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Petitioners/plaintiffs allege as follows:

INTRODUCTION

This petition and complaint seeks to stay enforcement of the provisions of Proposition 12 that regulate and reorder the entire national pork supply chain until the State has implemented a functioning certification and tracking system that all participants in the pork industry—from processors and packers, transporters, and wholesale distributors, to restaurants and small grocery stores—can rely on to demonstrate compliance with Proposition 12 without fear of criminal or civil prosecution.

Beginning on January 1, 2022, the law will prohibit the sale of any pork in California that comes from a pig that is the offspring of a breeding pig confined in less than 24 square feet of usable floor space. Although Proposition 12 provides for a defense from prosecution or liability for violating this prohibition to any party that relied in good faith upon a written certification from its supplier that the pork at issue derives from pigs who were confined in a Proposition 12 compliant manner, the statute neither provides guidance on the requirements of such a written certification nor on the circumstances under which a party could rely on it in good faith. Instead, Proposition 12 addresses such issues by mandating that the State Department of Food and Agriculture ("CDFA") and the State Department of Public Health ("CDPH") jointly promulgate implementing regulations by September 1, 2019. But the State has not yet adopted Proposition 12 implementing regulations that it was required to adopt over two years ago and that would permit market participants to rely on proof of compliance as pork moves through the supply chain. This disconnect between Proposition 12 as approved by the voters and the State's implementation of the law in the marketplace leaves market participants shouldering all of the uncertainty and legal risks. Without an order from this Court, the State's inability to put in place regulations implementing Proposition 12 in a timely manner will lead to substantial disruptions in the State's pork supply chain in 2022 and deprive market participants of the statutorily-mandated, good faith defense against prosecution and liability that necessarily requires a functioning certification process.

Californians account for approximately 13 percent of all pork consumed in the United States annually, but only a *de minimis* amount of that massive market share derives from hogs

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raised on California pig farms. Most pork makes its way to California consumers from farms outside the state, or even outside the country, through a complex supply chain that, as described below in more detail, usually includes at least seven and often ten or more separate steps engaged in by multiple businesses. Implementing the sales ban under Proposition 12 therefore effectively mandates the imposition of certification and tracking requirements throughout national (and in some cases international) supply chains. As a practical matter, a party selling pork to a California end user can only represent that such pork is compliant with Proposition 12 if it has the ability to trace that product through this complex supply chain back to the farms on which the pigs were raised, and then back again through every business involved in processing, packaging, transport, storage and distribution of that particular pork product. The creation of a regime capable of establishing such an "audit trail"—of allowing each party in the supply chain to verify the status of the product being shipped to the next party—is complex. Certification of the farm where the pigs are born and raised is the most critical piece of the enforcement and implementation of Proposition 12, but the State must then implement a labelling and audit trail system that follows those pigs to raising and finishing farms, to transport and holding companies, through slaughtering and distribution, and on to wholesalers, grocery stores, and restaurants. In order to avoid criminal or civil liability, each participant along the way must demonstrate through registration with the State, certificates, federally regulated labelling claims, and an audit trail that the pork they are sending to the California market complies with Proposition 12.

Although the liability provisions of Proposition 12 go into effect on January 1, 2022, the certification provisions necessary to avoid liability are not yet in effect. As enacted, Proposition 12 required the State to promulgate regulations by September 1, 2019, leaving sufficient time to create a national certification, registration and tracking system and giving the pork industry two plus years to modify their practices and comply with those procedures. Yet at this late date, the State still has not finalized and adopted those regulations, much less implemented a registration and certification system that market participants can rely on. Indeed, the State has already conceded that farms and pork producers will not be required to have their operations certified as compliant with Proposition 12 by a third party until January 1, 2023, because the State will not have its registration and certification system in place before then. This, however, will not absolve distributors from their obligation to

ensure that the whole pork meat they acquire from producers for further sale in California is

Proposition 12 compliant. Thus, as a practical matter, producers will still have to provide evidence of
their compliance with Proposition 12 to their customers, but distributors further along in the supply
chain will have little guidance on whether they legally can rely on such evidence in good faith.

This puts all the uncertainty and risks of an unfinished regulatory regime on pork distributors and end-users—those in the middle or toward the end of the supply chain who do not buy the pigs or pork directly from the farms and have no ability to independently verify whether pork was raised in compliance with Proposition 12. Nonetheless, those distributors could be criminally prosecuted and fined for selling non-compliant pork. Petitioners represent the interests of the thousands of businesses that distribute and sell pork in the State and that will be put in a legally untenable position starting January 1, 2022. Without a State certification and record system in place, they can attempt to find a way to "certify," on their own, that the pork they are selling complied with Proposition 12 throughout all stages of production and distribution—a process virtually impossible given the current distribution regime—or they must stop selling pork until the State's certification and tracking framework is established and implemented.

That is not what the voters intended or approved when they passed Proposition 12 and consciously set the effective date for these provisions more than two years after adoption of the necessary regulations. Under these circumstances, a delay in the effective date for Proposition 12's pork provisions plainly is warranted. Even assuming that the proposed implementing regulations were adopted today and were sufficiently comprehensive that regulated parties eventually would be in a position to comply with the Proposition 12's requirements and make use of its good faith defense, affected parties would still require considerable time to overhaul the multi-step pork supply chain and make the changes necessary to ensure compliance with the regulations.

