

Moving Forward



PRSR1 STD
US POSTAGE
PAID
SACRAMENTO, CA
PERMIT NO. 1491

Back in Person, Back in Sacramento:
Food Processing Expo 2022
CLFP Webinars a Success
Prop 65: Food Claims Continue in 2021
Food Safety: Building a Culture

Produced by the California League
of Food Producers (CLFP)



THANK YOU
TO ALL ESSENTIAL WORKERS!

 CALIFORNIA BOILER
#WEPLAYWITHFIRE



Editor

Lisa Jager

Copy Editors

Jacqueline Yambor

Gilda Taffet

Contributing Writers

Sophia Castillo, Lily Chiem, Christine Faris, Trudi Hughes, Jon Kimble, John Larrea, Rob Neenan, Katlyn Nelms, Devin Tenney, Tom Manzo

Design

Taffet Graphics

California Food Producer is published semi-annually by:

California League of Food Producers
2485 Natomas Park Drive, Suite 550
Sacramento, CA 95833
Phone: 916 640-8150
Fax: 916 640-8156
Email: lisa@clfp.com
clfp.com

To advertise, subscribe (free of charge) or suggest editorial content, contact Lisa Jager at lisa@clfp.com. *California Food Producer* is the only publication of its kind dedicated to California's food processing industry. Other CLFP publications include *Food Flash* and *CLFP Insider*, which can be viewed online at clfp.com

The California League of Food Producers is an association representing the interests of both large and small food and beverage processors throughout California and works to help ensure a favorable and profitable business environment for its members and the food processing industry.

Contents ©2021 All rights reserved.

No part of this magazine may be reprinted in whole or part without written permission of the publisher.



CALIFORNIA food PRODUCER

EDITION 1, 2021

IN EVERY ISSUE

- 2** CLFP Board of Directors
- 4** President & CEO Message
- 14** Regulatory Report
- 17** Legislative Update
- 28** New Members

FEATURES

- 5** New Officers Elected at Annual Meeting
- 6** Prop 65 Food Claims Continue in 2021
- 10** Food Processing Expo 2022
- 12** Women in Food Processing: Lily Chiem, Kagome, Inc.
- 18** New Study Documents PAGA Litigation
- 20** Employee Retention Credit Update
- 22** CLFP Industry Issues Webinars a Success
- 24** Food Safety: Building a Culture

CLFP Board of Directors

CHAIR
Patrick V. Ricchiuti
ENZO Olive Oil Company

FIRST VICE CHAIR
Jim Lipman
California Olive Ranch

SECOND VICE CHAIR
Mike Smyth
Olam Spices

Timothy Carter
Bell-Carter Foods, LLC

Steven Mavity
Bumble Bee Seafoods, LLC

David Kiehn
Campbell Soup
Supply Company

Tim Hamilton
ConAgra Brands, Inc.

Bal Pattar
Culinary Farms, Inc.,
a BCFoods Co.

P.J. Mecozzi
Del Mar Food
Products Corp.

Joe Gleason
DeLallo Italian
Foods, Inc.

Cedric Robinson
Frito-Lay, Inc.

Lee Anderson
General Mills, Inc.

Steven Gill
Gills Onions, LLC

Corey Giuliano
Giulianos' Specialty
Foods

Michael Wood
Hilmar Cheese
Company

Stephen Nazaroff
Horizon Nut Company

Gregory Pruett
Ingomar Packing
Company, LLC

Nick Kastle
J.G. Boswell
Tomato Co., LLC

Lily Chiem
Kagome, Inc.

Ross Siragusa
The Kraft Heinz
Company

Jon Alby
Leprino Foods
Company

Danny Green
Los Gatos Tomato
Products

Michael Mariani
Mariani Packing
Company, Inc.

Chris Rufer
The Morning Star
Packing Company

Jon Pieretti
Musco Family
Olive Co.

Michael Fuerst
The Neil Jones
Food Company

Chris Ward
Pacific Coast
Producers

Stanley Dunbar
Saticoy Foods Corp

Michael Finete
Sensient Natural
Ingredients, LLC

Phil Lopez
Smucker Fruit
Processing Co.

Tom Cortopassi
Stanislaus Food
Products

Brad Stapleton
Stapleton-Spence
Packing Co.

Harry Overly
Sun-Maid Growers
of California

Melvin Ward
Sunsweet Growers Inc.

Matthew Reid
SupHerb Farms

Randy Barlow
Teasdale Latin Foods

Guillermo Loaiza-Aponte
Triple H Food
Processors, LLC

James Sherwood
VSP Products

William Smittcamp
Wawona Frozen
Foods

Richard Wilbur
Wilbur Packing
Company



©2019 USI Insurance Services. All rights reserved.

We've Got Your Business Covered

Risk Solutions for CLFP Members

Top quality risk management with bottom-line benefit, that's our goal. At USI we combine proprietary analytics, industry expertise, local resources, and a collaborative process to create customized insurance programs designed to meet the needs of California Food Producers.

USI Insurance Services
10940 White Rock Rd
Rancho Cordova, CA
916.589.8000
www.usi.com



Property & Casualty | Employee Benefits | Personal Risk Programs | Retirement Consulting



Are you **100% confident**
this will never happen?

Intertek Alchemy's training and engagement solutions build a strong culture of food safety throughout your workforce. Equip your employees with the knowledge and confidence they need to keep your products safe.

intertek
alchemy

Learn more at [IntertekAlchemy.com](https://www.IntertekAlchemy.com).

President & CEO Message



“There must be an ongoing commitment by food processors to be politically active and stand up for their industry.”

~ Rob Neenan
President/CEO



What's Next?

Yogi Berra once said that *“predictions are difficult, especially about the future.”*

The last year has been a real challenge for California food processors and to many, the phrase *what's next* is stated more as a frustrated complaint than a question.

Although the coronavirus pandemic has diverted attention from a number of key issues, those challenges did not go away. The Biden Administration will be making decisions on policy areas that will directly affect food processors. So, what's next?

Expanding International Trade Opportunities

The Trump administration favored bilateral trade agreements over multilateral, and protectionism over free markets. A sizeable portion of the electorate has become wary of international trade accords in the belief that past agreements have not been favorable to the U.S., costing jobs and economic growth. In addition, the strong dollar and high cost of doing business are hindering the competitiveness of U.S. products.

As daunting a challenge as it is, international trade policy must be revisited. Other countries have been moving ahead with trade agreements without U.S. participation, setting the future rules of engagement. Will this administration resurrect U.S. participation in the Transpacific Partnership (TPP) agreement? Is there hope for formation of the Transatlantic Trade and Investment Partnership (TTIP) to expand trade with the European Union? Can China be persuaded to reduce trade barriers and compete in a more transparent manner? All of these must be policy priorities. Given the polarized political climate in Congress, making any meaningful progress on trade will be difficult, but long-term

New Officers Elected at Annual Meeting

Patrick Ricchiuti, ENZO Olive Oil Company, was elected the 2021–22 chair of the California League of Food Producers (CLFP) at its Annual Board of Directors Meeting on April 22.



Pat Ricchiuti

Ricchiuti is president of the ENZO Olive Oil Company, which is based in Clovis, CA, and is a fourth-generation family farm. The company's goal is to sustainably grow, produce and harvest premium fruit, nuts and more recently, estate grown award-winning ENZO Organic Extra Virgin Olive Oil, Organic Balsamic Vinegar, as well as ENZO'S TABLE handcrafted biscotti, granola, pesto, jam and almond butter.



Jim Lipman

Other 2021–22 CLFP officers elected were **Jim Lipman**, California Olive Ranch, Chico, CA, as first vice chair, and **Mike Smyth**, Olam Spices, Fresno, CA, as second vice chair. Michael Mariani, Mariani Packing Co., Inc., Vacaville, CA, will continue as immediate past chair.



Mike Smyth

CLFP board of director members also were nominated to serve new and continued terms on the executive committee. Nominated for 2021–23 terms were: Danny Green, Los Gatos Tomato Products, Fresno, CA; P.J. Mecozzi, Del Mar Food Products Corp., Watsonville, CA; Lily Chiem, Kagome, Inc., Los Banos, CA; Chris Rufer, The Morning Star Packing Company, Woodland, CA; and Tim Hamilton, ConAgra Brands, Inc., Oakdale, CA.

Nominated to continue their terms for 2020–22 were: Jon Alby, Leprino Foods Company, Denver, CO; Nick Kastle, JG Boswell Tomato Co., LLC, Corcoran, CA; Matthew Reid, SupHerb Farms, Turlock, CA; Chris Ward, Pacific Coast Producers, Lodi, CA; Melvin Ward, Sunsweet Growers, Inc., Yuba City, CA; and Michael Wood, Hilmar Cheese, Hilmar, CA.

growth of the U.S. economy is dependent on increasing export opportunities. The food processing industry must be an active participant in a renewed focus on trade policy.

