

NATIONAL PROCESSED RASPBERRY COUNCIL

Seattle Marriott, Seattle, WA

November 3, 2015, 9:00 a.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 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"/> Gonzalo Bachelet	<input checked="" type="checkbox"/> Jon Maberry	
<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 type="checkbox"/> Guilia Tanghetti		

Others Attending:

<input checked="" type="checkbox"/> Tom Krugman	<input checked="" type="checkbox"/> Tarun Harit
<input checked="" type="checkbox"/> Allison Beadle	<input checked="" type="checkbox"/> Mary Kimbrough
<input checked="" type="checkbox"/> Britt Burton-Freeman	<input checked="" type="checkbox"/> Jonny Paris
<input checked="" type="checkbox"/> Brian Beadle	<input checked="" type="checkbox"/> Corey Havard

x = attending o = absent

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

The Meeting was called to Order by Tom Krugman at 9:05 a.m. Roll call disclosed a quorum to be present. Guests were asked to self-introduce themselves.

B. Housekeeping: Review of Antitrust Guidelines

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.

Election of Officers

Tom stated that the first activity for this meeting was to elect Council officers, appoint committee chairs, and to appoint members to the three standing committees. On a motion by Rolf and seconded by Antonio, John Clark, Rob Dhaliwal, and Brad Rader were unanimously re-elected as the Council's Chair, Vice-Chair, and Secretary/Treasurer, respectively.

John took the gavel and thanked the Council for its support. He said that unless there was objection from any member, or interest in the positions by any member, he would appoint Brad Rader, Adam Enfield, and Eric Larsen as Marketing Committee Chair, Research Committee Chair, and Food Safety Committee Chair, respectively. No objection from members to these appointments was expressed. He went on to recognize current committee members, asking for anyone interested in serving to let

him know as well as any member unable to continue to serve to notify him. Corey Havard was added to the Food Safety Committee, and Jon Maberry and Jonny Paris were added to the Research Committee.

In his remarks, John noted the continuing need to get more growers involved with the Council, either attending Council meetings or grower events where the Council would be presenting information on programs, such as the upcoming Small Fruit Conference in December. He discussed that assuming all nominated individuals were re-appointed to the Council, as their terms expired they would need to be off the Board for at least one year before being eligible for appointment, meaning that now was the time to begin educating, identifying, and recruiting potential new members. Increasing participation with the Council was crucial if it was to continue as an organization. He noted the renewal referendum that will be conducted in 2019. He concluded by stating that the subject had been discussed during the Executive Committee meeting earlier in the day, and asked Tarun for any comments.

Tarun opened by stating that USDA had received the exact number of nominations as seats expiring the end of the year, and while this was ok, it could view this as a sign of apathy on the part of the industry. Having nominations greater than seats available would be interpreted as a sign of interest by the industry. USDA considers the education of industry members and recruiting new members as a critical role of the Board. He went on to say that while the majority of volume from domestic growers may currently be represented on the Board, at referendum, it is a simple majority by number that can cause a program to continue or be eliminated. This is why it is important to get more people involved and educates as to how their money is being invested to build long term demand for raspberries.

John remarked that while he shared Tarun's concern about how to get the information back to the domestic industry and importers. He felt it important that they know if the Council is succeeding in its mission to grow demand and return value.

Board discussion questioned whether a change in location to Lynden would help. Members were asked to personally ask neighbors and fellow growers to come to meetings. The Chair of the Washington Red Raspberry Commission noted a similar problem of participation and involvement in the state organization. The Ambassadors program of the USHBC was mentioned as an example of what other organizations are doing.

John then asked attendees for a crop report, noting the approximate 20+ million pound reduction in crop from Washington in 2015. Hector reported that the fresh crop from Mexico continued to increase, along with processing volume. Much but not all of this volume is shipped to the United States. Mexico is becoming a bigger player in crumbles and broken pieces. Eric reported that Serbia had a good crop with most already sold. Poland had a disaster this past summer, dropping from about 125,000 metric tons to about 50,000. Jennifer reported that juice and concentrate imports are lower than the previous two years due to ongoing residue issues. Antonio said that while production from Chile had declined over the last several years for a variety of reasons, the industry was beginning to rebuild itself to former levels. He also stated that larger farmers were looking at machine harvest for the future. Rolf said that despite the shorter U.S. crop, the market was not disorganized. Overall it was stated that the impact on imports in light of rules under FSMA for importer verification was unknown at this time.

Approval of Minutes

On a motion by Jennifer and seconded by Adam, the Minutes of the May 19, 2015 meeting of the NPRC were unanimously approved.

