

**MINUTES
CALIFORNIA PEAR ADVISORY BOARD MEETING**

May 22, 2003
Sacramento, California

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

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

Members in attendance:

Chuck Carpenter
Wallace Chan
Chris Frieders
Bill Mettler
Pat Scully
Sydney Stokes
Larry Thorton
Russell van Loben Sels
Chiles Wilson
Broc Zoller

Members absent:

John Callis
Richard Elliott
Brent Holdenried
Randy Ruddick

Other Attendees:

Michael Davis, CDFA-SPI	Aaron Smith, Del Monte
Kathy Yniguez, CDFA-SPI	Brad Lawley, Signature Fruit Co.
Mike Hildreth, Ukiyah Grower	Dan Winiecke, Sabroso Company
Mike Richards, Carter Thomas	Terry Barton, CPG
Kyle Persky, Carter Thomas	James Christie, Bryant Christie, Inc.
Jim Bengard, Bengard Marketing	Amy Kilbridge, Bryant Christie, Inc.
Mike Fay, Steamboat Orchards	Mike Rolph, MJR Associates
Ted Horsky, Steamboat Orchards	Jason Bukilica, MJR Associates
Patrick Archibeque, All State Packers	Kathy Diaz, CDFA
Phil Scully, Scully Packing	Chris Zanobini, CPAB
David Theissen, Scully Packing	Christine Aguiar, CPAB
Robert Hansen, Suisun Valley Growers	Bob McClain, CPAB
Jerry Cordy, Pacific Coast Producers	

- II. **Approval of March 6, 2003 Meeting Minutes**

It was moved by Mr. Thorton, seconded by Mr. Chan, and unanimously approved to adopt the minutes of the March 6, 2003 meeting as submitted. {03- 01}

III. **Seating of 2003 Board**

Mr. Zanobini announced the results of the recent election for open Board Member/Alternate seats.

District 1 (Early):

Richard Elliot, Courtland	Member
Wallace Chan, Courtland	Member
Bill Mettler, Herald	Alternate

District 2 (Late):

Sydney Stokes, Kelseyville	Member
Chuck Carpenter, Lakeport	Alternate

Nominations for Chair and Vice Chair were called for, and Mr. Scully nominated Chris Frieders for Chairman and Larry Thorton for Vice Chairman. It was called for a close of the nominations and a vote.

It was moved by Mr. Scully, seconded by Mr. Zoller, and unanimously approved to elect Mr. Frieders as Chairman and Mr. Thorton as Vice Chairman for the 2003-04 fiscal year. {03-02}

Chairman Frieders called for nominations to fill the vacant Members at Large positions. Nominations were made for Broc Zoller and Chiles Wilson. It was called for a close of the nominations.

It was moved by Mr. Chan, seconded by Mr. Stokes and unanimously approved to accept the nominations and appoint Mr. Zoller and Mr. Wilson as Members at Large for the 2003-04 fiscal year. {03-03}

Chairman Frieders announced that Brent Holdenried has submitted a request to be removed from his seat on the Board. Nominations were called to fill the District 2 position through the remainder of the elected term (April 30, 2004).

It was moved by Mr. Scully, seconded by Mr. Zoller, and unanimously approved to elect David Weiss as District 2 Board Member the 2003-04 fiscal year, filling the vacant seat with the term ending April 30, 2004. {03-04}

Chairman Frieders announced to the Board that anyone interested in sitting on a committee for the 2003 season should contact Chris Zanobini or himself.

IV. **2003 Preliminary Estimates/Assessment Rates/Budget**

Mr. Zanobini presented the 1999-2002 Pear Estimates Comparison to Actual Tonnage and the 2002 tonnage utilization totals for fresh, processed and other products, as well as 2003 predictions for tonnage utilization based on the crop estimate provided by the estimating committee.

The Estimating Teams submitted the following for Board approval.

	<u>TONS</u>	<u>36# CARTONS</u>
Upper Sacramento Valley	14,000	200,000
Sacramento-San Joaquin	129,000	1,600,000
Solano	4,500	50,000
Lake	45,700	1,025,000
Mendocino	40,000	700,000

Balance of the State	1,000	10,000
TOTAL:	234,200	3,585,000

After discussions between Board members, canner representatives, and Board staff, the Board recommended the following revised estimate.

	<u>TONS</u>	<u>36# CARTONS</u>	<u>START DATE</u>
Upper Sacramento Valley	14,000	200,000	7/21
Sacramento-San Joaquin	129,000	1,700,000	7/15
Solano	4,500	50,000	7/30
Lake	45,700	1,050,000	8/14
Mendocino	40,000	750,000	8/7
Balance of the State	1,000	10,000	8/14
TOTAL:	234,200	3,760,000	

The tonnage that will be utilized by cannery was presented. It was noted that California canneries plan to utilize 117,000 tons, and Northwest canneries 16,000 tons, for a total of 133,000 tons being utilized by cannery for 2003.

