

**CALIFORNIA AVOCADO COMMISSION
EXECUTIVE COMMITTEE MINUTES
August 9, 2023**

A meeting of the California Avocado Commission (CAC) Executive Committee was held on Wednesday, August 9, 2023 at 8:30 a.m. with the following people present:

MEMBERS PRESENT

Jason Cole
Rob Grether
Jessica Hunter (8:40 a.m.)
Rachael Laenen

STAFF PRESENT

April Aymami
Ken Melban
Jeff Oberman

GUESTS PRESENT

John Berns
Will Carleton (10:00 a.m.)

OFFICIALLY PRESENT

Vickie Carpenter, *USDA*
Ben Kardokus, *CDFA*
George Soares, *Kahn, Soares & Conway*

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC Executive Committee chairman, called the meeting to order 8:33 a.m. and established a quorum.

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, legal counsel and known guests participating in the meeting.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

ITEM # 3 CONSENT CALENDAR

Consider approval of Executive Committee meeting minutes of May 31, 2023 – Item 3.a

Consider approval of Executive Committee meeting minutes of June 28, 2023 – Item 3.b

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 Executive Committee approves the Consent Calendar, Items 3.a and 3.b as presented.

(Cole/Laenen) MSC Unanimous

MOTION 23-8-9-1

The Consent Calendar is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

ITEM # 4 DISCUSSION AND POSSIBLE ACTION ITEMS

Update on the overall administration of the Commission – Item 4.a

Jeff Oberman, CAC president, provided an update on activities since the last Executive Committee meeting on June 28, 2023, including the following:

- **Industry events** – CAC participated in the Organic Produce Summit and IFPA Foodservice Conference, both held in July 2023 and Mr. Oberman noted these events provided management an opportunity to meet with Tier 1 and 2 customers, as well as handlers, and obtain feedback on how CAC's programs and promotions were working.

There was Committee discussion regarding CAC trade show participation and whether any new business had been established. Mr. Oberman stated that the organic show was before Peru was in the market and that handlers and customers were challenged with pricing due to being

locked in contract pricing and lack of sizing. He noted that he was also looking to understand how USDA pricing being reported is used by customers. Lastly Mr. Oberman suggested gathering input from the Executive Committee and Board for what questions they may have to establish metrics moving forward.

- **CAC reorganization** – Mr. Oberman provided an update on CAC's recent reorganization and how various tasks were now being covered. He stated that legal affairs were being covered by outside counsel and accounting clerk duties were being transitioned to Signature Analytics, CAC's outsourced accounting firm. Mr. Oberman reported that Terry Splane, CAC vice president of marketing, was currently recruiting for a marketing manager with a goal of an October 1, 2023 start date. He commented that Ken Melban, CAC vice president of industry affairs and operations, was working with those departments to shift responsibilities among existing staff and that no additional staff to support these areas would be hired in the foreseeable future.

The Committee discussed the reorganization, specifically the addition of the marketing position. Mr. Oberman clarified that while the original plan was to hire an entry level position that this position would now be taking on more responsibilities of CAC's previous public relations agency, Golin, therefore an individual with more experience was preferred. He stated that this position would report to and support the current marketing staff. There was additional discussion regarding candidates living outside of Southern California, to which Mr. Oberman said any relocation costs would be at the candidate's expense and not CAC's.

- **Executive Coaching** – Mr. Oberman provided an update on his research on executive coaching as directed by the Committee at a previous meeting. He noted that he had received four proposals, however felt that two of the proposals presented the best fit for CAC's needs. Mr. Oberman summarized the two proposals, noting that both could provide leadership and Board coaching, and both would come in within the \$40,000 budget that was currently approved for strategic planning. Mr. Grether stated that he had previously worked with one of the two executive coaching providers and recused himself from Committee discussion.

The Committee discussed the primary purpose of the executive coaching, involvement of executive coach in CAC's strategic planning sessions and timing of how the executive coaching and strategic planning should fit together. From discussion there was consensus that the primary purpose of the executive coach should be to provide personal executive coaching to the President and that it would be best to wait until after the August CAC Board strategic planning sessions before moving forward. Mr. Grether returned, and it was reported that the Committee took no action.

Industry Affairs/Operations Update – Item 4.b

- **Government Affairs Taskforce** – Mr. Melban stated that the Taskforce had met twice, once in June and once in August. He noted that in their first meeting the Taskforce members identified trade related items they desired more information about from CAC's various legal counsel. At the August Taskforce meeting CAC's counsel presented their review of the trade related items, which resulted in six to eight of those items having no traction, and the other two requiring feasibility studies that could cost up to \$200,000. George Soares, CAC's legal counsel, recommended that CAC could engage the California Department of Food and Agriculture (CDFA) to see if there were any remedies available through the State.

