

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
March 14, 2023**

A meeting of the California Avocado Commission (CAC) Board was held on Tuesday, March 14, 2023 with the following people present:

MEMBERS PRESENT

Gary Caloroso
Will Carleton
Jason Cole
John Cornell
Maureen Cottingham
Rob Grether
Jessica Hunter
Ohannes Karaoghlanian
Rachael Laenen
Daryn Miller
Michael Perricone
Peter Shore

ALTERNATES PRESENT

Connor Huser
Robert Jackson
Jamie Johnson
Catherine Keeling
Charley Wolk

MEMBERS ABSENT

None

ALTERNATES ABSENT

None

OFFICIALLY PRESENT

David Anderson, *Anderson
Food Sales & Mktg*
Katie Cook, *USDA*
Candace Hollar, *Mediahub*
Kim Kurata, *Kurata
Communications*
Miranda Townsend, *CDFA*

STAFF PRESENT

April Aymami
Zac Benedict
Dave Cruz
Angela Fraser
Miriam Martinez
Ken Melban
Jeff Oberman
Terry Splane

GUESTS PRESENT

Carolyn Becker
Dan Cox
Hillary DeCarl
Brittany Ferrant
Emiliano Escobedo
Robby Granatelli
Jed Harrison
Gerardo Huerta
Lauren Jacobson
Lauren Kelley
John McGuigan
Hayden McIntyre
Gray Martin
Marji Morrow
Steven Muro
Jill Netzel
Doug O'Hara
Laura Paden
Barb Peirce
Bryan Reugebrink
Sarah Sackett
Scott Scarborough
Matt Schraut
Tim Spann
Byron Talley
Gina Widjaja

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC chairman, called the meeting to order at 8:30 a.m. with a quorum present.

Introductions – Item 1.b.

April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff and known guests participating in the meeting. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

District 2 grower Dan Cox provided comments regarding a group of southern industry stakeholders who would be coming together to brainstorm ideas for how to make small farm communities thrive. He noted that the following topics would be discussed: maximizing premium; sustainability messaging; different varieties; cost savings realized through economies of scale; and a review of CAC and HAB effectiveness.

John McGuigan, Hass Avocado Board director of industry affairs, announced that HAB's election process was underway with openings for three producer members and three producer alternate members. He stated that HAB was working to move toward online nominations and voting and encouraged industry stakeholders to get the word out.

Gray Martin commented that he had sent dozens of emails to CAC board and management suggesting more regular grower meetings, with very little response received. He said that he had been asked to submit a one-page summary of what he was requesting, but that he was not seeking funding. Mr. Martin stated that the industry needed to shift and adopt new online tools such as Facebook pages and online grower forums.

ITEM # 3 CONSENT CALENDAR

Mr. Grether introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

MOTION:

The CAC Board of Directors approves the Consent Calendar, Items 3.a through 3.d as presented.

(Cole/Hunter) MSC Unanimous

MOTION 23-3-14-1

The Consent Calendar is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.a through 3.d.

ITEM #4 CONSIDER APPOINTMENT OF PRODUCER ALTERNATE MEMBERS TO FILL EXISTING VACANCIES FOR TERMS ENDING OCTOBER 31, 2023

Mr. Grether remarked that it was wonderful to have so much interest in the existing alternate vacancies, and as a Board they were responsible for appointing individuals to fill the currently vacant positions. He noted that in the past the Board had done this through an election process, which could be done again, however in order to ensure the appointed individuals have majority support from the Board, as required by CAC law, he proposed clearly outlined election procedures, which was formalized in the following motion:

MOTION:

For each of the vacant Producer Alternate member seats in districts 1, 3 and 5, the board shall appoint the candidate supported by a majority of the board in an election using the exhaustive ballot method, wherein if in a round of voting no candidate receives the majority of the votes, the candidate who has received the fewest number of votes shall be eliminated and the process shall be repeated. Votes call be cast using paper ballot or by direct message on Zoom to April Aymami.

(Laenen/Miller) MSC Unanimous

MOTION 23-3-14-2

District 1 Producer Alternate Member – Item 4.a.

Mr. Grether gave District 1 producer alternate candidate, Robert Jackson, an opportunity to address the Board. Mr. Jackson provided a brief overview of the location of his avocado groves and his interest in serving on the CAC Board. Mr. Grether asked for additional nominations from the floor, and hearing none, an election for the District 1 producer alternate member seat was conducted with Robert Jackson as the only declared candidate. Mr. Jackson received unanimous votes in favor of his appointment as the District 1 producer alternate member.

District 3 Producer Alternate Member – Item 4.b.

Mr. Grether gave District 3 producer alternate candidates, Hayden McIntyre and Doug O'Hara, an opportunity to address the Board.

