

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
December 10, 2020**

A web/teleconference meeting of the California Avocado Commission (CAC) Board was held on Thursday, December 10, 2020 with the following people present:

**MEMBERS PRESENT**

Gary Caloroso  
Jason Cole  
John Cornell  
Randy Douglas  
Rob Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
Rachael Laenen  
John Lloyd-Butler  
Daniella Malfitano  
Andrew Prechtl  
Ryan Rochefort  
Peter Shore

**MEMBERS ABSENT**

None

**ALTERNATES ABSENT**

Michael Perricone

**STAFF PRESENT**

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

**GUESTS PRESENT**

Aaron Acosta  
Lea Boyd  
John Burr  
Gahl Crane  
Michael DeBerry  
Jim Donovan  
Emiliano Escobedo  
Gabe Felipe  
Eddie Grangetto  
Kim Hayashi  
Denise Junqueiro  
Laurie Luschei  
Brenda Martinez  
John McGuigan  
Susan Pinkerton  
Mac Robbie  
Bill Steed  
Duane Urquhart  
Charley Wolk  
Frank Wollam  
Mark Wollam

**ALTERNATES PRESENT**

Connor Huser  
Daryn Miller  
Doug O'Hara

**OFFICIALLY PRESENT**

Katie Cook, USDA  
Carolyn Gleason, Mc Dermott, Will & Emery  
Dennis Manderfield, CDFa

**ITEM #1 CALL TO ORDER**

*Roll Call / Establish Quorum – Item 1.A.*

Rob Grether, CAC chairman, called the meeting to order at 10:02 a.m. with a quorum present.

*Introductions – Item 1.B.*

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), California Department of Food and Agriculture (CDFa), guest speaker, CAC staff 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**

Doug O'Hara congratulated Jim Donovan with Mission Produce on his upcoming retirement and thanked him for his many years of service to the California avocado industry.

John Cornell read from a statement he had written regarding grower profitability over the past nine years, noting that due to lower average yields and higher production costs, he calculated a breakeven point for growers of at least \$1.65 per pound. He stated that as import volumes continue to increase, California growers could not compete against imports economically with California's high cost of production, mostly attributed to water and labor. Mr. Cornell concluded with a statement that if the government did not intervene to protect the domestic producers, they would succumb to foreign avocado suppliers.

Bill Steed provided an update on the Section 201 investigation for blueberries, noting that the process was in the information gathering stage, with comments being collected from congressional representatives. He stated that it looked like an uphill battle.

Laurie Luschei asked Mr. Grether if the public was limited to the Public Comment portion of the meeting to ask questions or make comments regarding the Section 201 discussion. Mr. Grether confirmed that comments and questions from the public would be limited to this Public Comment portion of the meeting.

John Cornell Public Comment written statement is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

### **ITEM # 3 CONSENT CALENDAR**

Mr. Grether 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 3.A and 3.B as presented.***

***(Cornell/Laenen) MSC Unanimous***

**MOTION 20-12-10-1**

Mr. Grether thanked the board members who had volunteered to serve on the 2020-21 CAC committees.

The Consent Calendar is included in the December 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 3.A and 3.B.

### **ITEM #4 CONSIDER APPROVAL OF BY LAWS CHANGE – Two Thirds Vote Required for Passage**

Mr. Grether stated that during the committee appointment he had reviewed the CAC Bylaws, specifically the provisions regarding Marketing Committee membership. He suggested that if a seated member of the Commission was also a member of the Marketing Committee, that there should be no requirement that another member of the Marketing Committee serve as a non-voting ex-officio member of the Board (as currently stipulated in CAC Bylaws). Mr. Grether reported that the proposed amendment to the Bylaws removes the requirement for the Marketing Committee to also assign a non-voting ex-officio member to the Board if one or more CAC Board Members are serving on the Committee. In the event the Marketing Committee does not include any seated members of the Commission, the suggested amendments retain the original language that requires the Marketing Committee to appoint a non-voting ex-officio member to the Board, ensuring that a member of the Marketing Committee is present at Board meetings to provide information on the Committee's actions. Mr. Grether noted that the 2020-21 Marketing Committee appointments that the Board approved in the consent calendar included three seated Members of the Board.

#### **MOTION:**

***The CAC Board of Directors approves the amended CAC Bylaws as presented.***

***(Douglas/Cole) MSC Unanimous***

**MOTION 20-12-10-2**

The Amended CAC Bylaws are included in the December 2020 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 4

### **ITEM #5 SECTION 201 GLOBAL SAFEGUARD INVESTIGATION**

Tom Bellamore, CAC president, stated that following the November Board meeting it was clear that additional background and information on the Section 201 process would be necessary for the Board to deliberate further on the topic. He reported that CAC had secured Carolyn Gleason with McDermott, Will & Emery, who has extensive experience in all areas of trade relief, to address the Board and provide details on what a Section 201 investigation process would entail.