Uniform and Science-Based Food Labeling Standards

Although food labeling requirements should be based on national science-based standards, California and other states have been implementing their own product labeling laws. A prime example of the problem is California's Proposition 65, which has become a cash cow for bounty hunter attorneys suing food companies.

In addition, any required or voluntary nutrition labeling or labeling for genetically modified organisms should be based on proven science and with the objective of providing consumers with balanced and risk-based information that they can use to improve their health. The federal government must step up and prevent a proliferation of state labeling requirements and put an end to laws like Proposition 65 that invite frivolous litigation.

The Importance of Engagement

The noise and rancor associated with politics in recent years may have caused many businesses to become disengaged with the process. However, there is too much at stake to not participate. In addition to international trade and food labeling, energy policy, environmental regulations, workforce training, and technology development are at the forefront. There must be an ongoing commitment by food processors to be politically active and stand up for their industry because, as Yogi Berra also said, "the future ain't what it used to be."

Prop 65

Food Claims Continue in 2021

Hundreds of food claims have been initiated in the first months of 2021. What should food producers do?

What is Proposition 65?

California's Proposition 65 (Prop 65), also known as the *Safe Drinking Water and Toxic Enforcement Act of 1986*, requires "clear and reasonable warnings" on consumer products (including foods) sold in California if use of the products causes an exposure to chemicals on the Prop 65 list, a list of over 900 chemicals, at a harmful level. Prop 65 claims continue to have a significant impact on the California food and beverage industry, as they have throughout, and before, the COVID-19 pandemic.

Prop 65 is a powerful regulation because it contains a "citizen attorney general" provision, and citizen plaintiffs frequently enforce it. It permits citizens to bring claims against alleged violators, initiated by a document called a 60 Day Notice of Intent to Sue (Notice), and to recover their attorneys' fees in so doing. Prop 65 also authorizes monetary penalties of up to \$2,500 per day for each violation.

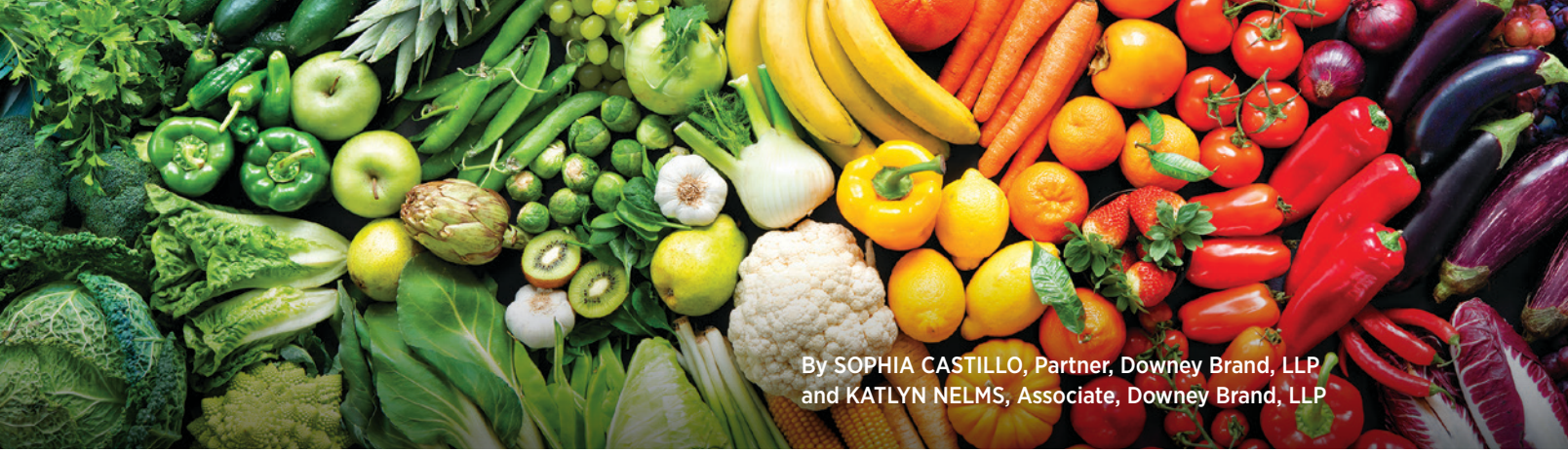
The allegations of "bounty hunter" plaintiffs have evolved over the course of the regulation, and have become quite creative, reaching far above and beyond the traditional Prop 65 claim that products

contain lead, and thus require a standard warning label. Plaintiff groups continue to allege that various chemicals in foods require Prop 65 warning labels, claiming the use or consumption of the products expose California consumers to chemicals in quantities that could cause cancer or reproductive harm. Food claims have skyrocketed for certain foods in particular, which we discuss in this article.

Common Prop 65 Notices for Food

Typically, plaintiffs test foods without warning labels and that contain common chemicals, and initiate a lawsuit if the foods contain chemical(s) on the Prop 65 list by sending a Notice. Prop 65 plaintiffs have sent thousands of Notices over the past several years, and hundreds of Notices in 2021 so far, alleging that a variety of food products contain acrylamide, lead, mercury, arsenic, and cadmium, all chemicals on the Prop 65 list. These Notices allege that the food products contain these chemicals, and therefore, also allege that the products must contain the all too familiar "Prop 65 warning" on their label or packaging. Grocers, national food brands, and private label suppliers have received Notices in the last several years. The defense of these Notices often makes its way up the supply chain through tenders of defense and requests for indemnity, and ultimately can rest with the food suppliers and processors who are at the top of the domestic supply chain.





By SOPHIA CASTILLO, Partner, Downey Brand, LLP and KATLYN NELMS, Associate, Downey Brand, LLP

Since the implementation of Prop 65 in the 1980s, plaintiffs have sent more than 30,000 of these Notices. The COVID-19 pandemic did not slow these claims. In 2020, plaintiffs sent over 3,500 Notices to companies doing business in California, for foods, personal care products and consumer products.

Chemicals and foods targeted within the last year include:

- Seaweed and packaged/canned seafood products (lead, arsenic and cadmium)
- Canned goods, including fruits and vegetables (mercury, lead and acrylamide)
- Fresh and leafy vegetables (metals)
- Vinegars (lead and carbaryl)
- Spices (metals)
- Various food products including dietary supplements, pasta, rice bites, wraps/tortillas, snack bars, sunflower seeds, chips, cinnamon rolls, mole sauce, ramen, muffins and sunflower seeds (metals)
- Baby food, fruit and vegetable pouches (acrylamide and lead)
- Nut products, including butters (acrylamide)
- Toasted and roasted snack foods including corn, chips, crackers, cookies, tortilla chips, tostadas and taco shells (acrylamide)

These Notices are significant in their variety, and also consistent in their trends. Plaintiffs tend to, for the most part, limit their claims to metals and acrylamide. Occasionally, a new chemical is included in Notice allegations. Some of these Notices have updated prior Notices with supplier/manufacturer information, and other Notices are completely new. Certain products,

including vinegars, baby foods, and canned seafood have been the subject of Prop 65 Notices and settlements in the past.

Compliance with Prop 65 and Defense of Prop 65 Claims

Compliance with Prop 65 is complicated. It requires an understanding of the chemical content of food products sold in California, and whether the consumption of a product “exposes” California consumers to one of the chemicals on the Prop 65 list, at a level that may cause cancer or reproductive toxicity. This exercise includes a calculation of chemical exposure, which is a technical determination as to whether exposure occurs at a level exceeding a “safe harbor” level that is published by the State of California. If exposure occurs, the standard Prop 65 warning is required. If a plaintiff disagrees with a business’ determination that a warning is not required, it may initiate a citizen lawsuit.

The costs of compliance with Prop 65 labeling are significant, as are the costs of defending and resolving Prop 65 citizen lawsuits. Prop 65 lawsuit defense necessarily includes time-intensive expert opinions that justify a defendant’s decision not to post a Prop 65 warning on its products in the first place.

Because of the costs associated with litigating Prop 65 claims, recipients of Prop 65 Notices will typically opt to settle the claims instead of taking the matter to court. Settlement costs, per year, result in millions of dollars paid by defendants to citizen plaintiff groups and their attorneys, as well as penalties paid to the State of California.

continued on page 8...



Prop 65 *...continued from page 7*

Recent Acrylamide Developments

For the chemical acrylamide, recent proposed amendments to the Prop 65 regulations and a preliminary injunction issued in litigation on behalf of the regulated community may offer some relief. In 2020, the State of California proposed regulatory amendments that would provide levels below which concentrations of acrylamide do not represent an “exposure” that would require a Prop 65 warning label. If acrylamide concentrations in the foods are reduced to the lowest level feasible using appropriate quality control measures, certain foods containing acrylamide below the mandated levels would not be required to bear a Prop 65 warning.

Most recently, the US District Court for the Eastern District of California preliminarily enjoined the filing of lawsuits seeking cancer warnings for acrylamide on food and beverage products sold in California. The ruling stops the filing of any new acrylamide lawsuits seeking to enforce the cancer warning label on food products, and ties the hands of bounty hunter plaintiffs that have sent, or planned to send, Notices alleging that food products contained acrylamide, and therefore required a Prop 65 warning label.

