



CALIFORNIA
LGMA

COMMITTED TO SAFE LEAFY GREENS



Annual Report

April 2018 - March 2019

ABOUT THE LGMA

FOOD SAFETY PRACTICES

The LGMA is a farm food safety program designed to prevent contamination of leafy greens crops from planting to harvest. LGMA members are required to adhere to a set of rigorous, science-based Food Safety Practices which require monitoring and testing for environmental threats, water and soil quality and worker practices. In August of 2017, the LGMA Metrics were updated to ensure that they aligned with (or exceeded) the newly required Food Safety Modernization Act Produce Rule. Additional changes addressing buffer zones, unusual weather events and other standards were adopted in the fall for 2018.

LGMA MEMBERS

LGMA Signatory Members are shippers of leafy green products in California. They may also grow products, but in order to join the Marketing Agreement they must be the handlers or shippers who first put leafy greens into the marketplace. Even though it is voluntary to join the LGMA, once a company joins all elements of the program are mandatory. If a company fails to meet LGMA requirements they may be decertified from the program. An updated list of LGMA members and their certification status is always available on our website at www.lgma.ca.gov.

GOVERNMENT AUDITS

Use of the LGMA Food Safety Practices is verified through mandatory government audits. It is the goal of the LGMA to audit each member every 60 days while they are actively harvesting product. In the 2017/2018 fiscal year there were a total of 300 LGMA audits conducted.

YEAR IN REVIEW: 04.2018 – 03.2019

CALIFORNIA LGMA UPDATES REQUIREMENTS TO IMPROVE THE SAFETY OF LEAFY GREENS

On September 28, 2018 the California LGMA Advisory Board voted to update the Food Safety Practices/Metrics that all LGMA members are required to follow. The changes come after an outbreak in the spring that was traced to Romaine lettuce grown in the Desert region near Yuma, Arizona. The timing for these changes is notable as it precedes the annual lettuce industry transition from the Central Coast of California to the Desert growing regions in Yuma, Arizona and California's Imperial Valley.

Subject-Matter Experts Collaborate for Change

The changes were suggested by the Leafy Greens Food Safety Task Force that was created in response to the outbreak earlier this year. Task Force members include:

- Food safety scientists and researchers
- Leafy greens growers and shippers
- FDA and CDC representatives
- California and Arizona departments of agriculture
- Foodservice and retail businesses
- Consumer advocacy groups like STOP Foodborne Illness and the Pew Charitable Trust

Members of the Leafy Greens Food Safety Task Force spent two months of examining potential causes for the 2018 E. coli outbreak. Although reports from the U.S. Food & Drug Administration and Center for Disease Control and Prevention provided some insight, the Task Force invested thousands of hours conducting additional investigative research to address all scenarios that may have led to the E.coli outbreak.

The changes that California made to the Food Safety Practices/Metrics are almost identical to the changes that the Arizona LGMA board voted to make earlier in September. LGMA members in California and Arizona produce 94.7% of the nation's lettuce. The LGMA's stringent food safety programs verify through government audit that a set of mandatory food safety practices are being followed on leafy greens farms. Under the LGMA programs, over 130 million servings of leafy greens are safely grown in California and Arizona every day.

But even one foodborne illness associated with our product is unacceptable and we are committed to further improving the safety of leafy greens. That is why the Leafy Greens Marketing Agreement was formed over ten years ago. And today the LGMA offers a mechanism that is able to make and enforce changes that immediately affect an entire commodity group.

AUDIT CITATION OVERVIEW

LGMA audits are not scored, each non-conformity cited must be corrected. These corrective actions are verified by government inspectors. Each audit is reviewed by the LGMA Compliance Officer, the California Department of Food and Agriculture and the United States Department of Agriculture. The LGMA Compliance officer assigns each non-conformities identified in the audit one of the following citation levels:

MINOR INFRACTION

- These violations do not necessarily increase the risk of unsafe product.
- Corrective action can be taken before the audit is finished.
- Multiple citations at this level may be elevated to a Minor Deviation.

MINOR DEVIATION

- These violations do not necessarily result in unsafe product.
- Corrective action must be provided within 5 days and is verified during the next scheduled audit.
- Multiple citations at this level may be raised to a Major Deviation.