In situations like this, California courts have used their inherent powers to delay the operative date of a statute to conform to the voters' intent. Petitioners here ask only that they be given the time provided by Proposition 12 itself in which to adapt and conform to a new national regulatory system for pork production and distribution—no more but no less. The Court should therefore stay

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enforcement of Proposition 12's pork provisions until 28 months after the adoption of final implementing regulations, consistent with the original design of Proposition 12.

PARTIES

- 1. Petitioner/plaintiff CALIFORNIA HISPANIC CHAMBERS OF COMMERCE (CHCC) is a statewide nonprofit association that represents the interests of over 800,000 Hispanic business owners in California. CHCC's members include owners and managers of California restaurants, grocery stores, and other businesses that buy, distribute, and sell whole pork meat within California. Many of CHCC's members are subject to Proposition 12 and will be irreparably harmed if Proposition 12's restrictions on the pork industry are allowed to go into effect on January 1, 2022, without an industrywide compliance and certification process in place that those members can rely on to ensure they are buying and selling California-compliant pork. CHCC brings this proceeding on its own behalf and on behalf of its member businesses that are subject to Proposition 12. CHCC's members would otherwise be entitled to bring this suit in their own right, the interests that CHCC seeks to protect in this lawsuit are germane to its purpose, and neither the claims asserted nor the relief sought herein are unique to specific businesses and therefore do not require the participation of each and every member of CHCC. CHCC has been liable to pay, and within one year before the commencement of this action has paid, a tax within the County of Sacramento.
- 2. Petitioner/plaintiff KRUSE & SON, INC. ("KRUSE") is a family owned and operated meat processing business located in Monrovia, California. KRUSE has been in business since 1949 and specializes in producing smoked meats, including bacon, ham, roast beef, and pastrami. For its ham and bacon, KRUSE obtains whole uncooked pork from out-of-state suppliers. After processing and smoking its pork products, KRUSE sells those meats to food distributors that in turn sell those products primarily to California restaurants and hotels. KRUSE is subject to Proposition 12 because it is in the business of selling whole uncooked pork meat within the State. KRUSE will be irreparably harmed if Proposition 12's restrictions on the pork industry are allowed to go into effect on January 1, 2022, without an industrywide compliance and certification process in place that KRUSE can rely on to ensure it is buying and selling California-compliant pork. At the very least, KRUSE must be able to obtain Proposition 12 compliant whole uncooked pork to continue its operations.

 Without an industrywide compliance and certification process in place that KRUSE'S suppliers can rely on, those suppliers will not sell whole uncooked pork to KRUSE and risk prosecution. As a result, KRUSE will suffer irreparable harm. KRUSE has been liable to pay, and within one year before the commencement of this action has paid, a tax within the County of Los Angeles.

- statewide nonprofit association based in Sacramento, California. CGA represents the interests of over 300 California grocers operating more than 6,000 brick-and-mortar stores and approximately 150 grocery supply companies. These companies distribute and sell whole pork meat within California and will be irreparably harmed if Proposition 12's restrictions on the pork industry are allowed to go into effect on January 1, 2022, without an industrywide compliance and certification system in place that those members can rely on to ensure they are buying and selling California-compliant pork. CGA brings this proceeding on its own behalf and on behalf of its member businesses that are subject to Proposition 12. CGA's members would otherwise be entitled to bring this suit in their own right, the interests that CGA seeks to protect in this lawsuit are germane to its purpose, and neither the claims asserted nor the relief sought herein are unique to specific businesses and therefore do not require the participation of each and every member of CGA. CGA has been liable to pay, and within one year before the commencement of this action has paid, a tax within the County of Sacramento.
- 4. Petitioner/plaintiff CALIFORNIA RESTAURANT ASSOCIATION (CRA) is a statewide nonprofit association based in Sacramento, California. Petitioner/plaintiff CRA represents the interests of owners and operators of California restaurants and those who provide services and products to California restaurants. CRA is one of the largest and longest-serving nonprofit trade associations in the nation. Representing the restaurant and hospitality industries since 1906, the CRA is made up of nearly 22,000 establishments in California. The restaurant industry is one of the largest employers in California, representing approximately 1.4 million jobs. Many of CRA's members are subject to Proposition 12 and will be irreparably harmed if Proposition 12's restrictions on the pork industry are allowed to go into effect on January 1, 2022, without an industrywide compliance and certification process in place that those members can rely on to ensure they are buying and selling California-compliant pork. At the very least, CRA's members must be able to obtain Proposition 12

Sacramento.

compliant whole uncooked pork to continue their operations. Without an industrywide compliance and

(RETAILERS) is a statewide nonprofit association based in Sacramento, California.

Petitioner/plaintiff RETAILERS is the only statewide trade association representing all segments of the retail industry and includes members who own and/or manage California restaurants, grocery stores, and pork specialty shops. RETAILERS represents businesses that comprise a quarter of the state's employment and \$330 billion worth of gross domestic product each year. Many of RETAILERS'

retail industry and includes members who own and/or manage California restaurants, grocery stores, and pork specialty shops. RETAILERS represents businesses that comprise a quarter of the state's employment and \$330 billion worth of gross domestic product each year. Many of RETAILERS' members distribute and sell meat, including whole pork, within California, and will be irreparably harmed if Proposition 12's restrictions on the pork industry are allowed to go into effect on January 1, 2022, without an industrywide compliance and certification process in place that those members can rely on to ensure they are buying and selling California-compliant pork. RETAILERS brings this proceeding on its own behalf and on behalf of its member businesses that are subject to Proposition 12. RETAILERS' members would otherwise be entitled to bring this suit in their own right, the interests that RETAILERS seeks to protect in this lawsuit are germane to its purpose, and neither the claims asserted nor the relief sought herein are unique to specific businesses and therefore do not require the participation of each and every member of RETAILERS. RETAILERS has been liable to pay, and within one year before the commencement of this action has paid, a tax within the County of

