AGENDA

California Avocado Commission
Governance Committee Meeting

Meeting Information

Date: September 30, 2026
Time: 2:00 p.m.
Location: Hybrid Meeting

Physical Meeting Location:
Hilton Garden Inn Burbank Los Angeles
401 S. San Fernando Blvd.
Burbank, CA 91502

Web/Teleconference URL:
https://californiaavocado.zoom.us/j/85254113025?pwd=KJmv2P5nvxa4Px4CmvsLrj8XpTX59G.1
Conference Call Number: (669) 900-6833
Meeting ID: 852 5411 3025
Passcode: 967140

Meeting materials will be posted online at least 24 hours prior to the meeting at:
https://www.californiaavocadogrowers.com/commission/industry-calendar

Committee Member Attendance

As of Friday, September 25, 2026, the following Committee members have advised the Commission they will participate in this meeting:

John Berns
Adam Franscioni
John Haskett
Robert Jackson
Norm Kachuck
Ohannes Karaoghlanian
Doug O'Hara
Al Stehly
Charley Wolk

Time	Item
2:00 p.m.	**1. Call to Order** a. Roll Call/Quorum b. Introductions

Time	Item
	2. Opportunity for Public Comment Persons may address the Committee on subjects within the jurisdiction of the Committee.
	3. Approval of Governance Committee minutes of March 4, 2026
	4. Redistricting Procedures
	5. Producer Threshold
	6. Producer Definition
	7. Conflict of Interest
3:30 p.m.	**8. Adjourn Meeting**

Disclosures

All meetings of the Commission are open to the public and subject to the Bagley-Keene Open Meeting Act. All agenda items are subject to discussion and possible action.

For information or a request regarding disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955 via email at aaymami@avocado.org. Such requests should be made at least 48 hours prior to the meeting.

This meeting schedule notice and agenda is available on the internet at https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes and http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices.

Contact April Aymami at aaymami@avocado.org or 949-341-1955 if you have any questions.

Summary Definition of Conflict of Interest

Committee members are responsible to determine whether they have a conflict of interest.

A member has a conflict of interest in a decision of the Committee if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or an immediate family member that is distinguishable from its effect on all persons subject to the Committee's jurisdiction.

No Committee member shall make, or participate in making, any decision in which they know or should know they have a conflict of interest.

No Committee member shall, in any way, use their position to influence any decision in which they know or should know they have a conflict of interest.

COMMITTEE WRITE-UP

ITEM 3: **Approval of Governance Committee minutes of March 4, 2026**

SUMMARY:

The minutes of the Governance Committee meeting of March 4, 2026 are attached for the Committee's review and approval.

FISCAL ANALYSIS:

- Not applicable

COMMITTEE OPTIONS:

- Adopt minutes as presented
- Amend minutes
- Take no action

STAFF RECOMMENDATION:

- Approve minutes as presented

EXHIBITS / ATTACHMENTS:

- Minutes of the Governance Committee meeting of March 4, 2026

CALIFORNIA AVOCADO COMMISSION
GOVERNANCE COMMITTEE MINUTES
March 4, 2026

A meeting of the California Avocado Commission (CAC) Governance Committee was held on March 4, 2026 at 8:00 a.m. with the following people present:

MEMBERS PRESENT
Robert Jackson, *Chair*
John Berns
Adam Franscioni
Ohannes Karaoghlanian
Doug O'Hara
Charley Wolk
Rachael Laenen, *Ex-officio*

MEMBERS ABSENT
Kurt Bantle

OFFICIALLY PRESENT
Ben Kardokus, *CDFA*
George Soares, *Kahn, Soares & Conway*
Dr. Tim Spann, *Spann Ag*

STAFF PRESENT
April Aymami
Zac Benedict
Stacia Kierulff
Ken Melban
Cristina Wede

GUESTS PRESENT
Mary Lu Arpaia
Jennifer Bantle
Joseph Mark Buhl
Dan Coxe
Paula Coxe
Lorena D.
Enrico Ferro
Norm Kachuck
Jackie Neff
Joanne Robles-Swanson
Al Stehly
Harold Stewart
Duane Urquhart
Tina Wolferd
760-XXX-4724

Item #1 Call to Order
Roll Call/Quorum – Item 1.a.
Robert Jackson, CAC Governance Committee chair, called the meeting to order 8:00 a.m. and established a quorum.

