

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
November 18, 2021**

A web/teleconference meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 18, 2021 with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
John Cornell  
Rob Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
Rachael Laenen  
John Lloyd-Butler  
Daniella Malfitano  
Daryn Miller  
Michael Perricone  
Andrew Prechtl  
Peter Shore

**ALTERNATES PRESENT**

Will Carleton  
Maureen Cottingham  
Connor Huser  
Catherine Keeling  
Ryan Rochefort  
Charley Wolk

**MEMBERS ABSENT**

None

**ALTERNATES ABSENT**

Connor Huser

**ITEM #1 CALL TO ORDER**

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 9:03 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 2021 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2023:

District 1 Member: Michael Perricone  
District 1 Alternate: Ryan Rochefort

District 2 Member: Ohannes Karaoghlanian  
District 2 Alternate: Charley Wolk

District 3 Member: Rob Grether  
District 3 Alternate: Maureen Cottingham

District 4 Member: Jason Cole  
District 4 Alternate: Catherine Keeling

District 5 Member: Daryn Miller  
District 5 Alternate: Will Carleton

Handler Member: Peter Shore  
Handler Alternate: Connor Huser

**OFFICIALLY PRESENT**

Victoria Carpenter, *USDA*  
Candace Hollar, *MullenLowe*  
Ben Kardokus, *CDFA*  
Tyler Kirsch, *MullenLowe*  
Bryan Reugebrink,  
*MullenLowe*  
Sam Schaitberger,  
*MullenLowe*  
Dr. Dennis Tootelian, *The  
Tootelian Company*

**STAFF PRESENT**

Monica Arnett  
April Aymami  
Tom Bellamore  
Zac Benedict  
David Cruz  
Jan DeLyser  
Angela Fraser  
Stacia Kierulff  
Miriam Martinez  
Ken Melban  
Cristina Wede

**GUESTS PRESENT**

David Anderson  
Carolyn Becker  
Brittany Ferrant  
Anneliese Harrison  
Kathleen Johnson  
Lauren Kelley  
Kim Kurata  
John Lamb  
John McGuigan  
Jillian McMenamin  
Marji Morrow  
Steven Muro  
Jill Netzel  
Barb Peirce  
Lecia Rdzak  
Erica Sanchez  
Bob Schaar  
Matt Schraut  
Kevin Simek  
Catie Stoneberg

Roll Call – Item 1.b.

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

Introductions

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), CDFR, CAC staff, CAC agency personnel and known guests participating in the web/teleconference call. She asked for all other guests to announce themselves and recorded all participants in attendance.

**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. He stated that CAC staff had recently conducted a review of policies and procedures, as well as Robert's Rules of Order, to establish the process to be used during the election of officers and asked Ms. Aymami to explain the process that would be used. Ms. Aymami provided the following details for the nomination and election of CAC Executive Officers:

- A call for nominations for the stated position will be made and all nominations, regardless of whether or not they receive a second, shall be accepted.
- There should be no motion to close nominations. Once all names have been submitted, and hearing no more, it will be stated that nominations are closed.
- There should not be a motion to appoint or elect a particular person for a position, instead:
  - A roll-call vote shall be taken for each position, with members voting for the name of the person they wish to elect to the seat.
- Due to the meeting being held as a teleconference, members shall send a message via private chat to Ms. Aymami with their vote, then she shall read each member's vote aloud and record into the minutes

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. Rob Grether was nominated for the position of Chairperson by Rachael Laenen. There were no further nominations for the position of Chairperson.

**ACTION:**

***An Election was conducted for the position of Chairperson resulting in a unanimous vote for Rob Grether.***

**MOTION 21-11-18-1**

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

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

**Vice Chairperson**

Mr. Grether assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Rachael Laenen was nominated for the position of Vice-Chairperson by Jason Cole. There were no further nominations for the position of Vice-Chairperson.

**ACTION:**

***An Election was conducted for the position of Vice-Chairperson resulting in a unanimous vote for Rachael Laenen.***

**MOTION 21-11-18-2**

**Secretary**

Mr. Grether requested nominations for the position of Secretary. Jessica Hunter was nominated for the position of Secretary by Rachael Laenen. There were no further nominations for the position of Secretary.

