



Training Proposal for:
Wonderful Citrus Packing LLC
Agreement Number: ET16-0375

Panel Meeting of: February 26, 2016

ETP Regional Office: North Hollywood

Analyst: L. Vuong

PROJECT PROFILE

Contract Attributes:	HUA Priority Rate Retrainee Seasonal Veterans	Industry Sector(s):	Agriculture Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Kern	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 2,000	U.S.: 3,000	Worldwide: 4,000
<u>Turnover Rate:</u>	3%		
<u>Managers/Supervisors:</u> (% of total trainees)	0%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$762,240		\$103,976 (15% Jobs 1&2)	\$0		\$658,264

In-Kind Contribution:	100% of Total ETP Funding Required	\$700,000
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee HUA Priority Rate	Computer Skills, Continuous Impr., Mfg. Skills	40	8-200	0	*\$2,340	**\$12.00
				Weighted Avg: 153			
2	Seasonal Workers HUA Priority Rate	Computer Skills, Continuous Impr., Mfg. Skills	196	8-200	0	*\$2,524	**\$12.00
				Weighted Avg: 165			
3	Retrainee HUA Priority Rate Veterans	Computer Skills, Continuous Impr., Mfg. Skills	10	8-200	0	\$3,366	**\$12.00
				Weighted Avg: 153			
4	Seasonal Workers HUA Priority Rate Veterans	Computer Skills, Continuous Impr., Mfg. Skills	10	8-200	0	\$3,630	**\$12.00
				Weighted Avg: 165			

*Reflects Substantial Contribution

**It will be made a condition of contract that the trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. This highest minimum wage rate will prevail.

Minimum Wage by County: ETP HUA Minimum Wage: \$11.70 per hour for Kern County.
Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.
Used to meet the Post-Retention Wage?: Yes No Maybe

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Business Coordinator		2
Clerk		2
Control Systems Technician		2
Equipment Operator		11
Lead Staff		4
Maintenance Worker		4
Production Worker		5
Quality Control Worker		5
Warehouse Worker		5

Job Number 2 - Seasonal		
Business Coordinator		5
Clerk		15
Control Systems Technician		2
Equipment Operator		80
Lead Staff		40
Maintenance Worker		10
Production Worker		30
Quality Control Worker		10
Warehouse Worker		4
Job Number 3 & 4 – Veterans & Seasonal		
Business Coordinator		2
Clerk		2
Control Systems Technician		4
Equipment Operator		2
Lead Staff		2
Maintenance Worker		2
Production Worker		2
Quality Control Worker		2
Warehouse Worker		2

INTRODUCTION

Wonderful Citrus Packing LLC (Wonderful Citrus) (www.wonderfulcitrus.com) was founded in 1950 and is wholly-owned by The Wonderful Company. With approximately 47,000 acres of citrus orchards, Wonderful Citrus is the largest producer of fresh citrus in the United States. The Company is headquartered in Delano and also operates a packing plant in Delano. It also farms in various locations in the San Joaquin Valley, Ventura County, Texas and Mexico.

Wonderful Citrus processes and ships 600 million pounds of fruit to WalMart, Costco, Sams, Target, Safeway, Vons and other retailers year-round. Since 2013, Wonderful Citrus has increased its workforce from 1,000 to 2,000 employees and has experienced a substantial increase in production from 450 to 600 million pounds per season. In addition to full-time permanent staff, the Company also employs seasonal workers during peak times of the year and continues to employ them as production increases. Wonderful Citrus is requesting ETP funding to train 40 full-time employees, 206 seasonal workers (includes 10 Veterans seasonal) and 10 Veterans at its Delano facility (13% of its California workforce).

Wonderful Citrus is striving to meet its customers' expectations and demands. In support of the recent increase in staff and production, the Company has developed a company-wide program to modernize business systems and procedures.

Prior ETP Agreements with this Company were under its former corporate name Paramount Citrus Packing Company LLC. Since then, the Company changed its name and business

registration to Wonderful Citrus Packing LLC. The name change took effect in June 2015 and did not affect the ownership or business operations. The Company is a wholly-owned subsidiary of The Wonderful Company in Los Angeles. Furthermore, its products are marketed in retail outlets under the brand name Halo®.

There are two ETP Agreements under The Wonderful Company umbrella: Wonderful Pistachios and Almonds, LLC, ET15-0323 (\$529,000 approved amount) that runs until November 23, 2016, and The Wonderful Company, ET15-0481 (\$86,625 approved amount) that runs until June 24, 2017.

Wonderful Pistachios and Almonds, LLC, ET15-0323 requested an Amendment before the January Panel to increase the Agreement amount from \$529,200 to \$743,400, which was approved. The two companies and training are separate and distinct, and the Wonderful Pistachios training is not related to this project.

