

NATIONAL PROCESSED RASPBERRY COUNCIL

Jansen Art Center, Lynden, WA

May 25, 2016 9:00 a.m.

Board Attending:

<input type="checkbox"/> Jennifer Ryan	<input checked="" type="checkbox"/> Antonio Dominguez	<input 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"/> Paul Sidhu	<input checked="" type="checkbox"/> Jerry Stratton
<input type="checkbox"/> Karen Holzberg	<input type="checkbox"/> Eric Larson	<input checked="" type="checkbox"/> Nicki Briggs

Alternates Attending:

<input type="checkbox"/> Gonzalo Bachelet	<input checked="" type="checkbox"/> Jon Maberry	<input checked="" type="checkbox"/> Mark Van Klei
<input type="checkbox"/> Frank De Vries	<input checked="" type="checkbox"/> Mark Van Mersbergen	<input type="checkbox"/> Don Sturm
<input type="checkbox"/> Erin Thoeny	<input checked="" type="checkbox"/> Jon Cotton	<input checked="" type="checkbox"/> Richard Rubin
<input checked="" type="checkbox"/> Loren Kimura	<input checked="" type="checkbox"/> Tyler Edwards	<input checked="" type="checkbox"/> Jonathan Paris

Others Attending:

<input checked="" type="checkbox"/> Tom Krugman	<input checked="" type="checkbox"/> Tarun Harit	<input checked="" type="checkbox"/> Hakim Fobia
<input checked="" type="checkbox"/> Allison Beadle	<input checked="" type="checkbox"/> Mary Kimbrough	<input checked="" type="checkbox"/> McKenzie Hall
<input checked="" type="checkbox"/> Britt Burton-Freeman	<input checked="" type="checkbox"/> Tom Skilton	<input checked="" type="checkbox"/> Corey Havard
<input checked="" type="checkbox"/> Brian Beadle	<input checked="" type="checkbox"/> Henry Bierlink	<input checked="" type="checkbox"/> Brad Rader
<input checked="" type="checkbox"/> Lisa Craig		

x = attending o = absent

A. Call to Order; Establish Quorum; Review of Antitrust Guidelines

The meeting was called to Order by John Clark at 9:07 a.m. Roll call disclosed a quorum to be present. Guests were asked to self-introduce themselves.

Tom reviewed the Council's Antitrust Policy noting that its primary purpose was to prohibit agreements or activities that lessen competition in order to protect the interest of consumers. The Guidelines prohibit discussion of pricing, geographic market allocation, supply limitations, and similar subjects, and apply to everyone participating in the meeting regardless of whether they are a U.S. citizen or not.

Approval of Minutes

On a motion by Adam and seconded by Antonio, the minutes of the November 3, 2015 meeting of the Council as submitted were unanimously approved.

USDA Report

Tarun introduced Hakim Fobia who has been appointed as the AMS Marketing Specialist assigned to the Council. Tarun thanked the Council for its support over the last two years and recognized many of its accomplishments.

Hakim introduced himself and provided a brief background. He thanked all new members and alternates and those re-appointed to the Council for their willingness to serve the industry, and asked all new and re-appointed members and alternates to stand and be sworn in as Council members. He reminded all members and alternates of the need to sign an annual compliance certification regarding the Council's Code of Ethics and Conflict of Interest Policy, and the Prohibition on Lobbying using Council resources. In response to a question, he stated that members could lobby as individuals, just not in their capacity as a Council member.

Chair's Remarks

John echoed Hakim's welcome and thanks to all new and re-appointed members. He was especially please to see the addition of a public member and alternate, as all of the Board seats would now be filled. He reminded all members and alternates of their responsibility to keep their constituents informed about Council programs, and to make every effort to get their neighbors to attend Council events and meetings. In the face of challenging conditions, both in the field and in the marketplace, clear and consistent communication with as many industry members as possible is important.

Completing his remarks, he advised the Council that he had appointed Antonio Dominguez to serve as Marketing Committee Chair. In addressing Committee appointments, he asked that anyone interested in serving on one of the Council's standing committees to let either, the Committee chair, Tom K, or him know, and appointments would be announced later in the day.