MAJOR DEVIATION

- These violations do not necessarily result in unsafe product.
- Corrective action must be provided within 5 days and will be verified on-site within 3 days.
- This level of citation may be elevated to a Flagrant Violation if not corrected.

FLAGRANT VIOLATION

- These violations significantly increase the risk of delivering unsafe product into commerce.
- Penalties can range from temporary to permanent decertification.
- If this could result in unsafe product going to market the California Department of Public Health is notified.

The following table details the number of non-conformities cited by the LGMA during the 2018/19 season.

Minor Infractions	Minor Deviations	Major Deviations	Flagrant Violations	Total	5 year average
108	338	4	0	450	391

The total number of citations is likely lower in 2017/2018 fiscal year because the total number of audits was lower than prior years. We expect next year's numbers to be similar to the prior years.

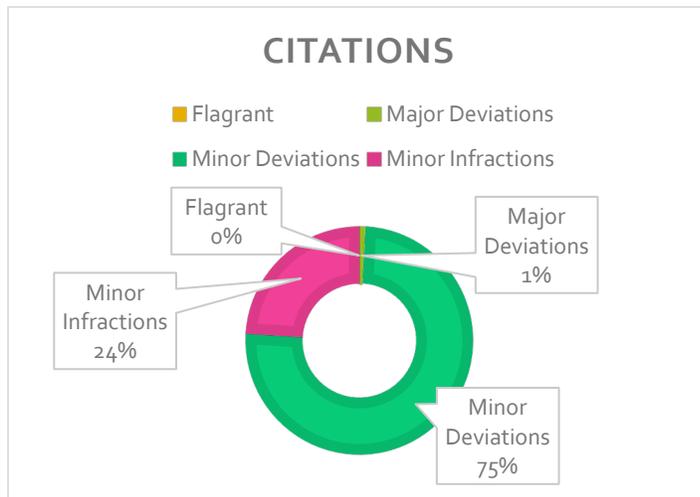
Average citations per audit

1.1

Industry Compliance Rate

99.3%

AUDIT CITATIONS DETAILED



CITATION TYPES

The chart to the left breaks down the citations issued by level. In 2018/19, 99% of citations were either Minor Deviations or Minor Infractions – the two least serious categories. Only four citations were Major Deviations, which are serious food safety issues but do not necessarily make food unsafe. No flagrant violations of the Marketing Agreement’s accepted food safety practices were cited.

DETAILS ON MAJOR DEVIATIONS

For the audit year from April 1, 2018 to March 31, 2019 there were 4 instances when a Major Deviation was given to CA LGMA handlers. In each instance the Majors were given to different handlers and no handler had more than one major deviation during the audit year.

Categories for the major deviations included:

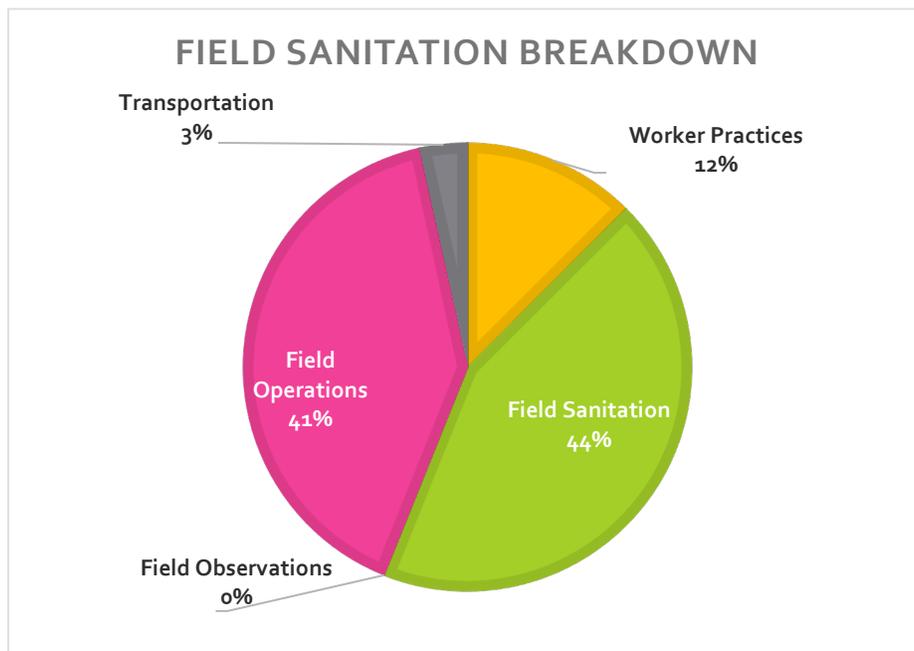
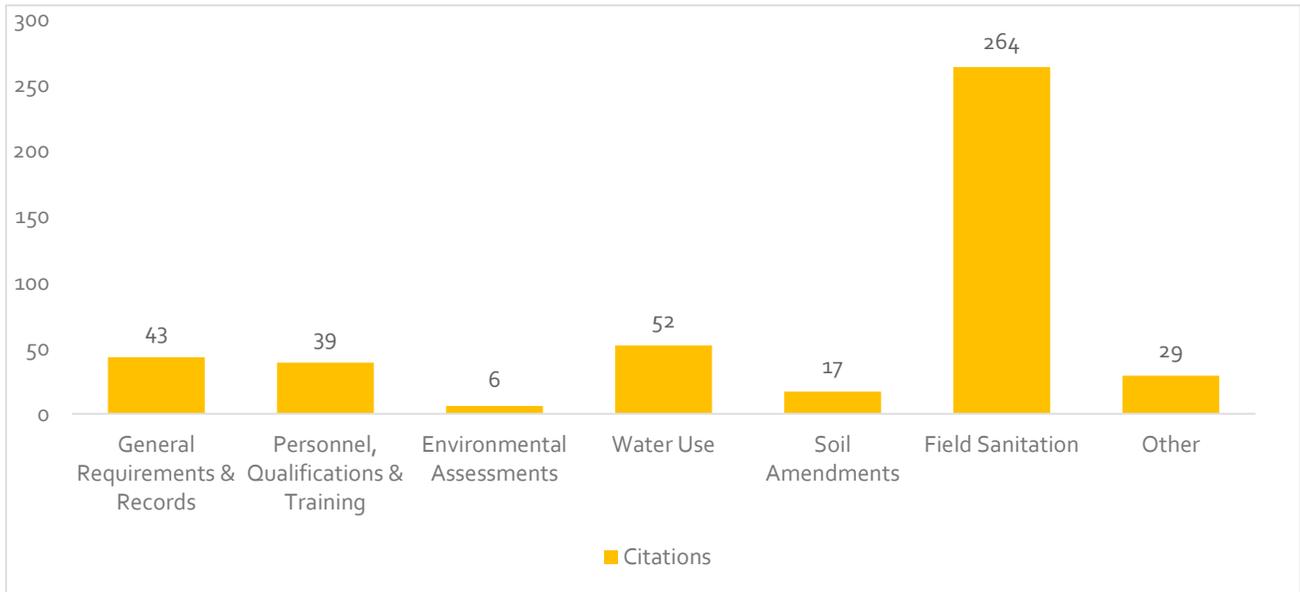
- Unannounced Audit Not Conducted
- Documentation *
- Field Sanitary Unit Maintainance

In each instance the issues were reviewed by the USDA and by the dedicated Compliance Officer and every instance required corrective actions to be completed in order for the handler to maintain their CA LGMA certification.

In addition to the corrective actions being submitted the Handler had to be re-audited so that there was confirmation that the corrective actions had been implemented.

