



AGENDA

CALIFORNIA AVOCADO COMMISSION
BOARD OF DIRECTORS
SPECIAL WEB/TELECONFERENCE MEETING

Monday, February 8, 2021

10:00 a.m.

Location:

Per Governor Newsom's Executive Order N-29-20, local and state legislative bodies are authorized to hold public meetings via teleconference, with all requirements in the Bagley-Keene Act and Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition for participation in or quorum for public meetings thereby waived.

This meeting is being held strictly as a web/teleconference meeting, where any participants, including members of the public, may participate in the web/teleconference by computer or phone as indicated below:

Web Conference URL: <http://bit.ly/CAC-Board-Mtg-2-8-21>

Meeting ID: 872 3145 6759

Passcode: 716909

Conference Call #: (669) 900-6833

AS OF FRIDAY, FEBRUARY 5, 2021, THE FOLLOWING INDIVIDUALS HAVE ADVISED THE COMMISSION THEY WILL PARTICIPATE IN THIS MEETING VIA WEB/TELECONFERENCE:

Board Members:

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

Board Alternates:

Connor Huser
Doug O'Hara
Michael Perricone

10:00 a.m.

1. **CALL TO ORDER**

A. Roll Call / Establish Quorum

B. Introductions

10:05 a.m. 2. OPPORTUNITY FOR PUBLIC COMMENT

Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.

10:15 a.m. 3. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. Consider Approval of Board of Director's Meeting Minutes of December 10, 2020

10:20 a.m. 4. STATUS OF 201 INJURY ANALYSIS RESEARCH

12:00 p.m. ADJOURN MEETING

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at aaymami@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <http://www.californiaavocadogrowers.com/commission/calendar> and <http://it.cdffa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 949-341-1955.

SUMMARY DEFINITION OF CONFLICT OF INTEREST

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



BOARD ACTION

ITEM 3.A: CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES
OF DECEMBER 10, 2020

SUMMARY:

The minutes of the Board of Directors' regular meeting of December 10, 2020 are attached for the Board's review and approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt minutes as presented
- Amend minutes
- Take no action

STAFF RECOMMENDATION:

- Approve minutes as presented

EXHIBITS / ATTACHMENTS:

- Minutes of the Board of Directors' regular meeting of December 10, 2020

**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.

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.

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, 2021 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

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>Zoom Web/Teleconference</i>	Meeting Date: <i>December 10, 2020</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>20-12-10-1</u>	<u>MOTION</u> <u>20-12-10-2</u>	<u>MOTION</u> <u>20-12-10-3</u>	<u>MOTION</u> <u>20-12-10-4</u>
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
<i>Outcome</i>	Unanimous	Unanimous	5 Yea 5 Nay	Unanimous