

MINUTES
CALIFORNIA PEAR ADVISORY BOARD MEETING

November 7, 2002
Williams, CA

The meeting of the California Pear Advisory Board was called to order by Chairman Chris Frieders at 9:15am.

- I. **Roll Call** – There was a quorum. Alternates Mike Fay and Chuck Carpenter voted during this meeting.

Members in attendance:

John Callis
Chuck Carpenter
Richard Elliot
Mike Fay
Chris Frieders
Michael Hildreth
Randy Ruddick
Pat Scully
Russell van Loben Sels
Chiles Wilson
Broc Zoller

Members absent:

Ken Carter
Brent Holdenried
Larry Thorton

Other Attendees:

| | |
|--------------------------------------|---------------------------------------|
| Toni Lindeleaf, Carter Thomas | Terry Barton, CPG |
| Bill Estrem, Lake Co. Grower | Scott Horsfall, Buy California |
| Jerry Cordy, Pacific Coast Producers | James Christie, Bryant Christie, Inc. |
| Dan Winiecke, Sabroso Co. | Amy Kilbridge, Bryant Christie, Inc. |
| Virginia Chhabra, Greene & Hemly | Mike Rolph, MJR Associates |
| Mike Collins, Sierra Hills | Jason Bukilica, MJR Associates |
| Aaron Smith, Del Monte | Kathy Diaz, CDFA |
| Brad Lawley, Signature Fruit Co. | Chris Zanobini, CPAB |
| Michael Davis, CDFA SPI | Christine Aguiar, CPAB |
| Rachel Elkins, UCCE, Lake County | Bob McClain, CPAB |

- II. **Approval of May 15, 2002 Meeting Minutes**

It was indicated that in Section X - Research/Pest Management, the Lake County acreage removal number of 705 acres was incorrect, and should be changed to 405 acres.

It was moved by Mr. Scully, seconded by Mr. Elliot, and unanimously approved to adopt the minutes of the May 15, 2002 meeting as corrected. {02- 17}

III. **Abandoned Orchard – Pest Eradication Program**

Mr. Zanobini reviewed the results of the 2001 pest eradication program. He indicated that 628 acres were removed in total, with Sacramento District accounting for 77 acres, Suisun District 80 acres, Mendocino District 29 acres, Lake District 405 acres and 37 acres from other districts.

Mr. Zanobini also informed the group that the program had been approved by CDFA for 2002. CPAB has already received interest in participation this year, for approximately 250 acres with the majority being located in the Suisun area. However, due to budgetary issues CPAB staff had not issued any applications to participate in the program. It was asked of the Board if they would like to put forth the program this year within its original parameters.

After discussion, the Board concluded that they would like to revise the parameters of the program, so that qualifying orchards would have to be located within a ¼ mile distance from a viable commercial orchard. Additionally, the Board decided to reduce the budget amount to fund the program to \$75,000. The following motion was made.

It was moved by Mr. Wilson, seconded by Mr. Ruddick to approve the CPAB Pest Eradication program for the 2002-03 year with a budget of \$75,000, providing \$300.00/acre and to include the parameter of qualification for an abandoned orchard such that it must be located within a ¼ - mile distance from a commercially viable and farmed orchard. Payment will be made on abandoned orchards removed after November 7, 2002.

The Board voted as follows:

- *Members voting affirmative: Messrs. Callis, Elliot, Wilson, Fay, Hildreth, Ruddick, Zoller, and Carpenter.*
- *Members voting negative: Messrs. Van Loben Sels and Scully.*
- *There were no abstentions.*

The motion passed. {02-18}

IV. **Buy California Program**

Mr. Zanobini introduced Scott Horsfall, the acting CEO of the Buy California Marketing Agreement (BCMA). BCMA is comprised of 24 California agricultural organizations representing the areas of produce, meats, and fish, nuts, wine and wood products. Mr. Horsfall presented to the Board an overview of the program's objectives and activities to date.

The "California Grown" marketing campaign, administered by the BCMA, was designed to increase demand for California agricultural products among California consumers. The \$35 million promotional campaign includes an \$11 million television campaign as well as retail promotion. The program was launched on August 22, 2002 by Governor Gray Davis during the California State Fair.

The retail promotion portion of the program is still in the planning phases. Meeting have been conducted with the state's major supermarkets and retailers to generate their support and evaluate their individual needs in the development of in-store POS materials. Many retailers have already embraced the program, and have been inserting the *CA Grown* logo in their weekly circular ads on for California grown product.

