

California Walnut Board

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GRADES & STANDARDS COMMITTEE MEETING MINUTES

Tuesday, May 20, 2008

The California Walnut Board Grades & Standards Committee met on Tuesday, May 20, 2008 at the California Farm Bureau Federation. Committee Chairperson Sam Keiper called the meeting to order at 3:02 p.m. Chairperson Keiper called the roll and all members were present:

Sam Keiper, Chairperson
Bill Carriere, Vice- Chairperson
Merle Jacobs (non voting member)
Gus Mariani
Chuck Crain
Pete Turner
Steve Lindsay

Also in attendance were Duane Lindsay, CWB/CWC Technical Advisor; Martin Engeler, USDA/AMS; Gail Santana, DFA; Steve Spellman of T. M. Duche Nut Company; Brenda Gonzales of Sacramento Valley Walnut Growers; and CWB staff member Dana Steindorf. Dennis Balint, CWB Executive Director joined the meeting via telephone for the first four agenda items.

The first order of business was the approval of the minutes from the last Grades & Standards Committee meeting held on May 31, 2007. Mr. Crain made motion to approve the minutes as mailed, Mr. Turner seconded the motion and it carried unanimously.

The next item on the agenda was Non-Board Research Activities (DFA / UCD). Mr. Balint stated that recently he became aware of some activities in terms of collection of data that DFA is doing, commendable important work. However, this is something that Mr. Balint did not know about, nor did his staff (including Duane Lindsay, Technical Advisor and Dave Ramos, Research Director). Mr. Balint thought it would be important to discuss this situation and determine the types of information being collected, whether or not the Board has knowledge of it and/or has approved it, or if it is just an initiative DFA has taken and if so, what the consequences are for us. For instance, there has been a work group established to determine what research needs to be conducted in regard to food borne illnesses. Mr. Balint commented that we all know that almonds went through some tough times in the past few years with a

couple of salmonella outbreaks. News of these outbreaks almost brought one of the largest customers in the U.S. to demand homogenization of all raw nuts and came very close to the Ministry of Health in Japan requiring the same action. The California Walnut Commission approached USDA about the situation because there was going to be an action taken in the Federal Register that would have implied the problem was rather widespread in California and we were able to convince them that since it was not, at least in the case of walnuts, that it was bad practice to create a situation in which it may appear as though it is a problem for walnuts or other tree crops. Mr. Balint stated that it is important that we do not have information out there that we are not involved in and it is up to the two committees, Production Research and Grades & Standards, who have a say in our industry about technical activities and information gathering. We need to fully understand not only what is being done, but the ramifications of that information being publicized in a way that implies a Board activity. Mr. Balint referenced an article from the DFA conference summary that quoted Linda J. Harris, PhD, Cooperative Extension Specialist in the UC Davis Food Science & Technology Department. She stated that “fresh fruits, vegetables and nuts are increasingly being associated with serious foodborne illnesses. Industry-driven solutions, such as the Tree-Crop Workgroup, have been encouraged by regulators to establish ways to address food borne illnesses at the industry level. The workgroup, established last fall, is in the process of determining research needs and finding common ground among its members, which include the processors of almonds, walnuts, pecans and dried plums”.

Mr. Balint also stated that in a separate communication he was informed that DFA was gathering information on microbiological activity. Mr. Jacobs stated that DFA collects data when people use their laboratory, however, that data is not disseminated indiscriminately. He stated that Linda Harris was referencing a work group that was formed to talk about the potential for microbial contamination and other food safety issues in different tree crops, but there has been absolutely no dissemination of information. Mr. Balint agreed that there has not been, but the problem is if the information exists, how does it come about, do we have any involvement in the process, and what safeguards are there in place to make sure it will not become a bigger issue. Mr. Jacobs stated that unless the Walnut Board hired DFA to prepare some type of survey, that information would not go out, it's all private data.