Item # 2 Opportunity for Public Comment
Joseph Mark Buhl reported that the motion made at the last meeting did not accurately capture his comments, specifically he was requesting that CAC research the licensing agreements of the varieties and rootstocks that were previously funded by CAC. He noted that there were numerous examples of other industries licensing agreements that are drafted in a way to protect from importation. Mr. Buhl stated that he had previously taken part in discussions between the UC and CAC and volunteered to participate again in meetings to discuss amending the licensing agreements to limit importation during the California season.

Mary Lu Arpai provided a summary of the August 2017 meeting with herself, Tom Bellamore, Tim Spann, Brian Suh, Joyce Patrona and Mr. Buhl. She noted that Mr. Suh had reached out to CAC to ascertain their interest in continuing their partnership with the UC on the scion breeding program, and that CAC had indicated they were not interested and that the UC was free to look for other sources of funding.

John Berns suggested that this item be agendized for a future Governance Committee meeting.

Item # 3 Approval of Governance Committee minutes of February 18, 2026
Mr. Jackson asked for a motion to approve the Governance Committee meeting minutes of February 18, 2026 as included in the meeting materials. There was a request to postpone approval of the meeting minutes pending understanding of Mr. Buhl's recommendation regarding MOTION 26-2-18-2.

The *February 18, 2026 Meeting Minutes* are included in the March 2026 Governance Committee Packet and are attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.

Item # 4 Producer Definition
Item # 5 Producer Eligibility to Serve and Vote

The Committee reviewed Section 67039 of CAC Law which defines a “producer” or “grower.” Ben Kardokus of the California Department of Food and Agriculture, and CAC’s legal counsel George Soares, were asked to provide comments on how other Commissions and Boards are structured.

Mr. Kardokus provided comments, noting that many Boards have language like CAC that was taken from the Marketing Act that allow producers to include those that “cause to be produced”. He stated in these situations farm managers and employees serve on Boards and that the language is not known to be controversial. Mr. Kardokus also noted that there were multiple examples of Boards with handler seats where only producers pay assessments.

The Committee discussed the issue of a producer being a corporation and how someone is designated to act on behalf of the corporation. There also was discussion about the clause “or causing to be produced” in the definition which provides distinct differentiation from “producing.” A Committee member asked if the Committee could remove “or causing to be produced” from the definition of producer.

Mr. Soares provided an overview of the process of making changes to the CAC Law, which would include a recommendation from the Committee to the Board, the Board approving modifications to the Law and submitting those changes to the Legislature. He noted that if it is a substantial composition change, then it could require a vote of the CAC membership. Mr. Soares stated that based on the legislative calendar it would be most likely that any changes to the Law could be introduced in 2027 and then effective January 1, 2028.

There was discussion regarding what would be considered substantial composition changes that would initiate a vote of the membership, and it was noted that a change in the language to remove “causing to be produced” would disqualify people from eligibility to serve and could be considered substantial.

Additional discussion took place regarding whether the employee of a producer could run, even if they were not qualified to serve on the board. It was noted that while this could occur, that individual would have to win the election, and that CAC has extensive disclosure forms sent out with ballots. Mr. Kardokus commented that CAC has the most transparent disclosures of those he’d seen, including declarations under penalty of perjury.

Committee members who are farm managers spoke in favor of keeping the language as is, noting that while they may not pay the CAC assessment directly, they have a financial interest in the groves they manage, as it is their livelihoods on the line. They commented that in many cases absentee growers rely on farm managers to represent the producers’ best interest and advocate on their behalf.

Another Committee member commented that they did not think there was anything wrong with the definition of producer as it currently stands, but the interpretation of the language that was the issue. They noted that in their research, the producer is the direct owner and that causing to be produced was a lessee with a direct interest and ownership in producing fruit. They also stated that currently there is an inequity because a grower that produces less than 10,000 pounds cannot serve, however an employee with no ownership and can’t vote, can serve on the Board. The

Committee member suggested an alternative to serving on the Board as voting member would be to invite farm managers to serve in a non-voting advisory role.

Rachael Laenen, CAC chair, suggested that the Committee look at the composition of the California avocado industry today, which is comprised of small and large producers, absentee growers, multi-family companies, corporations, farm managers and future generations, all highly invested in the future of the industry. She cautioned the Committee against making a recommendation if there was no consensus, as it could be seen as a contentious subject if moved forward to the Legislature.

Item #6 Handler Seats on CAC Board

The Committee discussed the role of the handler seats on the CAC Board, with comments made in support of the invaluable perspective handlers provide but also concern about the number of handler seats if the number of producer seats were to decrease and managing conflict of interest concerns. There was additional discussion regarding handlers serving in a non-voting advisory role, with Committee members commenting that handlers may be unwilling to serve on the Board if it were not a voting position. Mr. Kardokus gave an overview of how some other Boards are structured, noting the CDFA did not have an opinion on this topic and that CAC should do what they feel best serves their industry.

