

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
November 16, 2017**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 16, 2017 at the CAC office, 12 Mauchly, Suite L, Irvine, CA 92618, with the following people present:

MEMBERS PRESENT

Nina Ames
Robb Bertels
Gene Carbone
Tyler Cobb
Robert Grether
Jessica Hunter
Ohannes Karaoghlanian
John Lamb
Leo McGuire
Ryan Rochefort
Rick Shade

MEMBERS ABSENT

Jason Cole
Ed McFadden

ALTERNATES PRESENT

John Lloyd-Butler
Michael Perricone
Bob Schaar

ALTERNATES ABSENT

Bryce Bannatyne
Gary Caloroso
Randy Douglas

OFFICIALLY PRESENT

Anne Buehner, & boom
Sue Coleman, USDA
John McGuigan, HAB
Ben Kardokus, CDFA
Xueqing (Jane) Li, AFC Consulting
Temra Wald, TWC

STAFF PRESENT

Monica Arnett
April Aymami
Tom Bellamore
Zac Benedict
David Cruz
Jan DeLyser
Ken Melban
Tim Spann
Connie Stukenberg

GUESTS PRESENT

Wayne Brydon
Dave Fausset
Kathleen Johnson
Marji Morrow
Steven Muro
Barbara Peirce
Rebecca Wojcicki

ITEM #1 CALL TO ORDER

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 9:05 a.m.

Announcement of Election Results and Introduction of New Members and Alternates - Item 1.A.

Mr. Kardokus announced that results from the recently concluded 2017 CAC General Election had been tallied and the following individuals had been elected to two-year terms ending October 31, 2019:

<u>District</u>	<u>Producer Member</u>	<u>Producer Alternate</u>	<u>Term Ending</u>
1	Jessica Hunter	Michael Perricone	2019
2	Ohannes Karaoghlanian	Bob Schaar	2019
3	Robert Grether	John Lloyd-Butler	2019
4	Jason Cole	Bryce Bannatyne	2019
5	Tyler Cobb	Randy Douglas	2019
		<u>Handler Alternate</u>	<u>Term Ending</u>
		Gary Caloroso	2019

Roll Call – Item 1.B.

Mr. Kardokus conducted roll call attendance and determined that a quorum was present.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

ITEM # 3 ELECTION OF OFFICERS

Instruction on How Nominations and Voting for Board Officers will be Conducted – Item 3.A.

Mr. Kardokus provided a brief overview of Commission law as it pertains to the nomination and election of Board officers.

Nominations and Election of Chairperson – Item 3.B.

Following the instructions on nominations and voting for board officers, Mr. Kardokus called for nominations for the seat of Chairperson. Rick Shade was nominated for the position of Chairperson by Tyler Cobb, seconded by John Lamb. There were no further nominations for Chairperson and a unanimous vote was cast for Rick Shade as Chairperson.

MOTION 17-11-16-1

ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES

Nominations and Election of Vice-Chairperson, Secretary, and Treasurer – Item 4.A.

Vice Chairperson

Mr. Shade assumed the position as Chairperson and requested nominations for the position of Vice-Chairperson. Tyler Cobb was nominated for the position of Vice-Chairperson by Robert Grether, seconded by Leo McGuire. There were no further nominations for Vice-Chairperson and a unanimous vote was cast for Tyler Cobb as Vice-Chairperson.

MOTION 17-11-16-2

Treasurer

Mr. Shade requested nominations for the position of Treasurer. Robert Grether was nominated for the position of Treasurer by John Lamb, seconded by Gene Carbone. There were no further nominations for Treasurer and a unanimous vote was cast for Robert Grether as Treasurer.

MOTION 17-11-16-3

Secretary

Mr. Shade requested nominations for the position of Secretary. Jessica Hunter was nominated for the position of Secretary by Robert Grether, seconded by John Lamb. There were no further nominations for Secretary and a unanimous vote was cast for Jessica Hunter as Secretary.

MOTION 17-11-16-4

Chairperson's Opening Remarks – Item 4.B.