In addition, it was announced to the group that producers and processors of California products would be able to obtain licensing to use the *CA Grown* logo on packaging and PLU stickers. Since the CPAB is a signatory to the BCMA, all pear growers and packers would be able to obtain the licensing for logo use at no cost. It was also noted that standards are currently being set for logo usage on canned products such as fruit cocktail, and will probably be set at the levels of 85% of the product must be grown in California and 100% of the product must be processed in California.

V. **World Apple and Pear Association**

Mr. Zanobini gave a brief update on the recent activities of the World Apple and Pear Association (WAPA). He reviewed the minutes from the August meeting held in Trento, Italy, in which he was asked to give a presentation on pear ripening and consumer research conducted by CPAB and the Pear Bureau Northwest.

At this meeting, WAPA was able to formalize its organization objectives and set plans for program execution. Currently, an organoleptic study is being done to establish preferred and recommended quality standards for apples and pears. Also, it is planned for a worldwide review of nutritional information available on pear and apples to establish the nutritional attributes and benefits obtained from these fruits. .

Additionally, Mr. Zanobini noted that an informal meeting of WAPA was held during the PMA in New Orleans, LA. At this meeting, updates were provided on the projects WAPA is conducting. Also, there was discussion during the meeting on the strict food safety standards set by EUREGAP that are being used by limited retailers in the UK, Benelux and Scandinavia. WAPA is working to voice the industry's concerns at EUREGAP's food safety requirements and high cost for compliance.

Mr. Zanobini asked the Board to continue CPAB participation in WAPA. The cost for CPAB to participate is \$1,000.00.

It was moved by Mr. Zoller, seconded by Mr. Wilson and unanimously approved for CPAB to continue participation in the World Apple and Pear Association. {02-19}

VI. **Amendment to Marketing Order to include all Pears in California**

Mr. Zanobini presented to the Board the interest for the inclusion of all pears in the marketing order. He noted that the industry as a whole in California needs to work together to continue to build and develop the pear category with the retail trade, and that the industry should be completely united and share in the expense and responsibility of research, pesticide advocacy, issues management and general industry information.

He noted that more and more retailers are looking at the entire pear category versus pear variety, indicating that retail sales are spread at 38.5% for Bartletts, 24.4% for Anjou, 11.5% for Bosc and 25.6% for other pear varieties. It is imperative that we work to develop the entire pear category for long term success, and as the category grows so will the leaders on the category (Bartlett pears).

Mr. Zanobini indicated that to include all pears in the Marketing Order would require a major amendment and presented the timeline for the amendment process. Discussion followed as to the interest and support of non-Bartlett growers in joining the marketing order and the impression CPAB would be giving if we moved forward in the process of amending the marketing order. Upon conclusion of discussion the following motion was made.

It was moved by Mr. Wilson and seconded by Mr. Fay to start the process for a major amendment to the marketing order, so that the marketing order would include all pear varieties (excluding Asian pears) grown in California.

The Board voted as follows:

- *Members voting affirmative: Messrs. Callis, Elliot, Wilson, Fay, Ruddick and Scully.*
- *Members voting negative: Messrs. Van Loben Sels, Hildreth, Zoller and Carpenter.*
- *There were no abstentions.*

The motion passed. {02-20}

At the request of the Board, Mr. Zanobini, along with a committee of CPAB members, will visit non-Bartlett pear growers to inquire their support of the inclusion of all pear varieties into the marketing order.

It was moved by Mr. Wilson, seconded by Mr. Zoller and unanimously approved to establish an "Inclusion Committee" for outreach and to educate non-Bartlett growers on the amendment to the marketing order. {02-21}

It was moved by Mr. Callis, seconded by Mr. Wilson and unanimously approved that no inspection requirements would be included for all other pear varieties except Bartletts within the marketing order if amended to include all pear varieties (excluding Asian pears.) {02-22}

Mr. Zanobini reported to the Board that it had been recommended that the CPAB simplify the current nomination and voting procedure for board seats. Currently we have a mail nomination and voting process, which is time consuming, expensive and cumbersome. It is recommended that we move to a nominating meeting where the nomination and voting process for board seats would be handled verbally at a public meeting.

It was moved by Mr. Wilson, seconded by Mr. Elliot and unanimously approved to maintain the current nomination and voting procedure for the selection of Board members. {02-23}

Mr. Zanobini also proposed to the Board the recommendation for the elimination of term limits for Board members. Due to a finite set of growers willing to serve on the board, it is recommended that we eliminate the term limit. Currently board members can serve two (2) three (3) – year terms.