Most recently, the US District Court for the Eastern District of California preliminarily enjoined the filing of lawsuits seeking cancer warnings for acrylamide on food and beverage products sold in California. This ruling has been appealed to the Ninth Circuit Court of

Appeals. Litigation regarding this ruling is ongoing in the Ninth Circuit.

What Should Food Producers Do Next?

Prop 65 is a powerful regulation that citizen plaintiffs frequently seek to enforce. Those in the food industry are well served to monitor Prop 65 60-Day Notice trends and evaluate their California sales for products that could be challenged by Prop 65 plaintiffs in the future.

Those in the food industry are also well served to talk with their customers regarding their preferences for warning labels (some retailers are “ok” with Prop 65 warning labels, others would prefer that the products they sell not contain the labels), and consult their contractual arrangements for indemnity obligations that may already be in place. Many retailers and distributors require those that are “up the supply chain” to defend Prop 65 claims. This obligation often prompts a deeper dive on Prop 65 compliance and a consideration of whether products might need Prop 65 warning labels. The ultimate defense to a Prop 65 claim is, of course, an exposure assessment demonstrating that the consumption of the food product does not expose a California consumer to a chemical on the Prop 65 list, at a level that exceeds the “safe harbor” in the regulation, and therefore, that the food product does not need a warning label.

COMBO EXCELSIOR® FRUCTUS®

KEEP YOUR LIQUID FOOD, BEVERAGE
AND INGREDIENT PRODUCTS
SAFE AND SECURE WITH
OUR FOLDABLE IBC'S

CAPACITY RANGE
FROM 265 TO 315 GALLONS



Schoeller Allibert

Schoeller Allibert U.S. - www.schoellerallibert.com/us - info.usa@schoellerallibert.com

- STACKS 5-HIGH WHEN FULL, 14-HIGH WHEN FOLDED
- LOADS 7-HIGH FOLDED FOR THE RETURN HAUL (A 29% IMPROVEMENT OVER COMPETING BINS)
- COMBO FRUCTUS® IS A.A.R. APPROVED FOR RAIL TRANSIT



Making plastic packaging
too good to waste

Adaptive Refrigeration Control Systems



- ▶ Reduce Energy Consumption Up to 40%
Lower Utility Bills
- ▶ Provide Stable Temperature and Humidity
Keep Food Fresher Longer
- ▶ Extend Operating Life of Equipment
Decrease Maintenance Costs
- ▶ Offer More Predictable Maintenance
Reduce Risk of Food Spoilage

Utility Rebate Incentives Up to 50%

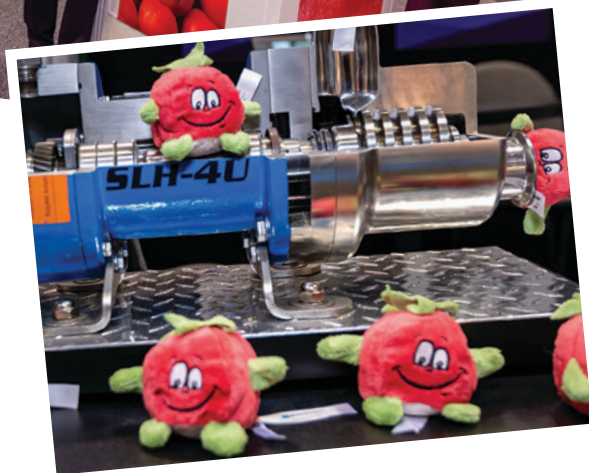
National
Energy Conservers
Intelligent Refrigeration Control

503 887.1898
neconservers.com

Back In-Person, Back to Mingling, Back to Sacramento!

Food Processing **Expo**

February 15 & 16, 2022 Sacramento Convention Center



CLFP is looking forward to holding an in-person Food Processing Expo in 2022! We can't wait to see and talk to exhibitors and attendees who have participated for many years and look forward to welcoming new participants.

The Expo, the largest event of its kind in California, attracts a wide variety of attendees, including CLFP member food processors, non-member processors, those with ideas for new food products, university personnel and students, food processing industry vendors, suppliers and more.

For a nominal fee—lower than many industry shows—the Expo offers food processors the opportunity to meet and reestablish relationships with existing vendors, make new connections and learn about the latest products and services available to the food processing industry. Topical educational opportunities are offered at the Expo, including a pre-Expo workshop. In addition, multiple educational seminars are held on the trade show floor, along with several networking opportunities.

The Expo will be held at the recently renovated Sacramento Convention Center, which has been renamed the SAFE Credit Union Convention Center.

“The Expo keeps getting better every year... this one was outstanding!”

-Expo Participant



The newly renovated Sacramento Convention Center has been renamed the SAFE Credit Union Convention Center.

Attention Exhibitors: Early Bird Deadline Ends July 30

We know exhibitors have missed in-person connections with food processors and peers, and also attending the gatherings and receptions at the Expo! Exhibiting at the Expo is an excellent way to maintain relationships with existing customers and find new ones. Many exhibitors report making sales on the show floor! Take advantage of the early bird rate, which is being offered until July 31 and, as always, CLFP members receive a discount.

For the 2022 Expo, lead retrieval will be included in the Expo booth registration, which will help you get the most out of the Exhibit Hall hours by offering a mobile app license.

More information and registration at

foodprocessingexpo.org



*Hope to see you
at Expo 2022
in Sacramento,
California's Farm-
to-Fork Capital!*



Women in the Food

Lily Chiem,

Editor's Note: This is the second in a series of articles about women in leading roles in California's food processing industry. Like many other industries, there are often more men than women in higher-level positions. We asked CLFP member Lily Chiem of Kagome, Inc. a few questions about women's roles and opportunities in the industry.

What was your education and work background leading up to your role at Kagome?

I always knew growing up that I loved science, especially the data, theories, and logic behind it. I spent a couple of my early years exploring all types of science degrees in college and after a taste of it, I fell in love with food science. It was two areas I am passionate about wrapped up in one. I earned my Bachelor of Science degree in Food Science from U.C. Davis. My first job out of college was as a lab technician in the food industry. It gave me the foundation and hands-on experience with how data is used to make business decisions. Over the last 20 years, I progressed in my career in Quality Assurance with increasing roles and responsibilities with the intention to continue contributing to building consumer confidence in the food processing industry.

Were you always interested in working in the food industry?

Not initially, but once I got exposed to the application of science relative to how food is made, it interested me in a lifetime of learning.

What is your current role and your responsibilities?

My current role as a Sr. Director of Quality Systems and Regulatory at Kagome, Inc. entails ensuring that the products we make for the food industry are safe, of high quality, and that they meet all regulatory requirements. One of my focused efforts include fostering a culture that promotes exemplary behaviors around food safety and quality. As leaders, I believe we all have the responsibility to develop, mentor, and support future leaders for the food industry.

Could you describe an average day?

Every day is quite different but typically filled with team discussions to drive solutions to challenges. Some are immediate solutions and others are visionary long-term strategic planning.

Did you or do you have any female role models in the food industry or any other industries?

When I think of ideal female role models, I think of Sheryl Sandberg (the Chief Operating Officer of Facebook). Not only is she confidently taking on an executive leadership role, she continues to encourage young female leaders to have the courage to step into their roles, have a seat at the table and not be afraid to even the playing field, both in the home and at work.

Why do you think there are so many more men rather than women in higher level roles in the food processing industry in CA and throughout the U.S.?

I think the food processing industry is progressing similarly to other industries in terms of diversity and women taking on higher roles in the industry. Working mothers are faced with the challenges of double duty work (responsibilities at work and home). Without a support system, this challenge can feel overwhelming and generally discourage women to

Processing Industry

Kagome, Inc.

take on more responsibilities at work. The current COVID-19 pandemic has also affected many mothers working from home who must add yet another role, supporting children at home with distant learning.

What do you see as current or new opportunities for women in the food industry?

I believe there are opportunities that exist in all areas of food industry for women. It is important to identify what you are passionate about and pursue it with confidence. When you are passionate about something, it shows. The willingness to be a lifelong learner is key to growing both professionally and personally.

Are there particular challenges women face in the food industry versus other industries?

Balancing and juggling the priorities of work, family and self-care can certainly be a challenge for women. We tend to take care of priorities that need our attention, whether it be in the home or at work. Working in the food industry comes with a certain understanding of the business needs. It can be demanding at times, depending on the type of business. It can also be exciting and rewarding to know the impact and contributions you are making to help feed America. The food processing industry can require long work schedules and fast-moving work conditions. The skill of juggling multiple priorities can be viewed as a strength for women in the industry.

Can food processing companies or the industry do anything to help women move up the corporate ladder?

To keep the industry thriving with passionate leaders, it is important to support and foster the growth of our young leaders. They are eager to make an impact on the world and with guidance and confidence, will continue to transform the food processing industry in better ways.

