



**Training Proposal for:  
Mi Rancho Tortilla, Inc.  
Small Business: ET10-0146**

Approved: **August 2009-1**

ETP Regional Office: **Sacramento**

Analyst: J. Daunt

**CONTRACTOR:**

- Type of Industry: Manufacturing
- Contractor's # of Full-Time Employees
  - *California:* 56
  - *Worldwide:* 56
  - *Number to be trained:* 56
- Turnover Rate: 5%
- Repeat Contractor:  Yes  No
- Priority Industry:  Yes  No

**CONTRACT:**

- Training Project Profile: Priority/Retrainee  
HUA -Retrainee
- ETP Funding Amount: \$72,800
- In Kind Contribution: \$49,300
- Average Cost per Trainee: \$1,300
- Post Retention Wage: \$10.55
- Health Benefits: \$1.25 per hour
- Occupations to be Trained: Production Staff, Shipping Staff,  
Maintenance/Sanitation Staff, Accounting/Clerical  
Staff, Drivers, Sales/Customer Service Staff,  
Managers

- Training Menu:
 

<input checked="" type="checkbox"/> Business skills	<input type="checkbox"/> Literacy skills
<input type="checkbox"/> Commercial skills	<input checked="" type="checkbox"/> Management skills
<input checked="" type="checkbox"/> Computer skills	<input checked="" type="checkbox"/> Manufacturing skills
<input checked="" type="checkbox"/> Cont. Improvement	<input type="checkbox"/> Other:
  
- Range of Hours: 8-60 Weighted Average: 50
- Multiple Job Numbers:  Yes  No
- County(ies) Served: Fresno
- Union Representation:  Yes  No
- Subcontractor: Training services to be determined. Strategic Business Solutions, Exeter, provided Administrative Services for an amount not to exceed 13% of payment earned.
  
- Third Party Services: Strategic Business Solutions also assisted with Development of this application for a fee of \$3,750.

**INTRODUCTION**

In this proposal, Mi Rancho Tortilla, Inc. (Mi Rancho) seeks funding for retraining as outlined below:

Founded in 1948 by Fred and Rose Canalez, Mi Rancho originally manufactured corn and flour tortillas and was one of the first U.S. companies to automate the tortilla making process. In 1953, the Cruz brothers purchased Mi-Rancho and expanded the business. In 1969, the company expanded again and moved to its current location in Clovis. Today the company is still run by the Cruz family (third generation).

Mi Rancho manufactures varieties and sizes of flour and corn tortillas, as well as masa, a raw ingredient, and related food products. The company serves commercial grocery clients from Sacramento to Los Angeles, with further expansion of its distribution network currently in the planning process.

**Need for Training**

Company representatives state that Mi Rancho has been operating at the same levels of capacity and efficiency for at least ten years. The company needs to increase capacities to meet the planned distribution expansion in the next year. The plant is currently operating day and night, so the only way to increase capacity is to upgrade processes through training.

Mi Rancho wishes to upgrade its quality control program and educate all employees on new standards and measurements. Food safety is central to production and must be maintained as efficiencies increase. Mi Rancho also plans to upgrade production and accounting software programs and increase the skills and knowledge beyond those employees who currently use the programs. Mi Rancho is proposing to train its employees in Business, Manufacturing, Continuous Improvement, Computer, and Management Skills.

**High Unemployment Area-Wage Modification**

The 56 trainees in Job Number 1 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, California Code of Regulations (CCR), Section 4429(b).) These trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage.

The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages by at least 7%. (Title 22, CCR, Section 4429(c).) Mi Rancho is requesting a modification to the ETP Minimum Wage from \$13.00 per hour for Fresno County to \$10.55 per hour for trainees in Job Number 1. Company representatives state the trainees will earn \$9.75 per hour at the start-of-training and will receive an 8% wage increase of \$.80 per hour after completion of the retention period, bringing the wage up to \$10.55 per hour.

**RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal, including the request by Mi Rancho for a wage modification in a high unemployment area of the state by the Executive Director in consultation with the Panel Chair (Delegation Order 2009-1).

Comments may be submitted by email at [delegationorder@etp.ca.gov](mailto:delegationorder@etp.ca.gov).  
You must identify the ET10 Number for this proposal in the subject line of your email.  
The deadline for submitting comments on this proposal is August 19, 2009.