It was moved by Mr. Scully, seconded by Mr. Elliot and unanimously approved to maintain the existing term limits for Board members. {02-24}

VII. Budget Report

The Preliminary Final Daily Packout Report was distributed and crop percentage by market was discussed. Mr. Zanobini reported that the total crop tonnage was 239,463 tons, down from the estimated 264,000 tons, and noted that decrease in total tonnage came from fresh tonnage, 74,198 tons actual compared to 76,869 tons estimated, and other products, 20,000 tons actual compared to 42,131 tons estimated. Processed tonnage had increased from the estimated total, with 145,265 tons actual compared to 145,000 tons estimated.

The 2002-03 budget as of September 30, 2002 was presented. It was indicated that the budget had been revised to reflect the adjustment for actual tonnage as well as the reduced assessment income for fruit processed in the northwest. Additionally, the 2001-02 Financial Audit was provided, and its finding concluded that the CPAB's financial activities were in good order.

VIII. Reporting/Statistics

Copies of the 2002 End of Season reporting forms were provided and reviewed. Mr. Zanobini requested that all forms be completed and returned at the earliest opportunity. New this year, CPAB is requesting information on all pear varieties in order to get a better understating on the full production of the industry and have better information when reporting and estimating the total pear crop. The reports also include Morettini and Red pears by variety.

The Final Storage Report was distributed and discussed. Mr. Zanobini reported that the storage report does not include fruit in Controlled Atmosphere (CA) storage and is not an accurate account of the amount of Bartletts still available. After discussion, it was determined by the Board

that the storage report should reflect all fruit in storage, including CA fruit, and the following motion was made.

It was moved by Mr. Scully, seconded by Mr. Zoller and unanimously approved that all fruit in storage, including any Controlled Atmosphere storage of fruit in bulk or bins, must be reported on the storage report. {02-25}

IX. **Fresh Promotion**

Ms. Aguiar, with the assistance of Mike Rolph and Jason Bukilica of MJR Associates, gave an update on the 2002 fresh domestic promotion program. She presented an overview of the program's objectives and core components, highlighting the new electronic trade materials, email reports, ripening and handling activities, promotion activities with key retailers and public relations activities, indicating program successes and shortcomings. A copy of the presentation is attached and made a part of these minutes. [Exhibit A]

James Christie, Bryant Christie Inc, reported on recent market activities for California pears. He indicated that through recent trade activities that Cuba may be a future market for California pears. The Northwest has plans already to ship pears to Cuba, and there are future opportunities for California to do the same. Mr. Christie also reported that Colombia has suspended the importation of pears, apples, peaches, and nectarines from California. According to Resolution 02408, this action was taken to prevent against *Cydia pomonella* and *Cydia molesta*, which have been detected in recent shipments. The suspension will last for three months or until Colombia receives proof that California has taken preventive and corrective measures. Additionally, Mr. Christie provided an update on pear shipments into Mexico. A chronology of events was presented to the Board, indicating CPAB's preventative efforts for the establishment of risk mitigation measures. As a result, Mexico has worked with the US and not closed the border after the OFM discovery in a California pear shipment sent in late September.

Amy Kilbridge, Bryant Christie Inc, provided an overview on the 2002 fresh export promotion program's activities to date. She presented to the Board some of the successes CPAB had achieved this season within our target markets. In Canada, CPAB conducted a public relations program with additional MAP funds allocated in July. CPAB achieved media placements for California pears during the months of August and September, which resulted in an audience reach of more than 2.4 million and an advertising value of more than \$148,400. In Mexico, CPAB was able to reach more consumers this season through its in-store promotions and public relations campaigns. CPAB conducted in-store sampling events in more stores (171), in more supermarket chains (16), in more cities (16) than ever before. Additionally, CPAB successful public relations campaign obtained significant television coverage touting California pears on national networks during the months of July, August and September, reaching an audience of more than 20 million viewers. Additionally, CPAB made progress in Central America with its first shipments into Guatemala. CPAB provided volume-based, in-store promotional support in this region and conducted a children's coloring contest in stores where California pears were sold.

Ms. Kilbridge announced to the Board the two upcoming trade show in Canada and Mexico. CPMA, Canada's Produce Marketing Association's annual convention will be held February 5-8, 2003 in Montreal, Quebec. ANTAD, a new venue to reach Mexican fruit and vegetable traders in both retail and wholesale sections, will be held March 14-17, 2003 in Guadalajara, Jalisco. CPAB encourages the participation of growers and shippers for both shows, and people interested in attending should contact either Chris Zanobini or Amy Kilbridge.