Mr. Jacobs thinks that Dr. Harris might have listed almonds, walnuts, and dried plums among the workgroup members because Mr. Jacobs has attended the workgroup meetings. She may have extrapolated the fact that DFA deals with those commodities, that it was all encompassed in Mr. Jacobs' participation. Mr. Balint stated that is a dangerous assumption which could link us to something later if there was a finding. Mr. Keiper commented that tree nuts are not all the same and we have found very little issues with walnuts compared to other nuts. He asked if in Mr. Jacobs' venue he can let others know to be careful about lumping all the nut groups into one? Mr. Jacobs stated that is one of the big issues with all the commodity groups and they all have the same mind set. The working group is trying to determine if there are commodity specific issues which will have to be dealt with at the individual commodity level. Mr. Balint expressed his satisfaction that his concern has been addressed and there is no further action necessary. He then signed off from the meeting.

Mr. Duane Lindsay mentioned that he and Mr. Balint met with Dr. Farrar, the head of the Food and Drug Branch of the California Department of Health, regarding the almond issue. There had been comments made apparently in the almond industry, incorrectly, that walnuts could have the same problem with salmonella because they are harvested in the same way. Mr. Lindsay explained to Dr. Farrar the differences between the almond and walnut harvesting procedures which are considerable. The salmonella organism is not a problem for the walnut industry and they were able to assure Dr. Farrar of that. Mr. Duane Lindsay stated that he can

understand Mr. Balint's concerns that we can get caught in a situation where walnuts are included in the broad spectrum of issues that may affect other nuts.

Mr. Turner mentioned that a couple of years back he had some very large customers who had requested sterilization because they were concerned about salmonella after hearing about the issue with almonds and did not understand that walnuts do not have the same issues. After presenting them with the data on walnuts, the customers understood, but it could have become a bigger problem.

Chairperson Keiper moved on to the next agenda item, Chopped/Meal Standards. He stated that the Committee has been having discussions about this issue for the past two years. At the meeting held on July 12, 2006, the Committee passed a motion to recommend a new standard for inspections on meal. However, at that time, the Board's Marketing Order was undergoing a revision through formal rulemaking and the issue has been on hold waiting for the final order approval. The order revisions were approved and will take effect this year, so it is time to revisit the issue of inspections on meal.

Chairperson Keiper distributed a copy of the minutes from July 12, 2006 so that the new members of the Committee could review the motion that was previously passed. He also distributed the section of the Federal Register with the approved order revisions that mentions the inspection of sliced, chopped or ground shelled walnuts and a spreadsheet comparing the current inspection standards versus the standards as approved by the Committee. Currently the order requires that any product that is going to be chopped with particle sizes less than 1/8 inch in size must go through an inspection process prior to chopping. That inspection certificate would then apply to all the outputs after it has been chopped. A handler can end up with four different sizes (less than 1/8 inch, 1/4 inch, 3/8 inch and 1/2 inch) and the certification that was put on the original product might read large pieces or halves and pieces. That could mean the product that is actually shipping to the customer is not labeled correctly; the certification could be on a size that doesn't fit the end product.

Chairperson Keiper also explained that when a handler is generating chopped material, fluff or meal (material less than 1/8 inch in size) is a by-product of the chopping process. About 5% of the material coming from the chopping process is meal; it takes a long time at 5% runs to get a shippable lot from the process. This can become a problem to manage inventory in the plant.

The proposed change by the Committee (that still requires Board approval) is to forgo the inspection prior to chopping and instead have the inspection done on the material after chopping. The USDA order does not have a tolerance level for anything less than 1/8 inch size material. The motion passed in July 2006 was to use the tolerance level for the material that is one size larger than 1/8 inch and apply that to the 1/8 inch material.

Mr. Steve Lindsay stated that there are certain difficulties in the current inspection process when it comes to certifying product before it is chopped. It has been a challenge to carry the DFA certification forward to the final product. The motion that was made in July 2006 would simplify the process by certifying the product after it is chopped. Mr. Crain stated that it does not seem logical that you would present a customer with a certificate for halves and pieces when they have purchased meal. Also, it makes sense to keep the amount of product being certified to a minimum.