The Committee refocused their discussion around management of CAC's Conflict of Interest Code, perceived conflict of interests versus real conflicts of interest and CAC's ability to enforce the policy. Mr. Soares commented that the best programs can do is perform self evaluations and constant admonitions. At the conclusion of discussion, the understanding was that members should gather necessary information to determine if they have a conflict of interest and recuse themselves if necessary.

A final comment from the public stated that handlers had a conflict with duty of care, as they are beholden to the corporation they work for and not California avocados for survival. They proclaimed that the Commission Board needs to be for the California avocado growers.

Adjourn Meeting

Mr. Jackson adjourned the meeting at 9:51 a.m.

Respectfully submitted,

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April Aymami, CAC Director of Industry Affairs and Operations

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A March 2026 Governance Committee Packet

COMMITTEE WRITE-UP

ITEM 4: **Redistricting Procedures**

SUMMARY:

Pursuant to California Avocado Commission law (California Food and Agricultural Code Section 67041 & 67042), "The commission shall establish no fewer than three districts and no more than five districts within the state, each representing approximately the same percentage of avocado production in California (67041). Beginning in the 2000–01 marketing season, districts shall be reapportioned every fifth year in accordance with redistricting procedures adopted by a two-thirds vote of the commission and concurred in by the secretary (67042)."

During the most recent redistricting process (completed in March 2026) a request was made that the Redistricting Procedures be reviewed to ensure equity amongst CAC districts.

FISCAL ANALYSIS:

- Not applicable

COMMITTEE OPTIONS:

- Recommend modifications to CAC's Redistricting Procedures
- Take no action

STAFF RECOMMENDATION:

- Staff recommends the Governance Committee discuss the redistricting process, requirements under CAC law and redistricting procedures and recommend modification, if warranted

EXHIBITS / ATTACHMENTS:

- California Avocado Commission Law, Article 2.5, Sections 67041 & 67042
- CAC Redistricting Procedures as Approved by CAC Board March 17, 2016

ARTICLE 2.5. Districts

(Article 2.5 added by Stats. 1980, Ch. 721.)

67041.

The commission shall establish no fewer than three districts and no more than five districts within the state, each representing approximately the same percentage of avocado production in California.

(Amended by Stats. 2015, Ch. 307, Sec. 2. Effective January 1, 2016.)

67042.

Beginning in the 2000–01 marketing season, districts shall be reapportioned every fifth year in accordance with redistricting procedures adopted by a two-thirds vote of the commission and concurred in by the secretary.

(Amended by Stats. 2015, Ch. 307, Sec. 3. Effective January 1, 2016.)

Adopted by CAC Board November 19, 2015
Concurred in by the Secretary February25, 2016
Approved by CAC Board March 17, 2016

REDISTRICTING PROCEDURES

California Avocado Commission (Commission) law (California Food and Agricultural Code Section 67042) requires that the Commission establish procedures for the purpose of redistricting. The established procedures shall be as follows:

1. Composition.

As defined in law, the Commission shall be composed of no fewer than three (3) and no more than five (5) districts within the state, each representing a relatively equal percentage of the avocado production in California.

2. Reapportionment.

Districts shall be reapportioned every fifth year in accordance with the following redistricting procedures:

A. The Commission shall review production data, collected for the five preceding fiscal years, to determine if existing district lines continue to equitably represent the California avocado industry.

B. If the Commission determines that the existing district composition does not best serve the California avocado industry, it shall utilize the most relevant production and industry statistical data available, including acreage inventories, to draw new district boundaries.

    1. The production data used by the Commission to support the need for redistricting shall be the same production data used to draw new district boundaries.

C. The Commission shall configure new districts in a manner that equitably represents its constituents and consisting of no fewer than three and no more than five districts, each representing a relatively equal percentage of the avocado production in California.

    1. The redrawn districts shall strive to:
        i. Represent a relatively equal percentage of the avocado production, with a variance goal of no more than 10 percent.
        ii. Be composed of avocado producing areas that are as contiguous as practicable.

D. The Commission shall complete the reapportionment process and approve redrawn district boundaries, by a two-thirds vote, no later than March 31 of the fiscal year prior to the new districts' effective date. New district boundaries shall become effective with the commencement of the new fiscal year, November 1, and remain in effect for a period of five years.

