GLOBAL COLD CHAIN ALLIANCE®

GCCA Overview

California's Proposition 12

Summary

Proposition 12 (Health & Safety Code §§ 25990–25994) restricts the sale in California of certain pork, veal, and egg products that do not meet minimum confinement standards, and directs CDFA to implement a registration, certification, and audit-trail regime to enforce those standards. That framework was built around commercial distributors — businesses that select suppliers, negotiate purchase terms, and take title to covered products before selling them into the California market.

Background

During compliance reviews, GCCA members, which are third-party logistics providers or 3PLs, are grouped as distributers. In reality, 3PLs operate differently. Where a distributor takes ownership of the product, a 3PL provides contract warehousing and distribution services to a product owner. It does not buy, sell, or take title to the product it stores; it receives, holds, and releases product on the owner's instruction. Critically, a 3PL has no contractual relationship with the upstream suppliers who select and produce the goods, and therefore no legal means to obtain the transaction-level records — documenting supplier identity, ownership transfers, and sourcing — that the audit-trail requirement calls for. These are not records a 3PL is failing to produce; they are records a 3PL, structurally, has never had any right to hold.

Prop 12 is currently in effect and has been upheld by the U.S. Supreme Court, which has since twice declined further challenges to it. Separately, Congress is actively debating the Farm Bill: the House passed H.R. 7567 in April 2026, which includes Section 12006, the "Save Our Bacon Act, "nullifying Prop 12's pork and veal provisions, while the Senate Agriculture Committee's own June 2026 draft excludes that language. Whatever Congress ultimately decides, Prop 12 is the law CDFA is enforcing today, and today's enforcement problem exists independently of that outcome.

Policy Recommendation

We urge the California Department of Food and Agriculture (CDFA) to work with the cold storage and logistics industry to issue clear, workable guidance distinguishing the compliance obligations of third-party logistics providers (3PLs) from those of wholesale distributors under Proposition 12.

Specifically, GCCA respectfully asks that CDFA:

1. Issue published guidance or a formal Q&A that clearly distinguishes the compliance obligations of third-party logistics providers from those of wholesale distributors under Proposition 12's implementing regulations; and
2. Commit to working directly with the cold storage and logistics industry, we encourage doing this through the Global Cold Chain Alliance and other affected stakeholders, to develop a compliance framework for 3PLs that is workable, proportionate to their actual role, and consistent with the statute's purpose of ensuring covered products come from compliant sources — without requiring 3PLs to produce records they have no legal ability to obtain.