It was moved by Mr. Mettler, seconded by Mr. Scully and unanimously approved to adopt the Board-revised tons estimate as the official tons estimate for the 2003 crop year. {03-05}

Mr. Zanobini reviewed the estimates for fall pears and stone fruit, as presented in the Board book. He noted that the fall pear estimate shows totals up from 2002.

V. **Budget**

Mr. Zanobini reviewed the budget for FY2002-03 as provided in the Board Book. He indicated that the projected income is \$2,219,673.99 and the projected expenses are \$2,106,427.54, leaving a carryover for 2003-04 at \$113,246.45. He also reviewed proposed budget for FY2003-04, pointing out that at the current assessment levels, the projected expenditures, maintained at the same levels as 2002-03 exceeded the projected income and would have a carryover of \$50,000.00. Through discussions of the Management committee, the committee unanimously recommended for the Board to approve an increase to the fresh assessment level by \$0.05 per 36-lb. box, setting the fresh assessment at \$0.35 per 36-lb. box. Board discussion occurred and the following motions were made.

It was moved by Mr. Wilson and seconded by Mr. van Loben Sels to accept the recommendation of the Management Committee to increase the fresh assessment level by \$0.05 per 36-lb. box, setting the fresh assessment at \$0.35 per 36-lb. box. A vote was called. The Board voted as follows:

- *Members voting affirmative: Messrs. Chan, Mettler, van Loben Sels, and Wilson.*
- *Members voting negative: Messrs. Carpenter, Scully, Stokes, Thorton and Zoller.*
- *There were no abstentions.*

The motion failed. {03-06}

It was moved by Mr. Thorton to increase the fresh assessment level by \$0.03 per 36-lb. box, setting the fresh assessment at \$0.33 per 36-lb. box.

Motion failed due to lack of a second. {03-07}

The Board evaluated the recommended budget expenditures, and discussed the reduction of budget levels for the Pest Eradication Program and the Processed Promotion – Domestic Program. The following motions were made.

It was moved by Mr. Scully, seconded by Mr. Zoller and unanimously approved to approve the Pest Eradication Program for FY2003-04 with a maximum budget of \$50,000.00 and final determination of budget amount to be made at the Fall Board Meeting. {03-08}

It was moved by Mr. Wilson and seconded by Mr. van Loben Sels to increase the fresh assessment level by \$0.04 per 36-lb. box, setting the fresh assessment at \$0.34 per 36-lb. box and reduce the Processed Promotion Domestic Program budget by \$50,000, setting the Processed Promotion Domestic Program budget at \$175,000. A vote was called. The Board voted as follows:

- *Members voting affirmative: Messrs. Chan, Mettler, van Loben Sels, and Wilson.*
- *Members voting negative: Messrs. Carpenter, Scully, Stokes, Thorton and Zoller.*
- *There were no abstentions.*

The motion failed. {03-09}

It was moved by Mr. Scully and seconded by Mr. Thorton to reduce the Processed Promotion Domestic Program budget by \$75,000, setting the Processed Promotion Domestic Program budget at \$150,000. A vote was called. The Board voted as follows:

- *Members voting affirmative: Messrs. Chan, Carpenter, Mettler, Scully, Stokes, Thorton, Wilson, and Zoller.*
- *Members voting negative: Messr. van Loben Sels.*
- *There were no abstentions.*

The motion passed. {03-10}

It was moved by Mr. Wilson and seconded by Mr. Scully to increase the fresh assessment level by \$0.04 per 36-lb. box, setting the fresh assessment at \$0.34 per 36-lb. box and thus approving the budget as amended. A vote was called. The Board voted as follows:

- *Members voting affirmative: Messrs. Chan, Mettler, Scully, van Loben Sels, and Wilson.*
- *Members voting negative: Messrs. Carpenter, Stokes, Thorton and Zoller.*
- *There were no abstentions.*

The motion passed. {03-11}

It was moved by Mr. van Loben Sels, seconded by Mr. Wilson, and unanimously approved to authorize the Executive Director to make inter-item budget transfers as needed for the 2003-04 fiscal year. {03-12}

It was moved by Mr. Wilson, seconded by Mr. Scully, and unanimously approved for the continuation of the existing line of credit under the direction of the Chairman and Vice Chairman for the 2003-04 fiscal year. {03-13}

VI. Review and Adoption of 2003 Regulations

Recommendations for Board action on the 2003 regulations are to 1) suspend the Processing Pear Regulations for the 2003 crop year, and 2) to change following language to the **CONSUMER PACKAGES** section of the Fresh Pear Regulations to read:

Minimum U.S. Grade

Individual consumer packages (15 pounds net weight or less) will be allowed. Such individual consumer packages must meet all quality, pack and marking requirements. Master containers of consumer packages must be marked with the varietal name and the word "pears," count or net weight, description of the contents and number of packages contained therein, and the name, address, and zip code of the handler.