Mr. McIntyre stated he was a third-generation grower with groves from San Diego to Santa Barbara counties. He commented that he was knowledgeable on new technologies in production agriculture.

Mr. O'Hara commented that he had previously served on the CAC Board as both chair and vice-chair, and felt that his experience could once again help the Commission with the current leadership transition. He also felt that he could provide input on the industry concerns raised by the medium to large grower stakeholders.

Mr. Grether stated that in the Board Packet a third candidate, James Shafer, was ill and could not attend the meeting but had submitted his interest and qualifications for the District 3 position as well. Mr. Grether asked for additional nominations from the floor, and hearing none, an election for the District 3 producer alternate member seat was conducted with Hayden McIntyre, Doug O'Hara and James Shafer as declared candidates.

The results of the first District 3 election resulted in an elimination of Mr. Shafer as a candidate, with six votes for McIntyre, four votes for O'Hara and two votes for Shafer. The election process continued a second and third round, both of which resulted in tied votes with both McIntyre and O'Hara receiving six votes each. Mr. Grether reported that without a majority vote of the Board a District 3 alternate member could not be appointed, therefore any additional voting on this position would be postponed to the next CAC Board meeting.

District 5 Producer Alternate Member – Item 4.c.

Mr. Grether gave District 5 producer alternate candidates, Jed Harrison, Jamie Johnson and Byron Talley, an opportunity to address the Board.

Mr. Harrison stated he was a grower in the San Joaquin Valley, interested in different varieties, climate change and water.

Mr. Johnson commented that he was excited about the great work that has been done at CAC and his desire to be part of what CAC is currently doing.

Mr. Talley stated that he was a fourth-generation grower who was currently serving as an alternate on the HAB Board and interested in becoming more involved at CAC.

Mr. Grether stated that in the Board Packet a fourth candidate, Laurie Luschei, was tending to family business and unable to attend the meeting, but had also expressed interest in the position. He asked for additional nominations from the floor, and hearing none, an election for the District 5 producer alternate member seat was conducted with Jed Harrison, Jamie Johnson, Byron Talley and Laurie Luschei as declared candidates. Mr. Johnson received a majority of the votes, with eight in favor. Of the remaining candidates, Luschei received three votes, Talley received one vote and Harrison received zero.

At the conclusion of the election process, Mr. Grether asked for a motion to appoint the individuals who had received majority votes in the District 1 and District 5 elections:

MOTION:

The CAC Board of Directors moves to appoint Robert Jackson as District 1 producer alternate member and Jamie Johnson as District 5 producer alternate member, both with terms ending October 31, 2023.

(Cole/Laenen) MSC Unanimous

MOTION 23-3-14-3

The *District 1, 3 and 5 Candidate Statements and Disclosure Forms* are included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 4.a through 4.c.

ITEM #5 PRESIDENT'S REPORT

Update on Overall Administration of the Commission – Item 5.a.

Jeff Oberman, CAC president, commented that he had been in the field visiting groves from north to south and at the recent Pine Tree Ranch field day. He noted that on the marketing side he had attended a Southeast Produce Council event with CAC's Retail Marketing Director Dave Anderson, which had given them an opportunity to meet with tier one and Midwest retailers.

Mr. Oberman thanked recently retired Jan DeLyser and the Board members who had assisted in the process of vetting candidates for the vice president of marketing position, which had resulted in the hiring of Terry Splane. He noted that Mr. Splane was a great fit for CAC culturally and brought 30+ years of experience in marketing. Mr. Splane expanded on his experience, noting his specific knowledge of brand marketing.

Consider Public Member Selection Process – Item 5.b.

Ken Melban, CAC vice president of industry affairs and operations, reported that following the CAC Board's recommendation of public member candidates in October 2022, the California Department of Food and Agriculture had requested that CAC develop a process to identify and review the eligibility of public member candidates, prior to submission of recommendations to CDFA. CAC management worked with George Soares, CAC legal counsel, to develop a public member selection process to address concerns raised by CDFA.

Mr. Melban stated that the Executive Committee had reviewed the draft process, made minor edits to broaden the pool of eligible candidates, and the process outlined in the Board Packet writeup was presented to the Board for approval. He noted that once approved, management expected the Executive Committee would be able to review eligible candidates and bring forward candidates for consideration at the June Board meeting.

MOTION:

The CAC Board of Directors moves to approve the Public Member Selection Process as presented.

(Cole/Miller) MSC Unanimous

MOTION 23-3-14-4

The CAC Public Member Selection Process is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 5.b.

ITEM #6 TREASURER'S REPORT

Consider Acceptance of 2021-22 Audited Financial Statements – Item 6.a.