- 6. Respondent/defendant KAREN ROSS is the Secretary of the California
 Department of Food and Agriculture and is being sued in her official capacity. As Secretary of the
 Department, respondent ROSS is responsible for overseeing the drafting and implementation of
 regulations implementing Proposition 12. See Health & Saf. Code § 25993. Further, under the draft
 regulations, the Department will have authority to enforce provisions of Proposition 12, such as
 stopping and inspecting all pork entering the State and turning back and tagging and/or seizing any
 whole pork that does not comply with Proposition 12's confinement requirements. See Proposed
 Prop. 12 Regs., Cal. Code Regs., tit. 3, §§ 1322.6, 1322.7. On information and belief, absent an order
 from this Court, respondent ROSS will cause Proposition 12 to be enforced beginning on January 1,
 2022, despite the fact that the implementing regulations are not final and have not yet begun to be
 implemented.
- 7. Respondent/defendant TOMÁS J. ARAGÓN is Director of the California Department of Public Health and is being sued in his official capacity. As Director of the Department, respondent ARAGÓN is responsible for overseeing the drafting and implementation of regulations implementing Proposition 12. See Health & Saf. Code § 25993. Further, under the draft regulations, the Department has enforcement authority. See Prop. Cal. Code Regs., tit. 3, § 1322(p). On information and belief, absent an order from this Court, respondent ARAGÓN will cause Proposition 12 to be enforced beginning on January 1, 2022, despite the fact that the implementing regulations are not final and have not yet begun to be implemented.
- 8. Respondent/defendant ROB BONTA, Attorney General of the State of California, is sued in his official capacity. BONTA is the chief law enforcement officer of the State and in that capacity has the authority to enforce Proposition 12's criminal provisions and to bring an unfair competition action under Business and Professions Code section 17200 based on failure to comply with Proposition 12. On information and belief, absent an order from this Court, respondent BONTA will cause Proposition 12 to be enforced beginning on January 1, 2022, despite the fact that the implementing regulations are not final and have not yet begun to be implemented.
- 9. Respondent/defendant ANNE MARIE SCHUBERT, District Attorney of the County of Sacramento, is sued in her official capacity and as representative of all counterparts

statewide. Proposition 12 provides that any person who violates any of the provisions of Proposition 12 is guilty of a misdemeanor, and upon conviction can be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed 180 days or by both such fine and imprisonment. Health & Saf. Code § 25993(b). Proposition 12 further provides that respondent SCHUBERT and her statewide counterparts, including a county counsel or civil prosecutor authorized by agreement with the district attorney, a city attorney of a city having a population in excess of 750,000 and a city attorney of any city and county, can bring an unfair competition action under Business and Professions Code section 17200 against business owners and operators that fail to comply with Proposition 12. On information and belief, absent an order from this Court, respondent SCHUBERT and her counterparts will cause Proposition 12 to be enforced beginning on January 1, 2022, despite the fact that the implementing regulations are not final and have not yet begun to be implemented.

JURISDICTION AND VENUE

- 10. This Court has jurisdiction over this action under Code of Civil Procedure sections 526, 526a, and 1085. Petitioners are entitled to a writ of mandate because they are beneficially interested in the outcome and do not have a plain, speedy, and adequate remedy in the ordinary course of law. If this Court does not act, persons and businesses who engage in the sale of whole pork within the State of California risk fines, imprisonment, and civil penalties under Health and Safety Code section 25993(b) beginning January 1, 2022, without any ability to demonstrate written compliance or assert the good faith defense provided for in Health and Safety Code section 25993.1. Declaratory relief is authorized by Code of Civil Procedure sections 1060 and 1062.
- 11. Venue is proper under Code of Civil Procedure section 393 because the events and actions of Respondents/Defendants giving rise to the claims alleged herein occurred in Sacramento County.

FACTUAL ALLEGATIONS

- A. Proposition 12 Left Certification and Compliance Requirements to be Established Through Regulations
 - 12. At the November 6, 2018, statewide general election, California voters approved

passage of Proposition 12, a statutory initiative measure entitled the Prevention of Cruelty to Farm Animals Act. Proposition 12 prohibits business owners and operators from knowingly engaging in the sale within the state of "[w]hole pork meat¹ that the business owner or operator knows or should know is the meat of a covered animal who was confined in a cruel manner, or is the meat of immediate offspring of a covered animal who was confined in a cruel manner." Health & Saf. Code § 25990(b)(2). A true and correct copy of the ballot pamphlet materials for Proposition 12, including the text of the measure, are attached hereto as Exhibit A and are incorporated herein.

- 13. Proposition 12 defines what it means for the animal to be "confined in a cruel manner" and includes in that definition "[a]fter December 31, 2021, confining a breeding pig with less than 24 square feet of usable floorspace per pig." *Id.* § 25991(e)(3). Thus, as of January 1, 2022, business owners and operators cannot knowingly sell whole pork meat in California unless they know or "should know" the conditions under which the animal was confined.
- 14. Proposition 12 provides severe penalties for violations of its provisions. Violators can be prosecuted for a misdemeanor with conviction resulting in a fine up to \$1,000 and confinement up to 180 days in the county jail. Health & Saf. Code § 25993(b). Violation also constitutes unfair competition under Business and Professions Code section 17200, resulting in potential imposition of injunctive relief and civil penalties.
- 15. Proposition 12, however, also provides a good faith defense to criminal prosecution and civil liability. Section 25993.1 states that "[i]t shall be a defense to any action to enforce subdivision (b) of Section 25990 that a business owner or operator relied in good faith upon a written certification by the supplier that the . . . whole pork meat . . . at issue was not derived from a covered animal who was confined in a cruel manner, or from the immediate offspring of a breeding pig who was confined in a cruel manner."