Companies can help by supporting and encouraging women who are interested in taking on leadership roles. This can include offering mentorship programs, women support groups and leadership programs.

How long have you been involved with CLFP and what have been your roles, involvement, committee membership, etc.?

I have been involved with CLFP since joining Kagome. It is a great opportunity to connect with industry leaders and stay informed on legislative and regulatory propositions in California. I have participated as a member of the Board of Directors since 2017, as well as the Executive Board of Directors since 2019.

Are you involved in other food or ag related groups in CA or nationally?

I am typically involved in groups that primarily focus on Food Safety and Quality. This includes the Institute for Thermal Processing Specialists (IFTPS) and the Association for Dressing and Sauces (ADS).

Are there any groups for women in food processing or manufacturing either in CA or nationally?

Women's Foodservice Forum (WFF) is a known organization that engages food industry leaders in supporting professional development for women. It is a great place to actively participate and network with inspiring women leaders in the industry.

I think it is important to immerse yourself in industry groups to learn everything you can and network with industry leaders. I believe diverse teams provide different viewpoints that lead to better discussions and decisions.

Is there anything else you would like to say about women in the food processing industry?

To our future women leaders, do not be afraid to go after what you are passionate about. Find ways to engage and network in the industry. Identify an effective support system and champion the professional growth of others in the industry. When you succeed, we all succeed.

Kagome, Inc. is a global leader in sauce creation and production with distribution in North America, Latin America, Asia, the Middle East, Africa and Australia.



Regulatory Report

By JOHN LARREA
CLFP Government Affairs Director

There is a continuing emphasis in regulatory rulemaking aimed at industry and business in California. The push to decarbonize the state by 2045 has the regulatory arena churning with new and proposed programs and mandates, many of which call for new or updated regulations across all sectors.

Electrifying the transportation sector and decarbonizing the state's building industry has now joined the effort to decarbonize the grid, as the overriding environmental goals of the state.

Summer Energy Reliability

With the arrival of the processing season, energy reliability is at the top of the list of issues CLFP is monitoring at present. Several years of grid instability, whether

connected to wildfire response or lack of capacity due to the state's overreliance on renewables, have resulted in facility shutdowns during our production seasons. Various state agencies have taken steps to deal with the situation and CLFP has been engaged in those efforts. More importantly, CLFP continues to work with the utilities individually to keep them focused on our energy situation.

At last count, there were 17 different efforts being undertaken by energy planners in an attempt to avoid rolling blackouts this summer. Some of the measures already implemented include procurement of thousands of additional megawatts (MW) by the utilities in the form of either natural gas or diesel generation. Other initiatives include an increased focus on demand response, enhanced engagement of geothermal generation, or expanding battery storage.

Much of the activity at the California Public Utilities Commission (CPUC) has been aimed at establishing policies and rules to ensure reliable electric service in California in the event of an extreme weather event this year. In a February hearing, the CPUC directed the state's three largest investor-owned utilities (IOUs) to seek contracts for additional supply-side capacity. The IOUs were granted approval to procure approximately 564 MW by this summer.

In that same proceeding, the CPUC directed the IOUs to take steps to avoid the need for rotating outages in the upcoming two summers, including implementing a new statewide emergency load-reduction pilot program. Other CPUC approved actions included modifications of the IOUs' existing demand-response and critical-peak-pricing programs, and the authorization to increase the planning reserve margin to 17.5 percent.



As for climate change in general, the Greenhouse Gas Scoping Plan Update at the California Air Resources Board (CARB) will be significant as it will likely be the basis for most of the agency's efforts to decarbonize the state over the next 10 years.



Whether these steps will increase reliability or, at a minimum, reduce the frequency of Public Safety Power Shutoffs (PSPS) this summer, is uncertain. At present, CLFP is hopeful that the realities of the last two years of rolling blackouts and PSPS events will, at some level, reawaken regulators to the complexity and difficulty of maintaining energy reliability, especially given the speed at which the state wishes to move toward decarbonization.

California Air Resources Board

The Advanced Clean Trucks Regulation (ACT):

Adopted in June 2020, the ACT has a one-time reporting requirement for large entities that operate or dispatch vehicles with a manufacturer's gross vehicle weight rating (GVWR) greater than 8,500 lbs. in California. It includes medium duty vehicles like vans and ¾-ton pickups such as the F250 or Ram 2500 and heavier vehicles of all configurations and fuel types, but does not apply to lighter vehicles like cars and light duty pickups. The Large Entity One-Time Reporting Requirement deadline was slated for April 1, 2021. However, due to the Office of Administrative Law's approval of the regulation only recently, CARB had extended the deadline for reporting to May 1, 2021.

Scoping Plan Update: As for climate change in general, the upcoming Greenhouse Gas Scoping Plan Update at the California Air Resources Board (CARB) will be significant as it will likely be the basis for most of the agency's efforts to decarbonize the state over the next 10 years. The Scoping Plan process will be addressing not only the cap-and-trade programs, but is likely to broaden its examination to a myriad of other co-benefit programs such as the Low Carbon Fuel Standard or

the Offsets program. Assembly Bill 32 (2006) required CARB to develop a Scoping Plan to determine the approach California will take to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020.

The upcoming update proceedings will lean heavily on a CARB-sponsored report released October 2020 by E3 entitled *Achieving Carbon Neutrality in California*. The study suggests that to achieve carbon neutrality by 2045 will require "ambitious near-term actions around deployment of energy efficiency, transportation and building electrification, zero-carbon electricity, and reductions in non-energy, non-combustion greenhouse gas emissions." It also recommends scaling up research, development and deployment efforts around carbon dioxide removal strategies, such as land-based carbon sequestration and direct air capture of CO₂.

Further complicating the update, environmental justice issues centered on equity are expected to play a major role in the crafting of the update. In the end, expect the update to continue to be the basis of regulations designed to squeeze even more reductions out of California's industries.

CLFP plans to take full advantage of the opportunity, and there is some opportunity here to modify, and possibly improve, the food processing industry's position under the regulations. Some of these include, rethinking the Cap Adjustment Factor as it applies to the food processing sector, as well as expanding the availability of offsets, and developing additional opportunities for food processors to obtain emission credits.

AB 2588: Emissions Inventory Criteria and Guidelines Regulation (EICG) and the Criteria and Toxics Reporting Regulation (CTR):

Under the current regulation, CARB has employed a targeted risk-based approach to determine which toxic air contaminants drive offsite health risks. Over the past decade, the AB 2588 program was successful in identifying contaminants that might warrant further regulatory attention, the result being that statewide emissions and related health impacts due to exposure has been reduced approximately 75 percent over the past 25 years.

continued on page 16...



Regulatory Report *...continued from page 15*

Despite this success, recent CARB changes have greatly increased the universe of facilities required to inventory and report hundreds of additional substances. In many cases, the substances now subject to reporting are listed without regard to their significance as potential risk drivers. CARB's proposed regulatory updates also capture sources that were never intended to be included in a stationary source emissions inventory.

CLFP, in conjunction with a large coalition of business and industrial organizations, continues to argue against the expansion of the program. Originally, AB 2588 was designed to require stationary sources to report the types and quantities of certain substances routinely released into the air from those facilities. The program was never intended to cover non-stationary sources such as mobile sources or portable equipment.

California Energy Commission

Decarbonization remains the goal of the energy agencies and the state for 2021. Industry can expect to see the continued rollout of incentive and grant programs offering emission reduction technologies based on renewables. However, the state is just as interested in phasing out fossil fuels, such as natural gas and oil-based fuels, in a timely manner. Recently, the California Energy Commission proposed a \$1-million award to a consulting group to develop a plan for decommissioning certain natural gas

infrastructure in the state. The dollars will reward consulting companies who can identify where a gas infrastructure decommissioning is “plausible, economically viable, and ratepayer supported.”

Food Production Investment Program: The Food Production Investment Program (FPIP) remains unfunded in the Governor's 2021 budget despite the success of the program. CLFP will continue working with the Energy Commission to amend the program and seek program refunding in the next budget cycle. In the meantime, CLFP continues to meet with the Energy Commission staff to discuss amending the program to make it even more accessible for food processors.

California Ports

Agricultural Exports and California Ports: Given the current situation at California ports, reform is in the air to address the problems that agricultural exporters have been dealing with for years. The agricultural sector continues to grapple with widespread delays, bottlenecks, and increasing fees at California ports. But these problems are being exacerbated by the flood of imports into the US. As the pandemic recedes, import volumes are overwhelming the West Coast marine terminals.

Experts link some of the current problems to COVID-19. Since last July, import cargo has been flooding into the US, in unprecedented volumes. Retail demand skyrocketed, as the COVID-19 lockdown population began a goods buying spree. As a result, the import volumes have overwhelmed marine terminals, rendering the ports nearly dysfunctional. Congestion in and around the terminals, lack of space on the terminals, lack of sufficient labor and automation to allow the marine terminals to load/unload efficiently, lack of information as to locations of containers, lack of appointments for truckers to enter terminal gates to retrieve import containers, or bring in containers with export cargo, or empty containers, and lack of capacity of near-port distribution centers to accept/process massive volumes of import cargo, are just a few of the problems plaguing both the ports and the shippers.



