

## NATIONAL PROCESSED RASPBERRY COUNCIL

### SeaTac Marriott, Settle, WA

November 4, 2013, 1:00 p.m.

#### Board Attending:

<input type="checkbox"/> Sukh Kahlon	<input checked="" type="checkbox"/> Antonio Dominguez	<input checked="" type="checkbox"/> Hector Lujan
<input checked="" type="checkbox"/> John Clark	<input checked="" type="checkbox"/> Adam Enfield	<input checked="" type="checkbox"/> Rob Dhaliwal
<input checked="" type="checkbox"/> Rolf Haugen	<input checked="" type="checkbox"/> Brad Rader	<input checked="" type="checkbox"/> Jerry Stratton
<input type="checkbox"/> Karen Holzberg	<input checked="" type="checkbox"/> Eric Larson	<input checked="" type="checkbox"/> Jennifer Ryan

#### Alternates Attending:

<input checked="" type="checkbox"/> Arvinder Neger	<input type="checkbox"/> Gonzalo Bachelet	<input type="checkbox"/> Michael Christensen
<input type="checkbox"/> Frank De Vries	<input type="checkbox"/> Mark Van Mersbergen	<input checked="" type="checkbox"/> Jon Maberry
<input type="checkbox"/> Erin Thoeny	<input checked="" type="checkbox"/> Jon Cotton	<input type="checkbox"/> Don Sturm
<input type="checkbox"/> Guilia Tanghetti	<input type="checkbox"/> William Beadle	

#### Others Attending:

<input checked="" type="checkbox"/> Tom Krugman	<input checked="" type="checkbox"/> Kim Spriggs	<input checked="" type="checkbox"/> Henry Bierlink
<input checked="" type="checkbox"/> Tom Skilton	<input checked="" type="checkbox"/> Mike Brown	<input checked="" type="checkbox"/> Randy Honcoop
<input checked="" type="checkbox"/> Leigh Selby		

x = attending                      o = absent

#### A. Call to Order; Establish Quorum

The Meeting was called to Order by Chairman John Clark at 1:05 p.m. Roll call disclosed a quorum to be present. Members and guests were asked to and self-introduced themselves.

#### B. Review and Approval of Agenda

On a motion by Rob and seconded by Rolf, the agenda was unanimously approved.

#### C. Review of Antitrust Guidelines

Tom S was asked to review the Antitrust Guidelines that pertain to the Council. He briefly walked the Council through the established policy, noting that their primary purpose was to prohibit agreements or activities that lessen competition in order to protect the interest of consumers. Guidelines prohibit discussion on pricing, geographic market sharing, supply limitations, business plans, and similar subjects.

#### D. Review and Approval of September 25, 2013 Conference Call Minutes

On a motion by Brad and seconded by Antonio, the minutes from the September 25, 2013 Conference Call were approved as submitted.

#### E. Chairman's Remarks

John stated that he was impressed with how much has been accomplished in putting together the Council's structure, all the planning that had been taking place, and was now looking forward to seeing the programs being implemented. He was optimistic regarding the future for the industry and the organization's ability to increase demand for raspberries.

He then called on members of the Council to report on the crop, either this past summer for northern hemisphere or a forecast for the southern hemisphere. Rolf said that this year's crop in Washington was ok, with volume delivered above estimate. Generally good weather during harvest had yielded more delivery to IQF as a percent of crop than in some recent years. There appeared to be uniform demand for all products with inventories in good shape. Adam agreed that more IQF had been packed this year and that cold storage reports looked positive. Antonio reported on strong frost in mid-September that seemed to affect blueberries more than raspberries, with an expectation at this time of a normal crop. Eric said that Europe's crop was down, similar to last year and the larger packers were already sold out due to strong demand. A strong Euro is hurting imports from Europe.

#### **F. USDA/AMS Report**

Kim reported that Council contracts were being approved, and the amended Policies and Procedures Manual had been approved.

#### **G. Executive Committee Report**

A brief Executive Session was called to review service contracts and the RFQ's (Requests for Qualifications) for independent contractors that were prepared on behalf of the Executive Committee in accordance with the Council's resolution from the June meeting.

In returning from Executive Session, Kim reported the 4 actions recommended for approval in open session.