E. In the event that the Commission is unable to agree upon district boundaries by a two-thirds vote, by March 31, the Commission shall notify the secretary who shall, within 10 days of receiving the notification, appoint an arbitrator. The arbitrator shall, within 80 days, reapportion existing districts to comply with the reapportionment procedures outlined above.

COMMITTEE WRITE-UP

ITEM 5: Producer Threshold

SUMMARY:

At the March 2026 Board meeting a board member requested for CAC to review the existing producer exemption threshold and consider the effect of raising the current 10,000-pound limit. The CAC Executive Committee reviewed grower demographic data at its May 2026 meeting and CAC Chair Laenen has requested the Governance Committee also review this same data.

FISCAL ANALYSIS:

- Not applicable

COMMITTEE OPTIONS:

- Recommend modifications to CAC's current 10,000-pound exemption threshold
- Take no action

STAFF RECOMMENDATION:

- Staff recommends the Governance Committee discuss the grower demographic data and effect of raising the current exemption threshold, and recommend modification, if warranted

EXHIBITS / ATTACHMENTS:

- 2016 vs 2025 CA Grower Demographics

2016 vs 2025 CA Grower Demographics

2016 Lbs.	# of Growers	% of Growers		Total Lbs.	Avg. Lb. / Grower	% of Lbs.	
>1,000,000	70	1.80%		158,439,983	2,263,428	39.19%	
100,000-1,000,000	615	15.78%	18%	183,991,160	299,173	45.51%	85%
75,000-100,000	152	3.90%		13,120,669	86,320	3.25%	
50,000-75,000	252	6.46%		15,510,541	61,550	3.84%	
25,000-50,000	429	11.01%		15,294,785	35,652	3.78%	
<25,000	2,380	61.06%	82%	17,967,541	7,549	4.44%	15%
Total	3,898	100%		404,324,679		100.00%	

2025 Lbs.	# of Growers	% of Growers		Total Lbs.	Avg. Lb. / Grower	% of Lbs.	
>1,000,000	68	2.31%		133,372,914	1,961,366	40.43%	
100,000-1,000,000	490	16.62%	19%	147,000,262	300,001	44.56%	85%
75,000-100,000	119	4.04%		10,272,433	86,323	3.11%	
50,000-75,000	197	6.68%		12,001,840	60,923	3.64%	
25,000-50,000	379	12.85%		13,667,837	36,063	4.14%	
<25,000	1,696	57.51%	81%	13,592,536	8,014	4.12%	15%
Total	2,949	100%		329,907,822		100.00%	

2025 Lbs.	# of Growers	% of Growers	Total Lbs.	Avg. Lb. / Grower	% of Lbs.
>100,000	**558**	**19%**	280,373,176	502,461	**85%**
<100,000	**2,391**	**81%**	49,534,646	20,717	**15%**

COMMITTEE WRITE-UP

ITEM 6: **Producer Definition**

SUMMARY:

Pursuant to California Avocado Commission law (California Food and Agricultural Code Section 67039), "Producer" or "Grower" is defined as "any person who is engaged within this state in the business of producing, or causing to be produced, avocados for market. "Producer" or "grower" does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years." CAC law (Section 67036.5) further defines "Person" as "an individual, partnership, corporation, limited liability company, or other business entity."

FISCAL ANALYSIS:

- Not applicable

COMMITTEE OPTIONS:

- Recommended modifications to producer definition
- Take no action

STAFF RECOMMENDATION:

- Staff recommends the Governance Committee discuss the existing producer definition and recommend modification, if warranted

EXHIBITS / ATTACHMENTS:

- California Avocado Commission Law, Sections 67036.5 & 67039

67030.

"Handle" means to engage in the business of a handler.
(Amended by Stats. 2002, Ch. 946, Sec. 10. Effective January 1, 2003.)

67034.

"Marketing research" means any research relating to the sale or inventory of avocados.
(Amended by Stats. 1983, Ch. 1279, Sec. 4.)

67035.

"Marketing season" or "fiscal year" means the period beginning November 1 of any year and extending through the last day of October of the following year.

67036.5.

"Person" means an individual, partnership, corporation, limited liability company, or other business entity.
(Amended by Stats. 2002, Ch. 946, Sec. 16. Effective January 1, 2003.)

67037.

"Processor" means any person engaged, within this state, in any of the activities with respect to avocados as set forth in Section 58619.

67038.

"Process" means to engage in the business of a processor.

67039.

"Producer" or "grower" means any person who is engaged within this state in the business of producing, or causing to be produced, avocados for market. "Producer" or "grower" does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years.
(Amended by Stats. 2016, Ch. 451, Sec. 4. Effective January 1, 2017)

67040.