Jason Cole, CAC treasurer, reported that while management and Moss Adams, CAC's new auditing firm, had worked diligently to have the 2021-22 audit completed prior to the March Board meeting, extenuating circumstances had delayed the completion of the final report. Mr. Melban provided background on the delays, indicating that CAC's request for proposal and contract process had pushed back the start of actual work on the audit, and the new auditors had experienced difficulties accessing CAC's prior audit workpapers from the previous audit firm.

A question was asked about whether CAC intended to hire a new Vice President of Finance, to which Mr. Melban explained that CAC was utilizing an outsourced accounting firm, Signature Analytics, who was able to provide varying levels of accounting support based on CAC's needs. He noted that CAC staff, primarily Ms. Aymami, was currently engaged in the day-to-day communications with Signature Analytics and onboarding them to CAC's processes. Mr. Grether commented the Executive Committee had been apprised of management's decision to move to outsourced accounting and supportive of the change.

Consider Approval of CAC Line of Credit – Item 6.b.

Mr. Melban noted CAC had experienced delays with Bank of the West and their ability to provide details of the terms for the renewal of CAC's line of credit, therefore management was requesting the Board provide authorization to management and a Committee of the Board to secure a \$3 million line of credit with a lender offering the most favorable terms.

MOTION:

The CAC Board of Directors moves to authorize CAC management and the Finance Committee work together to secure a \$3 million line of credit with a lender offering the most favorable terms.

(Cole/Perricone) MSC Unanimous

MOTION 23-3-14-5

The CAC Line of Credit Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.b.

ITEM #7 OPERATIONS

Moss Adams Procure to Pay Assessment – Item 7.b.

Mr. Melban reported that Moss Adams had completed the assessment of CAC's internal controls, but with the current transition to Signature Analytics for a portion of the accounting workload, management was waiting to get them fully onboard prior to revising CAC's policies and procedures. He stated that management expected to have updated policies and procedures in place by the end of the summer.

CAC Office Flood and Repair Update – Item 7.a.

Mr. Oberman commended Cristina Wede, Dave Cruz and Stacia Kierulff for their amazing work in getting the office put back together in time for the March Board meeting. He noted that until just the day before, these staff members were working to move furniture back in and make the office functional. Mr. Melban reported that on the financial side, CAC expected to break even on out-of-pocket costs once payment from the insurance claims had come through.

ITEM #8 MARKETING

Season kick-off – Item 8.a.

Members of the CAC marketing team provided an overview of activities planned for the beginning of the California avocado season, including retail promotions, communications, social media, trade public relations and advertising. In addition, details were given on foodservice events and chain promotions, consumer marketing and media and the living well brand advocate program.

Throughout the presentation, the Board engaged in discussion with management and agencies regarding GEM promotions, timing of media to align with crop harvest, the need to audit/verify that California fruit is being purchased when promotion agreements are in place, and clarification of deliverables and how operators are compensated for foodservice promotional agreements. Mr. Grether commended the Board for its thoughtful discussion and encouraged management to work closely with the Marketing Committee to address some of the comments raised by the Board.

The CAC Season Opener Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #9 INDUSTRY AFFAIRS

Industry Meetings – Item 9.a.

Industry Partnerships (AFF, ATACH, Sustainability) – Item 9.b.

Mr. Melban provided an overview of recent industry meetings and organizations that he is directly involved with that are working behind the scenes to help make strides for agriculture as a whole. Specifically, he noted that he was representing CAC as a board member of the Alliance for Food and Farming, an organization working to counter bad messaging geared toward agriculture. In addition, he had been serving as a member of ATAC for a number of years, providing him direct access to the Secretary of Agriculture and trade representatives, and that committee was currently working to identify tools to help specialty crop growers facing continually rising import volume.

Mr. Melban went into detail on his current work in the area of sustainability, noting a trip arranged by CAC Board Member Maureen Cottingham with a group of Sonoma County wine growers who had attained 99% compliance with sustainability certification. He was encouraged by their success and had been in discussions with a sustainability certification company to help build a certification program for the California avocado industry. Mr. Melban referred to an article he wrote in the current issue of *From the Grove*, stating it was time for California to chart their course in sustainability and begin creating messaging that will resonate with consumers.

There was Board discussion on the topic of sustainability, with support for CAC to keep exploring options and to look to utilize work being done on sustainability by other organizations such as HAB and IFFA. It was also noted that CAC should work to make any certification program as simple as possible for grower, and to speak with the retailers to determine if there is any willingness to pay more for fruit that is certified as sustainably grown.

Pine Tree Ranch Lease Renewal – Item 9.c.