Legislative Update

By TRUDI HUGHES
CLFP Government Affairs Director

Legislative policy committee hearings are in full swing at the Capitol. CLFP is tracking over 175 bills and has taken a position on nearly 50 bills which impact the food processing industry.

All lobbying efforts are remote due to the pandemic. The deadline to pass bills out of each house was June 4, 2021. There are several priority issues that CLFP is actively engaging on or closely monitoring.

Employer Mandates: There are an unprecedented number of bills that would adversely impact employers. The highest priority bills that CLFP is actively opposing include burdensome new leave proposals, a forced unionization process for agricultural workers, COVID-19 employee notification requirements, costly requirement for employers to pay for employee childcare, and criminal liability for good faith mistakes on wage and hour laws.

Air Quality Permits: CLFP is opposing a measure that would require facilities applying for a new or modified permit to prepare a duplicative environmental impact report and would require air districts to pass new rules that would apply to a significantly expanded list of facilities. The bill would require unnecessary and overlapping regulations for criteria pollutants that are already regulated and managed at the federal, state and local level, creating administrative hurdles and substantial costs on the regulated community.

Climate Corporate Accountability Act: CLFP is strongly opposed to a measure that would impose a mandatory climate tracking, auditing, and cap on climate emissions. The requirements of the bill apply to not only a company's California plant sites or products, but for its worldwide operations. It sets out three

types of emissions including direct emissions, indirect emissions from electricity purchased by a company, and "all other" indirect emissions including supply chain, business travel, employee commutes, procurement, waste, and water usage. The bill is unworkable and would impose a heavy and costly burden on companies throughout California.

Non-Energy Benefits/Rate Increase: A CLFP opposed bill proposes to add non-jurisdictional "benefits" into statutory cost benefit analysis conducted by the Public Utilities Commission, resulting in cost shifts to ratepayers. The bill would require that the California Public Utility Commission (CPUC) develop a common definition of "non-energy benefits" in all distributed energy resource programs, which, in many circumstances could be contrary to the core purpose of the CPUC to determine appropriate rates and ensure reliable utility services.

Plastics Pollution Reduction: As a continuation from last session, several bills have been introduced to reduce single use plastic packaging. CLFP remains engaged in an industry coalition stakeholder process with the authors and proponents of the measures. The industry coalition is advocating for a workable solution to plastic pollution that includes enhanced infrastructure funding and statewide jurisdictional recycling uniformity.

Surface Water Standard: CLFP is part of a diverse coalition of agricultural, industrial, and municipal interests in opposition to a bill that would impose unobtainable discharge limits to surface water. The bill would require discharges to meet drinking water standards which would cripple industrial, institutional and agricultural operations.

New Study Documents Runaway

PAGA Litigation

The California Private Attorneys' General Act (PAGA), enacted in 2004, gave employees the means to directly sue their employers regarding alleged wage and hour violations. Prior to this, employees sought enforcement of violations and obtained compensation by filing complaints with the California Labor and Workforce Development Agency (LWDA).

However, there was widespread dissatisfaction with the LWDA process as it was time consuming due to insufficient agency staffing and a cumbersome administrative process. The motivation for enacting PAGA was to speed up resolution of complaints and to ensure employees received the full compensation due to them. Workers can still file a complaint with LWDA but PAGA revised the penalty structure such that the state is paid 75 percent of the penalties levied in PAGA court cases, adding to the state's coffers and the incentive to amend the legislation.

PAGA has become quite controversial in the last few years. Due to runaway litigation, often for relatively minor infractions of the Labor Code, PAGA has posed problems for the business community. Plaintiffs' attorneys have been aggressively seeking cases and collecting substantial fees. This has encouraged other attorneys to become engaged, resulting in a proliferation of litigation against business across the state. About 2,000 PAGA cases are filed against California employers annually, a substantial increase over the number of

cases prior to PAGA. One law firm has filed over 1,000 claims since 2009. This situation contributes to California's reputation as being unfriendly to business.

The California Business and Industrial Alliance (CABIA) is a non-profit trade group that is fighting to reform or repeal PAGA to stop unreasonable and costly litigation. CABIA recently engaged independent researchers to review hundreds of recent PAGA cases. Their report found that:

- Workers are getting less compensation under PAGA suits than cases adjudicated by LWDA. On average, workers receive \$2,100 from PAGA court cases, compared to \$4,100 from cases decided by LWDA.
- The employers are paying more under PAGA than under the prior DLSE resolution system. LWDA-decided cases do not award attorney's fees, but under PAGA, employers who lose cases often pay very substantial fees.
- PAGA lawsuits take over a half-year longer to resolve than PAGA claims decided by DLSE, to the detriment of workers and contrary to the purpose of the law.
- Private attorneys filing the lawsuits are benefitting far more than the employees that are filing the complaints. Attorneys who file PAGA court cases on average collect \$405,000 per case, and the size of awards has increased by a factor of six over the last five years.

These findings are no surprise to members of CABIA and CLFP who have been dealing with PAGA lawsuits and are very concerned that this has become a payday for bounty hunter attorneys which provides little benefit to workers.



BY TOM MANZO,
California Business and Industrial Alliance

Due to runaway litigation, often for relatively minor infractions of the Labor Code, PAGA has posed problems for the business community.



Tom Manzo, President of CABIA, indicated that “thanks to this groundbreaking study, they now have empirical evidence to back up what countless California business owners already know: PAGA is a harmful law that does more to fill the pockets of unscrupulous trial attorneys than to protect employees. It’s clear the intended benefits of this law have been egregiously misdirected and we hope this report will inform and encourage corrective action on PAGA reform by the California Legislature and Governor, immediately. Privatized justice simply doesn’t work and it never will.”

CABIA is working with a wide range of business groups to provide legal assistance to small employers who can’t afford a PAGA lawsuit, and to seek a long-term legislative fix for this problem. However, there are significant political headwinds due to the influence of the trial attorneys and labor interests in the Capitol. If you would like to learn more about CABIA (www.cabia.org), the study, or how to make a financial contribution to their important efforts, contact Tom Manzo, CABIA President, at tommanzo@cabia.org.

You keep growing, but your costs don't have to.

Why make the energy shift? You’ll improve your bottom line today and well into the future. Discover the customized, onsite generation products Pacifico Power can provide to better ensure your energy independence and security. **It’s Energy Your Way.**

Pacifico Power Services and Products

- Analysis
- Design
- Development
- Finance
- Construction
- Operations
- Maintenance
- Microgrid
- Uninterrupted Power Supply
- Generator
- Fuel Cells
- Switchgear
- Inverter
- PV & Storage Systems

Lock in your savings today!
Call for an easy, free assessment.
ph. (949) 543-0011

pacifico-power.com



Employee Retention Credit Updates

On Dec. 27, 2020, the Consolidated Appropriations Act (CAA) was signed into law, comprising several bills that provide continued economic relief from the COVID-19 pandemic.

Chief among this relief is an extended and expanded employee retention credit (ERC), featuring sweeping changes impacting its availability both **retroactively and prospectively**.

Due to the prospective nature of certain notable changes to the extended ERC, the CAA, in effect, creates an entirely new credit for 2021 that is separate and distinct from the ERC available for 2020. It appears to offer a significant opportunity for many employers who are strongly encouraged to work with their tax advisors to explore eligibility for both credits.

RETROACTIVE CHANGES

The Coronavirus Aid, Relief, and Economic Security (CARES) Act incentivized employee retention by offering a payroll tax credit based on employee wages paid or incurred from March 13, 2020, through Dec. 31, 2020. However, the CARES Act prohibited Paycheck Protection Program (PPP) loan recipients from also taking an ERC. Given the immense popularity of the PPP, this limitation excluded numerous employers from eligibility for the credit. The CAA changes this by striking this prohibition from the CARES Act and **allowing employers to potentially benefit from both the PPP and the ERC**. The CAA also codifies certain

guidance previously provided by the Internal Revenue Service pertaining to gross receipts for tax-exempt entities and treatment of certain allocable healthcare expenses such as qualified wages.

For those employers that already received a PPP loan in 2020 and are looking to take advantage of the ERC in 2020, it's important to understand both how the credit works and that the rules remain unchanged for 2020. In broad terms, the ERC is a refundable quarterly payroll tax credit against certain employer payroll taxes. The ERC is available to employers of all sizes that have experienced either (1) a full or partial suspension in their operations as a result of governmental order (Suspension Test) or (2) a significant decline (i.e., greater than 50%) in gross receipts due to COVID-19 (Gross Receipts Test).

