

**MINUTES  
CALIFORNIA PEAR ADVISORY BOARD MEETING**

June 22, 2006  
Sacramento, California

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

- I. **Roll Call** – There was a quorum. Alternate Duncan Smith and Randy Ruddick voted at this meeting.

Members in attendance:

John Callis  
Patrick Archibeque  
Matthew Hemly  
Phil Scully  
Tom Thomas  
Larry Thornton

Russell van Loben Sels  
Davis Weiss  
Broc Zoller  
Sydney Stokes  
Randy Ruddick  
Duncan Smith

Members absent:

Chris Frieders  
Chiles Wilson

Other Attendees:

Ted Horsky, Steamboat Orchards  
Michael Fay, Steamboat Orchards  
Linton Hall, PCP  
Jerry Cordy, PCP  
Joan Johnson, Carter Thomas  
Fred Wheeler, Wheeler Thomas  
Pat Scully, Scully Packing  
Bill Johnson, Johnson Orchards  
Aaron Smith, Del Monte  
Jim Bengard, Bengard Marketing

Paul Collins, CDFA – USDA  
Darrell Ferreira, Ferreira Orchards  
Rick Jenson, CDFA - SPI  
Nate Dechoretz, CDFA - SPI  
Michael Davis, CDFA – SPI  
Ed Brown, CDFA - SPI  
James Christie, BCI  
Janyce Wong, CDFA  
Chris Zanobini, CPAB  
Bob McClain, CPAB

- II. **Approval of March 9, 2006 and May 30, 2006 Meeting Minutes**

*It was moved and seconded and unanimously approved to adopt the minutes of the March 9, 2006 meeting and the May 30, 2006 meeting as submitted. {06-03}*

- III. **Seating of 2005 Board**

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

District 1 (Early):

Matthew Hemly, Courtland	Member
Patrick Archibeque, Lodi	Member
Duncan Smith, Courtland	Alternate

District 2 (Late):

Sydney Stokes, Kelseyville	Member
Randy Ruddick, Ukiah	Alternate

Mr. Zanobini called for nominations to fill the vacant Members at Large positions. Nominations were made for Chiles Wilson and David Weiss to fill the Member at Large position.

*It was moved and seconded and unanimously approved to accept the nomination and appoint Mr. Wilson and Mr. David Weiss as Members at Large for the 2006-07 fiscal year. {06-04}*

Nominations for Chairman and Vice Chairman were called, the current slate of David Weiss as Chairman and Russell van Loben Sels as Vice Chairman was nominated. It was called for a close of the nominations and a vote.

*It was moved and seconded and unanimously approved to elect Mr. Weiss as Chairman and Russell van Loben Sels as Vice Chairman for the 2006-07 fiscal year. {06-05}*

**IV. 2006 Preliminary Estimates/Assessment Rates/Budget**

Mr. Zanobini presented the 2006-2007 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	12,000	125,000
Sacramento-San Joaquin	98,000	1,350,000
Solano	1,000	
Lake	43,000	1,100,000
Mendocino	33,500	620,000
Balance of the State	100	1,500
TOTAL:	187,600	3,196,500

After discussions between Board members, canner representatives, and Board staff, the Board recommended accepting the estimate as presented by the estimating team with adjustments made in the projected start date.

	<u>TONS</u>	<u>36# CARTONS</u>	<u>START DATE</u>
Upper Sacramento Valley	12,000	125,000	7/24
Sacramento-San Joaquin	98,000	1,350,000	7/20
Solano	1,000		7/28
Lake	43,000	1,100,000	8/8
Mendocino	33,500	620,000	8/1
Balance of the State	100	1,500	8/8
TOTAL:	187,600	3,196,500	

**V. Budget**

Mr. Zanobini reviewed the proposed budget for FY2006-07, based on the current estimates that the estimated assessment income is \$1,556,904.50. The carry-in for 2006-07 is estimated at \$204,705.33, MAP grant at \$250,000, Cherry Income at \$150,000, Interest at \$5000 and other income at \$15,000, or a total income of 2,181,609.83. Total expenses are budgeted at 2,018,000.00 leaving a carry forward of \$163,609.83. Mr. Zanobini indicated that the carry

forward was less than the requested \$200,000 and that adjustments to the budget would be made as the season progresses to insure that the carry forward is closer to the \$200,000 figure.

*It was moved and seconded and unanimously approved to accept the 2006-07 estimate and budget as presented and maintaining the current assessment levels for the 2006-07 crop year. It was also mentioned that the Executive director work with the budget to insure a carry forward closer to \$200,000 {06-06}*

*It was moved by and seconded and unanimously approved to authorize the Executive Director to make inter-item budget transfers as needed for the 2006-07 fiscal year. {06-07}*

## VI. **Review and Adoption of 2006 Regulations**

Before reviewing the regulations Mr. Zanobini reported on the projected fee increase from SPI this year for inspection services. Based on the motion at the March 9, 2006 meeting the discussion of mandatory fresh inspection was brought to the table.