"Production research" means any research related to the production of avocados other than marketing research.

67040.5.

"Secretary" means the Secretary of the Department of Food and Agriculture.
(Added by Stats. 2002, Ch. 946, Sec. 18. Effective January 1, 2003.)

COMMITTEE WRITE-UP

ITEM 7: Conflict of Interest

SUMMARY:

Attached are the following CAC policies that address Commissioner conflict of interest:

- Summary Definition of Conflict of Interest
- Conflict of Interest Code
- Code of Conduct and Ethics

FISCAL ANALYSIS:

- Not applicable

COMMITTEE OPTIONS:

- Recommend modifications to CAC policies to address conflict of interest concerns
- Take no action

STAFF RECOMMENDATION:

- Staff recommends the Governance Committee discuss CAC policies addressing conflict of interest and recommend modification, if warranted

EXHIBITS / ATTACHMENTS:

- Summary Definition of Conflict of Interest
- Conflict of Interest Code
- Code of Conduct and Ethics

Adopted by the CAC Board October 15, 1998
Approved by CAC Board March 17, 2016

SUMMARY DEFINITION OF CONFLICT OF INTEREST

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following Summary Definition of Conflict of Interest may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material financial effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.

Adopted by CAC Board June 20, 1991
Approved by CAC Board March 17, 2016

CONFLICT OF INTEREST CODE

I. Adoption

In compliance with the Political Reform Act of 1974, California Government Code Sections 81000, et seq., the California Avocado Commission (hereinafter referred to as Commission) hereby adopts this Conflict of Interest Code, which shall apply to all designated employees of the Commission. This Conflict of Interest Code shall become effective thirty (30) days after filing with the Secretary of State.

II. Definitions

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs Sections 18100, et seq.), an any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

III. Designated Employees

The persons holding positions listed in Appendix A are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

IV. Disclosure Categories

This Code does not establish any disclosure obligation for those designated employees who are also specified in Government Code Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200, et seq. In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

A. The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

B. The disclosure assigned in the code of the other agency is the same as that required under Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200; and

C. The filing officer is the same for both agencies.[99] Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix B specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in Appendix B. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interest which he or she foreseeably can affect materially through the conduct of his or her office.

V. Statements of Economic Interests

Place of Filing

The Fair Political Practices Commission, as the code reviewing body for the California Avocado Commission, requests that all designated employees file their statements with the California Avocado Commission who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.)

Upon receipt of the statements for the members of the Commission and their Alternates, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Original statements for all other designated employees shall be retained by the agency. [100]

VI. Time of Filing

A. Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

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[99] Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under Article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code Section 81004.

[100] See Government Code Section 81010 and 2 Cal. Code of Regs. Section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

B. Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

C. Annual Statements. All designated employees shall file statements no later than April 1.

D. Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

VII. Statements for Persons Who Resign 30 Days After Appointment

Persons who resign within 30 days of initial appointment are not deemed to have assumed office or left office provided they did not make or participate in the making of, or use their position to influence any decision and did not receive or become entitled to receive any form of payment as a result of their appointment. Such persons shall not file either an assuming or leaving office statement.

VIII. Contents of and Period Covered by Statements of Economic Interests

A. Contents of Initial Statements. Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

B. Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

C. Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee’s first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.

D. Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

IX. **Manner of Reporting**

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

A. Investments and Real Property Disclosure. When an investment or an interest in real property[101] is required to be reported,[102] the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of real property;

4. A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars ($1,000), exceeds ten thousand dollars ($10,000), or exceeds one hundred thousand dollars ($100,000).

B. Personal Income Disclosure. When personal income is required to be reported,[103] the statement shall contain:

1. The name and address of each source of income aggregating two hundred fifty dollars ($250) or more in value or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one

[101] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[102] Investments and interests in real property which have a fair market value of less than $1,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[103] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

thousand dollars ($1,000) or less, greater than one thousand dollars ($1,000), or greater than ten thousand dollars ($10,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan.

C. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,[104] the statement shall contain:
   1. The name, address, and a general description of the business activity of the business entity;
   2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars ($10,000).

D. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

E. Acquisition or Disposal During Reporting Period. In case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

X. **Disqualification**

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

[104] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregated a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

A. Any business entity in which the designated employee has a direct or indirect investment worth one thousand dollars ($1,000) or more;

B. Any real property in which the designated employee has direct or indirect interest worth one thousand dollars ($1,000) or more;

C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

E. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating $250 or more in value provided to; received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

XI. **Legally Required Participation**

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

XII. **Disqualification of State Officers and Employees**

In addition to the general disqualification provisions of Section X, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

A. Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

B. Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling the value one thousand dollars ($1,000) or more.