X. **Processed Promotion**

Mr. Zanobini reviewed the contents of the processed promotion section of the Board book. In August 2002, CPAB applied for the USDA value-added agricultural market development grant to fund an explorative project on value added product opportunities for California Bartlett pears. Mr.

Zanobini reported that CPAB's grant proposal was not awarded, but a grant was given to Pacific Coast Producers for the production and marketing of private label fruit bowls.

Ms. Aguiar provided a recap on CPAB's participation at the IFT Food Expo June 16-19, 2002. She reported that CPAB staff along with a group of pear growers attended the expo as well as exhibited to explore the future opportunities for pear product marketing in the food manufacturing market. It was determined that CPAB's participation in this trade show event is not effectively marketing processed pear products to this market, and in order for CPAB to have more of an impact in this arena, trade research need to be compiled to determine the viability and interest of specific processed products desirable to food manufacturers. Additionally, product development should be done utilizing these products with the goal to create new product ideas utilizing pears as an ingredient.

Mr. Zanobini announced that CPAB and the California Cling Peach Board (CCPB) were awarded \$100,000 as part of the Buy California Competitive Grants program for a feasibility study on getting mixed fruit cups into school lunch programs in California. Also, Mr. Zanobini provided a recap of the promotion activity being conducted by CPAB and CCPB in Mexico and Canada for canned fruit.

XI. **Research**

Mr. McClain reviewed the letters regarding new product registrations provided in the board book and explain the purpose and importance for writing the letters. CPAB continues to work with registrants, regulators and industry to register new growing and post-harvest tools for the pear industry.

Mr. McClain also discussed current issues and recent meetings in Washington on the Worker Protection Standard and spray drift issues being reviewed by EPA. CPAB is monitoring these issues and has reviewed and provided comments on the first draft of the worker protection standard provided by EPA.

Mr. McClain indicated that a Ag Reentry task force has been developed. Participating in the task force are the Canadian, EPA, DPR, Product Registrants and grower groups. Together the task force is looking to refine the studies on dissolvable residues thus reducing the reentry periods on pest protection products.

XII. **Other Business**

USDA Phytonutrients Study on Fruits and Vegetables

Mr. Zanobini reported that CPAB as a sponsor of a Produce for Better Health Foundation nutritional data analysis of fruits and vegetables, issued a letter to the USDA Human Nutrition Research Center regarding the delay in obtaining results for the study. A copy of the letter as well as a response for USDA were providing as part of the board book. It is reported that the expected completion date for the project is March of 2003, and results will be available at that time.

Washington Public Policy Conference

Mr. Zanobini reported on his participation in the Washington Public Policy Conference, sponsored by the United Fresh Fruit Association, held in Washington DC September 4-6, 2002. By attending the conference, Mr. Zanobini was able to interact with many influential people in Washington to promote the consumption of fresh fruits and vegetables.

California International Market Program for Agriculture Grants

Mr. Zanobini announced that CDFA was holding informational workshops to learn about California International Market Program for Agriculture grants. The competitive grants will provide resources for branded and generic marketing activities from established companies and

organizations targeting international markets. A list of the workshop dates and locations was included in the press release provided in the board book.

Northwest Pear Report

Copies of the Northwest Bartlett & Winter Pear Packout for October 25, 2002 were provided as part of the board book.

Sustainable Communities Foundation Grants

Mr. Zanobini announced that CDFA was accepting proposal for the Sustainable Communities Foundation Innovations Grant. This program will fund projects that pursue local strategies that link sound alternative farm and nonfarm reinvestment initiatives with agricultural and natural resource management. Proposals are due by December 1, 2002.

African Growth and Opportunity Act (AGOA) Update

Mr. Zanobini reviewed the chronology of activities and status of canned pears as part of the AGOA. Copies of correspondence issuing the support of US senators and congressman were provided as part of the board book. At this time, there has been no response or change made for the removal of canned pears for duty free treatment from the AGOA.

There being no further business, the meeting was adjourned to executive session at 2:35pm.

I, Chris Zanobini do hereby certify that, to the best of my knowledge, the foregoing is a true and correct copy of the minutes of the California Advisory Board meeting held on November 7, 2002.



—
Chris A Zanobini
Executive Director

Attachments:
Exhibit "A" – 2002 Fresh Domestic Promotion Presentation