For the 2020 credit, the amount of the credit is 50% of qualified wages paid or incurred from March 13, 2020, through Dec. 31, 2020. Qualified wages are limited to \$10,000 per employee for the entire year—allowing up to \$5,000 in credit per employee. Wages that can be treated as “qualified” hinge on whether an employer is a large or small employer. **Specifically, large employers may only count as qualified wages those wages paid for services not rendered, whereas small employers can count all wages paid as qualified.** For 2020, a large employer is one with more than 100 average full-time equivalent employees based on calendar year 2019. Additional resources and guidance pertaining to these rules can be found on bakertilly.com.

Employers are strongly encouraged to work with their tax advisors to explore eligibility for available tax credits.



Employers should be aware of two items of note pertaining to the coordination between PPP loans and the ERC:

- PPP loan forgiveness and the ERC are not available for the same wages (i.e., no double dipping).
- **The mechanics for calculating the retroactively available ERC are unclear at this time.** Guidance is forthcoming from the Treasury Department and Small Business Administration, which hopefully will clarify how the two benefits interact. **As such, we strongly encourage waiting to pursue claiming the retroactive credit until this clarity is provided.**

PROSPECTIVE CHANGES (2021 only)

As discussed above, the ERC available to employers in 2021 should be treated as a different credit from its 2020 counterpart, a distinction drawn as a result of the sweeping changes that the CAA made to the ERC for the first and second quarters of 2021 only. These changes, paired with the lifting of the prohibition on PPP recipients, presents an opportunity for employers meeting certain eligibility criteria to obtain refundable payroll tax credits of **potentially significant dollar value**.

The following is a non-exhaustive list summarizing key changes to the ERC **that are prospective only**, and therefore apply only to the period of Jan. 1, 2021, through June 30, 2021:



Large employer threshold increased to 500 from 100. The prior rules permitted employers with 100 or fewer 2019 average full-time equivalent employees to count all eligible wages paid as qualifying wages. That limit increased to 500 average full-time equivalent employees in 2019, **greatly expanding the amount of wages many employers can treat as qualified.** However, keep in mind that aggregation rules apply.

Qualified wages. The limit on the amount of qualifying wages per employee increased to \$10,000 per calendar quarter in 2021 from \$10,000 per calendar year, for total potential qualified wages of \$20,000—double the limit in 2020.

continued on page 22...



CLFP Industry Issues Webinar Series is a Success

Last fall, CLFP began holding a series titled Industry Issues Webinars in partnership with affiliate members and industry organizations. The webinars, focused on topics that are top of mind, have been well-attended and have received positive feedback from participants. If you have an idea for a topic, please contact John Larrea at john@clfp.com or Lisa Jager at lisa@clfp.com.

Following is a list of webinars held to date. CLFP thanks affiliate member Baker Tilly for its partial sponsorship of the webinar series.

Food Safety Regulatory Update

Partner: Safe Food Alliance

2020 Elections Update

Partner: CalChamber/JobSPAC

CV-SALTS: New Wastewater Discharge Regulations

Partner: Jacobson James & Associates

Labor Law Update

Partner: Fisher Phillips, LLP

Food Labeling Updates

Partner: Arnold & Porter

Proposition 65 Update

Partner: Arnold & Porter

Sustainable Groundwater Management Act (SGMA) Webinar,

Partner: New Current Water & Land, LLC

Pesticide MRLs & Food Tolerances: Regulations & Testing 101

Partner: Safe Food Alliance

Electrification: Challenges, Opportunities & LCFS Revenue

Partner: PineSpire, LLC

Food Processing: Meeting the Demand for Increased Carbon Reductions

Partner: Raven Energy Consulting

The Agriculture Export Crisis: Who and What Caused It? Why Does it Continue? What Are the Solutions?

Partner: Agriculture Transportation Coalition

Microgrids: On Site Generation for Food Processors

Partner: Pacifico Power

ERCU ...continued from page 21

Credit conversion ratio. The amount of the credit increased to 70% from 50% of qualifying wages, entitling employers up to \$7,000 per employee per quarter in 2021 (\$14,000 in total). This is a significant increase of the \$5,000 limit for 2020.

Gross Receipts Test relaxed for 2021. As many employers found eligibility under the Gross Receipts Test out of reach due to the greater than 50% decline in gross receipts requirement, lawmakers reduced the threshold by requiring employers to a greater than 20% decline in gross receipts compared to the same quarter in 2019. Under this change, an employer may elect to have the test determining eligibility for the quarter measure whether the gross receipts for the immediately preceding quarter are less than 80% of the gross receipts for the same calendar quarter in 2019. What is currently unknown is whether the election, once made, is permanent, requiring employers to look at the prior quarter to determine eligibility for the current quarter. Employers may still rely on the Suspension Test to show eligibility in 2021.

Based on these changes to the credit for 2021, a remarkable opportunity is presented to employers that can show they:

- qualify as a small employer for 2021 (i.e., 500 or fewer average full-time equivalent employees in 2019), and
- experienced a greater than 20% decline in their gross receipts in the fourth quarter of 2020 and/or the first quarter of 2021 compared to the comparable quarter in 2019.

We encourage you to reach out to your Baker Tilly advisor regarding how this information may impact your tax situation.



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.



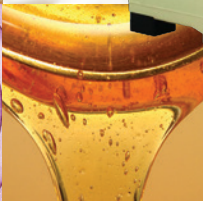
NEED RELIABLE PACKAGING?



BUCKHORN WILL DELIVER.



- Durable plastic design.
- Proven to perform for 10+ years.
- Quick assembly and easy to collapse.



Get a quote for
Buckhorn Caliber®
today!

513.608.0032
caliber@buckhorninc.com

 **BUCKHORN**®
A Myers Industries Company

When you join forces
with Atlas Pacific,
you don't just get the
global leader in fruit
processing solutions.



You get a partner that's here today & here tomorrow.



Your partner to the core.

atlaspace.com

Food Safety Building a Culture

You hear a lot of talk about *food safety culture*. But even with all the discussion on the subject, many people struggle with what specific actions to take.

We all want to develop a great food safety culture and meet audit requirements but don't always know how to take things to the next level.

The phrase *food safety culture* only entered common use a little over a decade ago with the release of Frank Yiannas' book of the same title. (it's a great read, by the way!) But as I see it, food safety culture is both a new concept and an old one. When I say this is an old concept, I mean these are just good management practices but we now have specific food safety culture requirements being added to audit platforms. Additionally, the U.S. Food and Drug Administration (FDA)

has made it clear that food safety culture will be an important part of their *New Era of Smarter Food Safety*.

I feel that the phrase refers not to a specific program but rather to our employees' actions day in and day out. It's "how we do business." Let's take a look at some practical ways to create a winning food safety culture that will both meet audit requirements and help ensure your company's prolonged success.

Set Expectations and Involve Everyone

Your company needs to have clearly established goals and objectives and these need to include food safety expectations and commitment to continual improvement. Establishing a goal to 'reduce customer complaints' isn't really something we can measure our operation against. However, a goal like 'reduce customer complaints by 10% this year, measured per thousand packages,' is something we can take action on. Once you have your goal set, you have to make it clear to each employee what their role is in helping to reach it.

It's important to make it clear that food safety is everyone's job. We are only as strong as our weakest link and a company can easily experience a recall due to a mistake made by a single individual. Here are some simple actions we can take to build a best-in-class culture:

- Conduct regular tailgate meetings (or pre-shift meetings) with employees to discuss ongoing topics of importance. Make sure employees have a chance to make comments or ask questions, using two-way communication.
- Tell employees how important their role is and urge them to report any issues they see. Then, when they do so, take their comments seriously as a management team.



By JON KIMBLE
Safe Food Alliance

Food safety is everyone's job. We are only as strong as our weakest link and a company can easily experience a recall due to a mistake made by a single individual.



- Provide suggestion boxes, a dedicated phone number monitored by HR, or other means of reporting things anonymously. There are times when employees may be afraid to say something.
- Set clear goals and assign specific duties based on an employee's position. This creates awareness and accountability. Consider providing bonuses or pay raises based on how well these goals are achieved.

Reinforce Food Safety Culture

If we expect our programs to be implemented properly and effectively, the management team needs to actively monitor progress on goals as well as performance against the company's food safety programs. This task typically falls under verification programs and management review meetings.

Verification includes routine checks, such as record review and inspection of materials and finished goods, but it's so much more than that. Good management also includes being present. More so today than ever before, it's a real challenge for management to be out on the production floor consistently. We have to schedule time in the day and make an intentional effort to be available for employees as well as staying apprised

of what's going well and challenges we're facing. Not being present leads to a breakdown in communication, while being there routinely will lead to a stronger team and better processes.

Internal audits are another critical form of verification that allows companies to really dig into how well programs are being implemented. Many companies find it challenging to maintain their internal audits. But making audits a priority and implementing them in a meaningful way will help ensure programs are running as designed and will help drive continual improvement.

Finally, ensure your company regularly reviews the progress of food safety programs through management meetings on a frequent basis and as needed, not just once a year or once a quarter. Part of this process is reviewing the objectives mentioned above, as well as discussing any recent issues that may have arisen as the results of audits, customer complaints, trends in data, etc.

