

**Minutes
Executive Committee
Friday, January 15, 2010
Reedley, CA**

Chairman Michael Reimer called the meeting of the Executive Committee to order on January 15, 2010, at 12:20 p.m. in the Conference Room of the California Tree Fruit Agreement in Reedley, California. Chairman Reimer recognized a quorum present.

Committee Members Present:

Bill Chandler	George Nikolich	Gordon Wiebe
Rod Milton	Mike Reimer	

Committee Members Absent:

Mike Jackson	Justin Parnagian
Rick Jackson	Jim Stewart

Government Representatives:

Jennifer Garcia, USDA

Others Present:

Ted Avena	Dale Janzen	Corina Tamez
Cassie Drake	Gordon Smith	Gary Van Sickle

Minutes

The Chairman indicated he would entertain a motion to approve the minutes of the December 1, 2009, and December 8, 2009, meetings.

It was moved by Mr. Bill Chandler, seconded by Mr. Gordon Wiebe, to approve the meeting minutes of December 1, 2009; and December 8, 2009. The motion passed unanimously.

CTFA Activity Report

The Chairman asked Mr. Van Sickle to present the CTFA Activity Report.

Crop Report – Mr. Van Sickle reported that packouts continue to rise with the receipt of shipment reports. He stated that some reports have higher packouts compared to the packout reports. He further stated that CTFA staff will continue to track and quantify the shipment and packout data.

Mr. Van Sickle reported on crop production through January 11, 2010. Peaches are at 20.713 million; nectarines at 16.459 million; plums at 9.227 million, which totals 46.399 million. This compares to the June 2009 estimate of 46.93 million and the pre-season estimate of 49.564 million. Regarding Interspecifics packed as plums, there have been no changes in the crop production of 1,479,400 million boxes.

Mr. Van Sickle reported that chill hours to date recorded in Parlier are at 662 hours, while Arvin has recorded 679 chill hours. He stated that the difference in hours was somewhat interesting. He further stated that he felt the chill hours were on target to reach 1,000 hours.

Industry Relations – Mr. Van Sickle reported that staff continues to collect shipment reports, destination reports, and assessments. He stated Mr. Dale Janzen is currently delivering 2010 calendars to the industry.

Industry Issues/Updates – Mr. Van Sickle reported the Light Brown Apple Moth (LBAM) continues to be a concern. He stated that USDA has conducted four releases, which have been successful. He also reported that the Hungry Pest Campaign has had a positive impact. He stated that before the campaign only 6 percent of people surveyed knew about invasive pests; after the campaign, 35 % were aware of invasive pests. Before the campaign only 21 % of people surveyed said action needs to be taken to control pests; after the campaign, 50 % of people said action needs to be taken to control pests.

In regards to the Mediterranean Fruit Fly (Med Fly), he stated that currently there have been finds in the San Diego area. He stated that two additional male adults were trapped in the Escondido area. The quarantine area is at 44 square miles. Currently, the citrus growers in that area are faced with “double trouble” as the quarantine area for Med Fly has merged with the area for the Asian Citrus Psyllid. He stated that sterile flies are currently being released in that area.

Public Relations/Communications – Mr. Van Sickle reported that media coverage continues for water, pesticide residues, 2008 DPR PUR release, Movento® cancellation, and food safety traceability. He reported that for the cancellation of Movento®, that chemical is currently on hold as there are concerns that EPA did not file the proper notification through the Federal Register. In response to a question from Mr. Michael Reimer, Mr. Bill Chandler stated that Movento® is primarily used for grapes. Mr. Van Sickle reviewed the following articles were included in the meeting folder: *DPR Reports Pesticide Use Declined Again in 2008; Food Banks Take The Lead In Soliciting Healthier Eats; Civil Dialogues About Food Can Lead To Understanding And Change (Russ Parson, LA Times); Judge Revokes Approval of Pesticide That Could Harm Bees (Movento®)*. In response to a question from Mr. George Nikolich, Mr. Van Sickle stated that he was not aware of the current Produce Traceability Initiative status. He stated that although there continues to be milestones, it still is not mandatory. Mr. Nikolich asked about FDA, and Mr. Van Sickle responded that he was not aware of the status.