Mr. Melban referred to the detailed write-up in the Board Packet regarding the current status of the lease renewal for CAC's demonstration grove at Pine Tree Ranch. He noted that CAC management would bring forward Cal Poly's proposed lease terms to the Production Research Committee who would review and provide their recommendations to the CAC Board at the June meeting.

The Pine Tree Ranch Lease Renewal Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.c.

ITEM #10 CONSIDER APPROVAL OF HAB BOLD CANDIDATE SPONSORSHIP

Mr. Grether provided an overview of the HAB BOLD program, noting that CAC had previously sponsored members in the first and second classes of the program. At that time, the Board had stipulated that their sponsorship was contingent upon the BOLD candidate being a currently seated Board member or alternate. He reported that currently no seated member or alternate was a candidate for the BOLD program, but HAB had asked if the CAC Board would be interested in sponsoring any of the three California producers who had applied to the program.

The Board discussed the pros and cons of the program, and specific benefit to CAC when the participant is a currently seated Board member or alternate. A few of the previously sponsored candidates spoke in support of the BOLD program, noting they (and CAC) would have greatly benefited had they gone through the program prior to being a seated Board member. There was support for sponsoring participants if they were interested in serving on the CAC Board in the future, and a consensus that should CAC sponsor participants, that they be matched up with mentors on the CAC Board.

MOTION:

The CAC Board of Directors moves to sponsor Nathan Lurie and Michael Craviotto as participants in the HAB BOLD program, up to a maximum of \$5,000 each participant. (Cole/Miller) MSC (10 Yea/1 Nay)

MOTION 23-3-14-6

The Consider Approval of HAB BOLD Candidate Sponsorship Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 10.

ITEM #11 CHAIRMAN'S REPORT

Other/New Business – Item 11.a.

Mr. Grether introduced a new section of the Board meetings under “Other/New Business” that would allow directors to provide an update on what may be happening in their districts, or introduce items for future Board consideration.

District 2 Board Member John Cornell reported that at a recent grower meeting there were a lot of dissatisfied growers, and that one way CAC could engage the growers would be to form an education committee that would be responsible for setting up webinars and seminars to help growers improve production. He noted that one of CAC’s shortcomings was their ability to convey information to growers. It was noted by other Board members that CAC’s Production Research Committee was already responsible for this type of education, and Mr. Grether stated that the PRC could look into CAC’s existing education and outreach programs and work to make improvements where possible.

Mr. Grether reported that Catherine Keeling, CAC’s District 4 producer alternate member, had just resigned, and that today’s meeting would be her last. He wished her well as she moved on to serve as a member of the United Water Board, and stated that the District 4 producer alternate position would be presented along with the District 3 vacancy at the June meeting.

As a reminder, Mr. Grether announced the CAC Annual Meetings would be held in person for the first time since 2019 and encouraged Board members to attend one of the three meetings taking place May 8-10, 2023.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 12:16 p.m. The next regularly scheduled Board meeting will be held on June 8, 2023.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of March 14, 2023 approved by the CAC Board of Directors on June 8, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A March 2023 Board Packet
EXHIBIT B CAC Season Opener Presentation
EXHIBIT C March 14, 2023 Board Meeting AB 2720 Roll Call Vote Tally Summary

Exhibit C



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>Hybrid In-Person – Irvine Online - Zoom</i>	Meeting Date: <i>March 14, 2023</i>
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<i>Attendees Who Voted</i>	<u>MOTION 23-3-14-1</u>	<u>MOTION 23-3-14-2</u>	<u>DISTRICT 1 ELECTION</u>	<u>DISTRICT 3 ELECTION 1</u>	<u>DISTRICT 3 ELECTION 2</u>	<u>DISTRICT 3 ELECTION 3</u>	<u>DISTRICT 5 ELECTION</u>	<u>MOTION 23-3-14-3</u>	<u>MOTION 23-3-14-4</u>	<u>MOTION 23-3-14-5</u>	<u>MOTION 23-3-14-6</u>
Michael Perricone	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Ohannes Karaoghlianian	Yea	Did Not Vote	Jackson	Shafer	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Yea
John Cornell	Yea	Yea	Jackson	Shafer	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Nay
Rob Grether	Did Not Vote	Did Not Vote	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Maureen Cottingham	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Jason Cole	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Daryn Miller	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Talley	Yea	Yea	Yea	Yea
Will Carleton	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Gary Caloroso	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Outcome	Unanimous	Unanimous	Unanimous	6 McIntyre 4 O'Hara 2 Shafer	6 McIntyre 6 O'Hara	6 McIntyre 6 O'Hara	8 Johnson 3 Luschei 1 Talley	Unanimous	Unanimous	Unanimous	10 Yea 1 Nay