

CALIFORNIA PEAR ADVISORY BOARD

1521 "I" Street ■ Sacramento, CA 95814-2016 ■ Phone: 916 / 441-0432 ■ Fax: 916 / 446-1063

BOARD MEETING NOTICE

Friday, February 3, 2012
1:30pm

Conference Call
Dial In # 1-866-815-0941
Conference Code 4413714

Call dial in Number enter Conference code and press #

*Or can be attended in person at the
California Pear Advisory Board*

1521 I Street
Sacramento, CA 95814
916-441-0432

- I. Call to Order
- II. Roll Call
- III. Conference call etiquette
- IV. Minor Amendment to allocate board seats to district by assessment dollars.
(See attached proposal)
- V. CPAB continuation referendum – 2012
- VI. Other Business
- VII. Next Meeting
- VIII. Adjourn

The CPAB prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability and marital or familial status. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact Chris Zanobini at 916-441-0432.

The California Pear Advisory Board meetings comply with the Bagley-Keene Open Meetings Act that allows for public comment on all agenda items. For further information related to this agenda, please contact the CPAB Office at 916-441-0432.

A copy of this meeting notice can be found at
<http://www.calpear.com>.

Action may be taken on any of the above items

January 23, 2012

TO: California Pear Growers

FROM: CPAB

RE: Minor amendment to allocate board seats by assessment dollars

Attached is a proposal, supporting documentation and proposed language to make a minor amendment to the Pear Marketing Order that would equitably allocate board seats by assessment dollars. In 1992 when the Pear Marketing Order was written a provision was included in the order under Article II, Section A, Number 5 that allows the CPAB to make changes to board seats allocated to districts in order to maintain equitable representation in accordance with areas of production.

Since 1992 there have been significant changes in the California Pear Industry and several major amendments to the Pear Marketing Program, most significantly the addition of all Western Type pears in the marketing order – before that time only Bartlett varieties were included in the order. Over the last ten years there has been a dramatic shift in pear production with more no Bartlett varieties being produced, a shift from cannery to the fresh market and a general shift in the dominant production areas. As illustrated in the chart below.

Assessment Dollars	District 1	District 2
1992	47%	53%
2002	53%	47%
2010	66%	34%
Difference 1992-2012	Increase 19%	Decrease 19%

The proposal to equitably allocate board seats by assessment dollars has been raised a number of times over the last several years with the item most recently discussed at the CPAB's December board meeting. At that meeting, the attached proposal was presented, but there was concern that there was not enough time to consider the proposal or that there was not the opportunity for other proposals to be considered. It was agreed that CPAB staff would accept any new proposals until January 13 and then a meeting notice along with the proposals would be properly noticed to the industry for a conference call on January 23, 2012. A conference call meeting was duly noticed and held on January 23, 2012 to discuss the only proposal carried forward from the December meeting. General concern regarding the fact the meeting notice and proposal was not mailed to all growers it was agreed that there would be no action and that a second conference call would be held on February 3, 2012 at 1:30 pm. It was further agreed that a notice and copy of proposal would be mailed to all pear growers for consideration.

Attached is the proposed minor amendment to allocate board seats to districts by assessment dollars.

Board Seat Distribution by District

Proposed Minor Amendment to allocate board seats to district by assessment dollars.

It has been recommended that the CPAB make a minor amendment to the number of board seats per district from a static number of 5 for each district to an allocation based on assessment dollars per district.

Under this scenario boards seats would be allocated for every 10% of assessment dollars. This would be determined by a three year average of production information. Only seats open for re-election can be allocated to a different district. Seat allocation is illustrated in the following table.

Percentage	Seats
10-19	1
20-29	2
30-39	3
40-49	4
50-59	5
60-69	6
70-79	7
80-89	8
90-99	9
100	10

Based on the last three years of data District 1 with 66.6 % of assessment dollars would be allocated 6 seats. District 2 with 30.3% of assessment dollars would be allocated 4 seats.