During Committee discussion Mr. Melban clarified that the Taskforce did not specifically have a budget, but time for counsel to attend meeting and research topics identified by the Taskforce had come out of the legislative and regulatory line item of the CAC Budget. He noted that the

Washington DC counsel had completed their work, therefore no additional costs would be incurred on Federal trade remedy work, but that additional work at the State level would incur additional costs. Concern was raised by a Committee member regarding Taskforce members scheduling meetings with government officials and that their messaging may not be reflective of the position of the California avocado industry as a whole. Another Committee member voiced their support for CAC to discuss possible remedies with CDFA. Mr. Grether concluded discussion noting that while the ideas put forth by the Taskforce were representative of those of the industry, they had been reviewed by counsel and found not to be feasible, therefore nothing further was being done at this point to continue to explore those ideas. He noted that the Taskforce has no final power to pursue action on any ideas, and was only able to make recommendations to the CAC Board.

- **Assembly Bill 399** – Mr. Melban reported on CAC’s activities following the Committee’s direction at their June meeting to support the detachment of Rainbow and Fallbrook water districts and oppose legislation that may undermine this process. Assembly Bill 399 was introduced following the approval of the Rainbow and Fallbrook water district detachment, and if passed, could ultimately lead to the demise of the already approved detachment plan. Mr. Melban stated that he had established weekly meetings of the representatives working to oppose AB 399 to ensure continual communication and coordination of efforts to reach officials prior to the upcoming vote. In addition, he commented that he would be in Sacramento for in-person meetings with officials to show CAC’s presence.

Mr. Soares provided some general comments regarding the industry affairs update, noting the CDFA was supportive of CAC’s work to establish the Taskforce and would be interested in participating in a meeting in the future. He also noted that Mr. Melban’s work to secure signatories opposing AB 399 was extremely impressive and had generated significant energy and activity around the opposition of this bill.

Marketing Update – Item 4.c

- **Agency Request for Proposals** – Mr. Oberman reported that the RFP process for a new agency of record was ongoing, with four agencies selected to move to in-person meetings with CAC management and Board stakeholders. He noted that the plan would be to have the new agency in place by mid-September to allow for transition and overlap with the Mullen team. Mr. Oberman stated that the Golin contract had been terminated, with their last day of work on CAC business being August 16, 2023.
- **IFPA Global Produce & Floral Show** – Mr. Oberman stated that the CAC Board had been extended an offer to obtain expo only passes to attend the trade show in Anaheim, and that mileage and parking could be reimbursed. He noted the Committee had been extended an offer to upgrade their expo only pass to an all-access pass and that those Committee members working in the CAC booth could be reimbursed for their hotel accommodations. In addition, Mr. Oberman reported that while CAC had previously allowed produce industry stakeholders the opportunity to utilize rooms secured by CAC’s room block, it had been decided to discontinue this practice and he was notifying those stakeholders as requests were received.
- **Asia Fruit Logistica** – Mr. Melban reported that CAC was utilizing 2022 and 2023 federal grant funds available for a CAC booth at the Asia Fruit Logistica trade show in September, as well as various networking and social mixers with buyers and handlers. Mr. Oberman stated that originally CAC had intended to send only Mr. Splane, however due to Mr. Melban’s previously established relationships with USDA and buyers, and excess grant funding being available, both Mr. Splane and Mr. Melban would be attending. Mr. Melban also noted that he was working to set up a reverse trade mission in February 2024, where buyers from China and South Korea

would come to California to meet with handlers and see the California crop on the trees.

8/16-8/17 Board Meeting/Planning Session Update from Management – Item 4.d

Mr. Oberman stated that management had worked with Mr. Grether to develop a pre-read for the Board prior to the August planning meetings. He was optimistic the planning meetings would allow management to gather feedback from the Board and clear direction to move forward with the 2023-24 planning process. Mr. Grether stated that he was excited about the two-day session and commended CAC management on the tremendous work they had put into preparing for the planning meetings. He also noted that important meetings like this need to be in-person only and that he intended for the October 2023 Board meeting to also be in-person only.

ITEM # 5 CHAIRMAN’S REPORT

Mr. Grether stated he had already addressed his comments throughout the meeting, therefore there was no need for a separate Chairman’s Report.

ITEM #6 CLOSED SESSION REGARDING APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)

The Committee may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee. – Item 6.a

Mr. Grether convened a Closed Session of the CAC executive committee members, Mr. Oberman, legal counsel and CDFA representative at 10:20 a.m.

ITEM #7 RETURN TO OPEN SESSION AND ANNOUNCE ACTION TAKEN IN CLOSED SESSION, IF ANY

Mr. Grether returned to open session at 10:55 a.m. and announced that the committee had taken no action in Closed Session.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 10:56 a.m.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the minutes of the August 9, 2023, CAC Executive Committee, approved by the CAC Executive Committee on September 12, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A August 9, 2023 Consent Calendar

Exhibit B August 9, 2023 Executive Committee 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

Meeting Name: <i>Executive Committee Meeting</i>	Meeting Location: <i>Online (Zoom)</i>	Meeting Date: <i>August 9, 2023</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION</u></i> <i><u>23-8-9-1</u></i>
Jessica Hunter	Not Present
Rob Grether	Yea
Jason Cole	Yea
Rachael Laenen	Yea
<i>Outcome</i>	Unanimous