¹ The term "whole pork meat" is defined in the measure to mean "any uncooked cut of pork, including bacon, ham, chop, ribs, riblet, loin, shank, leg, roast, brisket, steak, sirloin, or cutlet, that is comprised entirely of pork meat, except for seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives. Whole pork meat does not include combination food products, including soups, sandwiches, pizzas, hotdogs, or similar processed or prepared food products, that are comprised of more than pork meat, seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives." Health & Saf. Code § 25991(u).

- 16. Although Proposition 12 specifies the penalties for violation and provides a defense based on a "written certification by the supplier," it does not define who "the supplier" is in a multi-step distribution chain, nor does it specify the means by which a business owner can obtain written certification from "the supplier" as to the conditions under which the pig whose meat is being sold was raised or even what a certification must include to be legally compliant.
- The vast majority of breeding pigs are raised on farms outside California. According to the California Department of Food and Agriculture ("CDFA"), "California has about 0.133% of the national breeding pig herd." California Dept. Food & Ag., Notice of Proposed Action to adopt new Chapter 10 (commencing with section 1320) of Division 2 of Title 3 of the California Code of Regulations to implement Health and Safety Code sections 25990 through 25994, Farm Animal Cruelty, at p. 18, available at https://www.cdfa.ca.gov/ahfss/pdfs/regulations/AnimalConfinement1stNoticePropReg_05252021.pdf. As a result, most of the pork sold and consumed in California derives from pigs born and raised outside of the State.
- separate steps from farm to table. A breeding pig housed in Iowa may give birth to piglets who are then sold or shipped to a different nursery farm. After six to eight weeks, those piglets may then be shipped to a farm where they are raised until they are at market weight. Once at weight, the pigs from those various sources are transported to slaughter facilities. They may be sold to multiple processors throughout multiple states, each of whom may receive shipments of thousands of pigs each day from multiple sources. The meat from those pigs may be sent to a multitude of states through various distributors. Thus, even after slaughter, the supply chain involved for just one cut of pork includes numerous steps and businesses, including packaging, transport, storage and distribution.
- 19. As a result, many purchasers and distributors in California currently have no way of knowing the conditions under which the individual pig associated with the whole pork meat they are selling was raised. In order to comply with Proposition 12, that business will be reliant on some means of certifying the conditions under which the pig was raised that will follow the pig

through the entire production and distribution process.

20. Presumably because the distribution chain is so complex, the drafters of Proposition 12 left filling in the details of the enforcement and certification process to the regulatory agencies. In a section of the measure captioned "Enforcement," Proposition 12 provides: "The Department of Food and Agriculture and the State Department of Public Health shall jointly promulgate rules and regulations for the implementation of this act by September 1, 2019." Health & Saf. Code § 25993(a).

B. Those Regulations Were Required to be Completed by September 1, 2019, But Have Not Been Adopted and Are Still in Draft Form

- 21. Neither agency met the deadline for promulgating rules and regulations for the implementation of Proposition 12. As a spokesman for CDFA recently stated: "The initial regulations were supposed to be completed by September 1, 2019, but that timeframe was too short to meet all of the steps legally required." See "Pork is already super expensive. This new animal-welfare law could push prices higher." (CNN.com, Oct. 17, 2021).
- 22. CDFA, designated lead agency for the effort, began by hosting a workshop to discuss the requirements of Proposition 12 on February 22, 2019. *See*https://www.cdfa.ca.gov/ahfss/media/Prop12.pptx.pdf. In the materials prepared for the workshop, CDFA acknowledged that "[r]egulations normally take *at least* one year to complete" and that the provisions regarding pork entailed "MUCH more complex compliance." *Id.* at 16, 20, emphasis in original.
- Implementation of Proposition 12, seeking comments on a general regulatory framework for use in developing the regulations. https://www.cdfa.ca.gov/ahfss/pdfs/Prop12InfoNoticeRevised.pdf. In that document, CDFA acknowledged that it "views the validity of a supplier's written certification to be critical to the integrity of the animal confinement provisions that California businesses must comply with under Proposition 12, as well as to the overall effectiveness of ensuring that only products from animals raised and housed in conformance with the confinement provisions of the ballot measure reach markets within the state." *Id.* p. 2. Comments were accepted through June 3, 2019. *Id.* p. 3.

24. On July 22, 2020, CDFA released "draft regulation text for stakeholder
feedback" on pork production and certification.
https://www.cdfa.ca.gov/ahfss/pdfs/Article3PorkMeatDRAFT07222020.pdf and
https://www.cdfa.ca.gov/ahfss/pdfs/Article5CertificationDRAFT07222020.pdf. CDFA disclaimed any
intention to begin the formal rulemaking process, printing on both drafts the following language:
"This is a DRAFT document issued for the purpose of increasing public participation and improving
the quality of regulations pursuant to Government Code Section 11346.45. This is NOT a public
notice of the initiation of rulemaking required by Government Code Section 11346.5." Id. CDFA
allowed public comment but stated it would not respond to the comments.