In addition this minor amendment would eliminate the requirement for 3 members from district 1 to be from Sacramento County and change the Lake and Mendocino requirements from 2 to 1 each per district.

CPAB Tonnage and Assessment Allocation by District

District 1	2008	2009	2010	2011 (Est)
<i>Fresh Bartletts</i>	42,429	38,374	31,497	35,927
<i>Fresh Varieties</i>	8,847	12,209	10,046	13,202
<i>Cannery</i>	86,937	86,841	74,949	76,578
<i>Other</i>	12,058	9,766	8,039	13,722
Total	150,271	147,190	124,531	139,429
Percentage of Tons	69%	70%	70%	68%
<i>Fresh Bartletts</i>	\$ 706,443	\$ 638,927	\$ 524,425	\$ 299,092
<i>Fresh Varieties</i>	\$ 147,303	\$ 203,280	\$ 167,266	\$ 109,907
<i>Cannery</i>	\$ 347,748	\$ 347,364	\$ 299,796	\$ 306,312
<i>Other</i>	\$ 18,087	\$ 14,649	\$ 12,059	\$ 20,583
Total	\$ 1,219,580	\$ 1,204,220	\$ 1,003,545	\$ 735,894

Percentage of \$	67%	67%	66%	66%
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District 2	2008	2009	2010	2011
<i>Fresh Bartletts</i>	25,464	24,078	21,390	25,422
<i>Fresh Varieties</i>	2,949	4,070	3,349	4,401
<i>Cannery</i>	29,654	30,415	23,189	30,535
<i>Other</i>	9,018	4,263	5,356	4,524
Total	67,085	62,826	53,284	64,882
Percentage of Tons	31%	30%	30%	32%
<i>Fresh Bartletts</i>	\$ 423,976	\$ 400,899	\$ 356,144	\$ 211,638
<i>Fresh Varieties</i>	\$ 49,101	\$ 67,766	\$ 55,761	\$ 36,638
<i>Cannery</i>	\$ 118,616	\$ 121,660	\$ 92,756	\$ 122,140
<i>Other</i>	\$ 13,527	\$ 6,395	\$ 8,034	\$ 6,786
Total	\$ 605,219	\$ 596,719	\$ 512,694	\$ 377,202

Percentage of \$	33%	33%	34%	34%
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Industry Total Tons	217,356	210,016	177,815	204,311
Industry Total \$	\$ 1,824,800	\$ 1,800,939	\$ 1,516,240	\$ 1,113,096

ARTICLE II
PEAR ADVISORY BOARD

Section A. ESTABLISHMENT, MEMBERSHIP, AND TERM OF OFFICE.

1. A Board to be known as the Pear Advisory Board is hereby established and shall consist of up to twelve (12) members to assist the Department in the administration of this Program. The Board shall be composed of producers, as herein defined.
2. Members and alternate members shall be appointed by the Department from nominations received for that purpose.
3. The regular term of office of the members (except members-at-large) shall be three (3) years beginning with the effective date of this Program and ending April 30 of the applicable marketing season. However, to provide for a staggered term of office for appointees to the initial Board: three (3) members shall serve a one-year term; three (3) members shall serve a two-year term; and four (4) members shall serve a three-year term.
4. There shall be no term limits to serve on the advisory board in any capacity. (Amended August, 12, 2009)
5. Representation on the Board shall be by districts as herein described, or as such district representation may be changed by recommendation of the Board and approval of the Department, to maintain equitable representation in accordance with areas of production. Any such change of boundary lines of said districts or change in district representation shall be deemed a minor amendment to this Program.
6. Effective December 15, 2011 Board seat allocation by district is to be determined by a three year average of assessment dollars for each district. For every 10% increment a seat will be allocated to the appropriate district (see table below). Only seats that are up for re-election will be allocated.

TABLE 6-A

Percentage	Seats
10-19	1
20-29	2
30-39	3
40-49	4
50-59	5
60-69	6
70-79	7
80-89	8
90-99	9
100	10

5.

