

**CALIFORNIA AVOCADO COMMISSION**  
**BOARD MEETING MINUTES**  
**May 17, 2018**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, May 17, 2018 at the California Avocado Commission office located at 12 Mauchly, Suite L, Irvine, CA 92618, with the following people present:

**MEMBERS PRESENT**

Nina Ames  
Bryce Bannatyne (Cole Alt.)  
Gary Caloroso (Vacant Handler Alt.)  
Gene Carbone  
Tyler Cobb  
Robert Grether  
Jessica Hunter  
Ohannes Karaoghlanian  
John Lamb  
Ed McFadden  
Leo McGuire  
Ryan Rochefort  
Rick Shade

**MEMBERS ABSENT**

Jason Cole

**ALTERNATES PRESENT**

Randy Douglas  
John Lloyd-Butler  
Bob Schaar

**ALTERNATES ABSENT**

Michael Perricone

**OFFICIALLY PRESENT**

David Anderson, Anderson Food Sales & Mktg  
Jennifer Baker, Golin  
Emiliano Escobedo, HAB  
Candace Hollar, MullenLowe  
Dennis Manderfield, CDFA  
Marji Morrow, Rockwell Morrow  
Steven Muro, Fusion Mktg

**STAFF PRESENT**

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

**GUESTS PRESENT**

Laurie Luschei  
John McGuigan  
Jennie Moore  
Laura Paden  
Rebecca Wojcicki

**ITEM #1 CALL TO ORDER**

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

Rick Shade, CAC chairman, called the meeting to order at 9:15 a.m. with a quorum present.

*Introductions - Item 1.B.*

Mr. Shade introduced Dennis Manderfield with the California Department of Food and Agriculture (CDFA), as well as Laurie Luschei and John McGuigan with the Hass Avocado Board (HAB).

**ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT**

There was no public comment.

**ITEM # 3 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 3.A through 3.E.*

*(McFadden/Karaoghlanian) MSC Unanimous*

**MOTION 18-5-17-1**

The Consent Calendar is included in the May 2018 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.A through 3.E.

#### **ITEM #4 TREASURER'S REPORT**

Robert Grether, CAC treasurer, provided an overview of the recent Finance Committee (FC) meeting, which had included approval of Budget Amendment #1, as well as a review of check disbursements and CAC contracts over \$25,000, with no issues noted.

#### **Consider Finance Committee Recommendation on Corporate Insurance – Item 4.A**

Mr. Grether reported that the FC had reviewed the schedule of corporate insurance prepared by management, stating that there were no significant changes in coverage or premiums from the previous year. He noted that the FC discussed the possibility of increasing CAC's umbrella policy and that staff would research and bring options back to the FC for further review. Mr. Grether stated that the Finance Committee had recommended Board approval of the corporate insurance schedule as presented.

#### **MOTION:**

***The CAC Board of Directors approves the corporate insurance schedule as presented.***

***(Grether/Carbone) MSC Unanimous***

**MOTION 18-5-17-2**

The 2017-18 Schedule of Corporate Insurance is included in the May 2018 Board Packet as EXHIBIT A, Item 4.A.

#### **ITEM #5 CHAIRMAN'S REPORT**

Mr. Shade reported that in reviewing the upcoming schedule of CAC Board meetings it was brought to his attention that the November meeting date overlapped with HAB Board meetings and that there were some conflicts for board members. He suggested moving the meeting date to Tuesday, November 13, 2018, instead of Thursday, November 15, 2018, which received no opposition.

#### **IX World Avocado Congress 2019, Medellin, Colombia – Item 5.A**

Mr. Shade stated that during the 2017 PMA *Fresh Summit* convention he had been approached by the organizers of the 2019 World Avocado Congress requesting sponsorship support from CAC for the upcoming event. He had asked the organizers to submit a formal sponsorship request so that it could be considered by the CAC Board. Mr. Shade stated that the formal sponsorship request was included in the Board Packet for Board consideration.

Discussion regarding the request indicated support for the same level of staff participation that had been done in the past, and potentially a drawing to select Board member attendance, however there was no interest in CAC participating as an event sponsor at the sponsorship levels presented in the proposal.