- 25. On March 5, 2021, CDFA released an "FAQ" on Proposition 12 in which it provided the following question and answer:
 - 5. Will there be a delay in enforcement, or will all covered product have to be compliant after January 1, 2022?
 - With respect to a delay in enforcement, [CDFA's Animal Care Program] does not have authority to extend the compliance deadlines provided for in statute established under Proposition 12 for covered animals and covered products.

https://www.cdfa.ca.gov/AHFSS/pdfs/prop_12_faq.pdf.

- 26. On May 28, 2021, CDFA jointly with the California Department of Public Health formally published proposed regulations for the implementation of Proposition 12, thereby commencing a 45-day comment period, with a public hearing scheduled for August 27, 2021. A true and correct copy of the proposed regulations are attached hereto as Exhibit B and are incorporated herein.
- C. The Proposed Regulations Contemplate That the State's Certification System Will Begin in 2023, A Full Year After the Liability Provisions of Proposition 12 Related to Pork Products Go into Effect
- 27. The proposed regulations set forth a detailed certification procedure that includes mandatory on-site inspection of pork producers by accredited certifying agents, certification requirements for producers, record-keeping requirements for both pork producers and distributors, registration and certification of pork distributors, shipping and labelling requirements, and procedures

for certifying accredited certifiers. *See generally* Ex. B, Cal. Code of Regs., tit. 3 §§ 1320 et seq. [hereafter "Prop. Regs."]. The regulations that relate specifically to the pork industry are found at sections 1322-1322.10.

- 28. The whole system of Proposition 12 compliance is premised on the fact that pork producers (the farms) that want access to California markets must be inspected for compliance with the initiative's confinement requirements and receive a certification, and then downstream pork distributors can rely on that certification, as well as an audit trail and labelling, to demonstrate they are distributing pork that derives from a producer that complies with Proposition 12.
- and distributors throughout the country (or even outside the country) cannot occur overnight. For example, most of the pigs raised for the domestic market are born and raised in Iowa, Minnesota, Illinois, North Carolina, Indiana, Nebraska, and Missouri, requiring certifying agents in those states. The proposed regulations contemplate that CDFA will first set up a system to accredit qualified domestic and foreign accreditors "to certify a domestic or foreign production or distribution operation as a certified operation." Prop. Regs., § 1326.9. A private entity seeking to be an accredited certifying agent must comply with a detailed list of qualifications (Prop. Regs., § 1326.10) and file an application with CDFA (*id.* § 1328.11) that, among other things, contains detailed information about the business and its operations, the expertise and qualifications of personnel conducting inspections, and the business's policies and procedures for training personnel, recordkeeping, and conflicts of interests (*id.* §§ 1328.12, 1328.13). The proposed regulations also require CDFA to conduct an on-site evaluation of certifying agents (*id.* § 1326.16). Certifying agents must file annual reports (*id.* §§ 1326.17) and are subject to ongoing compliance requirements and investigation (*id.* §§ 1326.18-21).
- 30. Any pork producer that wants their pork sold in California must apply for a certification under the proposed regulations. Its application must contain detailed descriptions of, among other things, the producer's business operations and practices, animal confinement system, and overall farming system. Prop. Regs., § 1326.3. After review by the certifying agent (*id.* § 1326.4), the producer must undergo an on-site inspection of its facilities and exit interview with the certifying agent (*id.* § 1326.5). The producer must also maintain a recordkeeping system that, among other things,

tracks each covered animal held by the producer, thereby establishing whether it was produced in compliance with Proposition 12, and when and to whom it was sold, establishing the tracking system needed for the audit trail for downstream pork distributors. *See* Prop. Regs, § 1326.2. The proposed regulations also provide detailed provisions setting forth the standards for granting producer certifications (*id.* § 1326.6), due process for producers denied certification (*id.* § 1326.7), and continuing requirements for certification (*id.* § 1326.8).

31. Under the proposed regulations, this certification process will not be in place for 2022, essentially making it impossible for pork distributors, wholesalers, and retailers to avail themselves of the good faith defense set forth in section 25993.1 for the coming year. Notwithstanding the fact that Proposition 12's pork requirements go into effect on January 1, 2022, the draft regulations do not require pork producers to be certified until January 1, 2023:

Commencing January 1, 2023, any person engaged in business in this state as a pork producer, or any out-of-state pork producer that is keeping, maintaining, confining, and/or housing a breeding pig for purposes of producing whole pork meat, from the breeding pig or its immediate offspring, for human food use in California, shall hold a valid certification issued pursuant to Article 5 of this Chapter as a certified operation.

Prop. Reg. § 1322.1(b)

- 32. None of this complex certification system has been promulgated through final regulations, much less been implemented or begun to be operational. The Department has not begun accrediting certifying agents, and there are no certifying agents in the field to accept, inspect, and certify pork producers. There is no labeling system in place for pork that complies with Proposition 12. And there is no certification and registration system ready for pork distributors.
- 33. Proposition 12 intended a tiered implementation, with some provisions going into effect immediately in November 2018, others delayed until January 2022, with the necessary regulatory enforcement and certification process in place by September 2019. Not surprisingly given the complicated task before them and the significant problems posed by the COVID pandemic, the regulatory agencies have been unable to meet their statutory deadline to promulgate regulations. This

leaves downstream businesses in the pork supply chain with an obligation to comply with Proposition 12's prohibition against knowingly engaging in the sale of whole pork meat that they know or should know was raised in conditions inconsistent with the measure beginning in January 2022, but without any ability to demonstrate compliance through a recognized certification and no ability to assert the good faith defense that is explicitly provided for under the measure until at least January 2023—assuming regulations are adopted by then. And even when final regulations are adopted, it will take regulated entities a significant amount of time after the regulations are adopted to make whatever changes to the pork supply chain are required to comply with the new regulations.