The Secretary/Treasurer position had been vacant over the winter. To fill this position, he recommended the appointment of Mark Van Mersbergen, and asked if anyone else was interested. He added that for financial management purposes, the Council had informally determined that it be best if all officers were located in Whatcom County. Hearing no other recommendations, on a motion by John and seconded by Adam, Mark Van Mersbergen was unanimously elected as Secretary/Treasurer of the Council.

Executive Director's Report

Tom extended his welcome to the Council's public member and alternate, and noted that both had attended committee meetings the previous two days as part of their education process, and had been an integral part of conversation and discussion.

He reported on the recent International Raspberry Organization conference in Serbia, and recognized the participation of industry members. In his opinion, one of the greatest strengths of the conference is the establishment and reinforcement of international relationships that facilitate communications in the world industry. In his formal presentation to the conference and during the IRO Board meeting, he pressed the issue of food safety to all member countries.

He then asked for comments from any of the participants at the conference. Rolf said that all world suppliers look to the U.S. or Western Europe as a sales outlet and have neglected building their own domestic markets. He believed this would be necessary if the U.S. market was to stay strong and overall world demand was to grow. He shared Tom's concerns about food safety, and the need to push basic food safety practices out to farmers around the world.

B. Executive Committee Report

FY 2015 Audit

Tom was asked to present the results of the FY 2015 Financial Audit as completed by Larson Gross CPA. He noted the requirements of conducting an Audit to meet government accounting standards, including pre and post Audit conference calls between USDA/AMS and Council management, and the responsibilities of management and the Auditors in conducting the Audit. The cover letter to the Audit stated that the Audit as presented fairly presented in all material aspects the financial position of the Council as of September 30, 2015, and should be considered a clean opinion.

Tom directed member to a series of prior period adjustments necessary to reconcile the Council's book to an accrual basis of accounting. These adjustments properly recognized income and expenses to the correct fiscal year. An outside bookkeeper as recommended during the FY 2014 Audit had been brought in to assist in keeping accrual postings accurate and up to date. This will facilitate and simplify the Audit for FY 2016.

After brief discussion, on a motion by Rolf and seconded by Jon Cotton, the FY 2015 Audit as presented was unanimously accepted.

By Laws Amendment

Tom presented a proposed amendment to the By Laws that would add the Chairs of the Council's standing committees to the Executive Committee. The rationale for the proposed amendment was to ensure good communications between committees with overlapping areas of interest. It was also believed to make sense as each of the committees had been delegated budgetary oversight on elements of the overall program. In having the chairs on the Executive Committee, they would be able to address any questions regarding programs or budgets. Not part of the proposal but discussed was conducting regular conference calls of the committee. On a motion by Rob and seconded by Antonio, it was unanimously approved to amend the By Laws to include the chairs of the Council's standing committees on the Executive Committee.

FY 2016 Budget Amendment

Two proposed amendments to the FY 2016 budget were presented to the Council for its consideration. The first, in the amount of \$14,000, was to co-sponsor, with the Washington Red Raspberry Commission, a research project with the Washington State University looking at *Botrytis* and fungicide resistance. This is a problem around the world as there are fewer and fewer effective materials available for growers to use. The results of the project would be public information, shared by the Council to the industry.

Question was raised about the e-vote earlier this year on this amendment. Tom said that although the amendment had received a favorable vote of 6-2, e-vote procedures call for a majority of the Board to vote in favor rather than a simple majority of the quorum or those voting. Because there is no discussion once an e-vote begins, the threshold for approval is higher.

After brief discussion, on a motion by Antonio and seconded by Rolf, it was unanimously approved to amend the FY 2016 budget to include co-sponsorship funding in the amount of \$14,000 to the WRRC.

The second amendment addresses the upcoming strategic planning session, to be held immediately prior to the Fall Council meeting. As background, Tom reminded the Council that the Marketing Committee had been tasked with acting as the steering committee to identify and select a vendor to facilitate a face-to-face strategic planning session. It had selected Nuffer Smith Tucker from the companies that had responded to its RFP. The strategic planning process will address all elements of the Council's activities, not just marketing, and look at where the industry is, where it wants to be, and how the Council can continue to provide industry leadership in the face of changing conditions.