XIII. **Manner of Disqualification**

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act must be accompanied by disclosure of the disqualifying interest. In the case of a voting body, this determination and disclosure shall be made part of the agency's official record; in the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his or her appointing authority; and in the case of other designated employees, this determination and disclosure shall be made in writing to the designated employee's supervisor.

XIV. **Assistance of the Commission and Counsel**

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code Section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

XV. **Violations**

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code Section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

XVI. **Prohibition On Honoraria**

State Agency Prohibition on Receipt of Honoraria. No member of a state board or Commission, and no designated employee of a state agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (b), (c), (d), and (e) of Government Code Section 89502 shall apply to the prohibitions in this section.

XVII. **<u>$250 Limit On Gifts</u>**

State agency Prohibition on Receipt of Gifts of $250 or More. No member of a state board or Commission, and no designated employee of a state agency, shall accept gifts with a total value of more than two hundred fifty dollars ($250) in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subsection (b), (c), (d), and (e) of Government Code Section 89504 shall apply to the prohibitions in this section.

CONFLICT OF INTEREST CODE (CONTINUED)

APPENDIX A

Designated Positions

Persons occupying the following positions are designated employees and must disclose all financial interests set forth in Appendix B - Disclosure Categories.

1. Members of the Commission
2. Alternate members of the Commission
3. President
4. General Legal Counsel
5. Consultants [7]

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[7] Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

CONFLICT OF INTEREST CODE (CONTINUED)

APPENDIX B

Disclosure Categories

Designated employees in Appendix A must report:

1. Investments and business positions in any business entity which during the reporting period:

    a. Was awarded a research contract or engaged in the delivery of the type of advertising or promotional services utilized by the California Avocado Commission; or

    b. Was a producer or handler of Avocados subject to the jurisdiction of the Commission.

2. Interest in real property which during the reporting period:

    a. Was acquired by, leased, or otherwise used by the California Avocado Commission for any consideration and the specific location of such property; or

    b. Was owned by a business entity subject to an assessment of the California Avocado Commission, provided, only the county in which such property is located and not its specific location must be reported.

3. Each source of income directly related to avocado production or handling, including brokerage service income, provided the income was furnished by, or on behalf of, any person or business entity furnishing real or personal property or services to the California Avocado Commission as stated in paragraphs 1. or 2. above, or any gift from such person.

4. Any business position held in any business entity, which, during the reporting period, is a grower or handler of avocados subject to the jurisdiction of the California Avocado Commission.

Approved by CAC Board August 15, 2024

California Avocado Commission
Code of Conduct and Ethics

I. INTRODUCTION

This Code of Conduct and Ethics (Code) applies to all Board members, committee members, and alternates (collectively "Members") of the California Avocado Commission (CAC). The purpose of this Code is to provide guidance on the ethical conduct required of Members. Ethical conduct and loyalty are inherent obligations and Members are expected to act in the best interests of CAC and to comply with CAC policies and procedures. Consequently, this policy is created to sustain the strong ethical culture upon which CAC is built and is foundational for conducting its activities.

This Code does not cover every issue that may arise, but is intended to summarize the principles that should guide the conduct of Members. CAC expects Members to conduct themselves in strict compliance with all legal and ethical obligations, and to avoid actual or the appearance of impropriety.

Members must also recognize that the Board acts as a collective entity. Success depends on the contributions of all Members and their ability to work well together. With the goal of embedding these core principles into the culture of CAC, this Code establishes standards of conduct required of Members.

II. RESPONSIBILITIES OF MEMBERS

1. Duty of Care

   a. Abide in all respects by this Code and all CAC policies and procedures and ensure they remain in good standing at all times.

   b. Comply with applicable federal, state, and local laws and regulations.

   c. Act in good faith, in a manner reasonably believed to be in CAC's best interest, and with such care, including reasonable inquiry, as a prudent person in a like position would use under similar circumstances.

   d. Prompt reporting of violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code. (See section 7.)

   e. Complete accurate and timely disclosures in reports and documents.

   f. Be informed about the activities, goals, financial condition, and the procedures under which CAC operates.

g. Attend meetings; volunteer for committee assignments; participate in discussions, etc. Even if not in attendance, Members are responsible for Board/Committee actions.