Mr. Shade congratulated the newly elected board and Executive Committee and thanked them for their willingness to serve. He reported that while the percentage of the industry that were engaged and voting has never been outstanding, voting numbers were notably low during the most recent election cycle. He encouraged Commissioners to do what they could to get the numbers up and facilitate greater participation from the industry.

Tom Bellamore, CAC president, addressed board member attendance, specifically District 4, where both members and the alternate were currently absent. He and Mr. Shade expressed that with recent changes to board composition, which reduced the number of alternates, board attendance and participation at every meeting was imperative.

ITEM # 5 CONSENT CALENDAR

Mr. Shade introduced the consent calendar items and asked for questions or comments. Hearing none, the following motion was put forward:

MOTION:

The CAC Board of Directors approves the Consent Calendar, Items 5.A through 5.C.

(Lamb/Cobb) MSC Unanimous

MOTION 17-11-16-5

Mr. Shade called the Board's attention to the meeting calendar, specifically the strategic planning and board meetings at the end of February, and Annual Meetings in March, urging all members to add the dates to their calendars. He encouraged the Executive Committee to attend all three Annual Meetings, and other commissioners to attend the Annual Meeting within their district.

The Consent Calendar is included in the November 2017 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 5.A through 5.C.

ITEM #6 AVOCADO ATTITUDE & USAGE TRACKING STUDY

Mr. Bellamore stated that CAC has annually conducted an attitude and usage tracking study since 1994 and uses the results as a tool to measure the success of CAC's marketing efforts. He indicated that while the results continue to be useful and provide value, the world, and the way CAC markets its brand, have changed, and so the Commission would be evaluating further how to best measure the effectiveness of its marketing programs going forward.

Temra Wald of Temra Wald Consulting (TWC), presented the results of CAC's 2017 Consumer Attitude and Usage Tracking Study providing an overview of objectives and methodology used, along with highlights of significant findings. The research indicated California Avocados are still preferred, however perceptions of superiority had declined. In addition, California continues to be most strongly associated with summer and respondents expressed a desire for better in-store signage. Ms. Wald suggested going forward it was important for California to continue to reinforce the superiority message and work to provide better in-store signage as a way to increase checking for country of origin.

The California Avocados 2017 Tracking Study presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #7 MARKETING REPORT

PMA Fresh Summit Report - Item 7.A.

Jan DeLyser, CAC vice president of marketing, provided an overview of CAC's participation in the 2017 PMA Fresh Summit Convention, highlighting the supermarket registered dietitian sponsorship and in-booth meetings with key retailers and industry stakeholders. She commended Angela Fraser, CAC marketing manager, on the coordination of the Commission's booth and involvement in the Produce for Better Health supermarket dietitian program.

The 2017 PMA Fresh Summit Convention & Exposition presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

Update on "the CADO" Exhibit - Item 7.B.

Ms. DeLyser reported to the Board that in October, the concept of "the CADO" exhibit had been approved as part of the 2017-18 business plan and budget. She introduced Anne Buehner, of &Boom, to provide an update of progress made on "the CADO" project. Ms. Buehner provided an overview of the pop-up experience trend and their goals to differentiate the CADO. She presented the core values and inspiration that would help shape the experience of the final product. Ms. Buehner stated that the exhibit would be located in San Diego county and on display during the California avocado season.

Year-End Dashboard - Item 7.C.

Ms. DeLyser called the Board's attention to the year-end dashboard handout that was provided. She stated that the metrics covered the full fiscal year of November 2016 through October 2017.

The *California Avocado Commission Dashboard, November 2016 – October 2017* is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

ITEM #8 PRESIDENT'S REPORT

China Market Assessment – Jane Li - Item 8.A.