To help in the process, Nuffer Smith Tucker had asked if part of its contract could be included in the current year so that it could begin diligence and industry member interviews in anticipation of the session. The total proposed cost was \$35,000, with a request for including \$10,000 in the current budget. On a motion by Jonny and seconded by Antonio, it was unanimously approved to further amend the FY 2016 budget in the amount of \$10,000 to begin the strategic planning process.

C. Research Committee Report

Adam opened the discussion by reviewing the Committee's actions since the last Council meeting. There had been quarterly conference calls to review progress on the Council's funded research programs. He thanked Britt for assisting in preparing and presenting project summaries in an easy to understand manner.

Thirteen research projects requesting funding in FY 2017 had been received by the committee. Of these, five had been recommended to the committee for consideration by Britt, Allison, and Tom. The five projects had as a common goal of working towards developing a linkage between regular raspberry consumption and improved health. As a result of the Raspberry RoundTable following the Berry Health Benefits Symposium last Fall, priorities had been narrowed, both as a result of better identifying where raspberries are most effective in addressing health concerns and looking towards a reduced budget in FY 2017. In bringing projects to the committee, Britt, Allison, and Tom had narrowed their view to where funds could be used most effectively to push the body of knowledge forward. The focus on recommended projects was in the area of Metabolic Syndrome, with an emphasis on Diabetes/Insulin Resistance, Cardiovascular Disease, and cognitive decline.

Britt noted that the Council's currently funded projects were beginning to show results, and that five funded studies had been presented at a recent conference, the most at one time for raspberries. These studies and others currently underway are validating the assumptions that have been made about raspberries, and have provided marketing messages, a desired outcome. She provided a broad overview of the studies that were being recommended for funding, directing the Council's attention to two projects that were looking to apply and expand positive results from currently funded projects.

Tom directed Council members to the proposed Research budget, pointing out that the program budget falls into two areas. The first is continuation of projects funded in FY 2016, and the second is subsequent years to existing projects and/or the five new projects. He also reviewed the research narrative, stating that its purpose was to describe the budget and the projects being funded.

After open discussion on the research program, on a motion by Adam and seconded by Rob, the FY 2017 Research budget and narrative as presented were unanimously approved.

D. Food Safety Committee Report

With the committee chair unavailable, Tom K was asked to present the committee's report. He began by directing members to a summary report of the recent industry survey to ascertain current industry food safety practices, and what the industry knew and didn't know about food safety. One of the most helpful findings was where the Council could assist in terms of food safety education and outreach.

Antonio said that he believed the greatest risk exposure was from international farming operations due to many small farms and hand harvest. This is where education efforts should be focused through the use of simple visual brochures that would describe basic field sanitation and worker hygiene practices. He did note that there has recently been an interest from some Chilean farmers to utilize mechanical harvesters, and that machine harvest was already being used in parts of Serbia.

Tom Skilton was asked to update the Council on the status of FSMA implementation. He stated that the overall tone of FSMA was prevention rather than reaction. Three Rules that impact the raspberry industry were published in November 2015 with various effective dates depending on the size of the operation. They are Produce Safety, Foreign Supplier Verification, and Preventative Controls for Human Food. A challenge will be testing of products as they come into the U.S., as the testing rate is expected to be less than 2% of all food coming across the border. FDA does not have the budget to police all foreign food manufacturing facilities, so instead it will rely on importers to share the responsibility of ensuring compliance through certification and assumption of risk. It is expected that FSMA compliance will result in a shake-out in food manufacturing, both domestic and international, as smaller companies that are less capitalized and cannot afford the costs of compliance, or importers will no longer import product from suppliers that cannot be certified.