The IX World Avocado Congress 2019 Request for Sponsorship is included in the May 2018 Board Packet as EXHIBIT A, Item 5.A.

## **ITEM #6 PLANNING 2018**

### **Recommended Action Steps on Board Strategic Priorities – Item 6.A**

Tom Bellamore, CAC president, provided an overview of the outcomes and strategic priorities that the CAC Board had identified during their March planning session, which were:

- Quality improvement/Quality Control
- Add dimension to the brand and our targets – premium
- Pursue domestic and global premium market opportunities
- Improve industry alignment
- Strengthen partnerships on issues
- Become more effective at production research and knowledge transfer

Mr. Bellamore stated that following direction from the board in March, CAC staff had begun the planning process to determine how best to implement action steps against the identified priorities. He presented the results of staff's planning session which provided recommended action steps, for each priority, broken into three categories: continue or quick start, change agents and grower role.

Board discussion supported management's proposed direction and recommended action steps, with the following additional suggestions made:

- Marketing – keep doing what we're doing and don't let our foot off the pedal
- Collaboration with HAB, when and where applicable, is a wise path
- Support to conduct additional research to learn as much as possible about our consumers (present and future) and retailers
- Conduct education for retail accounts, which includes merchandising and produce selection (for online order fulfillment)

The Strategic Priorities presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

## **ITEM #7 MARKETING REPORT**

### **2018 Marketing Campaign Updates – Item 7.A**

Jan DeLyser, CAC vice president of marketing, introduced members of the marketing team who presented an update on the 2018 marketing campaign and key activations to-date. Program areas reported on featured foodservice, retail (social/digital/in-store/promotional support), consumer advertising (print/radio/outdoor/online), export promotions, consumer and trade public relations, and registered dietitian nutritionist program.

Ms. DeLyser also called the Board's attention to additional handouts provided, which included the current marketing dashboard, and an article about The CADO pop-up exhibit which was featured in The Snack magazine.

The Marketing Campaign Update presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

The California Avocado Commission Dashboard, Through April 2018 is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

The CADO Article, Featured in The Snack Magazine is attached to the permanent copy of these Minutes and identified as EXHIBIT E.

**ITEM #8 REVISE BY-LAWS TO CONFORM WITH CAC LAW EFFECTIVE JANUARY 1, 2017  
(TWO THIRDS VOTE REQUIRED)**

Mr. Bellamore stated that included in the Board Packet was a red-line version of the CAC By-Laws updated to reflect the current CAC Law, effective January 1, 2017. Specifically, the modifications were to revise the language relating to a quorum for Board meetings that reflects the smaller-sized CAC Board.

**MOTION:**

*The CAC Board of Directors approves the CAC By-Law amendments as presented.  
(Carbone/McFadden) MSC Unanimous*

**MOTION 18-5-17-3**

**ITEM #9 INDUSTRY AFFAIRS REPORT**

April Aymami, CAC industry affairs director, reported that Handler Member Robb Bertels had experienced a change of employment and was no longer employed by an eligible handler entity, resulting in his resignation of his seat on the CAC Board. She read an email from Mr. Bertels commending the CAC Board on being a resource for growers and a leader and innovator in marketing.

**2018 General Election Schedule – Item 9.A**

Ms. Aymami called the Board's attention to the 2018 General Election Schedule included in the Board Packet, highlighting seats available in the upcoming election and key dates on the schedule. She noted that the handler vacancy caused by the resignation of Mr. Bertels would be filled by the CAC Board in August for the remainder of the existing term (through October 2018), and that the seat would also be included as part of the 2018 General Election process.

The 2018 General Election Schedule is included in the May 2018 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.A.

**Results of Grower Crop Estimating Survey – Item 9.B**

Ms. Aymami provided the results of the annual grower crop estimating survey, reporting a response rate of over 43-percent of acreage and an average industry-wide yield of approximately 6,700 pounds per acre. Based on the projected yield, using 2016 bearing acreage, the mid-season crop estimate came in at 340.5 million pounds, 34.1 million less than the pre-season estimate of 374.6 million pounds. Ms. Aymami noted that annual acreage survey was still in process with the new vendor and that an update would be provided at the August Board meeting.

The Results of the 2017/18 Grower Crop Survey and Mid-Season Crop Update presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT F.

