

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
November 21, 2019**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 21, 2019 at the CAC office, 12 Mauchly, Suite L, Irvine, CA 92618, with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
Salvador Dominguez  
Rob Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
John Lamb  
Daniella Malfitano  
Ed McFadden  
Ryan Rochefort  
Peter Shore  
Charley Wolk

**ALTERNATES PRESENT**

John Cornell  
John Lloyd-Butler  
Doug O'Hara

**MEMBERS ABSENT**

Randy Douglas

**ALTERNATES ABSENT**

Michael Perricone

**STAFF PRESENT**

Monica Arnett  
April Aymami  
Tom Bellamore  
Zac Benedict  
David Cruz  
Jan DeLyser  
Angela Fraser  
Ken Melban

**OFFICIALLY PRESENT**

Dennis Manderfield, CDFA  
Scott Model, Mullen  
Joanne Robles-Swanson  
Sean Wright, Mullen

**GUESTS PRESENT**

Jennifer Baker-Asiddao  
Batel Cohen  
Emiliano Escobedo  
Kathleen Johnson  
Lauren Kelley  
Kim Kurata  
Laurie Luschei  
Hayden McIntyre  
Mike Mobley  
Marji Morrow  
Steven Muro  
Alexei Rudolf  
Rebecca Wojcicki

**ITEM #1 CALL TO ORDER**

Dennis Manderfield, 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. Manderfield announced that results from the recently concluded 2019 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2021:

<u>Affiliation</u>	<u>Members</u>	<u>Alternates</u>
District 1:	Ryan Rochefort	Michael Perricone
District 2:	Ohannes Karaoghlanian	John Cornell
District 3:	Rob Grether	John Lloyd-Butler
District 4:	Jason Cole	Doug O'Hara
District 5:	Randy Douglas	<i>Vacant Seat</i>
Handler:	Peter Shore	<i>Vacant Seat</i>

The *CDFA's CAC 2019 Board of Directors Election Final Tally* is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

*Roll Call – Item 1.B.*

Mr. Manderfield 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. Manderfield provided a brief overview of Commission law as it pertains to the nomination and election of Board officers. He stated that all current officers were eligible to serve in their same positions for another year, and that if more than one nominee was presented, voting would be by written ballot with results read aloud and recorded into the minutes.

#### **Nominations and Election of Chairperson – Item 3.B.**

Following the instructions on nominations and voting for board officers, Mr. Manderfield called for nominations for the seat of Chairperson. John Lamb was nominated for the position of Chairperson by Ohannes Karaoghlanian. Charley Wolk moved to close nominations and cast a unanimous vote for John Lamb as Chairperson, which was seconded by Jason Cole.

**MSC Unanimous**

**MOTION 19-11-21-1**

### **ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES**

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

##### **Vice Chairperson**

Mr. Lamb assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Ryan Rochefort was nominated for the position of Vice-Chairperson by Jessica Hunter. Ohannes Karaoghlanian was nominated for the position of Vice-Chairperson by Charley Wolk. Votes for the two nominees were conducted by use of a written ballot, with the final tally reflecting eight (8) votes for Mr. Rochefort and three (3) votes for Mr. Karaoghlanian.

**Final Vote Tally Recorded on AB 2720 Roll Call Vote Tally Summary MOTION 19-11-21-2**

##### **Treasurer**

Mr. Lamb requested nominations for the position of Treasurer. Rob Grether was nominated for the position of Treasurer by Ed McFadden, seconded by Gary Caloroso. Ed McFadden moved to close nominations and cast a unanimous vote for Rob Grether as Treasurer, which was seconded by Gary Caloroso.

**MSC Unanimous**

**MOTION 19-11-21-3**

##### **Secretary**

Mr. Lamb requested nominations for the position of Secretary. Jason Cole was nominated for the position of Secretary by Rob Grether. Jessica Hunter was nominated for the position of Secretary by Ed McFadden. Votes for the two nominees were conducted by use of a written ballot, with the final tally reflecting seven (7) votes for Mr. Cole and four (4) votes for Ms. Hunter.

**Final Vote Tally Recorded on AB 2720 Roll Call Vote Tally Summary MOTION 19-11-21-4**

#### **Chairperson's Opening Remarks – Item 4.B.**

Mr. Lamb welcomed District 2 and 4 alternate members John Cornell and Doug O'Hara as newly seated representatives on the Board. He thanked the board for their confidence in him and said he was looking forward to a great year. Tom Bellamore, CAC president, thanked Mr. Lamb for his service and willingness to continue as Chairman for another term.

#### **President's Comments**

Mr. Bellamore provided an update on the Irvine office lease, reporting that management had successfully negotiated a below market renewal of the office lease, as directed by Board in October. He noted that the final terms came in well below the landlord's starting position, but would require a budget amendment that would be presented at the next meeting.