E. Marketing Committee Report

Antonio thanked the Board for its support of his taking over the chair of the committee, and thanked Brad for his leadership in getting the program off the ground. He also recognized the partnership between the committee and the marketing team. He went on to say that the benefits of an early investment of reserve funds on both research and marketing programs were beginning to be seen and offer a glimpse of the direction for the marketing program in the future. Before asking Allison to provide a report on current activity and the proposed program for FY 2017, he said that the committee began looking at the program and budget right after the New Year and in bringing it to the Council for adoption, believed that it balanced programs with funding realities.

Allison gave the Council a high level overview of current programs and what has been achieved since the November Council meeting. Communication assets, principally photography and videos, have been created and are in use. Most of the analysis required to update the USDA Nutrition Data Panel for frozen raspberries has been completed in partnership with USDA/ARS. The Council had sponsored a consumer media luncheon at Meredith Publishing attended by ten food editors. RD Ambassadors continue to get the raspberry message out through social media. The Council has begun to utilize secured media placements to raise its visibility on social media.

In the area of trade marketing, the Council participated at the Nutrition Executives Study Group, building and extending relationships within this influential group. In April, the Council sponsored the Award Reception and Welcome Dinner at the SCAN Symposium, attended by Mark who introduced the awards presenter while also talking about his farming operation. Next was participation in a Product Development Workshop co-hosted by the ORBC. The Council has already received sample product requests from attendees at the event who want to work with frozen raspberry products in their own test facilities.

A Digital Audit of all Council electronic assets was completed this winter, resulting in a shift in social media tactics to increase exposure through visual means. The Council's videos are a large part of the social media campaign and have been well received.

Finally Allison presented a summary of the Trade Survey which was conducted during the Spring. One of the more interesting and unexpected findings was the level of support from the trade for the Real Red Raspberry trademark concept, supporting a similar finding in the consumer survey. She concluded her FY 2016 report by stating that she was turning attention to completing the style and usage guide for the trademark, and that Tom S was completing a usage contract as there has already been interest expressed by industry members to use the mark on packaging that will soon be re-printed.

Turning to FY 2017, she summarized the marketing plan with an overview of its goals, strategies, and objectives. With the consumer program well launched, attention in FY 2017 will turn towards the trade communications program. Continued development of visually compelling communication assets will continue with these assets used across all programs. Health professionals will be the primary target audience to carry the Council's message through their newsletters, blogs, and social media. The harvest tour scheduled for this summer will include food service operators and food manufacturers, along with two members of the trade media.

Tom directed members to the proposed marketing budget and narrative. There is an overall decline in the marketing budget from FY 2016, reflecting both the realities of a smaller base of funds and the foundation work to build the program completed in FY 2016 that does not need to be continued. This is in keeping with committee direction but should not be viewed as a lessening of program reach. Tom described the purpose of the marketing narrative.

Allison and Tom then answered questions about both current activity and proposed programs. Afterwards, on a motion by Antonio and seconded by Jonny, the proposed FY 2017 budget and accompanying narrative were unanimously approved.

F. Executive Committee Report

Tom was then asked to present the proposed FY 2017 budget. As the Research and Marketing portions had already been presented and approved by the Council, all that remained was general administration. He reminded members of the policy established during the Council's meeting the previous Fall to maintain a reserve of approximately 30% of the budget, and that by slightly decreasing the budget for FY 2017, in FY 2018 the budget would be in balance, with it equal to assessment revenue generated for that fiscal year and not relying on reserves to fund a larger budget.

On a motion by Rob and seconded by Jerry, the FY 2017 NRPC budget and narrative as presented were unanimously approved.

G. New Business; adjournment

In looking at dates for the strategic planning session and the next Council meeting, it was suggested that they be held immediately prior to the Small Fruits Conference in Lynden the week of November 28. If space and the facilitator were available, the schedule would be to have the planning session begin the afternoon of Monday, November 28 and conclude Tuesday November 29, with the Council meeting on Wednesday November 30. There would be not likely be any committee meetings in conjunction with the Council meeting due to time constraints. This would allow members to be available for Raspberry Day during the conference.

There being no further business to come before the Council, on a motion by Rolf and seconded by Rob, the meeting was unanimously adjourned at 4:05 p.m.