### **ITEM #10 PRODUCTION RESEARCH REPORT**

Tim Spann, CAC research program director, provided a brief report on the recent Production Research Committee (PRC) meeting, which was also included as a write-up in the Board Packet. PRC discussion items included changes in UC Riverside faculty positions, scion breeding funding, rootstock early release program, avocado genotyping, an update on branch canker, ideas for expediting rootstock breeding, as well as improving grower communications. Dr. Spann noted that the next PRC meeting would focus on the rootstock breeding program and how to maximize the tools currently available to expedite the selection process.

The *Production Research Report* is included in the May 2018 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 10.

### **ADJOURN FOR LUNCH**

Mr. Shade adjourned the Board for lunch at 12:00 p.m. and reconvened the meeting at 12:35 p.m.

### **ITEM #9 INDUSTRY AFFAIRS REPORT (CONTINUED)**

#### **China Access Report – Item 9.C**

Ken Melban, CAC vice president of industry affairs, provided an update on his recent visit to China with the purpose of exploring potential market opportunities and maintaining contact with officials involved in CAC's pursuit to obtain market access to China.

Mr. Bellamore stressed the importance of maintaining relationships and contact with decision-makers while CAC pursues market access, and that Mr. Melban's trip was well worth the effort in highlighting the importance of California avocados obtaining access to China (to both US and Chinese officials), as well as the Commission's desire to help expedite the process where possible.

The *China Access Report* presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT G.

### **ITEM #11 HASS AVOCADO BOARD REPORT**

Emiliano Escobedo, HAB executive director, provided an update on HAB activities, which included the following:

- Next HAB Board meeting will take place on May 23, 2018 in McAllen, Texas
- At the upcoming meeting the HAB Board would review proposed changes to the Order, HAB's governing documents, with the goal of modernizing to remove obsolete provisions, as well as consider modified language regarding alternates (tethering to member and quantity on the Board), HAB's fiscal year, and formally recognizing the Hass Avocado Committee (HAC)
- HAB general elections are currently in-process with a deadline of May 17, 2018 for ballot submissions

Mr. Escobedo stated that while HAB was still using an estimated volume of 2.4 billion pounds for budget purposes, year-to-date shipments were tracking 60 million pounds over projections. Lastly, he reported that the federal organic check-off program was recently cancelled and that it may be beneficial for the industry to

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explore revisions to the next Farm Bill (currently under negotiations) that removes language exempting organic growers from payment of assessments.

**ADJOURN MEETING**

Mr. Shade adjourned the meeting at 1:23 p.m. The next Board meeting will be held on Thursday, August 16, 2018 in San Diego, California.

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 May 17, 2018 approved by the CAC Board of Directors on August 16, 2018.

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Jessica Hunter, CAC Board Secretary

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

- EXHIBIT A     May 2018 Board Packet
- EXHIBIT B     Strategic Priorities Presentation
- EXHIBIT C     Marketing Campaign Update Presentation
- EXHIBIT D     California Avocado Commission Dashboard, Through April 2018
- EXHIBIT E     The CADO Article, Featured in The Snack Magazine
- EXHIBIT F     Results of the 2017/18 Grower Crop Survey and Mid-Season Crop Update
- EXHIBIT G     China Access Report Presentation
- EXHIBIT H     May 17, 2018 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>May 17, 2018</i>
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<b>Attendees Who Voted</b>	<b><u>MOTION</u></b> <b><u>18-5-17-1</u></b>	<b><u>MOTION</u></b> <b><u>18-5-17-2</u></b>	<b><u>MOTION</u></b> <b><u>18-5-17-3</u></b>
Ryan Rochefort	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea
Leo McGuire	Yea	Yea	Yea
Robert Grether	Yea	Yea	Yea
John Lamb	Yea	Yea	Yea
Bryce Bannatyne	Yea	Yea	Yea
Ed McFadden	Yea	Yea	Yea
Tyler Cobb	Yea	Yea	Yea
Rick Shade	Yea	Yea	Yea
Gene Carbone	Yea	Yea	Yea
Gary Caloroso	Yea	Yea	Yea
Nina Ames	Yea	Yea	Yea
<b>Outcome</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>