Mr. Bellamore stated while marketing remains topline and the focus of the organization, the upcoming year and beyond the CAC Board would need to remain engaged on the following:

- Referendum – how the industry feels about the direction of the organization in 2020 will impact the outcome of the referendum in 2021
- Succession – not only focus on the president’s position, but begin thinking about the top marketing position
- Issues – food safety, ag adjacency, power shut-offs, water rates, export markets, and more

#### **ITEM # 5 CONSENT CALENDAR**

Mr. Lamb introduced the consent calendar items and asked for questions or comments. It was noted that in the October minutes, the vote tally count on page 7 had the motion numbers listed incorrectly and the header entitled “Motion 19-10-9-3” should be “Motion 19-10-9-4” and “Motion 19-10-9-4” should be “Motion 19-10-9-3.” The actual tallies listed were correct, the motion titles just needed correcting. There were no further comments and the following motion was put forward:

#### **MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 5.A through 5.C with the corrections noted to the October Board Minute vote tally record.  
(McFadden/Grether) MSC Unanimous***

**MOTION 19-11-21-5**

The Consent Calendar is included in the November 2019 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 5.A through 5.C.

#### **ITEM #6 CONSUMER TRACKING STUDY RESULTS – Temra Wald Consulting**

Temra Wald of Temra Wald Consulting (TWC), presented the results of the CAC Tracking Research 2019 providing an overview of methodology used, along with highlights of significant findings. The research indicated while perceptions of superiority declined, California Avocados are still preferred and worth paying more for. In addition, results showed the importance of fruit being available “in-season” and associated with freshness and taste, while the importance of the product being U.S. grown and label checking had decreased. Ms. Wald suggested going forward it was important for California to continue to differentiate and reinforce the superiority message, specifically leveraging the “worth paying more for” message to trade. She also recommended continuing to leverage California’s strong association with Summer and benefits associated with in-season.

Throughout the presentation Ms. Wald addressed specific questions regarding survey respondents, how survey questions were phrased and criteria for participation. In conclusion, Mr. Bellamore stated that at the February 2020 meeting the Board would be focusing on the industry outlook and future strategy for the organization. He noted that during that process, the Board may identify further research that needs to be conducted to hone in on certain areas.

The CAC Tracking Research 2019 Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

#### **ITEM #7 MARKETING REPORT**

##### **PMA Fresh Summit Report - Item 7.A.**

Jan DeLyser, CAC vice president marketing, commended Angela Fraser, CAC director trade affairs, on an excellent job in managing CAC’s participation in the 2019 PMA Fresh Summit Convention. She noted that Ms. Fraser had been selected by PMA as co-chair of the 2020 Fresh Summit Expo Committee, with a lead role in planning the Fresh Summit convention in Dallas, Texas.

Ms. Fraser provided an overview of CAC's participation in the 2019 PMA Fresh Summit Convention, highlighting CAC's goals and objectives, PMA Fresh Summit sponsorship benefits, booth theme and layout, PBH Education2Action registered dietitian sponsorship and in-booth meetings with key retailers and industry stakeholders.

The 2019 PMA Fresh Summit Convention & Exposition presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

Recap of The CADO Exhibit - Item 7.B.

Ms. DeLyser reported that included in the handouts was a recap of The CADO avocado museum. She noted that from a social standpoint the exhibition did very well, which was the organizers main goal and objective. Ms. DeLyser stated that The CADO co-founders reported the exhibit could have another appearance in a different San Diego location during the 2020 season, however details had not yet been confirmed. She encouraged the Board to review the recap document and contact her if they had any questions.

The CADO recap report is attached to the permanent copy of these Minutes and identified as EXHIBIT E.

Year-End Dashboard - Item 7.C.

Ms. DeLyser called the Board's attention to the year-end dashboard handout, stating that the metrics and key performance indicators covered the full fiscal year of November 2018 through October 2019.

The California Avocado Commission Dashboard, November 2018 – October 2019 is attached to the permanent copy of these Minutes and identified as EXHIBIT F.

Sneak Peek at 2020 Creative - Item 7.D.

Sean Wright and Scott Model of Mullen, CAC's consumer advertising agency, presented a sneak peek of the 2020 California Avocado campaign creative, noting that the 2020 campaign was an evolution of the Made of California campaign. The new campaign, includes ads that feature the word "avocados" with the "CA" uniquely called out and tag lines stating, "The Best Avocados Have California In Them."

In addition to the campaign creative, it was reported that CAC had been working with Mullen to locate a vendor to establish a way to sell newly created California Avocado merchandise, featuring both campaign and brand creative on a variety of premiums. The project would require an up-front financial contribution on CAC's end, with the goal of it being self-sustaining after the system was set-up and running.