2. Duty of Loyalty

a. Avoid conflicts of interest (decisions in which a Member or his or her immediate family may benefit financially or in any other manner).

   i. Disclose – If a Member thinks they have or may have a conflict of interest on a particular agenda item, they shall disclose such belief to the Chair (of the CAC or committee, as appropriate) prior to the meeting, if possible to determine whether a conflict actually exists.

   ii. Abstain – If a Member has a conflict, the Member shall abstain from discussion and voting. The Chair may also instruct the Member not to attend the meeting during the time the matter is being discussed.

b. Corporate Opportunity/Self-Dealing

Members shall not profit in any way from CAC (e.g. using CAC resources for personal gain, selling products for use by CAC, etc.). Members shall not attempt to persuade any employee of CAC to leave the employment of CAC or to become employed by the Member or a related entity. Members shall not attempt to persuade exhibitors, advertisers, sponsors, suppliers, contractors, or any other person or entity with an actual or potential relationship with CAC to terminate, curtail, or not enter into a relationship with CAC or to in any way reduce the monetary or other benefits to CAC of such relationship.

c. Confidentiality

Members have a duty to maintain the confidentiality of proprietary and confidential information of CAC (unless otherwise required by law), and not utilize such information for their personal gain or to the detriment of CAC.

d. Duty to Support

   i. When representing CAC, Members shall support positions taken by CAC.

   ii. When not representing CAC, if a Member expresses an opinion that is inconsistent with positions taken by CAC, the Member shall state that the opinion is not being communicated on behalf of CAC.

e. After Leaving Service

Upon termination of service for any reason, Members shall promptly return to CAC all documents, electronic and hard files, reference materials, and any other CAC property in their possession. Such return of materials does not abrogate the Member's duty of confidentiality with respect to the information contained in the materials and the Member's duty of confidentiality continues after leaving service to CAC.

3. Relations with Staff

The Board has a duty to select a President (or establish other appropriate leadership) who shall guide CAC in its day-to-day activities with integrity and the best interests of CAC and the avocado industry in mind. The Board shall use its best efforts to ensure that the President complies with all federal, state, and local employment related laws and regulations, and that employees are hired, promoted, and disciplined fairly and in accordance with CAC's Employee Handbook. The Board takes employee and third-party complaints about the President's conduct seriously and will not tolerate retaliation against employees who makes good faith complaints against the President. The Board shall refrain from intruding on administrative matters that fall under the President's or other managers' responsibility and will adhere to CAC's Communications Policy.

4. Relations among Members

   Members shall cultivate an environment of respect, cooperation, and collegiality without unduly disrupting the Board's efficient and effective operation. Courtesy and a willingness to embrace diverse viewpoints shall govern Members' interactions. Disagreements, while permissible, must remain focused on the issues at hand—personal attacks are unacceptable. Members should never undermine, sabotage or falsely impugn other Members. This does not prohibit Members from filing or expressing complaints against one another, but such actions should be undertaken after careful consideration with the utmost good faith.

5. Execution of Documents
   a. Timely response by Members in reviewing, signing and returning documents provided by CAC is essential to remain in good standing with CAC. Following is a partial list of such documents.
      i. Acceptance to Serve
      ii. Policies and Procedures
      iii. Social Media Policy
      iv. Mandatory Ethics Orientation Training
      v. Mandatory Harassment Prevention Training
      vi. Application for California Government Identification Card

   b. Members shall provide proof that they have taken or have applied to take mandatory ethics orientation training, and sexual harassment and abusive conduct training, and provide proof of completion or the expected dates of completion.

   c. Newly elected/appointed Members shall have 30 days from receipt of documents by certified mail to return the signed documents, and evidence of completion of training or expected date of completion, as appropriate, to CAC.

d. Currently serving Members who are delinquent in returning signed documents to CAC shall have 15 days to complete the requirements specified in subsection b) above.

e. Failure of any Member to comply shall result in the immediate suspension of the Member from participating in any CAC activities including serving on the Board and committees of CAC.

f. A suspended Member shall be reinstated upon completion of the requirements specified in subsection b) above.

III. DISCLOSURE AND FINANCIAL INTEGRITY

1. Members shall comply with the disclosure controls and procedures and report:
   a. Material information or unreported transactions that affect the disclosures made in the financial statements.

   b. Information concerning significant deficiencies and material weaknesses in the design or operation of CAC's internal control over financial reporting which are likely to adversely affect the ability to record, process, summarize and report financial information.

   c. Fraud, whether or not material, that involves Members who have a significant role in internal control or financial reporting.