California Avocado Commission  
Board Meeting Minutes  
December 10, 2020

Ms. Gleason provided a high-level overview of the Section 201 process, noting that it does not address unfair practices, but rather looks at whether increased imports from all sources have had a seriously injurious effect on the domestic industry and, if the necessary legal standards are met, it provides trade relief to the U.S. industry on a temporary basis. She stated that initiating a Section 201 investigation would require a team of legal and economic advisors, as well as significant industry resources in the range of \$1-2 million dollars.

Ms. Gleason detailed the various requirements for a successful Section 201 action, including the need to prove the product is being imported from all sources in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to U.S. producers. She noted that where foreign suppliers have FTAs with the United States, their imports standing alone would need to meet the injury requirements.

Ms. Gleason also provided details regarding the remedy recommendation phase, which could include relief in the form of additional duties, tariff-rate quotas, quantitative restrictions, or other remedies. She took time to explain that any relief measures would be temporary and typically phased out over the course of three to four years. Lastly, Ms. Gleason noted that any recommendations coming out of the ITC investigation and remedy stages would be sent to the President, who would make the final decision on whether to provide relief and what type of relief to provide.

Ms. Gleason responded to questions regarding the 201 process, clarifying the types of relief that could be provided to domestic producers, the length of relief and whether an industry could initiate a Section 201 investigation multiple times if the first investigation was unsuccessful. She recommended that if the CAC Board wanted to pursue a Section 201 investigation, it should first conduct an internal analysis to determine whether the industry could satisfy the legal requirements for relief, taking time to work with counsel and economists and issuing sample questionnaires to growers. She recommended that the industry move forward with an investigation only if counsel and the economists felt reasonably confident that such an action would be successful and the industry supported such a move.

Aside from the Section 201 action, Ms. Gleason provided two other options the Board may want to consider. The first, Section 201 produce monitoring, allows a U.S. perishable commodity industry, at USTR's request, to have imports monitored by the ITC over a two-year period. The second option, a Section 332 general fact-finding investigation, authorizes the ITC to investigate imports in a sector, request written comments, hold a hearing, and issue a report on the conditions of competition in that industry.

Ms. Gleason addressed additional questions from the Board, which included a review of the advantages and disadvantages of the various options and the possible timing for taking any action.

**MOTION:**

***Form a committee to i) ascertain the level of injury that may exist, and ii) research alternative remedies available to pursue.***

***(Cornell/Karaoghlanian) MSF 5 Yea/5 Nay***

**MOTION 20-12-10-3**

Mr. Grether stated that the Board could always revisit this issue if further information becomes available, specifically the results of the blueberry investigation and the transition of the administration. Mr. Bellamore requested that the Board permit himself and Ken Melban, CAC vice president of industry affairs, to research the elements of the injury analysis to gain a greater understanding of what the process would entail. This met no dissent from the Board.

**ADJOURN MEETING**

Mr. Grether asked for a motion to adjourn the meeting.

**MOTION:**

***Move to adjourn the meeting at 11:56 a.m.***

***(Karaoghlanian/Rochefort) MSC Unanimous***

**MOTION 20-12-10-4**

Respectfully submitted,

---

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of December 10, 2020 approved by the CAC Board of Directors on February 8, 2021.

---

Jessica Hunter, CAC Board Secretary

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

EXHIBIT A     John Cornell Public Comment Written Statement  
EXHIBIT B     December 2020 Board Packet  
EXHIBIT C     December 10, 2020 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>December 10, 2020</i>
--	--	--

<b><i>Attendees Who Voted</i></b>	<b><u>MOTION</u></b> <b><u>20-12-10-1</u></b>	<b><u>MOTION</u></b> <b><u>20-12-10-2</u></b>	<b><u>MOTION</u></b> <b><u>20-12-10-3</u></b>	<b><u>MOTION</u></b> <b><u>20-12-10-4</u></b>
Ryan Rochefort	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Did Not Vote	Did Not Vote
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea
John Cornell	Yea	Yea	Yea	Yea
Rob Grether	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
John Lloyd-Butler	Yea	Yea	Nay	Yea
Jason Cole	Yea	Yea	Nay	Yea
Rachael Laenen	Yea	Yea	Nay	Yea
Randy Douglas	Yea	Yea	Yea	Yea
Andrew Prechtl	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Nay	Yea
Gary Caloroso	Yea	Yea	Nay	Yea
Daniella Malfitano	Yea	Yea	Did Not Vote	Did Not Vote
<b><i>Outcome</i></b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>5 Yea 5 Nay</b>	<b>Unanimous</b>