D. Without a Functioning Certification System in Place in 2022, Pork Distributors Will Be Deprived of Proposition 12's Good Faith Defense

faith defense in section 25993.1 must be "based upon an audit trail as defined in section 1322(b) of this Article, and shall be traceable to pork producers compliant with all requirements of section 1322.1 of this Article." Prop. Reg. § 1322.8(a). However, the "audit trail" required by section 1322.8(a) requires records that are in sufficient detail to show, among other things, that the pork came "from pork producers that hold a valid certification as a certified operation issued pursuant to Article 5 of this Chapter." *Id.*, § 1322(b). As discussed above, pork producers are not required to have such certifications in 2022. Moreover, section 1322.8 states that any certification must be traceable to pork producers compliant with all requirements of section 1322, including the certification requirement, but not until January 1, 2023. In the absence of any system in place that certifies farms and pork producers as being compliant with Proposition 12, pork distributors will be deprived of the statute's good faith defense. That will be the case in 2022 and likely for some time thereafter, given how long it is likely to take for parties in the pork supply chain to make the necessary modifications to comply with the final regulations.

E. Without a Functioning Certification System in Place in 2022, Pork Distributors Will Also Be Unable to Comply with the "Self-Certification" Process Contemplated as a Stop-Gap Measure in the Proposed Regulations

35. The proposed rules allow for "self-certification," which enables pork distributors to *register* prior to January 1, 2023, if they submit a self-certification to the Department that they

comply with the requirements of Proposition 12. Prop. Regs. § 1322.2(k). However, the registration is a separate requirement unrelated to the good faith defense. Thus, self-certification for 2022 under the proposed rules does not satisfy the audit requirements necessary to assert the good faith defense.

- 36. Moreover, the self-certification by pork distributors in 2022 may present increased enforcement risks to pork distributors, who would have attested to distributing pork that allegedly complies with Proposition 12 when there is no independent way to verify whether the producers are in fact complying with Proposition 12.
- 37. Further, under the self-certification process, a pork distributor must attest that it complies with all applicable requirements set forth in sections 1322.4 and 1322.5 of the regulations. But without a state certification process in place, it is highly unlikely that pork distributors will be able to make those representations and therefore comply with the self-certification requirements.

 Section 1322.4 requires that commencing January 1, 2022, documents related to pork products being sold in the State, including documents of title, shipping invoices, bills of lading, and shipping manifests must contain the statement "California 24+ Compliant" or "CA 24+." Thus, when filing a self-certification, a pork distributor must attest that it will only accept pork that is accompanied with documents that all contain the CA+24 designation.
- 38. Section 1322.5 requires the pork distributor to attest that it is maintaining all records in compliance with the audit trail as set forth in section 1322(b). That in turn requires the pork distributor to have records "that are in sufficient detail to document the identification, source, supplier, transfer of ownership, transportation, storage, segregation, handling, packaging, distribution, and sale of whole pork meat" that is in compliance with Proposition 12. But there is simply no way that the type of farming practices, segregation practices, and recordkeeping needed to make that showing will suddenly spring to life on January 1, 2022, across the pork supply chain; it is simply too large and fragmented for that to occur. Yet in 2022, a pork producer must either certify that it can provide such documentation in 2022, without the State's certification system in place, or not sell pork.

F. The Regulatory Delay Has Created A Situation Inconsistent With the Voters' Intent

39. This untenable situation was not intended by the voters who enacted

Proposition 12. Petitioners seek a delay in any efforts to enforce Proposition 12 through criminal or civil action until such time as the regulatory enforcement and certification process is in place, and the supply chain has had the time the voters originally intended to come into compliance with its requirements.

- 40. It is settled law that "in some cases, a court may enjoin implementation of a statutory scheme for want of administrative regulations." *Alfaro v. Terhune*, 98 Cal. App. 4th 492, 503 (2002). There are two recognized grounds for doing so: First, the presence of a legislative intention, either by express provision or by necessary implication, that the statute in question cannot be implemented in the absence of administrative regulations (*id.* at 501); second, a showing that the act is too vague and indefinite to be implemented without administrative regulations (*id.*).
- 41. Proposition 12 was clear by its terms that implementing regulations are required to be adopted, providing that "[t]he Department of Food and Agriculture and the State Department of Public Health *shall* jointly promulgate rules and regulations for the implementation of this act by September 1, 2019." Cal. Health & Safety Code § 25993(a) (emphasis added).
- 42. The entire framework of Proposition 12 contemplates that the statute will not go into effect until administrative regulations are adopted. Many of the newly imposed substantive provisions regarding animal treatment become operative on a series of dates starting *after* the date the regulations were due, with requirements regarding the raising of breeding pigs going into effect on January 1, 2022. This phased-in approach of Proposition 12 evinces an unmistakable legislative intent that the act become operative as to the pork industry only after regulations were promulgated and in effect.
- 43. Proposition 12 is also too vague and indefinite to be implemented without administrative regulations. Courts recognize that "[s]ome statutory schemes, by their nature, cannot be implemented without administrative regulations." *Alfaro*, *supra*, at 502. To be enforceable, "a law must be sufficiently precise as to give a person of ordinary intelligence a reasonable opportunity to know what is required and to provide a sufficient standard for enforcement so that arbitrary and discriminatory enforcement may be avoided." *Id.* at 503. However, a statute will not be deemed self-executing "if it fails to provide 'a sufficient rule by means of which the right given may be enjoyed and

protected, or the duty imposed may be enforced." *Id.* at 502. In such a case, a statute will be considered too vague or indefinite to be enforced and is subject to being stayed until implementing regulations are adopted. *Id.* at 503.