**ACTION:**

***An Election was conducted for the position of Secretary resulting in a unanimous vote for Jessica Hunter.***

**MOTION 21-11-18-3**

**Treasurer**

Mr. Grether requested nominations for the position of Treasurer. Jason Cole was nominated for the position of Treasurer by Andrew Prechtl. There were no further nominations for the position of Treasurer.

**ACTION:**

***An Election was conducted for the position of Treasurer resulting in a unanimous vote for Jason Cole.***

**MOTION 21-11-18-4**

**Chairperson's Opening Remarks – Item 4.b.**

Mr. Grether thanked the Board for their support and electing him to the position of Chairperson for another term. He congratulated the new members to the board and welcomed back those who were reelected.

**ITEM # 5 CONSENT CALENDAR**

Mr. Grether introduced the consent calendar items and asked for questions or comments. Mr. Grether requested to remove Item 5.b, the proposed 2021-22 calendar, for further discussion.

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 5.a and 5.c as presented.***

***(Cole/Karaoghlanian) MSC Unanimous***

**MOTION 21-11-18-5**

Mr. Grether stated that the goal for this coming year was to return to a five-meeting schedule, and not have to schedule extra or special board meetings. Due to Tom Bellamore's notice of resignation effective January 31, 2022, however, he noted that the Board would likely need to convene for a brief one item teleconference meeting in December to address any gap in management that may occur before a successor for President/CEO is named. It was requested that if a Board meeting was needed, that it take place prior to the holidays.

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Item 5.b, with the potential addition of a December teleconference meeting (Date TBD).***

***(Karaoghlanian/Cole) MSC Unanimous***

**MOTION 21-11-18-6**

The Consent Calendar is included in the November 2021 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 CONSIDER SUCCESSION TASK FORCE RECOMMENDATION REGARDING EXECUTIVE SEARCH FIRM**

Mr. Grether reported that at the last meeting the CAC Board unanimously approved retaining an executive search firm to fill the Commission's President/CEO position. Since this time, the Succession Task Force had developed a plan, timeline and reviewed three executive search firms. Mr. Grether reminded the Board that the members of the Task Force were Rob Grether, Jason Cole, Rachael Laenen, Charley Wolk, Ryan Rochefort, John Lamb and Rick Shade. He stated that the Task Force was bringing forward a unanimous recommendation to the CAC Board to move forward with the executive search firm Boyden, specifically Boyden principals Jeff Hodge and Gwen Sabo. Mr. Grether noted that Boyden's retainer was one-third of the President/CEO's first year compensation, capped at \$100,000, plus Boyden travel expenses up to \$25,000, for a total budgeted cost not to exceed \$125,000.

During discussion one member asked what made Boyden stand out over the other two firms. Mr. Grether commented that all firms had experience in agriculture and/or fresh produce of varying size in operations, but Boyden had a proven track record in placing candidates specifically within the California agricultural industry. He noted that the Task Force was very pleased with Boyden's process and their ability to dig deep in researching CAC and understanding the needs of the President/CEO position, as well as the California avocado industry as a whole.

**MOTION:**

***Move to approve the Succession Task Force recommendation to hire the executive search firm Boyden, specifically the principals Jeff Hodge and Gwen Sabo.***

***(Lloyd-Butler/Perricone) MSC Unanimous***

**MOTION 21-11-18-7**

**ITEM #7 CONSIDER BUDGET AMENDMENT NO.1**

Monica Arnett, CAC vice president of finance and administration, provided an overview of the proposed Budget Amendment No. 1 which included an increase in expenses of \$125,000 to retain Boyden. Additionally, CAC had been successful in securing \$100,000 in USDA grant funds for the purpose of facilitating a market development program in China, which is reflected in both revenue and expenditures of Budget Amendment No. 1, with a net zero effect to the budget.

**MOTION:**

***Move to approve Budget Amendment No. 1 resulting in a net increase to expenses of \$125,000.***

***(Karaoghlanian/Cornell) MSC Unanimous***

**MOTION 21-11-18-8**

**ITEM #8 MARKETING REPORT**

Jan DeLyser, CAC vice president marketing, called the Board's attention to the year-end dashboard included in the Board Packet, stating that the metrics and key performance indicators covered the full fiscal year of November 2020 through October 2021.