Market Development – Mr. Van Sickle reported the Domestic Market Development Subcommittee had met on January 14, 2010, to review the 2010 recommendations as directed by the Joint Committees/Boards on December 10, 2009. He stated the Subcommittee had recommended removing the Consumer Research and TV Grower Interviews from the 2010 program. He stated that Mr. Gordon Smith would be providing a report later in the meeting. Mr. Van Sickle stated that Category Management training is scheduled next week, January 19-20, 2010, at the CTFA office. Sales Desk meetings will begin February 9, 2010.

Regarding the International markets, Mr. Van Sickle reported that CTFA was awarded \$2,484,271 in MAP funds. He stated the International Market Development Subcommittee had met on January 7, 2010, and began planning their 2010 activities. The Subcommittee will finalize their 2010 activities on January 21, 2010. Mr. Van Sickle stated that agency reviews are currently being conducted for Mexico, China, Taiwan, and the United Kingdom.

Research and Regulatory – Mr. Van Sickle reported the Winter Research meeting was held in early December 2009, stating there was a good turnout at the meeting.

Regarding research, Mr. Van Sickle stated the Research Subcommittee would be reviewing proposals on January 26, 2010. He also reported that the Endowment Task Force Subcommittee is scheduled to

meet on January 26, 2010, at 11:30 a.m., prior to the Research Subcommittee meeting. He stated the Subcommittee would be reviewing the endowment based on the straw poll at the Fall 2009 meetings.

Mr. Van Sickle reported that he and Mr. Rod Milton attended the Southeast Peach Conference on January 7-10, 2010, in Georgia. He asked that Mr. Milton provide a few remarks. Mr. Milton reported that during their visit, the weather was very cold. He said they visited with growers in the Ridge and Fort Valley areas. He stated regarding the Conference, they attended sessions on food safety, cultural research projects, and other agricultural related topics. Overall, the trip was good and that he met some very interesting people. Mr. Van Sickle added that growers in the Fort Valley area are pulling trees, which have production in the August time frame. In response to a question from Mr. Mike Reimer, Mr. Van Sickle responded the cold weather was needed. He also stated that growers are using labor from H2A programs, which is expensive but works well for them.

In regards to regulatory, Mr. Van Sickle reported that after the Fall 2009 Committee/Board meetings staff submitted the recommended regulations to USDA. He stated that USDA had recently approved the 2010 Domestic programs, as recommended by the federal Committees.

Government Updates – Mr. Van Sickle reported for the federal, he restated that USDA had approved the 2010 Domestic programs in December 2009. He also reported that Ms. Karen Ross of the CA Association of Winegrape Growers was recently appointed Chief of Staff for Secretary Vilsack, and Mr. Bill Smittcamp was appointed to the Fruit and Vegetable Advisory Committee (Mr. Wayne Brandt formerly sat on the Committee).

Mr. Van Sickle reported on the subcommittee officers' situation as discussed at the 2009 Fall Committee/Board meetings. He stated CDFA has agreed with the CA Plum Marketing Board's decision. He also stated the Committees/Boards need to come to a consensus on this issue. Staff is currently waiting for input from the USDA on this issue.

Legal Updates/Other Issues – Mr. Van Sickle stated there was nothing new to report on both the federal and state programs.