The California Avocado 2020 Campaign Preview presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT G.

**ITEM #8 RECOMMEND MEMBER AND ALTERNATE TO SERVE ON HASS AVOCADO COMMITTEE**

Mr. Lamb reported that since the October Board meeting, additional discussions had taken place in order to identify individuals to serve as California's Member and Alternate representatives on the Hass Avocado Committee (HAC). Out of those discussions CAC Board Members Ohannes Karaoghlanian and Daniella Malfitano have both expressed an interest in serving as California's Member representative on the HAC. Robert Grether nominated Daniella Malfitano as California's Member representative on the HAC, while Charley Wolk nominated Ohannes Karaoghlanian.

There was discussion regarding Ms. Malfitano, CAC's public member, serving as California's Member representative on the HAC. Mr. Bellamore stated that the public member has all of the powers, rights and privileges as any other member of the board. It was further clarified that the HAC representative's duty was to represent the CAC Board on the HAC, therefore all board members should be qualified and eligible.

Votes for the two nominees were conducted by use of a written ballot, with the final tally reflecting eight (8) votes for Ms. Malfitano and three (3) votes for Mr. Karaoghlanian.

***Final Vote Tally Recorded on AB 2720 Roll Call Vote Tally Summary MOTION 19-11-21-6***

John Lloyd-Butler, CAC Alternate Member, expressed willingness to serve as California's Alternate representative on the HAC. Mr. Lamb asked for other nominees, hearing none the following motion was put forward:

**MOTION:**

***The CAC Board of Directors recommends John Lloyd-Butler to serve as California's Alternate representative on the HAC.***

***(Cole/Grether) MSC Unanimous***

**MOTION 19-11-21-7**

The Letter from HAB Chairman Jorge Hernandez Requesting HAC Representatives is included in the November 2019 Board Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 8.

**ITEM #9 MATTERS PERTAINING TO THE HASS AVOCADO BOARD**

District 2 California avocado producer, Joanne Robles-Swanson addressed the Board on matters pertaining to the Hass Avocado Board (HAB). It was noted that prior to coming to the Board Ms. Robles-Swanson had spoken with District 2 Board Member Charley Wolk, Mr. Bellamore and Mr. Lamb, who had advised her that they would give her an opportunity to provide her information and request to the full Board.

Ms. Robles-Swanson provided background on current issues at HAB and why "Concerned Producers", like herself, were seeking CAC's involvement. Three specific issues were raised which included:

1. Lack of HAB expense transparency and potential misuse of funds
2. HAB Act and USDA/HAB Election violations
3. HAB Board imbalances and gender bias

Ms. Robles-Swanson explained that the group of concerned producers have attempted to get resolution to these issues through the appropriate channels and pathways available to them with HAB and USDA, however many of these attempts to gather information and effect change have been unsuccessful. Her request to the CAC Board was to help the concerned producer constituents find pathways to address these issues at HAB (possibly through a task force).

There was Board discussion on the issue, with multiple comments suggesting that HAB was in the process of addressing the issues raised by Mrs. Robles-Swanson. It was noted that HAB was taking direction from USDA on how to respond to the concerned producers and there was a request to hear directly from USDA on these topics. Mr. Lamb stated that USDA had been informed that this item was slated for discussion at the November meeting, but USDA had informed CAC that they would not be attending due to the administrative nature of the November agenda items. He stated that hearing no direction from the CAC Board to move forward in the creation of a task force, CAC would leave HAB to continue their work to address these issues.

The HAB Matters presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT H.

**ITEM #10 SELECTION OF PINE TREE RANCH FARM MANAGEMENT COMPANY**

Mr. Bellamore reported that following the October meeting a list of the Board's questions had been sent to the two bidding farm management companies, Somis Pacific and Progressive Land Management. Response to those questions had been distributed to the Board members via email, prior to the meeting.

Mike Mobley of Progressive Land Management addressed the Board regarding his revised proposal, indicating that he had reviewed 12 months of actual invoice costs for management of Pine Tree Ranch and addressed areas where he believed he could be more competitive, which resulted in cutting approximately \$5,000 from his original budget. He stated that these cuts would result in him taking a loss in some areas, but that he wanted to offer that to the industry.

Doug O'Hara of Somis Pacific spoke to a letter that had been sent to Mr. Bellamore, which was subsequently sent to the board, regarding CAC's Research Program Director Dr. Tim Spann. Mr. O'Hara indicated that he had spoken with Dr. Spann and there would be no issues working together, should the Board select Somis Pacific as the farm manager for Pine Tree Ranch.

With no further comments, Mr. Lamb asked the board to write the name of the company, Progressive Land Management or Somis Pacific, they would like to award the contract for Pine Tree Ranch farm management services. The final count reflected seven (7) for Somis Pacific, two (2) for Progressive Land Management and three (3) abstentions.