- persons or businesses a reasonable opportunity to know what is required and to provide a sufficient standard for enforcement. The entire scope of the act's application to the pork distribution chain is framed as a simple directive that "[a] business owner or operator shall not knowingly engage in the sale within the state of . . . pork meat that the business owner or operator *knows or should know*" is derived from an animal that was not confined in a manner that complies with the statute. Cal. Health & Safety Code § 25990(b). However, what is utterly lacking in the statute is any system or standard or criteria to determine how a pork distributor "should know" whether the pork meat the distributor is selling is compliant. Further, Proposition 12's good faith defense is premised on a business owner having a "written certification by the supplier" that the pork is California-compliant, but it does not define who "the supplier" is in a multi-step distribution chain, nor does it specify the means by which a business owner can obtain written certification from "the supplier" as to the conditions under which the pig whose meat is being sold was raised or even what a certification must include to be legally compliant.
- 45. As described above, the stream of commerce of pork meat is vast and complex, with the product passing through many stages and many hands of market participants between the farm and the eventual consumer. Market participants in the middle and end stages of the commerce stream have no means of determining on their own whether the pork meat they are handling is compliant.
- 46. Implementing regulations for Proposition 12 thus are essential to the pork industry. The regulations that are in the process of being formulated by CDFA create an elaborate certification and registration scheme for pork producers and pork distributors, but not before January 2023 at the earliest.
- 47. The barriers to implementation of Proposition 12 without supporting regulations render execution of the statute impossible. It is a well-established equitable maxim that the law does not require that which is impossible. *Board of Supervisors v. McMahon*, 219 Cal. App. 3d 286, 299-

300 (1990). Impossibility means not only strict impossibility but also impracticability because of extreme and unreasonable difficulty, expense, injury, or loss. *Id.*

- 48. Among the conditions that have been recognized as constituting impossibility are factual circumstances beyond the regulated entity's control that make timely compliance with a statute unfeasible. For example, recently the California Supreme Court excused the Citizens Redistricting Commission from complying with a series of constitutional and statutory deadlines in connection with the redistricting process, because the COVID-19 pandemic had delayed the delivery to the commission of the census data that is the basis for redistricting. *Legislature of the State of California v. Padilla*, 9 Cal. 5th 867, 881-82 (2020). The Court agreed that it was impossible for the commission to meet the deadlines prescribed by law and found it appropriate to engage in the exercise of judicially reforming the deadlines in order to allow the commission to achieve compliance with the policy goals of the electorate as nearly as possible. *Id.* at 875-77.
- 49. In California Redevelopment Association v. Matosantos, 53 Cal. 4th 231 (2011), the Court reformed statutory deadlines where the delay brought about by litigation meant that several critical deadlines contained in the statutes had passed and could no longer be met, "render[ing] it impossible for the parties and others affected to comply."

[W]e have the power to reform a statute so as to effectuate the Legislature's intent where the statute would otherwise be invalid. (Kopp v. Fair Pol. Practices Com. (1995) 11 Cal. 4th 607, 660–661.) Here, the problem is not invalidity but impossibility: the need, recognized by both sides, to put to rest constitutional questions concerning these measures, when combined with a stay issued to preserve the court's jurisdiction to issue meaningful relief, has rendered it impossible for the parties and others affected to comply with the legislation's literal terms. By exercising the power of reform, however, we may as closely as possible effectuate the Legislature's intent and allow its valid enactment to have its intended effect. Reformation is proper when it is feasible to do so in a manner that carries out those policy choices clearly expressed in the original legislation, and when the legislative body would have preferred reform to ineffectuality.

Id. at 274.

50. The delay of the administrative agencies in promulgating implementing regulations for Proposition 12 has rendered timely compliance with the statute impossible for down-

stream businesses, who have no way to confirm that the whole pork meat they are selling or buying was raised in compliance with the statute.

- 51. The delay also has rendered it impossible for businesses to avail themselves of the statutory safe harbor provision for a business owner or operator who "relied in good faith upon a written certification by the supplier" that the pork meat in question was compliant with the act, thereby providing a defense in an enforcement action. Cal. Health & Safety Code § 25993.1. The statute itself contains no process for obtaining such written certification, and instead the regulatory agencies are developing one. It is impossible for pork distributors to present a good faith defense to any enforcement action until the regulations are in place. Even then, the proposed regulations do not require pork producers to be certified as compliant until January 1, 2023. Proposed Reg. § 1322.1(b).
- 52. Proposition 12 by itself, without implementing regulations, fails to provide a sufficient rule by means of which the duties it imposes may be enforced and the rights it furnishes, particularly the good faith defense against enforcement actions, may be invoked. Indeed, under the standards that have been articulated by the courts, compliance with Proposition 12 without regulations is a legal impossibility. Therefore, it is clear that judicial action to stay enforcement of Proposition 12 is required.