Mr. Duane Lindsay stated that there are times when a handler is using a larger particle size for dicing, also generating meal from it. He asked if there was a reason why we couldn't include all certified material, for example if DFA certified halves and pieces, and the handler is

dicing it into medium pieces, large pieces; whatever certification you had would go with that meal. It wouldn't have to be just the quarter-inch product, it would be whatever certified product generated the meal. Mr. Crain stated that in his facility, they usually start with a large piece and reduce it down. If the target is a ¼ inch piece, they would take the over material and run it back through. This creates multiple passes of the same product.

Mr. Engeler mentioned that this change will need to be written into the regulations and he is not sure of the process of how to accomplish that. He will need to consult with other USDA staff to come up with regulatory language to cover this change. Chairperson Keiper stated that the reason this change came about is because the USDA Grades & Standards does not include tolerances for anything less than 1/8 inch size and to try to create tolerances for such small material would be a burden on the inspection agency. The idea came about to use the tolerances for the product one size above and apply those to the meal. More discussion about the dicing and certification process followed. The Committee agreed that the motion that was passed in July 2006 should stand with one minor change to reflect the standard of the product of the next size larger.

Chairperson Keiper asked Mr. Engeler about the timeline to make changes to the USDA Grades & Standards if the Board approves this Committee's recommendation. Mr. Engeler recommended that a working group be established to develop the justification and regulatory language. The Committee can ask the Board to delegate authority to this Committee for recommending the regulatory language directly to the USDA. Once the language is developed and presented to USDA, Mr. Engeler stated that it could take approximately four months to implement the changes. The Committee agreed that, upon Board approval of the new inspection standard, a working group of this Committee should be formed to discuss how to implement the changes with USDA; the working group will consist of Steve Lindsay, Duane Lindsay, Gus Mariani and Chuck Crain.

Mr. Crain made a motion to recommend to the Board that product smaller than 8/64ths round hole screen will be inspected to the standards of the product of the next larger size, excluding color. Mr. Carriere seconded the motion and it carried unanimously.

Chairperson Keiper moved to the next agenda item, UN/ECE. Mr. Duane Lindsay stated that we have been in arbitration for the past year with Dr. Bickelman of the German delegation on a new standard that she is proposing. She has taken the standard layout and changed it in order to modify tolerances. If these proposed changes pass, we would lose 70% of our extra class material and we will have a 260% increase in reject. The French have come over to our side and have indicated that they support keeping the tolerance levels that were adopted in 2001. Mr. Duane Lindsay is going to Geneva to the UN/ECE conference in June along with Dan Haley and Dave Priester representing the California Walnut Commission. We will hopefully have the support of not only the French delegation, but also Turkey and Italy. Mr. Crain mentioned that he saw Mr. Calcagni of the Italian delegation at the recent INC conference in Chile. Mr. Calcagni indicated that he is writing a letter in support of the 2001 standard. Mr. Duane Lindsay asked the Committee and Chairperson Keiper to also write a letter of support.

Mr. Duane Lindsay also commented on the next agenda item, Maximum Residue Levels (MRLs). He indicated that the industry is receiving greater pressure from Europe and Japan to lower MRLs. They are arbitrarily changing the numbers, while our numbers in the U.S. are science based. Chairperson Keiper asked what materials they are looking for in the MRLs. Mr. Duane Lindsay stated they are looking for Maneb and organophosphates including guthion. There are several compounds that are potential problems, however, we are more fortunate than some other commodities because of the nature of the walnut with the hull and shell and

because our industry is based in the most regulated state in the union. The California Walnut Commission has written letters to try to address any issues that come up.

Chairperson Keiper asked Mr. Duane Lindsay to also comment on the next agenda item, Methyl Bromide Alternatives. Mr. Lindsay indicated that it has been a constant battle over the last Critical Use Exemption because EPA is arbitrarily reducing the amount of methyl bromide allocated for our industry. Sulfuryl fluoride is not a drop in replacement and it is every expensive. Dr. Leesch is working on a research project specifically looking at the efficacy of sulfuryl fluoride on egg kill. Mr. Lindsay indicated that the issue is becoming critical as the amount of methyl bromide allocated is being reduced to less than the industry needs each year.

The time and place of the next meeting will be determined at a later date. Hearing no further business, Chairperson Keiper adjourned the meeting at 4:30 p.m.