

NATIONAL PROCESSED RASPBERRY COUNCIL

Teleconference

September 25, 2013, 11:00 a.m.

Board Attending:

Sukh Kahlon

John Clark

Rolf Haugen

Karen Holzberg

Antonio Dominguez

Adam Enfield

Brad Rader

Eric Larson

Hector Lujan

Rob Dhaliwal

Jerry Stratton

Jennifer Ryan

Alternates Attending:

Arvinder Neger

Frank De Vries

Erin Thoeny

Guilia Tanghetti

Gonzalo Bachelet

Mark Van Mersbergen

Jon Cotton

William Beadle

Michael Christensen

Jon Maberry

Don Sturm

Others Attending:

Tom Krugman

Tom Skilton

x = attending

Kim Coy

Debbie Simmons

o = absent

Henry Bierlink

Leigh Selby

GOAL: Receive progress reports on program delivery; approve proposed Accounting Procedures and Internal Control Policy

MEETING DELIVERABLES:

A. Establish Quorum

The Conference Call was called to Order by Chairman John Clark at 11:01 a.m. Roll call disclosed a quorum to be present.

B. Chairman's Remarks/Initial Items

John reviewed the Agenda and the purpose of the call. He then directed callers to the minutes of the first meeting and conference call, asking if there were any proposed questions or changes.

Hearing none, on a motion by Antonio and seconded by Adam, the minutes from the June 3-4, 2013 meeting and the July 8, 2013 Conference Call were unanimously approved as submitted.

C. Reports

John stated that he was pleased with progress to date in implementing the Council's programs and noted that much of the past few months had been spent on finishing up details required by USDA.

He then called on Brad to report on recent Marketing Committee actions. Brad said that he had worked with Tom K to prepare a summary of activity which the Committee had reviewed last week. He asked Tom K to review the summary with the full council.

Tom K noted that since the last Council conference call, Requests for Proposals had been sent to various marketing groups, following the Council's direction to pursue arrangements with independent contractors to create a virtual in-house agency rather than a full service agency to save overhead expense. This will require more management oversight but allow more control as the new program is launched. Initial activities will be to design a logo, create and launch a website, trademark the tag line ("The Taste you Love, the Nutrition you Want"), determine key message points and core audiences, produce a NPRC trade show booth, and initiate a social media conversation for processed raspberries.

A contract has been written and approved with a graphic design firm to work on the logo. Concepts will be presented to management. Three designs with a recommendation will go to the Marketing Committee which will present a recommendation along with alternative concepts to the Council at its November meeting.

Leigh was called on to report on website development, noting that the platform would be accessible from computers as well as tablets and hand held devices, support the social media program, and incorporate search engine optimization and metrics. The plan was to have a "place holder" site in place while the architecture for the new site was being built, and that as content was approved by USDA it would be populated.

Tom S was asked to report on progress as to registering the tagline in the US Trademark Office. He explained that a partner of his who specializes in trademark issues has looked into the matter and discovered that a company based in Pennsylvania applied to register a similar tagline ("The Nutrition You Want. The Taste They Love") in May 2012 based on its "intent to use" the tagline/trademark for bakery food products. Tom's firm is preparing a letter to the company's attorney describing historical usage by the Washington Red Raspberry Commission as an affiliate of the NPRC, and requesting that their client's "intent-to-use" application be withdrawn before the company actually begins using the tagline. If successful, the tagline would be registered in the name of the WRRRC as the historical user, who would then assign rights to the Council.

In response to a question as to what would happen if the application is not withdrawn, Tom said that the WRRRC has "prior rights" in its tagline since it has been using the tagline continuously since prior to the date the other company filed its application. If the company refuses to cooperate and withdraw its pending application, the Council could then consider whether to address the matter with the U.S. Patent and Trademark Office directly. He also said that the Council, through approval from the WRRRC, should continue to use the tag line, and that he expected to have a report by the November meeting on progress with the other company. He concluded by stating that the request

was being filed on behalf of the WRRRC as it had historic usage, and at the appropriate time, rights would be assigned to the Council similar to the raspberrinfo.com web address.

Brad concluded the Marketing Committee's report by noting that the Council needs to be smart in putting its program into play but also needed to be timely as growers were expecting results. He said he is satisfied that staff is moving forward and doing a good job in making sure the Council learns from other groups' mistakes and successes.

John asked Tom K for an Executive Director's report. Tom K said that in addition to the items presented during the Marketing Committee report, the bank account had been opened with invoices now being paid, importer assessments were being billed and received, research contracts had been negotiated and approved by USDA, and the Council would be sponsoring a reception during the upcoming Food and Nutrition Conference and Exposition (FNCE). Tom K noted that there had been many questions from importers regarding assessments on product imported as much as one year ago, Council authority, and similar issues which have been addressed by staff.

D. Old Business

Debbie Simmons was asked to report on progress towards having U.S. Customs collect assessments on imported product. She stated that Kim Coy had been working with Customs but it was a slow process. Tom K said that while funds were in the budget to pay Customs set-up expenses, nothing had been expended to date, and that once in place, many of the questions from importers would be resolved. He also reported that until Customs was collecting assessments on the Council's behalf, the Council was responsible, including assigning collection activity to USDA. Tom K said as long as the expense was not greater than budgeted funds, once a Memorandum of Understanding between the Council and Customs was signed, he could initiate payment without further Council action.

E. New Business

Tom S was asked to summarize the implications of the fact that the designations of "Crop Year" and "Fiscal Year" are different following the Secretary's approval of the change to the "crop year" period following the Council's e-vote of July 2013. Tom S explained that with different dates for the Crop Year and Fiscal Year, there is potential for some importers to delay paying assessments for up to five months if they were to claim an exemption based on minimal quantity imported as the Order currently uses Fiscal Year rather than Crop Year to determine exemption eligibility. After conversations with Tom K, for various reasons they believe the implications of this anomaly are limited, but the matter will be monitored to determine whether the Council needs to request any corrective action by the Secretary.

Tom K introduced the proposed Accounting Procedures and Internal Control Policy, stating that it would not only provide guidance to the Council in how it handled transactions and financial documentation but be used by an Auditor during annual audits. If approved, it would become part of the Council's Policies and Procedures Manual. With no questions, on a motion by Adam and

seconded by Rob, the proposed Accounting Procedures and Internal Control Policy, a copy of which is attached to and made part of these minutes as Attachment "A", was unanimously approved.

ADJOURNMENT

There being no other business to come before the Council, on a motion by Rob and seconded by Antonio, the Call was unanimously adjourned at 11:48 a.m.