Seasonal Worker/Retention

The seasonal workers (Job Numbers 2 & 4) are employed approximately seven months out of the year in keeping with the citrus crop cycle. These employees receive the same health benefits as the full time permanent staff. In keeping with Panel guidelines for this program, the seasonal workers qualify for a modified retention period: no less than 500 hours within 12 months of the end-of-training.

Wonderful Citrus had strong performance for season worker trainees in the prior Agreement (ET13-0412). Training for seasonal workers under the prior Agreement focused on the skills needed related to the expansion of its Delano facility. Training under this contract however, will concentrate on sophisticated food processing needs to provide high quality products at lower costs and enhance reliability in shipping and inventory management program.

PROJECT DETAILS

The Company must continue to innovate and improve standard operating procedures, implement improved manufacturing processes, design and implementation of a quick turn-around system and improve customer service. The proposed training will equip staff with enhanced skills in teambuilding, operate highly automated equipment, expand marketing capacity and manufacturing efficiency.

Training Plan

All Classroom/Laboratory and Videoconference training will be provided at the Delano facility as follows:

Computer Skills (10%): Training will be offered to all occupations. Training will enable workers to operate and take full advantage of the Company's control system, including entering and retrieving data and using data to manage individual jobs.

Continuous Improvement (45%): Training will be offered to all occupations and focus on advanced team skills, leadership skills, data analysis and a variety of continuous improvement tools.

Manufacturing Skills (45%): Training will be offered to all occupations. Training will help trainees maintain, operate and improve highly automated equipment and systems. Topics include fruit science to handle production of perishable fruit with a special emphasis on good manufacturing practices and food safety.

Veterans Program

Wonderful Citrus is currently working to attract veterans into its workforce. As such, Wonderful Citrus is including separate Veteran Job Numbers (Job Numbers 3 & 4) for training 20 Veterans. The Panel has established a higher reimbursement rate and other incentives for training California veterans, as will be reflected in the contract.

➤ Retention Modification

Retention for trainees in Job Numbers 3 & 4 may be satisfied by employment of at least 30 hours a week during the consecutive 90-day or at least 500 hours within 272 days with one or more employers.

High Unemployment Area

All trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by 15%. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Wonderful Citrus is requesting the HUA wage modification from \$15.60 to \$12.00.

Substantial Contribution

Wonderful Citrus is a repeat contractor with payment earned in excess of \$250,000 at Delano within the past five years. (See Prior Project Table.) Accordingly, reimbursement for trainees will be reduced by 15% to reflect the Company's \$103,976 Substantial Contribution to the cost of training.

LMS

The Learning Management System has been reviewed and approved by ETP staff for documentation of all training.

Commitment to Training

Wonderful Citrus has a current annual training budget of approximately \$500,000. Training consists of new employee orientation, safety training and on-the-job training in equipment operation. Training is delivered via class/lab and on-the-job. All training is both job specific and Company-wide.

ETP funds will enable the Company to provide more formal training on a faster timetable. After the completion of the ETP program, the Company is committed to continuing the quality and frequency of employee training.

ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Training started on January 25, 2016 and has been delivered on-site by in-house staff and outside training vendor if needed. Wonderful Citrus has designated four staff members to work part-time to oversee ETP training and administrative responsibilities. The Company has also hired a third party, Steve Duscha Advisories for ETP administration functions (see Administrative Services below).

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Wonderful Citrus under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0412	Delano	6/30/13 – 6/29/15	\$480,240	\$480,240 (100%)
ET12-0353	Delano	4/28/12 – 4/27/14	\$445,2764	\$445,460 (99%)

DEVELOPMENT SERVICES

Steve Duscha Advisories in Sacramento assisted with development for a flat fee of \$17,500.

ADMINISTRATIVE SERVICES

Steve Duscha Advisories will also perform administrative services for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

COMPUTER SKILLS

- + IT Infrastructure Management
- + Retrieving Data
- + Using Data To Manage Inventory
- + Using Data To Manage Production

CONTINUOUS IMPROVEMENT

- + 5 S System
- + 5 Why System
- + Analyzing and Managing Inventory
- + Coaching and Developing Team Members
- + Data Analysis and Management
- + Improvement Tools
- + Leading Teams
- + Self-Sufficient Work Teams
- + Team Building Skills
- + Using Data To Improve Performance

MANUFACTURING SKILLS

- + Ammonia System For Industrial Refrigeration
- + Auditing Food Safety
- + Automated Packers
- + Automated Palletizer
- + Automated Stretch Wrapper
- + Automated Weigher and Bagger
- + Disassemble, Clean, Repair and Reassemble Equipment
- + Electronic Fruit Sorters
- + Equipment Redesign
- + Equipment Fabrication
- + Food Safety
- + Forklift Skills
- + Fruit Science: Harvest and Post-Harvest
- + Good Manufacturing Practices
- + Industrial Robots
- + Maintaining Equipment
- + Managing Inventory
- + Modifying and Updating Equipment and Processes
- + Operating Equipment
- + Produce Traceability Initiative
- + Troubleshooting Equipment
- + Understanding De-greening

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.