- (i) On a motion by Brad and seconded by Adam, it was unanimously approved to table any further actions to issue RFQ's for the Executive Director, Wellness Coordinator, and Legal Counsel at the present time.
- (ii) In a two-part motion by Antonio and seconded by Adam, it was unanimously approved to request the Secretary, USDA, to redefine the fiscal year for the Council to end on September 30 so that it is concurrent with the crop year, and to extend all existing contracts to September 30, 2013.
- (iii) On a motion by Rob and seconded by Brad, it was unanimously approved to direct the Executive Director to create a budget and accompanying Narratives for presentation to the Council in January 2014 for its consideration that represents the costs and activities of extending the fiscal year past its current March 31, 2014 conclusion.

#### **H. Executive Director's Report**

Tom K was asked to present a report on the current status of Council activities. In beginning his report, he recognized that although he has worked with similar organizations in the past, the Council was the first one that he was part of building from the ground up. With only one chance to do things right the first time, the focus had been on making sure all organizational and infrastructural matters were being done correctly, following direction from the Marketing Committee to "act quickly but smartly".

His presentation walked Council members through the June to November period, noting that early efforts largely addressed establishing the Council's business structure. In June, attendance at the Berry Health Benefits Symposium provided an opportunity to introduce the Council to berry researchers in anticipation of issuing RFP's for FY 2015 projects. Initial research contracts and RFP's for Marketing activities were sent following approval of Research, Marketing, and Budget Narratives. In August the Council received its business licenses and was finally able to open its checking account. Initial steps were taken to register the tag line used by the industry as part of establishing its trade identity. September saw marketing proposals approved and contracts issued for social media, logo design, trade show booth and health communications, as well as receiving fifteen research proposals. The Council was formally introduced to health professionals during a reception at the Academy of Nutrition and Dietetics Conference in October, along with construction of the in-house marketing team. Also in October, an application to register the tag line was submitted.

Tom reminded Council members of previous discussions of what would constitute early success and its timing. All elements, including logo design, initiating the conversation using social media, developing a new trade show booth, building a new website, conducting review of existing raspberry nutrition research, and getting the first four research projects contracted and underway would all happen before the December 31 target date.

With another company applying for intent to use a similar tag line, registration of the industry's tag was an ongoing challenge. Similarly US Customs has not responded to repeated requests to establish collection of assessments on imported raspberries.

Over the next several months the Marketing Plan will continue to be implemented, beginning with a Content and Message Conference call in November. Participation by Council members was encouraged.

#### **I. Research Committee Report**

Adam directed Council members to a summary of the projects proposed for FY 2015, noting that the Committee had not yet met to take action on the proposals. He said that the Committee would be meeting soon to review the proposals as part of budget development for next year. There was then extended discussion on research priorities and the opportunity to co-fund projects with either other berry groups or fresh raspberries. Tom K said that priorities had been re-affirmed during the Raspberry Roundtable and were based on subject areas where it was believed that raspberries had a competitive nutrition edge. Priorities include diabetes, general/chronic inflammation, and cardiovascular health. In addition, the raspberry industry is ahead of many groups in funding research on bio-availability and mechanisms, and had received proposals to continue this work. Discussions were on going with one fresh marketer about co-funding one of the proposed projects.

A general discussion ensued on checks and balances for expenditures and contracts, and the approval process for these activities. Tom noted that contracts followed the respective narratives as approved by the Council. Kim stated that she reviews and approves all contracts before they are issued to the vendor for signature. Invoice payment requires two signatures after being coded for payment.

Rolf emphasized that the Council should be sure to do its due diligence on prospective researchers to be confident of their reputations and that they will be productive. Tom explained the process of reviewing proposals and assured the Council that due diligence was conducted on researchers to ensure prudent spending of research funds.

#### **J. Marketing Committee Report**

Brad opened by remarking that since June, the building blocks for a unified, integrated marketing program had been laid, and the Council was beginning to see the results of that work. One of those results was development of logo concepts and a Committee recommendation.

Four concepts had been developed and were made available for Council review and discussion. Tom K gave a brief summary of the design process, stating that there were two general directions taken. The first was to establish an entirely new look and feel, and the second was to evolve from the existing Washington Red Raspberry Commission's logo. Brad said that in a recent advisory e-Poll among Marketing Committee members, concept #1 had the most votes followed by concept #4.

The Council then discussed the purpose of a logo, how it might be used, reasons the word "processed" or Council identification was not included, and the ability to have multiple identities depending on the usage.

In looking at the two most favored concepts, there was general agreement that Concept #1 presented a fresh, new approach, but that the leaves should be made to scale and not extend above the bar carrying the word "Raspberries".

On a motion by Brad and seconded by Rolf, Concept #1 was approved for final development with the change as suggested. In voting, two members specifically noted their preference of Concept #4.