SPI was introduced to talk about the increase in fees, and long term changes being made to eventually level off or reduce the cost of inspection. A discussion was held about the desire to maintain or eliminate fresh inspection. A motion was made to maintain fresh inspection.

*It was moved by Zoller and seconded by Stokes to maintain mandatory fresh inspection. Direction was given to SPI to bill for inspection services in a timely fashion. A roll call vote was called. Members voting yes, (Archibeque, van Loben Sels, Zoller, Scully, Stokes, Thorton, Ruddick, Weiss). Members voting no, (Callis, Hemly, Smith, Thomas). The motion carried 8 to 4. {06-08}*

Mr. Zanobini reviewed the proposed 2006 Regulations. He indicated that most of the changes made to the regulations were the update of dates to the current year. There were also changes made as it relates to reporting: The destination report would be reported only in 36lb TFE.

*It was moved and seconded and unanimously approved to accept the Fresh Pear Regulations as presented and to suspend the Processing Pear Regulations for the 2006-07 fiscal year {06-09}*

## VII. **Trade Policy**

Mr. Christie reviewed trade policy items of interest. Particular attention was brought to the ongoing issue with worms in Mexico and that fruit potentially containing worms not be shipped to Mexico. He also reported that BCI continues to provide the weekly International Monitoring Report that is posted on the CPAB website and that the Central American tariffs on pears from all but Costa Rica will have been eliminated by July 1, 2006

## VIII. **Promotion**

Mr. Zanobini provided an update on recent domestic promotion activities to date. He indicated that the North American merchandising team has been visiting retailers since the beginning of April

Mr. Christie reviewed the export program materials provided in the board book and discuss the recent CPAB trade mission to Mexico as well as a proposed trade mission by the Governor in late August.

Mr. Zanobini reported CA Grown has hired a CEO and that future funding for the program is on the horizon with grant funds from the original block grants and new funds from the Specialty Crop Competitiveness Act.

**IX. Research / Pest Management**

The UC specialist position left vacant by Steve Southwick was discussed and a percentage breakdown of the four impacted commodities based on research funding from 1999-04. It was determined that the pear industry seems to be well served currently by the University research community and that setting the precedent of funding a UC position was not welcomed by the board. No action was taken and the item was dropped.

Bob McClain provided an update on research related activities. Mr. McClain commented on two articles related to labor issues, The CCMC Tour scheduled for July, CMCC activities reports, a comment letter regarding Oxytetracycline and Streptomycin, the International Registration Workshop, and current situation regarding AZM.

**X. Management Committee**

Since there was a significant action item to be discussed regarding CPAB amendments it was determined that we would handle one item in other business than return to the Management Committee report.

The Management Committee met on May 25 to review and discuss the 2005-06 budget in detail, 2006-07 crop projections, the proposed 2006-07 budget, staff evaluations and compensation, and current progress of the 20/20 committee. During the meeting different options for including all varieties of pears in the marketing order were discussed and evaluated.

It was proposed that the board consider options 2 and or 4, with the understanding that this action would not change the CPAB budget on an annual basis for a minimum period of two years. A discussion regarding the options and the potential side affects of including all varieties in the CPAB occurred with concerns about insuring the process was transparent and that all growers impacted would have an opportunity to voice their opinion and or comment. A point of clarification was asked about what varieties would be included and it was stated that all pears except Asian pears would be included. The question was raised about Asian pears and it was mentioned that Asian pears were outside of the pear category.

*It was moved and seconded to start the process of Option 2, including all pears, except Asian Pears, into the CPAB, with the understanding that the annualized CPAB budget would remain constant for a minimum period of two years. All members except Zoller voted yes. The motion carried. {06-11}*

Further discussion and clarification on the process occurred. It was determined that all pears would be all pears grown in California except Asian Pear Varieties. It was also determined that the amendment would have to be written before a hearing can be held. Due to the short time before the season, the board recommended having the hearing after Labor Day thus giving the industry ample time to discuss the amendment and to get through the harvest season.

**XI. Other Business**

Mr. Zanobini presented a draft letter and referred to the back ground information provided in the board book regarding a section 332 investigation on Chinese canned fruit. The 332 investigation requests that the ITC investigate the impact of Chinese canned fruit on the US market. This is an informational investigation and is public information. This has been spearheaded by the

California Cling Peach industry and the Northwest Pear Industry. Mr. Zanobini indicated that there is no financial requirement for participation in the 332 investigation.

*It was moved and seconded and unanimously approved to participate and support the 332 investigation on Chinese canned Fruit {06-10}*

There being no further business, the meeting was adjourned to executive session at 11:45am.

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 June 22, 2006.

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Chris A Zanobini  
Executive Director

Attachments:

Exhibit "A" – 2006-07 Budget