Mr. Bellamore provided an overview of CAC's efforts, beginning in 2005, to obtain access for California Avocados to China. While significant progress had been made during the last couple of years, Ken Melban, CAC vice president of industry affairs, indicated that due to the extensive trade agreement process, access to China had still not been granted. Mr. Melban reported that CAC had received federal grant funds to assist in conducting required country visits from Chinese delegates, as well as funding for CAC to conduct a China market assessment. He introduced Xueqing (Jane) Li of Ag Food Consulting (AFC) to present the results of her work entitled "Market assessment of California Avocados in Beijing, Shanghai and Guangzhou."

Ms. Li's report provided an overview of the China market, including population and income demographics by region, current consumer market and fresh fruit consumption trends, consumer perceptions, consumption projections, and opportunities and constraints. The market assessment concluded there is great market potential for California avocados once access is secured, however, a strong marketing effort will be necessary to develop the California Avocado brand and should initially target Beijing, Shanghai and Guangzhou. Ms. Li

reported this could best be done by utilizing United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS) export support programs to secure promotional grant funds, with a target of mid-high retail and food service outlets. She suggested developing strong partnerships with trade members in the market by using a mix of trade and consumer messaging and taking advantage of online and social media marketing where possible.

The Marketing California Avocados in China presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT E.

ITEM #9 HASS AVOCADO BOARD REPORT

John McGuigan, Hass Avocado Board (HAB) director of industry affairs reported USDA had appointed new HAB members and alternates, which were seated at the November 15, 2017 HAB meeting. He stated that during that meeting the Board had elected the following new executive officers: Chairperson, Scott Bauwens; Vice Chairperson, Jorge Hernandez; Treasurer, Laurie Luschei; and, Secretary, Javier Medina. Mr. McGuigan thanked Mr. Bellamore and the Commission for their influence in helping HAB secure the appointments prior to their November meeting.

Mr. McGuigan also reported that at the HAB meeting the Board had reduced their 2018 volume projections from 2.56 billion pounds to 2.4 billion pounds, indicating it was mostly driven by reduced volume projections from Mexico. He stated the Board was also working to amend a few sections of the HAB order, specifically sections relating to board member and alternate tethering. Mr. McGuigan said since they would be opening the order, the HAB Board would be conducting a thorough review of all provisions to the order to determine if any additional changes should be made.

ADJOURN MEETING

Mr. Shade adjourned the meeting at 11:40 a.m. The next Board meeting will be held on Wednesday, February 28, 2018 in Ojai, California.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of November 16, 2017 approved by the CAC Board of Directors on March 1, 2018.

Jessica Hunter, CAC Board Secretary

California Avocado Commission

Board Meeting Minutes

November 16, 2017

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A November 2017 Board Packet
- EXHIBIT B California Avocados 2017 Tracking Study Presentation
- EXHIBIT C 2017 PMA Fresh Summit Convention & Exposition Presentation
- EXHIBIT D California Avocado Commission Dashboard, November 2016 – October 2017
- EXHIBIT E Marketing California Avocados in China Presentation
- EXHIBIT F November 16, 2017 Board Meeting AB 2720 Roll Call Vote Tally Summary



CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary

To be attached to the Meeting Minutes

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>California Avocado Commission 12 Mauchly, Suite L Irvine, CA 92618</i>	Meeting Date: <i>November 16, 2017</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>17-11-16-1</u>	<u>MOTION</u> <u>17-11-16-2</u>	<u>MOTION</u> <u>17-11-16-3</u>	<u>MOTION</u> <u>17-11-16-4</u>	<u>MOTION</u> <u>17-11-16-5</u>
Ryan Rochefort	Yea	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea	Yea
Leo McGuire	Yea	Yea	Yea	Yea	Yea
Robert Grether	Yea	Yea	Yea	Yea	Yea
John Lamb	Yea	Yea	Yea	Yea	Yea
Tyler Cobb	Yea	Yea	Yea	Yea	Yea
Rick Shade	Yea	Yea	Yea	Yea	Yea
Gene Carbone	Yea	Yea	Yea	Yea	Yea
Robb Bertels	Yea	Yea	Yea	Yea	Yea
Nina Ames	Yea	Yea	Yea	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous	Unanimous	Unanimous	Unanimous