Food safety culture doesn't have to be complicated, but it needs to be something we are intentional about. Your company already has a food safety culture. The question is, what does that currently look like, and how can we continue to make it better?



Can disinfectants affect employee health?

Many companies are using sprayers and disinfectants as part of ongoing efforts to protect employees and the public from the spread of Covid-19.

But a common mistake that employees make is assuming that any chemical can be used with any sprayer. And that can be dangerous, leading to health issues and significant costs.

PROPER APPLICATION IS A SAFETY ISSUE

Experts point out that there are risks to improper disinfectant application. WHO International states that “Disinfectant solutions must be prepared and used according to the manufacturer’s recommendations for volume and contact time.” Unfortunately, the rules are often not followed due to lack of employee education.

The CDC adds that, “Disinfectants are not interchangeable and incorrect concentrations and inappropriate disinfectants can result in excessive costs,” due to health issues resulting from occupational exposure.

EMPLOYEE EDUCATION IS CRITICAL

Proper handling can have long-term impacts. The National Institute of Health reports that “Occupational exposure to cleaning products and disinfectants was significantly associated with a 25% to 38% increased risk of developing chronic obstructive pulmonary disease (COPD).” Other issues include memory loss, seizures, and nausea.

Michael Coleman, Director of Sales & Marketing at Hotsy Pacific, notes that “Mistakes we commonly encounter when working with clients include improper PPE, insufficient ventilation, and incorrect application.

For example, a chlorine-based disinfectant used in a fogger requires employees to be properly masked and clothed to prevent risk of topical exposure or inhalation.”

Coleman advises it’s essential to take the time to make sure staff is educated on the proper usage and application of any disinfectant.

DISINFECTANT CHOICE HELPS REDUCE RISK

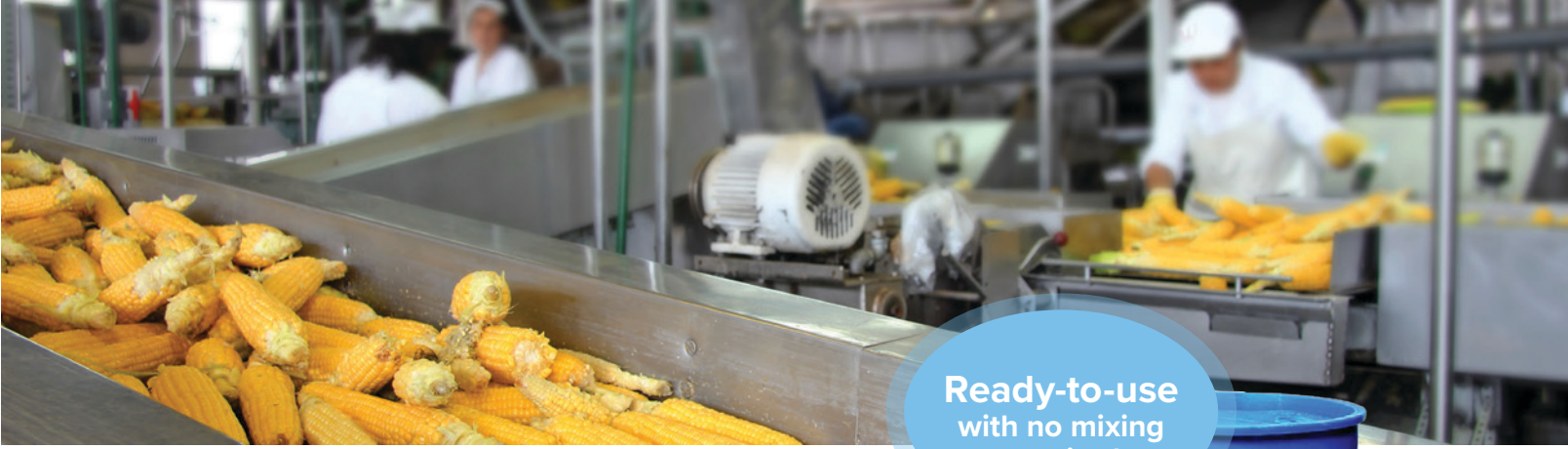
Hotsy Pacific has worked with the food and beverage packaging industries for over 30 years, and even before the pandemic, recognized the need for a food-grade disinfectant that was safe to use around people, food, and animals.

“We’ve carried Vital Oxide for years because it’s food-grade safe and cost-effective, doesn’t require specialized PPE and is CDC-registered and EPA-approved. It eliminates COVID-19, and kills 99.999% of bacteria in under 60 seconds, giving it greater results than other disinfectant products. We like to say that it’s one powerful product with safe solutions to many problems.”

“AIR HEALING” TECHNOLOGY THE NEXT STEP

Coleman shares that as companies seek expanded solutions to maintain safe environments, “Hotsy Pacific is introducing state-of-the-art equipment that works to cleanse air of harmful viruses and bacteria, and monitor air quality real time to guard and protect employees. These will be another essential tool in the fight against the virus.”

About Hotsy Pacific. Market leader Hotsy Pacific works with hundreds of food manufacturers, wineries and breweries, throughout Northern California, and is known as the “go to” company for smart, cost-effective solutions designed to improve productivity, reduce labor costs, and deliver results. They specialize in custom solutions tailored to client needs, and cleaning and sanitation equipment sales, rentals, service and repair. Learn more at [HotsyPacific.com](https://www.HotsyPacific.com).



Ready-to-use
with no mixing
required

KEEP YOUR FACILITY CLEAN & SAFE!

Vital Oxide: The proven 5-log kill disinfectant for food and beverage facilities.



Eliminates
**SARS-Cov
(COVID-19)**



Food-grade contact
sanitizer / NSF
registered (D2) sanitizer



CDC-approved / EPA-
registered disinfectant



Works on
ALL surfaces!



Available in Wipes, 1, 5,
15 & 55 gallon containers

Can you afford downtime?

**You need the experts!
We fix all brands!**



Custom solutions



Tank & barrel cleaning devices



Steam generators & cleaners



Water recycle systems



Detergents/sanitizers



Custom trailer units



Pressure washers



Floor scrubbers



Rentals



Parts & Accessories

Looking for air purifying & disinfecting solutions? We've got them!

Serving Northern CA for over 35 years
866-919-1243 | HotsyPacific.com



Welcome New Members

Food Processor Members

BUMBLE BEE SEAFOODS, LLC

280 10th Ave.
San Diego, CA 92101
Steven Mavity
SVP-Technical Services
& Corporate Quality
steven.mavity@bumblebee.com
858-715-4000
thebumblebeecompany.com

The Bumble Bee Seafood Company is passionately pursuing its purpose of feeding people's lives through the power of the ocean. Our 120-year-old fishing company consistently aims to deliver delicious, healthy, and affordable food to consumers while working hard to find new ways to protect the ocean and those that rely on it. Bumble Bee's full line of seafood and specialty protein products are marketed in the U.S., Canada and over 50 markets globally under leading brands including Bumble Bee®, Brunswick®, Clover Leaf®, Snow's® and Beach Cliff®.

GENERAL MILLS

One General Mills Blvd.
Minneapolis, MN 55424
Lee Anderson
Director of Issues Management &
State Government Relations
lee.anderson@genmills.com
763-764-7600
genmills.com

General Mills is a leading global food company whose purpose is to make food the world loves. Its brands include Cheerios, Annie's, Yoplait, Nature Valley, Betty Crocker, Pillsbury, Old El Paso, Cascadian Farm, Muir Glen, BLUE Pet Foods and more.

Affiliate Food Processor Members

BLUE ROBIN KITCHEN, LLC

4558 Via Palabra
San Diego, CA 92124
Elizabeth Brost
Founder & CEO
elizabeth.brost@gmail.com
619-995-3345
bluerobinkitchen.com

Blue Robin Kitchen makes miniature pie kits that allow you to make a pie just the right size for one or two, but with no special tools, skills, or even a pie pan

required. All you need is a fork and some butter to make a delicious pie fresh from your own oven. Our kits include preserved pie filling, mixes for crust and topping, and a six-inch baking pan. They are perfect gifts for new cooks, busy cooks, and small households.

Affiliate Members

2G ENERGY, INC.

205 Commercial Dr.
St. Augustine, FL 32092
Emily Robertson
Business Development Team Manager
e.robertson@2-g.com
904-579-3217
2g-energy.com

2G Energy Inc., a subsidiary of 2G Energy AG in Germany, is a renowned CHP cogeneration specialist offering best-in-class cogeneration systems for natural gas, biogas, landfill gas, syngas, and hydrogen in the 50 to 2,500 kW power range. 2G Energy is an engine manufacturer and a complete CHP system packager of both their own engines as well as a select few engine partners. 2G Energy offers the most efficient and reliable energy solutions because of our highly engineered modular design and focus on making the highest quality product with outstanding service. With over 6,500 2G systems installed worldwide, our customers confirm the quality and performance of 2G products and are the backbone of our international success. The US headquarters is located in St. Augustine, FL, with regional offices in Maryland, Puerto Rico, and California. Additionally, North America is home to another subsidiary located in Ontario, Canada. There are service technician located throughout strategic locations in the United States and Canada.