IV. USE OF CAC ASSETS

1. Assets
   Protecting CAC assets is a fundamental fiduciary duty of Members. Members must exercise due diligence to prevent asset misappropriation. Members bear responsibility for the prudent utilization of CAC assets, ensuring their protection from loss, damage, misuse or theft. Usage of CAC identification, stationery, supplies, or equipment for personal or political purposes is strictly prohibited. Violations of this policy or any display of poor judgment in asset utilization may result in disciplinary action.

2. Funds
   Members bear personal responsibility for all CAC funds under their control. CAC funds are designated solely for CAC purposes and may not be used for personal gain. Members with access to CAC funds in any form must adhere to the specified protocols for documenting, managing, and safeguarding money outlined in CAC policies. When Members are required to spend CAC funds or incur any reimbursable personal expenses, they shall use good judgment on CAC's behalf to ensure optimal value for each expenditure, alongside the timely and precise submission of expense reports and invoices.

3. CAC imposes strict standards to prevent fraud and dishonesty. Any evidence or information suggesting fraudulent or dishonest behavior must be promptly reported to the designated CAC authority for prompt investigation and possible disciplinary action.

V. CONSTITUENTS AND SUPPLIERS

1. Relationship

   Members are prohibited from investing in or acquiring a financial stake in any business that has a contractual relationship with CAC or offers goods or services, where such investment or interest might influence, or give the appearance of influencing, their decision-making.

2. Gift, Entertainment, and Favors

   Members shall not accept entertainment, gifts or personal favors that would actually or appear to undermine or influence their decisions.

VI. GOVERNMENT RELATIONS

Members shall comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of conduct.

VII. REPORTING VIOLATIONS

Members are responsible for carrying out and monitoring compliance with this Code including the reporting of possible or actual violations of the Code to the Chair or Board as appropriate.

Reports of suspected violations shall be investigated immediately. All reports shall be treated confidentially, except where disclosure is required to investigate a report or by applicable law or legal process. Members shall be protected from retaliation of any kind.

VIII. DISCIPLINARY ACTIONS/TERMINATION/REMOVAL

1. Members are required to strictly adhere to this Code. Failure to fulfill responsibilities under this Code may result in disciplinary action.

2. Appropriate action shall be taken against any person who is found to have violated any provision of this Code. Where laws have been violated, CAC shall fully cooperate with the appropriate authorities. Reprisal, threats, retribution or retaliation against any Member who has in good faith reported a violation or a suspected violation of law, this Code or other CAC policies, or against any person who is assisting in any investigation or process with respect to such a violation, are prohibited.

3. CAC may discipline or remove any Member from the Board or any committee for cause, as determined by a two-thirds vote at any properly called and noticed Board meeting where a quorum is present. In the event of removal from the Board, the

vacancy shall be filled in the manner provided in Food and Agricultural Code section 67053. In the event of removal from a committee, the vacancy shall be filled in accordance with CAC bylaws.

4. The procedure for addressing complaints shall be as follows:
   a. Complaints shall be in writing and forwarded to the Executive Committee who shall determine whether the complaint merits formal process. If the Member who is the subject of the complaint is on the Executive Committee, the Member shall not participate in any discussions and/or decision regarding the complaint. If the complaint is not one that can be informally resolved, the following process shall be followed.

   b. The Member shall be provided written notice of the complaint which shall be sent by certified mail or the equivalent. Notice shall be deemed received on the date of delivery as confirmed by the carrier.

   c. The written notice shall provide at least 14 calendar days for the Member to respond. The Member's response shall be in writing and may be either or both of the following:
      i. A written statement and any documents detailing arguments against discipline or removal, or
      ii. A written statement and any documents detailing arguments against discipline or removal and a request for an in-person hearing before the Board.

   d. If the Member provides a response within the required time period, the Chair shall call a special Board meeting (or utilize an already scheduled regular meeting) to hear the matter. If the Member provides a written statement and documents, if appropriate, the Board shall consider this information and information provided by CAC legal counsel and other sources, and render its decision based on all such information. If the Member requested an in-person hearing, the Board shall provide the Member with a reasonable amount of time at the Board meeting to address the issues specified in the complaint.

   e. If the member does not respond, the Board shall utilize any information in its possession and take any action it determines to be appropriate.

   f. The decision to hold the Board meeting in open or closed session shall be governed by state law based on the facts of the particular matter. If the law allows but does not require a closed session, the Chair shall determine the manner in which to proceed.

g. Following consideration of information as specified above, the Board shall render its decision, which may result in no action, a written reprimand, temporary suspension from the Board or committees, or removal from the Board and/or committees. The decision of the Board shall be final.

h. The Member may be prevented from attending closed sessions of the Board and committees pending resolution of the complaint.