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Said districts are as follows:

District No. 1, the "Early" District, shall be represented by an equitable allocation by percentage of assessment dollars as illustrated in table 6-A ~~five (5) members~~ and shall consist of the following counties: San Francisco, San Mateo, Alameda, Santa Clara, Santa Cruz, San Benito, Monterey, San Luis Obispo, Santa Barbara, Stanislaus, Merced, Madera, Contra Costa, Solano, Marin, Mariposa, Mono, Inyo, Fresno, Kings, Tulare, Kern, Ventura, Orange, Los Angeles, San Bernardino, Riverside, San Diego, Imperial, San Joaquin, Sacramento, Yolo, Sutter, Yuba, Colusa, Glenn, Butte, Tehama, Shasta and Siskiyou. ~~Not less than three (3) members from District 1 shall be producers in Sacramento County.~~

District No. 2, the "Late" District shall be represented by ~~five (5) members~~ an equitable allocation by percentage of assessment dollars and shall consist of the following counties: Lake, Mendocino, Napa, Sonoma, Del Norte, Humboldt, Trinity, Modoc, Lassen, Plumas, El Dorado, Nevada, Placer, Sierra, Amador, Calaveras, Alpine and Tuolumne. ~~Not less than two one (21) members from District 2 shall be a producers in Lake County and not less than two one (21) members in District 2 shall be from Mendocino County.~~

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6-7. There shall be only one (1) alternate member for District 1, and this alternate can act in the place of any of the members in District 1. There shall be only one (1) alternate member for District 2, and this alternate can act in the place of any of the members in District 2. The District alternates shall serve one (1) year terms, said terms to begin on May 1 of any year and to end on April 30 of the succeeding year. In addition to serving in place of absent District members, the alternates may serve in the place of absent members-at-large. In the event that a member-at-large is absent at a meeting, either of the District alternates may serve in his or her place. The alternate member who lives the closest to the absent member-at-large shall be the one who will serve for the absent member-at-large. (Amended January 20, 1994)

7-8. Producer members-at-large. In addition to the District membership, the Board, by a majority vote may nominate and the Department may appoint not more than two (2) producer members-at-large who will be selected without regard to districts. The term of office of the members-at-large shall be one (1) year beginning on May 1 of any year and ending April 30 of the succeeding year; except that the term of office for the initial members-at-large may begin with the effective date of this Program. (Amended August 12, 2009)

8-9. Notwithstanding other provisions of this Article II, and upon recommendation of the Board, the Department may appoint one (1) member and one (1) alternate member to the Board to represent the general public, in addition to the up to twelve (12) producer members of the Board provided for in this Section A. Such persons shall not be affiliated in any way with respect to the production or marketing of pears and shall have all the rights and privileges, including voting, of any other member or alternate member of the Board. The regular term of office of any member or respective alternate member appointed pursuant to this subsection 8 shall be as close as possible to one (1) full year and shall terminate on April 30 during the year following their appointment.

Section B. NOMINATION OF MEMBERS OF THE PEAR ADVISORY BOARD.

1. Nominations of persons eligible to serve on the initial Pear Board shall be received at the public hearing held on this Program.
2. The Department shall appoint the initial members and their alternates from nominations received at such public hearing.
3. Procedures for the nomination of subsequent Board members and alternates may be developed by the Nominating Committee and recommended by the Board to the Department for its approval.
4. Each producer member and alternate member of the Board shall be, during his/her term of office, a producer or an employee of a producer of pears.

Section C. FAILURE TO NOMINATE. In the event nominations are not made pursuant to Section B of this Article, the Department may appoint the members and alternates of the Board without regard to nominations, from persons who are qualified as provided for in Section A and B of this Article.

Section D. QUALIFICATION. Any person appointed by the Department as a member or as an alternate member of the Board shall qualify by filing with the Department a written acceptance and such other documents as may be required.