FIRST CAUSE OF ACTION

Declaratory Relief under Code of Civil Procedure sections 1060 and 1062

- 53. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 52 above.
- 54. Proposition 12 required that regulations for its implementation be promulgated by September 1, 2019, some 28 months before the measure would become fully operative with regard to the sale of whole pork meat within the State of California. As of November 1, 2021, the regulations have not been adopted. Unless this Court acts, on January 1, 2022, businesses will be liable for criminal and civil penalties if they engage in the sale of whole pork that they know or "should know" was raised under conditions that violate Proposition 12, but those businesses will have no means of securing written certification of how the pigs whose whole pork meat they purchased were raised. Without such written certification, businesses will be unable to avail themselves of the good faith

defense provided for in Health and Safety Code section 25993.1. And without a statewide certification system in place, pork distributors will be unable to meet the requirements for "self-certification," which assumes pork producers will be adhering to an audit record only possible once the certification system is in place.

- 55. As a result of respondents/defendants ROSS and ARAGON'S failure to perform their duty under Health and Safety Code section 25993(a), petitioners/plaintiffs must either cease engaging in the sale of whole pork meat on January 1, 2022, or risk prosecution under Health and Safety Code section 25993(b).
- 56. An actual controversy has arisen and now exists between petitioners/plaintiffs and respondents/defendants as to whether Health and Safety Code section 25990(b)(2) is lawful and enforceable as of January 1, 2022, in the absence of implementing regulations required by section 25993(a). Petitioners/plaintiffs are informed and believe that respondents/defendants contend that they must enforce section 25990(b)(2) beginning January 1, 2022, unless restrained from doing so by a court of law.

SECOND CAUSE OF ACTION

Writ of Mandate Under Code of Civil Procedure sections 1085 and 1086

- 57. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 56 above.
- 58. Petitioners/plaintiffs are beneficially interested in the issuance of a writ as requested and have no plain, speedy, or adequate remedy at law to all causes of action set forth herein.
- 59. A writ of mandate is necessary commanding that respondents/defendants refrain from unlawfully enforcing Health and Safety Code section 25990(b)(2) on or after January 1, 2022, and for 28 months after adoption of final implementing regulations, because state respondents/defendants' failure to perform their mandatory duty to promulgate implementing regulations that would provide businesses that sell whole pork in California with a means of securing the necessary written certification renders immediate compliance with the terms of Proposition 12 impossible and requires that enforcement be restrained until such time as regulations are in place and the distribution system is allowed time to comply with the new regulations.

THIRD CAUSE OF ACTION

Preliminary and Permanent Injunctions under Code of Civil Procedure sections 526 and 526a

- 60. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 59 above.
- 61. Injunctive relief is necessary to prevent petitioners/plaintiffs from suffering substantial and irreparable harm until respondents/defendants comply with their duty under Health and Safety Code section 25993(a) to promulgate regulations providing for a written certification process and their duty to provide a means for asserting the good faith defense provided for by section 25993.1. Respondents/defendants have conceded that the written certification necessary to assert a good faith defense will not be available before January 1, 2023. The public interest in enforcing the statute before 28 months after final implementing regulations are adopted, is outweighed by the substantial and irreparable harm to petitioners/plaintiffs facing prosecution under section 25993(b) without any ability to mount a good faith defense under section 25993.1 or alternatively suffering irreparable harm to their businesses by ceasing entirely to engage in the sale of whole pork products in the State of California.

PRAYER FOR RELIEF

WHEREFORE Petitioners/Plaintiffs pray for relief as follows:

- 1. That this Court issue a declaratory judgment that Health and Safety Code section 25990(b) cannot be enforced on or after January 1, 2022, until 28 months have passed after the adoption of final implementing regulations establishing a functioning system of certifying that pork producers and distributors are in compliance with Proposition 12.
- 2. That this Court issue a peremptory writ of mandate commanding respondents/defendants to refrain from taking any steps to enforce Health and Safety Code section 25990(b) on or after January 1, 2022, until 28 months after the adoption of final implementing regulations establishing a functioning system of certifying that pork producers and distributors are in compliance with Proposition 12.
- 3. That this Court issue a preliminary and permanent injunction prohibiting respondents/defendants from taking any steps to enforce Health and Safety Code section 25990(b) on

or after January 1, 2022, until 28 months after the adoption of final implementing regulations establishing a functioning system of certifying that pork producers and distributors are in compliance with Proposition 12.

4. That this Court grant such other and further relief as it deems necessary and appropriate, including an award of attorneys' fees and costs incurred in this matter.

Dated: November 10, 2021

OLSON REMCHO, LLP

By: Karen Getman

Attorneys for Petitioners
CALIFORNIA HISPANIC CHAMBERS OF
COMMERCE; KRUSE & SON, INC.; CALIFORNIA
GROCERS ASSOCIATION; CALIFORNIA
RESTAURANT ASSOCIATION; and
CALIFORNIA RETAILERS ASSOCIATION

VERIFICATION

I, Karen Getman, hereby declare as follows:

I am counsel for the petitioners/plaintiffs CALIFORNIA HISPANIC CHAMBERS OF COMMERCE; KRUSE & SON, INC.; CALIFORNIA GROCERS ASSOCIATION; CALIFORNIA RESTAURANT ASSOCIATION; CALIFORNIA RETAILERS ASSOCIATION in this matter. I have read the foregoing Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief and know the contents thereof. I am verifying this petition/complaint because the petitioners/plaintiffs are absent from the county in which I have my office (Contra Costa). I have read the petition/complaint and I am informed and believe that the matters stated therein are true and on that ground I allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 10th day of November, 2021, at Contra Costa County, California.

(amgo

Karen Getman

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