



California Pepper Commission Newsletter

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DIRECTOR OF CDFA DECLARES COMMISSION OPERATIONAL MAY 1

As you can tell from the heading, the California Pepper Commission is now in existence and fully functional. In order for the Commission to become operational, the Commission law not only had to be passed by the State Legislature, but the Director of Food & Agriculture had to conduct a referendum of the industry before he could declare the Commission law in effect, and appoint the first Commissioners. Unlike any of the other agricultural commissions established in California, the Pepper Commission is authorized to conduct production research only, and will not be working on the promotion of peppers.

Banta Chosen Chairman

The Commission held its first meeting in late February, although nothing became "official" until May 1, which is the beginning of the Commission's fiscal year. One of the first orders of business was the election of officers, and the Commission chose as its first Chairman, Santa Maria Chili's Steve Banta, who was very instrumental in getting the Commission established. Elected as Vice Chairman was Frank Luenser, a pepper producer from Arroyo Grande. Other Commissioners will be listed in a roster to be printed in the next newsletter. It is composed of five producer members representing production districts in California, and five handler members representing the various types of peppers

grown, and their differing uses. There is also a public member, chosen by the Commission, and appointed by the CDFA Director, and each of the members has an alternate.

Interim Financing Campaign Successful

Since the Commission was forced by the nature of the law that established it to start off its "life" in debt, the second action the Commissioners took was to develop a plan to pay off the indebtedness for establishing the Commission. Obviously, the Commission's income will eventually come from the assessments on the crop each year, but in this first year of operation, no assessment income was expected until several months into the fiscal year. Therefore, the Commissioners chose to ask industry members who would eventually be paying assessments to pre-pay an amount based on the acreage they planned to harvest during the year...and it worked!

Cooperating with the Commissioners' suggestion, industry handler members sent in over \$10,000 in prepaid assessments so that some quick progress could be made on paying at least a portion of the costs of establishing the Commission. However, one of the larger contributors to getting the Commission established, the California Pepper Improvement Foundation, has graciously agreed to allow the Commission to pay the amount owed to it over a three-year period.

MESSAGE FROM THE COMMISSION CHAIRMAN

It's been over two years since a small group of farmers, packers and processors from all over the State met in Fresno and decided something had to be done about the escalating disease problem in peppers. Many important dates and milestones have come to pass since that meeting that led to the formation, organization, and operation of the California Pepper Commission, but none as important to me as June 20, 1989. That was the day I had the honor as Chairman of the Pepper Commission to sign into existence a long term research program on pepper disease. Finally, after years of talking about the problem, we are starting to take action.

Over the last couple of years, I have had the opportunity to talk to many people involved in the pepper industry around the State. It was not surprising to learn that almost all pepper growing areas have been economically affected

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Commission Headquartered in Dinuba

To save on some of the administrative overhead that would be caused by hiring a full-time manager and setting up a separate office, the Commissioners decided to accept a proposal by Monfort Management Services, Inc., which is head-

COMMISSION CONTRACTS WITH DR. BRYCE FALK AT UC DAVIS FOR VIRUS PROJECT

Once the Pepper Commission had the routine organizational duties out of the way and under control, little time was wasted in zeroing in on the number one problem facing the industry—that of diseases caused by a variety of viral and fungal pathogens.

Commission Names Research Advisory Committee

The Commissioners agreed that assistance on the scientific side of judging research proposals could readily come from members of the California Pepper Improvement Foundation, and that group was established as an advisory committee to the Commission. Included in the Foundation are many of the plant breeders from the Pepper industry, and their input will be invaluable to the Commission, not only in making recommendations about research projects, but also in judging its accomplishments.

Falk's Proposal Chosen as Initial Project

Considering the shortage of immediate income, the Commissioners had to be very conservative in the first year of operation. Thus, it was quite natural for their choice of the first research project to be a study of the virus problem that has been plaguing California pepper producers for the past few years. Dr. Bryce Falk of UC Davis submitted a proposal whose ultimate objective is to develop peppers that are virus-resistant.

Falk looks at this as a long-term program—at least a 5-year effort, and possibly longer. To quote from his proposal, "Our ultimate goal is to identify and characterize sources of resistance to the pepper pathogens, and to incorporate as many sources of resistance as possible into individual lines to be used by breeding programs, ultimately for development of horticulturally acceptable, pathogen resistant peppers."

Dr. Falk's project, which is costing the Commission \$32,760 in 1989-90, didn't officially begin until September 1, but Falk has already been at work on the problem, and is certainly well aware how much the industry is depending on his ability to help find a solution.

Commission Operational

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quartered in Dinuba. Jerry Munson, President of the firm, was named as Commission Manager. Munson has twenty years of experience in managing advisory boards, and is currently the manager of the Dry Bean Advisory Board, as well as the Fresh Carrot Advisory Board. The Commission is occupying a portion of the offices shared with the nine other State marketing orders which are managed by MMS, Inc.

Commission Chairman

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by pepper disease of some type during the last few years. The problem seems to be growing. This year we have already received reports of disease from several growing areas. As an example, it has been reported that over 55% of the acreage in Merced County has been economically affected by virus. Other areas report similar problems.

It is important that growers and processors notify the Commission office when diseased fields are detected. It not only allows us to document and keep track of the amount of disease in the State, but it will also help our researchers to know where and what types of disease are occurring. Please notify the Pepper Commission office at 209/591-3925 should problems occur in your area. Your help will be appreciated.



COMMISSION'S 1989-90 ASSESSMENT RATE AND BUDGET ESTABLISHED

Basing its projections of income on an estimated 1989 crop size of 220,000 tons of fresh peppers, the Commission established a first-year budget of \$110,000 at its February meeting. Although not all pepper assessments are paid on a "wet" weight, the assessment rates for dry peppers and for pepper seed is set to be equivalent to the weight wet, and thus the Commission can budget accordingly at roughly fifty cents per ton. At the most recent Commission meeting, there was some conjecture that the crop size might not reach the original estimate because of some fields that were lost to viruses in Merced County, but other areas haven't seemed to be hit quite so hard with the problem this year, so the Commissioners are still hoping for the full amount of the budgeted income.

Handlers and Producers Pay Equally

While the assessment collection process is necessarily dependent upon the industry handlers, the assessment is based on a 50-50 sharing between the producers and the handlers. The **first** handler (the one who buys the peppers from the producer) is obligated to pay the producer assessment and deduct the assessment from the amount due the producer for his crop. Since some peppers go through a fresh pepper packing house before being processed, there were some questions about the definition of a "handler" under the new law, but most of these have been worked out in the assessment collection process. Anyone in the industry having questions about the assessment rates or the collection process is welcome to call Jerry Munson at the Commission office at 209/591-3925.