Other Issues – Mr. Van Sickle reviewed the upcoming 2010 Executive Committee meeting dates: January 27, February 17, and March 17. He also reviewed the following meetings:

- California Grape and Tree Fruit League Board of Directors' meeting, January 21, Palm Desert
- Agro Terrorism meeting, January 25, Ag Commissioner's Office in Tulare (Dale Janzen will attend)
- Winter Committee/Board meeting, February 18, Kearney Ag Center in Parlier
- Educational Symposium, February 23, Fresno Convention Center

Mr. George Nikolich asked if CTFA staff could use Outlook to send "Invites" for future meetings. Mr. Ted Avena and Ms. Corina Tamez responded that it was possible and they would implement the process.

Financial Report

Mr. Van Sickle reported for cash management there currently is no outstanding line of credit and the current cash position is \$3,512,449. In regards to receivables collected, Mr. Van Sickle reported that billed for 2009 is at \$1.86 million, compared to \$7.30 million in 2008. Collected is at \$1.85 million,

compared to \$7.27 million in 2008. Total A/R is at \$0.013 million, compared to \$0.026 million in 2008. Currently, \$0.0017 has been referred to the government for being 60 days late. In response to a question from Mr. Bill Chandler, Mr. Van Sickle stated that referrals were for unpaid assessments in May 2009 and did not believe said amount would be collected.

In regards to expenses, year-to-date for domestic stands at \$0.66 million, compared to \$1.68 million in 2008 and is down 60.57%. International is at \$2.47 million, compared to \$2.70 million and is down 8.47% from last year. Other is at \$2.14 million, compared to \$2.18 million which is down 1.70%.

Mr. Van Sickle reported as previously requested, the previous check run was included in the meeting folders. He asked if there were any questions regarding the check run or the financials as presented. Regarding the check run, Mr. George Nikolich asked if the Bryant Christie expense was a contract or retainer expense. Mr. Gordon Smith explained the expense was for travel expenses in addition to contract expenses.

Subcommittee Reports

International Market Development Subcommittee – Mr. Gordon Smith reported the International Market Development Subcommittee met last week and reviewed the 2009 export results as well as the 2010 programs. He reported the 2009 export results included significant declines across all markets, with the exception of China. He reported the Subcommittee will meet again January 21, 2010, to finalize the 2010 program activities and budget recommendations.

Domestic Market Subcommittee – Mr. Gordon Smith reported the Domestic Market Development Subcommittee met on January 14, 2010, to review the 2010 program and budget as directed by the Committees/Boards in December 2009. He stated the 2010 recommended budget totals \$1,069,000 without consumer research projects and without additional PPN TV grower interviews. In response to a question from Mr. Mike Reimer, Mr. Gordon Smith explained that agency reviews are conducted every three years, per the MAP and CTFA policies. He stated that a final decision is made by the end of February 2010. In response to a question from Mr. Reimer if Steven Chu conducts the review, Mr. Smith explained that CTFA conducts the reviews.

In regards to the 2010 Domestic Program budget, Mr. Rod Milton asked how much the Domestic Market budget was reduced for the upcoming year. Mr. Smith explained that \$130,000 was removed for Consumer Research and \$75,000 was removed from the PPN Advocate budget for the additional grower video clips. Mr. Reimer noted the grower videos produced last year were not posted on the internet until after the season was completed and the Subcommittee felt it was important to see the exposure of the videos in the upcoming year before adding any additional funds to that project. Mr. Smith explained that 57 clips had already been produced covering a wide variety of topics and categories and will be used for future grower outreach or other projects.

Check Signing Authorities – Bylaw Change

Mr. Van Sickle reviewed the Bylaw changes would allow the Chairperson and Vice Chairperson to sign checks for any amount. Also, the addition of “Assistant Manager” was nomenclature to Vice President. Mr. Gordon Smith asked if the bank would be concerned the Bylaws currently reference “Marketing Director” when the title should be “Director of Marketing.” Mr. Van Sickle will update the Bylaws’ proposal with the correction of “Director of Marketing.” Chairman Reimer stated the bank is concerned with individual names and amounts, and not necessarily with titles.