The California Avocado Commission Dashboard, November 2020 – October 2021 is included in the November 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 8.

2021 Media Results and Key Learning - Item 8.a.

Candance Hollar, of MullenLowe, presented an overview of the 2021 media results and shared preliminary plans for 2022, noting CAC would continue with outdoor, audio, digital, social and retail media. It was noted that in 2022 the goal would be to maximize reach and efficiencies in a conservative budget year while balancing proven partnerships and testing new ones to reach the Premium Californians and Super Users.

There was a question about running promotions with foodservice delivery apps, to which Ms. Hollar stated that they have looked into those options, however at this time there is no way to guarantee the restaurant is carrying California fruit. She also noted that those apps do not yet offer geo-targeted options, so it would have to be a nationwide buy, which is very costly. Ms. DeLyser addressed another question about how much of the marketing budget was directed at point-of-sale, to which she indicated about \$2 million was budgeted toward merchandising, with the bulk of that for customized point-of-sale materials.

The 2021 Media Campaign presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

Campaign Creative Update - Item 8.b.

Shop.CaliforniaAvocado.com Update - Item 8.c.

Representatives of MullenLowe provided a sneak peek at the 2022 campaign creative, which featured a hybrid approach of optimizing current assets while incorporating new, natural creative improvements. It was reported that updates incorporated 2021 Instapanel learnings and key takeaways, which helped to identify the top performing assets. In addition, improvements to messaging will incorporate the tagline “the best avocados have California in them” for all assets.

MullenLowe then presented key learnings and observations after one year of having CAC’s online merchandise store up and running. Utilizing these observations, it was reported that the store would focus on influencer buzz, evergreen social and e-comm collections to launch new items and sustain momentum in 2021-22.

During discussion, the profitability of the online store was reviewed. It was noted that overall program revenue and expenses were detailed in the financials in the board packet and that CAC management reviews individual item purchases to determine their level of performance, discontinuing or increasing inventory levels as needed to ensure the shop is stocked with the most highly desired products. Ms. DeLyser and her team were commended on their ability to find creative ways to optimize the lower budget in the coming year.

The Campaign Creative & Shop.CaliforniaAvocado.Com Updates presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

**ITEM #9 INDUSTRY AFFAIRS REPORT**

California Avocado Grower Profitability Study - Item 9.a.

Ken Melban, CAC vice president industry affairs, provided the background leading to the creation of the grower profitability study, noting that the Board had delegated the responsibility to develop the study to CAC’s production research committee, in collaboration with CAC management. The study sought to gather producer data to address assumptions regarding the overall health and profitability of California avocado growers. Mr. Melban reported that the survey was mailed out to approximately 1,700 assessment paying producers, and received about a 10% response rate. He stated that while there were no smoking guns in the final report, with growers of all sizes showing varying levels of profitability, he was hopeful this survey was an initial first step to understanding the health of the California avocado industry and where opportunities may exist for improvement.

Dr. Dennis Tootelian, who was retained by CAC to help develop, administer and analyze the profitability survey, presented a summary of the results, as well as the objectives, methodology and findings. The survey looked at factors such as CAC District, acreage, grove size, net margins, water sources and future threats, which resulted in the following conclusions from Dr. Tootelian:

- Growth in acreage is mostly in non-bearing acres
- Pounds per bearing acre is declining slightly, crop values are holding steady
- Revenues are growing, but expenses are growing faster; it appears the primary issue is expense management
- Overall, irrigation costs declined on a cost-per-acre basis and as a percent of gross income
- The implication is that while irrigation costs are still very significant, they do not appear to be the only major cause of the increasing total expenses experienced by avocado farms

In-depth Board discussion ensued, where multiple comments were made regarding the decline in irrigation costs seemingly not consistent with what industry members have seen personally or heard from constituents. It was noted that perhaps this could be a result of growers becoming more efficient, applying less water than what is required, or the fact that 2019 experienced a significant amount of rainfall. A comment was made that perhaps a future survey could ask about how much acre feet of water is applied to get an idea of average usage efficiency. CAC management was praised for crafting a survey that growers felt comfortable to provide sensitive details about their business operations. The Board was commended on getting the word out to growers, leading to the higher-than-expected response rate.