Discussion then moved to the website, with Brad stating that more information was needed. Leigh discussed the timeline of development and the process to receive USDA/AMS approval for all content, including recipes and photos, which in part would come from the November 15 conference call. Different screen views would be presented to the Committee for review and approval. Staff was directed to look into acquiring as many URL's as possible that incorporated the word raspberry.

Leigh provided the Council with a short summary of the recent trade show where the Council was introduced during a reception and at the booth where "Caution: Under Construction" tape was used to draw attendees attention.

Hector enquired about programs to address other segments of the industry. In response, Tom K reported on grant which had been awarded to the Oregon Raspberry Blackberry Commission that had as its goal promotion of caneberries to food manufacturing and foodservice professionals. The grant included an educational component where food professionals would interact with plant breeders to evaluate current varieties and share information on desired attributes for manufacturers. On behalf of the NPRC, recipes developed by the WRRC would be used, and Tom K and Leigh would be contributing in-kind time to support the effort.

#### **K. Old Business**

Kim reported on recent calls to US Customs seeking to establish collection of assessments on imports by the Agency. Originally she had been told she would have an answer within 120 days which has passed. There have been requests for both the timing of establishing the service as well as the cost made at the Under Secretary level, but there has been no resolution to date.

In Response to questions on assessment collection, Henry said that the due by date for CY 2013 assessments had just passed, and as of last week he had received 80% of domestic assessments but was expecting the rest shortly. For imports, eleven of sixty imports had submitted payment with a number of issues outstanding, among them proper calculations of concentrate conversions. It was expected that there would be process and methodology discrepancies regarding imported concentrates to be resolved in the first year, and staff was urged to do so prior to Customs being involved. Tom K, Tom S, and Henry were directed to reconcile payments and to begin the notification process leading up to turning over delinquent accounts to USDA for collection.

#### **L. New Business**

Tom S briefly reviewed discussion from the Executive Committee meeting on some anomalies between the Policies and Procedures Manual and By Laws, stating that he would prepare a summary for presentation to the Council for an e-vote at a later date.

He went on to report on status of tag line registration. A partner of his who specializes in trademark issues had looked into the matter and discovered that a company based in Pennsylvania had previously applied for registration of a similar line based on its intentions to use the mark. Tom's firm had prepared and sent a letter to the other company's attorney describing historical usage by the Washington Red Raspberry Commission, and requesting that their client's "intent-to-use" application be dropped. As part of this process, an application to register the tag line on behalf of the WRRRC had been filed as the WRRRC is the historic user of the tag line. If the WRRRC's registration is approved, rights to its use will be assigned to the Council. Counsel for the Pennsylvania company has advised Tom's firm that his client is looking into the matter and will respond after it has had the opportunity to complete its review. Tom's firm is now awaiting a response from the other company's attorney. Tom indicated there is no time period for response, but that there was an expectation that it would not take too long. He said that there was the potential for joint ownership of the tag if it came to that.

Antonio discussed the upcoming International Raspberry Organization meeting to be held in China in May 2014. He said that a Chinese Raspberry Producers Alliance, representing about 40% of the industry in China, had been formed to act as host. The IRO typically pays for one delegate from each of the member countries to attend the biennial meeting. Washington State has represented the United States since the first meeting twelve years ago. During a recent trip to China, he had seen a number of unique, non-traditional raspberry products, some of which he passed around for the Council to try, including an elixir, raspberry "pills", and freeze dried raspberries, which were actually boysenberries. The Chinese appear to be marketing health first, then taste.

On a motion by Adam and seconded by Arvin, it was unanimously approved to send a representative from the Council to the meeting, and to include costs in the budget being prepared by the Executive Director for the April 1 to September 30 2014 period.

**M. Other Business; Future Meeting Dates**

The Council established future meeting dates and as follows:

1. January 15, 2014 at 1:00 p.m., Pacific Time. Conference Call e-Vote on potential amendments to the Policies and Procedures Manual, discussion and approval of Marketing, Research, and Budget Narratives required as part of extending the fiscal year end to September 30.
2. May 28, 2014, SeaTac Marriott, Seattle, WA (time to be determined): Executive Committee
3. May 29, 2014, SeaTac Marriott, Seattle, WA, 8:00 a.m. – 5:00 p.m.: Council

**ADJOURNMENT**

There being no other business to come before the Council, on a motion by Brad and seconded by Arvin, the meeting was unanimously adjourned at 5:34 p.m.