It was moved by Mr. Rod Milton, seconded by Mr. Bill Chandler, to approve the revised Bylaw change that includes the following Check Signing Authorities:

Section 3. Authorization from the Chairperson or Vice Chairperson of the Executive Committee, President, Vice President/Assistant Manager/designee, Director of Marketing Marketing—Director or Director of Regulatory Compliance shall be required on all checks or electronic payments issued by the California Tree Fruit Agreement for \$10,000 or less. Authorization from the Chairperson or Vice Chairperson of the Executive Committee, President, Vice President/Assistant Manager/designee or Director of Regulatory Compliance shall be required on all checks or electronic payments issued by the California Tree Fruit Agreement for \$50,000 or less. The authorization of the Chairperson or Vice Chairperson of the Executive Committee or President shall be required on all checks or electronic payments issued by the California Tree Fruit Agreement for up to \$100,000. The authorization of the Chairperson or Vice Chairperson of the Executive Committee shall be required on all checks or electronic payments issued by the California Tree Fruit Agreement in excess of \$100,000.

CTFA Office Lease Options

Mr. Van Sickle reported the office space lease currently expires on May 31, 2010, and requires renewal by February 28, 2010. He explained the options are: Re-extend for four more years, with a rental increase at 2% per year—lease through 2014; or re-extend for eight more years. Mr. George Nikolich asked if staff had researched other office space possibilities. Mr. Van Sickle responded that a review had taken place in 2005, which included potential office space in Kingsburg, Selma, and Fresno, and at that time it was determined it was most feasible to stay at the current location. In response to a question from Mr. Nikolich regarding the square footage of the CTFA office, Mr. Van Sickle responded the square footage of the building is 8,000 square feet, and approximately 3,000 is used for storage. Mr. Nikolich asked if CTFA has a need to use the entire office space and questioned the amount of staff space required. Mr. Van Sickle stated the office space is adequate for staff and for storage of files and other office items. Mr. Nikolich asked if he could be provided with the current cost per square footage in the Reedley area as well as neighboring cities. Mr. Rod Milton commented there is plenty of office space available in the Reedley area, but expensive. Chairman Reimer stated he thought the going rate per square footage is about \$1 and CTFA's rate is at 60¢. Chairman Reimer stated the Executive Committee would not take action on this item today, and would table it to the next meeting scheduled January 27, 2010. CTFA staff will provide the Executive Committee with additional lease options and competing square footage information prior to the next meeting.

2010 CTFA Holiday Calendar

Mr. Gary Van Sickle reported the 2010 CTFA Holiday Calendar was included in the meeting folder. He explained the holiday calendar is the same as the 2009 calendar, which follows the state and federal holidays. He stated one of the holidays is designated a floating holiday, which can be used one week before the employee's birthday and up to two months after employee's birthday. Regarding the 2010 Holidays, Mr. George Nikolich questioned if staff should be doing more for less and what type of message it sends to the industry. Mr. Van Sickle responded that staff is working harder with more responsibilities and less staff. Mr. Gordon Wiebe commented that staff pay, including holiday and vacation time, should not be cut. He acknowledged that staff is currently working harder with less staff. Mr. Nikolich stated the holiday calendar has too many days and felt it was sending the wrong message to the industry, and that he would like a proposal with fewer holidays. Chairman Reimer called for the motion.

It was moved by Mr. Bill Chandler, seconded by Mr. Gordon Wiebe to approve the 2010 CTFA Holiday Calendar as presented. The motion passed with one nay (George Nikolich).

Transition Planning – Defer to Closed Session

Issues to Discuss at Future Meetings - none

Closed Session

Chairman Reimer convened the meeting to closed session at 1:00 p.m.

Return to Open Session

Chairman Reimer convened the meeting to open session at 2:17 p.m. Chairman Reimer announced that during closed session, Transition Planning and personnel matters were discussed.

Meeting Adjourned

Chairman Reimer adjourned the meeting at 2:20 p.m.

Respectfully submitted,



Corina Tamez
Executive Assistant