The *State of the Industry Survey Results* presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

#### **ITEM #10 RECOMMEND TWO MEMBERS TO SERVE ON THE HASS AVOCADO BOARD AVOCADO SUSTAINABILITY ADVISORY**

Mr. Grether reported that in October he had received a request from the Hass Avocado Board to provide a recommendation of two individuals to serve as the CAC representatives on the HAB Avocado Sustainability Advisory (ASA).

John McGuigan, HAB director of industry affairs, provided background on HAB's work to address sustainability, leading to the creation of the Avocado Sustainability Center (ASC) and establishment of the ASA. He noted that moving forward the ASA, comprised of voting members from associations that receive HAB assessments, will govern the ASC to help guide the strategic direction, mission, vision and purpose. Mr. McGuigan said that for the ASA members, HAB's hope was that associations would select representatives who are proficient and passionate about sustainability.

Two CAC Board members, Rachael Laenen and Peter Shore, who served on the task force that led to the creation of the ASA, provided comments on their experience, noting that ASA member recommendations should be an opportunity to engage the wider industry and not be limited to existing board members. It was also noted that the ASC is a great way to promote the sustainability practices already in place throughout our industry.

**MOTION:**

***Move to recommend Ken Melban and Connor Huser as CAC members for the HAB Avocado Sustainability Advisory.  
(Laenen/Cole) MSC Unanimous***

**MOTION 21-11-18-9**

Mr. Bellamore noted that while Connor Huser was not in attendance at the meeting, Mr. Huser had already expressed an interest and willingness to serve on the ASA. Mr. Melban also confirmed his willingness to represent CAC on the ASA.

The HAB Avocado Sustainability Advisory board packet write-up is included in the November 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 10.

**INDUSTRY UPDATE**

Mr. Melban provided a brief update on a virtual grower webinar being held on November 30, 2021 to help facilitate discussion among growers regarding the GEM variety. He noted that this would be a peer-to-peer format, featuring growers who have established GEM production willing to share their knowledge and address questions from other producers interested in the variety.

**ADJOURN MEETING**

Mr. Grether adjourned the meeting at 12:00 p.m. The next regularly scheduled Board meeting will be held on February 24, 2022.

Respectfully submitted,

\_\_\_\_\_  
April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of November 18, 2021 approved by the CAC Board of Directors on February 24, 2022.

\_\_\_\_\_  
Jessica Hunter, CAC Board Secretary

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

EXHIBIT A November 2021 Board Packet  
EXHIBIT B 2021 Media Campaign Presentation  
EXHIBIT C Campaign Creative & Shop.CaliforniaAvocado.Com Updates Presentation  
EXHIBIT D State of the Industry Survey Results Presentation  
EXHIBIT E November 18, 2021 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>Zoom Web/Teleconference</i>	<b>Meeting Date:</b> <i>November 18, 2021</i>
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<i>Attendees Who Voted</i>	<u>MOTION 20-11-19-1</u>	<u>MOTION 20-11-19-2</u>	<u>MOTION 20-11-19-3</u>	<u>MOTION 20-11-19-4</u>	<u>MOTION 20-11-19-5</u>	<u>MOTION 20-11-19-6</u>	<u>MOTION 20-11-19-7</u>	<u>MOTION 20-11-19-8</u>	<u>MOTION 20-11-19-9</u>
Michael Perricone	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Jessica Hunter	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	NOT PRESENT
Ryan Rochefort									Yea
Ohannes Karaoghlanian	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
John Cornell	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Rob Grether	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
John Lloyd-Butler	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Jason Cole	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Rachael Laenen	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Daryn Miller	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Andrew Prechtl	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Peter Shore	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Gary Caloroso	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	Yea
Daniella Malfitano	Rob Grether	Rachael Laenen	Jessica Hunter	Jason Cole	Yea	Yea	Yea	Yea	NOT PRESENT
<b>Outcome</b>	<b>Unanimous Rob Grether</b>	<b>Unanimous Rachael Laenen</b>	<b>Unanimous Jessica Hunter</b>	<b>Unanimous Jason Cole</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>