***Final Tally Recorded on AB 2720 Roll Call Vote Tally Summary*** **MOTION 19-11-21-8**

The Pine Tree Ranch Board Questions, Bidder Responses and Budgets are attached to the permanent copy of these Minutes and identified as EXHIBIT I.

**INDUSTRY UPDATES**

Ken Melban, CAC vice president of industry affairs, provided an update on industry activities including a recent lunch hosted for Congresswoman Brownley to discuss the impacts the public safety power shutoff program (PSPS) has had on California avocado growers. During this meeting industry stakeholders also discussed water, labor and pursuing export access to countries such as China, Thailand and India.

Mr. Melban also reported that the San Diego County Water Authority (CWA) had voted to direct CWA staff to develop a new and permanent Special Agricultural Water Rate Program to replace the current Transitional Special Agricultural Water Rate Program (TSAWR), which is set to expire at the end of 2020. While it is still uncertain what the details of that plan will include, based on the current TSAWR plan, customers who participate in the program would receive a reduced water rate in exchange for agreeing to a reduced level of service and reliability. A new program could also be open to new participants to join.

**ADJOURN MEETING**

Mr. Lamb adjourned the meeting at 11:50 a.m. The next Board meeting will be held on Thursday, February 27, 2020 in Irvine, California.

California Avocado Commission  
Board Meeting Minutes  
November 21, 2019

Respectfully submitted,

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April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of November 21, 2019 approved by the CAC Board of Directors on February 27, 2020.

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Jason Cole, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

- EXHIBIT A CDFA's CAC 2019 Board of Directors Election Final Tally
- EXHIBIT B November 2019 Board Packet
- EXHIBIT C CAC Tracking Research 2019 Presentation
- EXHIBIT D 2019 PMA Fresh Summit Convention & Exposition presentation
- EXHIBIT E The CADO recap report
- EXHIBIT F California Avocado Commission Dashboard, November 2018 – October 2019
- EXHIBIT G California Avocado 2020 Campaign Preview presentation
- EXHIBIT H HAB Matters presentation
- EXHIBIT I Pine Tree Ranch Board Questions, Bidder Responses and Budgets
- EXHIBIT J November 21, 2019 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*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>California Avocado Commission 12 Mauchly, Suite L Irvine, CA 92618</i>	<b>Meeting Date:</b> <i>November 21, 2019</i>
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<i>Attendees Who Voted</i>	<u><i>MOTION 19-11-21-1</i></u>	<u><i>MOTION 19-11-21-2</i></u>	<u><i>MOTION 19-11-21-3</i></u>	<u><i>MOTION 19-11-21-4</i></u>	<u><i>MOTION 19-11-21-5</i></u>	<u><i>MOTION 19-11-21-6</i></u>	<u><i>MOTION 19-11-21-7</i></u>	<u><i>MOTION 19-11-21-8</i></u>
Ryan Rochefort	Yea	Rochefort	Yea	Cole	Yea	Malfitano	Yea	Abstain
Jessica Hunter	Yea	Rochefort	Yea	Hunter	Yea	Malfitano	Yea	Somis
Ohannes Karaoghlanian	Yea	Karaoghlanian	Yea	Cole	Yea	Karaoghlanian	Yea	Abstain
Charley Wolk	Yea	Karaoghlanian	Yea	Hunter	Yea	Karaoghlanian	Yea	Somis
Rob Grether	Yea	Rochefort	Yea	Cole	Yea	Malfitano	Yea	Somis
John Lamb	Yea	Did Not Vote	Yea	Did Not Vote	Yea	Did Not Vote	Did Not Vote	Somis
Ed McFadden	Yea	Rochefort	Yea	Hunter	Yea	Malfitano	Yea	Progressive
Jason Cole	Yea	Rochefort	Yea	Cole	Yea	Malfitano	Yea	Somis
Salvador Dominguez	Yea	Rochefort	Yea	Cole	Yea	Malfitano	Yea	Abstain
Gary Caloroso	Yea	Karaoghlanian	Yea	Cole	Yea	Malfitano	Yea	Progressive
Peter Shore	Yea	Rochefort	Yea	Cole	Yea	Karaoghlanian	Yea	Somis
Daniella Malfitano	Yea	Rochefort	Yea	Hunter	Yea	Malfitano	Yea	Somis
<b>Outcome</b>	<b>Unanimous</b>	<b>8-Rochefort 3-Karaoghlanian</b>	<b>Unanimous</b>	<b>7-Cole 4-Hunter</b>	<b>Unanimous</b>	<b>8-Malfitano 3-Karaoghlanian</b>	<b>Unanimous</b>	<b>7-Somis 2-Progressive 3-Abstain</b>