It was moved by Mr. Zoller, seconded by Mr. Mettler and unanimously approved to accept the Fresh Pear Regulations as amended. {03-14}

It was moved by Mr. Wilson, seconded by Mr. Scully and unanimously approved to suspend the Processing Pear Regulations for the 2003-04 fiscal year. {03-15}

Mr. Zanobini announced that the Packout report or "green sheets" will be distributed daily via e-mail distribution or can be downloaded from the industry section of the CPAB web-site, www.calpear.com.

VII. **Trade Policy**

Fresh Pears to Mexico

Mr. Zanobini reported that during the Fresh Grade Review Committee meeting held on May 15, 2003, a proposed protocol for the pre-screening of pears shipments for Mexico was discussed. The protocol would be voluntary for the first year, and determine if other measures would need to be taken in future years.

It was moved by Mr. van Loben Sels, seconded by Mr. Scully and unanimously approved to accept the Voluntary Pre-Screening Protocol for Shipments of Pears to Mexico. A copy of the protocol is attached and made a part of these minutes. [Exhibit B] {03-16}

Mr. Zanobini indicated that the protocol for fresh pear shipments to Mexico would be included as an attachment in the season regulations.

VIII. **Promotion**

Fresh Promotion

Amy Kilbridge reviewed the status and activities to date of the fresh export promotion program. CPAB is again targeting Mexico, Canada and Central America for promotion activities, as they are California's top two export markets for Bartlett pears. Programs include trade representation, technical training, merchandising, consumer public relations, the distribution of promotional materials and retail cooperative promotions. The Canadian program mirrors the promotion activities conducted in the domestic market. In addition, CPAB is looking into the opportunities for exports into Cuba, Russia and India.

Christine Aguiar, with the assistance of Jason Bukilica of MJR Associates, reviewed the status and activities to date of the fresh domestic promotion program. A copy of the presentation is attached and made a part of these minutes. [Exhibit C] Additionally, contact information for the 2003 CPAB Merchandising Team was provided as part of the Board book.

Processed Promotion

Mr. Zanobini reviewed the processed promotion overview and budget as provided in the Board book. He indicated that the as part of the budget, funding was allocated for CPAB's participation in the proposal with Food Developer Mattson & Company on the development of a new processed pear beverage. He recommended the Board create a task force to further research the feasibility and advantages in acceptance of the proposal. A copy of the proposal was provided as part of the Board book.

IX. **Research/Pest Management**

Mr. McClain reviewed the California Minor Crop activities for April and letters from Agriculture organizations to Legislators and Administration Officials regarding the serious consequences of cuts in the State budget of University of California funding for Cooperative Extension and the Experiment stations.

X. **Policy Manual**

Mr. Zanobini presented the proposed change to the California Pear Advisory Board Policy Manual as directed by the Management Committee. The proposed change is the addition of the following collection procedures to **400.3 ASSESSMENT COLLECTION**.

Collection Procedures

Assessments ARE due by November 1 of each year unless otherwise stated. If payment is not received by 15 days after the due date, the board will contact the delinquent party by telephone immediately. Dates and times of contact are to be documented.

If payment is not received within 15 days of the telephone call, a letter will be sent to the handler demanding payment for the assessments due. In this letter the handler will be advised that unless payment is received within 15 calendar days, the next step will be to refer them to the Marketing Branch for initiation of the statutory deficiency determination. Simultaneously, a copy of this letter will be sent to the Marketing Branch.

The board will continue to follow up with the handler by telephone, however a telephone call should not be used in lieu of written notification.

If payment is not received within 15 calendar days from the written notification demanding payment, without delay, refer the account along with all pertinent documentation to the Marketing Branch.

It was moved by Mr. Zoller, seconded by Mr. Mettler and unanimously approved to insert the "Collection Procedures" section to 400.3 Assessment Collection in the Policy Manual. {03-17}

XI. **Other Business**

Import Report

Mr. Zanobini indicated that as of May 16, 2003, US pear imports totaled 3.45 million, compared to 3.47 million in 2002. It is still too early to determine the amount of imports still in on the market at the beginning of the season. It was also reminded that import reports are available on the CPAB web-site and by e-mail.

Northwest Packout Report

Mr. Zanobini provided to the Board the Northwest Crop Report for May 9, 2003 as reported by the Northwest Pear Bureau. Currently, the Northwest has 1.2 million cartons available, compared to 1.5 million in 2002. It is hopeful that they will be out of product at the start of our season.

There being no further business, the meeting was adjourned to executive session at 1:45pm.

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 May 22, 2003.

Chris A Zanobini
Executive Director

Attachments:

Exhibit "A" – 2003-04 Budget

Exhibit "B" – Voluntary Pre-Screening Protocol for Shipments of Fresh Pears to Mexico

Exhibit "C" – Fresh Domestic Promotion Presentation

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