**There were 2 instances where documentation was the reason for the Major Deviation.*

AUDIT CITATIONS DETAILED



FINANCIALS



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Independent Auditors' Report

To the Board of Directors
California Leafy Green Products Handler Marketing Agreement
Sacramento, CA 95814

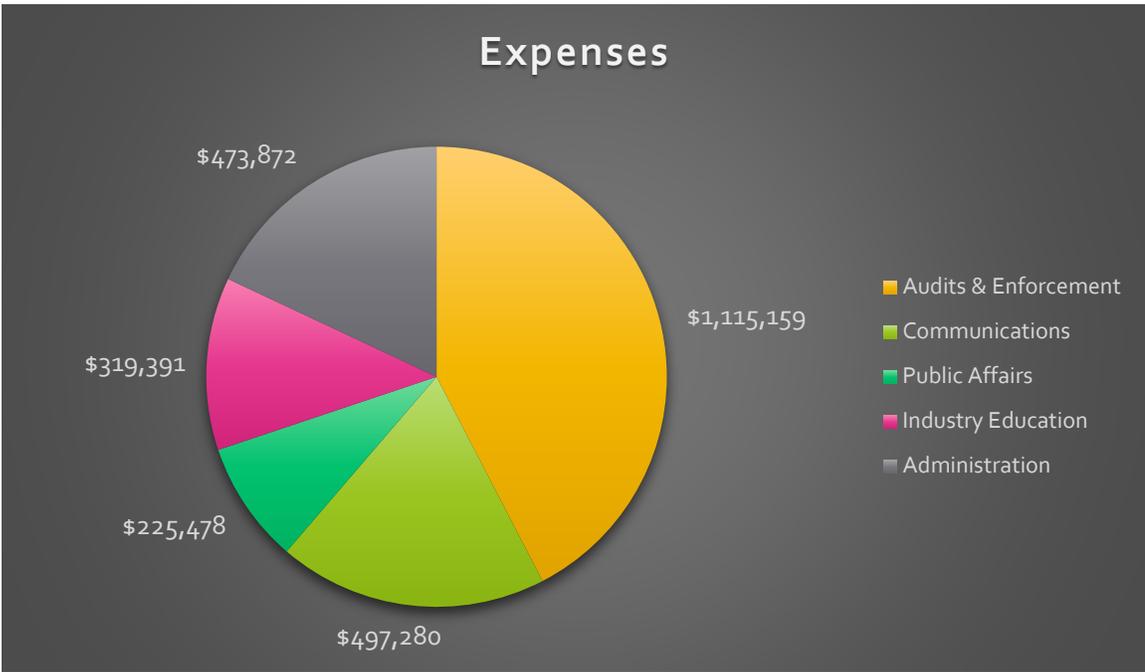
We have audited the accompanying financial statements of the enterprise activities of California Leafy Green Products Handler Marketing Agreement, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Leafy Green Products Handler Marketing Agreement, as of March 31, 2019, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Rood & Associates, LLP
Rood & Associates, LLP

Sacramento, California
October 22, 2019



BOARD & STAFF

ADVISORY BOARD MEMBERS & ALTERNATES

- Tony Alameda, Sabor Farms
- Mitch Ardantz, Bonipak Produce
- Ashley Avilla, Dole Food Company
- Jan Berk, San Miguel Produce
- Todd Brendlin, Grimmway Farms/ Cal Organics
- Megan Chedwick, Church Brothers Produce
- Steve Church, Church Brothers Produce
- Homero Contreras, Beachside Produce
- Larry Cox, Coastline Family Farms
- John D'Arrigo, D'Arrigo Brothers of California
- Pete Donlon, Misionero
- Chris Drew, Ocean Mist Farms
- Paul Faurot, Faurot Ranch
- Armando Figueroa, Braga Fresh Family Farms
- Nob Furukawa, Gold Coast Packing
- John Jackson, Beachside Produce
- Sharan Lanini, Pacific International Marketing
- Drew McDonald, Taylor farms
- Gurmail Mudahar, Tanimura & Antle
- Kristina Nunes, The Nunes Company
- Chato Valdes, Sabor Farms
- Ron Ratto, Ratto Brothers, Inc
- Dan Sutton, Pismo Oceano Vegetable Exchange
- Robert Verloop, Coastline Family Farms

STAFF

- Scott Horsfall, CEO
- Greg Komar, Technical Director (incoming)
- Amarachi Okemiri, Member Services and LGMA Tech Director
- Mike Villaneva, Technical Director (outgoing)
- April Ward, Communications Director



CALIFORNIA
LGMA

COMMITTED TO SAFE LEAFY GREENS

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