the negative effects, including: high costs, reduction in the market share for California food products and potential job losses.

Ag Council Represents Members at CARB Session

On October 20, the California Air Resources Board (CARB) adopted the final climate change

regulations for implementation of the AB 32 California Global Warming Solutions Act approved by the state Legislature back in 2006 and signed by then-Governor Schwarzenegger the same year. The regulations take effect in 2012 with enforcement starting in 2013.

Ag Council President, Emily Rooney, spoke on behalf of members at the CARB meeting. Rooney urged CARB to continue to strengthen cost-containment measures in the program and stated that creating a \$10 price floor on allowances is counter-productive to this effort. She also reiterated Ag Council's ongoing request

that CARB move food manufacturers from the medium leakage risk category to the high leakage risk category due to increasing international and domestic competition and the inability to pass along costs to consumers.



Assembly Members Valadao, Halderman and Grove at the Rural Caucus briefing

Valadao (R-Hanford) and Assemblymember Shannon Grove (R-Bakersfield) also attended. Two Ag Council members impacted by the regulation had representatives speak at the briefing, Mona Shulman, Vice President and General Counsel at Pacific Coast Producers, and Ben Curti, a dairyman and board member with Land O'Lakes. Miriam Balster, Director of Environmental Management at Olam Spices and Vegetable Ingredients, a member



THANK YOU!

Budget Reductions: A Look at CDFA

Early in his Administration, Governor Brown made it clear that his main priority would be the state budget crisis. He has been singularly-focused on this issue – so much so, that he has taken some heat in the media for failing to show leadership on other issues.

As part of this process, the Governor asked CA Department of Food and Agriculture (CDFA) Secretary Ross to assemble a budget reduction consortium of industry leaders to assist with taking at least a \$31 million reduction in General Fund dollars at CDFA.

Ag Council served on this consortium, and the process was not easy. The meetings led to reductions in unnecessary programs and other internal efficiencies. Countless programs were reduced in scope, and many were eliminated altogether, such as the noxious weed program. As the process went on, tough decisions had to be made to protect the state's ability to facilitate its agreements with states or countries importing our products, and maintaining a certain level of pest and disease protection.

Of the \$31 million in General Fund reductions, \$28 million are true reductions in scope and the elimination of programs and personnel. Alternative solutions of roughly \$3 million will be achieved through increases in phytosanitary certificates, master certificates, device fees and dairy inspection programs.

It is Ag Council's goal to make sure these fees are temporary. We have already expressed our desire to have a sunset or periodic review of the fees plus an annual accounting of how they've been spent to ensure accountability.

The future of CDFA's budget is still unclear. Given this, Ag Council will remain your voice in protecting vital programs at CDFA that ensure your products can continue to move around the world.

As a member-supported organization, Ag Council would not be where we are today without the countless hours, passion and dedication our board members give to our organization. So, we would like to officially thank our 2011 Ag Council board members for all of their hard work.

2011 Board of Directors

Andy Anzaldo

Susan Brauner

Bob Brown

Nat DiBuduo

Mike Emigh

Bill Ferriera

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Bill Knox

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Mark Nonnenmacher

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Michael Wootton



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