Section E. ALTERNATE MEMBERS. An alternate member of the Board shall, in the absence of one of the members for whom he or she is alternate, sit in the place and stead of such member at any meeting of the Board and shall have all the powers, duties, and privileges of the member while attending any such meeting. In the event of the death, removal, resignation, or disqualification of a member, the alternate for his or her position shall act in his or her place and stead until a successor to such member is selected and has qualified.

Section F. VACANCIES. The Department shall fill any vacancies occasioned by the removal, death, resignation, or disqualification of any member or alternate member of the California Pear Board. In making such selection, the Department may take into consideration any reserve nominees and nominations made by the remaining members of the Board.

Section G. ORGANIZATION.

1. The Pear Advisory Board shall not perform any of its duties nor exercise any of the powers herein granted when more than two (2) vacancies from each District and one vacancy in a member-at-large position exist.
2. Seven (7) members of the Board, including not less than three members from each District, shall constitute a quorum. Any recommendation of the Board to the Department shall require an affirmative vote of a majority of the members present or alternates present and acting in the place and stead of members.

Section H. EX-OFFICIO MEMBERS. Each year the Board may recommend, and the Department may approve, the participation of ex-officio members in any or all deliberations of the Board; provided, that such participants shall not be counted in determining the presence of a quorum nor may they participate in voting on matters under consideration by the Board.

Section I. COMMITTEES.

1. A committee is hereby established, as recommended by the Board, to assist the Board and the Department in the nomination of members and alternate members to the Board. The Nominating Committee may make nominations of persons eligible to serve on the Board when regular terms of office expire.
2. The Board may recommend, and the Department may appoint, such additional committees as may be deemed necessary to assist the Board and the Department in performing the duties authorized pursuant to this Program.

Section J. EXPENSES. The members and alternate members of the Board, including ex-officio members, and of any committees established pursuant to Section I above, may be reimbursed for allowable expenses necessarily incurred by them in the performance of their duties and in the exercise of their powers hereunder.

Section K. DUTIES AND POWERS OF THE BOARD. The Board shall have the following duties and powers which may be exercised subject to the approval of the Department:

1. To administer the provisions of this Program.
2. To recommend to the Department administrative rules and regulations relating to this Program.
3. To receive and report to the Department complaints of violations of this Program.
4. To recommend to the Department amendments to this Program.
5. To assist the Department in the assessment of members of the industry and in the collection of such assessments to cover expenses incurred by the Board and the Department in the administration of this Program.
6. To assist the Department in the collection of such necessary information and data as the Department or the Board may deem necessary to the proper administration of this Program and of the Act.
7. To select a chairman and vice chairman from its membership and to select such other officers and adopt such rules for the conduct of its business as the Board may deem advisable.
8. To keep minutes, books, and records which will clearly reflect all of its meetings, acts, and transactions and to provide the Department with copies of the minutes duly certified by an authorized officer of the Board. Said minutes, books, and records shall, at all times, be subject to examination by the Department or its duly authorized representatives.
9. To employ such personnel or administrative agencies as may be deemed necessary, including private counsel, and to determine the salaries and define the duties of such personnel subject to the approval of the Department.
10. To negotiate and enter into contracts or agreements for such goods and services as may be necessary to carry out the purposes and objectives of the Program.
11. To recommend to the Department the establishment of any of the administrative rules and regulations authorized under Article III of this Program.
12. To receive, invest, borrow and disburse funds pursuant to the provisions of Article 10 of the Act.

Section L. LIMITATION OF LIABILITY OF MEMBERS OF THE BOARD. The members and alternate members of the Pear Advisory Board, ex-officio members, or members and alternate members of any committees hereunder duly appointed by the Department, and the employees of such Board shall not be responsible individually in any way whatsoever to any producer or any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, person, or employee, except for their own individual acts of dishonesty or crime. No such person or employee shall be held responsible individually for any act or omission of any other member or the Board, committee, or employee. The liability of the Board, its committees, or employees shall be several and not joint and no member or alternate member shall be liable for the default of any other member or alternate member.