BCM CONSTRUCTION COMPANY, INC.

2990 State Hwy. 32, Ste. 100
Chico, CA 95973-8649
Kate Wetmore
Office Manager
kate@bcmconstruction.com
530-342-1722
bcmconstruction.com

BCM offers full construction services including preliminary budget, design and constructability review, value engineering,

and material recommendations. Our experience includes tilt-up concrete, precast concrete, pre-engineered buildings, steel and wood frame, and assures you the best and most cost-effective solutions for your project.

COMMERCIAL ENERGY OF CALIFORNIA

7677 Oakport St., Ste. 525
Oakland, CA 94621
Jens Hansen
Regional Sales Manager
jens.hansen@commercialenergy.net
510-567-2705
F: 510-567-2715
commercialenergy.net

CE is an energy consulting firm serving clients in California since 2004. Through our CE360 services, we target all components of the energy wallet.

GREENSTRUXURE

800 Federal St.
Andover, MA 01810
Constantine Antoniou
Sales Director
constantine.antoniou@
greenstruxure.com
646-241-2417
greenstruxure.com

GreenStruxure, a partnership bringing together Schneider Electric's industry leading expertise in renewable energy microgrids and Huck Capital's sustainability-focused investments, launched in September 2020 to deliver modular, standardized Energy as a Service solutions to commercial and industrial medium-sized buildings in the U.S. GreenStruxure is simplifying and accelerating the market adoption of renewable energy microgrids, offering an innovative outcome-based alternative for building owners and operators who want sustainable, cost-effective, resilient, onsite energy delivered to them hassle-free as a service with no upfront capital expenses or operational risks.

INNVICTIS

1880 Fall River Dr., Ste. 100
Loveland, CO 80538
Scott Baker
Director of Regulatory Affairs
scott.baker@innvictis.com
208-296-1503
innvictis.com

Manufacturer and distributor of crop care chemicals, nutritionals and adjuvants.

SEE YOUR NAME HERE!

CLFP membership offers many exclusive benefits for both affiliate and processor members. For more information, visit clfp.com, call 916 640-8150 or contact Jacqueline Yambor at jackie@clfp.com.

LEADING EDGE POWER SOLUTIONS

4343 Von Karman Ave., Ste. 250-C
Newport Beach, CA 92660

Mimi Walters

Chief Commercial Officer

mimi@lepsenergy.com

949-476-1000

lepsenergy.com

Leading Edge Power Solutions (LEPS) has developed a clean on-site natural gas generator that is automatically dispatched against customer load to maximize savings from utility tariff rates for both energy and demand. Its peak shaving dispatch algorithms are unique. It can also automatically transfer to grid independent "backup" mode if it senses a grid outage. The Energy Services Agreement financing approach requires no up-front capital from the customer and charges only for the service the system delivers, at a price less than the utility rates. LEPS covers all of the costs for installation, natural gas, operations and maintenance. The system is the cleanest of its kind and its annual emissions are less than the emission standards from the most stringent air quality management districts in the United States of America.

PACIFICO POWER

30900 Rancho Viejo Rd., Ste. 230
San Juan Capistrano, CA 92675

Robert Crowley

Vice President of

Business Development

mitchc@pacifico-power.com

310-482-8553

pacifico-power.com

Pacifico Power provides full energy solutions to either compliment or supplant grid utility energy. Have you noticed how high electricity cost are in California, and how they continue to increase? To make matters worse, there are black outs and brown outs due to emergency shutoffs that affect our operations and cause losses. Our goal is to help your operations save money on energy cost and lock in power rates, while improving reliability and meeting sustainability goals. We tailor the right mix of solar energy systems, battery energy storage, fuel cells, natural gas generators and uninterruptable power supplies to meet your power needs. We have comprehensive tools, extensive capital, solid supplier relationships and

an experienced team that make us a partner you can trust. We finance your system as needed and will ensure that we obtain all available incentives.

PINESPIRE

1345 Encinitas Blvd., #133

Encinitas, CA 92024

Ryan Huggins

Managing Partner

contact@pinespire.com

559-372-2790

pinespire.com

PineSpire creates value from our customer's vehicle charging data by participating in the LCFS market. For example, 10 electric forklifts typically earn \$20,000/yr. in LCFS revenue through PineSpire. We make incentive payments to customers, provide insight into vehicle operational data, and help customers prepare for further electrification. We handle the entire LCFS process from registration to revenue. Common eligible electric vehicles include: Forklifts, Pallet Jacks, Scissor Lifts/Man Lifts, Yard-Semis, Heavy Duty or Medium Duty Trucks, and Transportation Refrigeration Units.

PPM TECHNOLOGIES

HOLDINGS, LLC

500 E Illinois St.

Newberg, OR 97132

Neil Anderson

VP Business Development

neil.anderson@ppmtech.com

503-537-5319

ppmtech.com

Manufacturer of oil roasters, liquid and dry seasoning application and a wide selection of mechanical and electromagnetic vibratory conveyors for sizing, grading, transfer and distribution of tree nuts, snack foods, fresh, frozen and dried fruits and vegetables. Additional material handling equipment includes tote filling, tote dumping, cluster buster, belt conveyors, bucket elevators and mezzanine structures. UL electrical control panels and complete systems also available.

PRO-TEC COATINGS, INC.

2615 N Business Park

Fresno, CA 93727

Nicole Peterson

Office Manager

nicole@proteccoatings.com

559-323-8147

proteccoatings.com

Pro-Tec Coatings, Inc. is a full-service protective coatings company specializing in industrial epoxy/urethane floor coatings and seamless wall systems. When you contract our services, you get quality installation using the best product that your environment requires, and above all else, our commitment to excellence.

REDI-BAG

17100 W Valley Hwy.

Tukwila, WA 98188

Brent Johnson

Sales Manager

brent.johnson@redi-bag.com

206-817-7689

redi-bag.com

Redi-Bag is a polyethylene film and bag producer located near Seattle, WA. We offer custom produced poly film, sheeting, tote liners, pallet covers, wicket bags, printed poly bags/film, and shrink bundling film. Short lead times and great customer service set us apart and add value to our competitive pricing. We are a fully accredited SQF manufacturing facility.

SOURCE WURX

33 S Main St.

Oconomowoc, WI 53066

Elizabeth Zipko

Vice President of Sales

bzipko@sourcewurx.com

262-569-3010

sourcewurx.com

Source Wurx is a 'concept to shelf' provider of packaging and related services, which means, we manage your packaging development from the design stage all the way through print production and application. Food photography, artwork development, prepress, packaging specifications, strategic sourcing, inventory management... we handle it all!

Ampco Pumps Remanufacturing

REMANUFACTURING ZP SERIES AND ALL COMPETING BRANDS SIZES 006-520

The Ampco remanufacturing process includes **ALL NEW**:

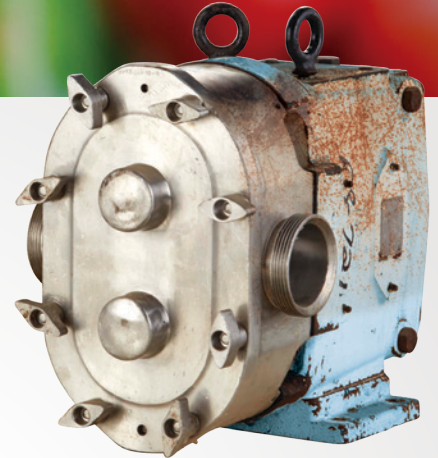
- Solid one-piece 17-4 shafts
- Bearings
- 304 Stainless bearing retainers
- 304 Stainless splash guards
- Seals
- Helical style gears
- Alloy 88 rotors
- Performance testing
- One-year factory warranty

TWO WEEK DELIVERY – unmatched in the industry

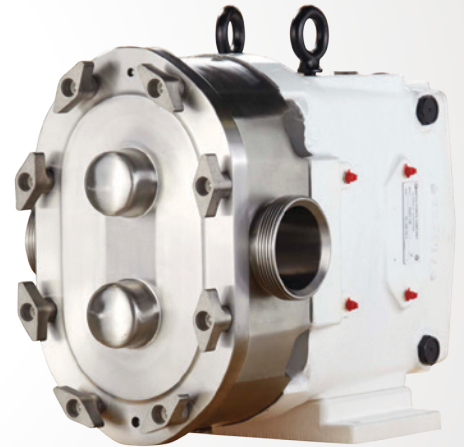
Ampco Pumps, a global pump manufacturer headquartered in Glendale, WI offers the only full-service remanufacturing facility in California.

Contact us today 414.643.1852 or sales@ampcopumps.com

Ask about our in stock Premium Economy Pumps ready to ship today.



BEFORE



AFTER



THE SIMPLE CHOICE

THE MOST COMPLETE LINE OF PUMPS, MIXERS & BLENDERS IN THE WORLD