Executive Director's Report

Tom K presented a brief overview of the Council's accomplishments, what was on the immediate horizon, and some of the challenges that will be faced over the next twelve months. He began by stating that since Salt and Company joined the Council as its marketing partner just one-year ago, a fully integrated marketing program supported by research findings as envisioned when the Council was formed had been achieved. The first year saw completion of baseline consumer market research, an enhanced digital presence, creation of an electronic newsletter, raised visibility and presence with health professionals, publication of research findings with more scheduled over the next 6 months, the industry's first Harvest Tour, and formation of a Food Safety Committee. On the horizon are building Trade Resources and Outreach activity, completing the next two video productions, expanding the health professional education program, and beginning consumer media activities. One of the greatest challenges the Council will face is how to build demand with an unsettled supply situation brought on by short crops in North America and Eastern Europe.

C. Executive Committee Report

John reported that the Executive Committee had reviewed the current year's budget as well as forecasts for the impact of a short crop on the current and next fiscal year. Tom stated that the 2015 fiscal year had forecast \$1.1 million in assessment revenue from domestic and import sources, while it appeared that income would be closer to \$1 million. The FY 2016 budget was based on \$1.25 million in assessment revenue which was likely an over-estimate by about \$75,000. For FY 2017, there should still be approximately \$1 million available for marketing and research programs. Rolf asked whether there was need to increase the current Food Safety budget, with the response that it was not necessary until there was a formal proposal to conduct the vulnerability and risk assessment before the Board. Discussion turned to the establishment of a minimum level of reserve, with the idea of three months operating expenses, 30% of the budget, or a minimum level the appropriate level.

On a motion by Brad and seconded by Adam, it was unanimously approved to establish a policy of maintaining 30% of the budget with a minimum of \$300,000 as a fiscal year reserve.

D. Research Committee

Adam reported that results from research projects were beginning to be published in peer-reviewed journals or presented at scientific conferences with more to be seen over the next few months. He said that the marketing group was working with researchers to make sure that press releases targeting the correct audiences were prepared to support publication or presentation.

He asked Britt to briefly comment on progress to date. She said that for the most part, all projects were moving forward with only a few issues that have or are being resolved. Typical was delays in approval from university internal review boards or human subject's tolerance for the product over a long period of time when given large enough "doses" to measure a response. She was pleased to see

supporting results from projects with different models. In the near future there should be 2 papers presented at Experimental Biology and one at the International Food Technologists conference next year.

She went on to comment that at the recent Berry Health Benefits Symposium six raspberry-funded projects were presented. This year most of the projects presented were human studies as opposed to the past where in vitro or animal studies dominated the Symposium. Raspberries are well positioned with extensive past work looking at bio-availability. One of the emerging areas is carbohydrate metabolism, and with raspberry's strong fiber story, much is expected from this area of research.

The Raspberry Roundtable identified development of a freeze dried powder and placebo for use on future research studies, and targeted RFP's as two of its principle key learnings. Areas for future research include cognitive function, research examining "family" life stages and health, and fiber.

E. Food Safety Committee Report

Eric stated that the Committee had received one proposal to conduct a vulnerability and risk assessment, but that the committee was looking for additional resources before making a recommendation to the Council. The greatest challenge to the risk assessment is getting good information on international practices. In the meantime it would be looking at what other industries are doing in terms of an industry-wide food safety plan to benchmark a raspberry program and begin developing a Best Practices Manual for growers. It was suggested that the upcoming IRO meeting could be a good venue to deliver information to international suppliers.

Eric also said that a "dark site" would be developed that could be immediately made live to deal with the impact of a food safety crisis.

F. Marketing Committee Report

Brad provided an introduction noting the level of Marketing Team activity over the last several months and how it was using research as the fuel to drive the marketing engine. The key to the program was to build long-term, sustainable demand. He recognized the need to keep pressing forward.

In beginning her report, Allison recognized the sense of urgency to demonstrate results. The first year had built the marketing infrastructure while implementing outreach in some areas.

This past summer's Harvest Tour had provided an excellent opportunity to tell the industry's story to a group of leading writers and bloggers. Over two days, participants were able to meet with growers and processors, experience riding on a harvester, visit a new variety test plot, and judge a raspberry recipe contest. This generated social media buzz and built new relationships.

The Health Professional Outreach program was being extended to include culinary professionals and business communicators. At this year's FNCE, the raspberry booth featured a "photo booth" where dietitians could create a "phot" strip with the Council's social media tag embedded. While waiting to take their picture, staff used the opportunity to talk about raspberries. On the first day of the show, raspberries had the highest level of social media traffic of any exhibitor. Brad said it was amazing how many people were waiting in line to take their photo, with overwhelming traffic at the booth.

This past year also swap the creation of product and harvest photography which was already being used in newly developed collateral such as a new nutrition fact sheet and infographic. Discussion is underway on how to tailor the e-newsletter to specific audiences with the potential of having a once a month digest for importers and the trade.

She summarized activity to date as the pivot between building and implementing programs.

After a review of U.S. processed raspberry supply, she turned to activities to be launched between now and Spring 2016, beginning with a summary of takeaway messages from the Hartman Group presentation. Key messages were to own facts of the Council's identity and to use it as positive educational opportunities, and to own and elevate the raspberry grower base. 2016 will be a year when the Council will have increased visibility with health professionals, Consumer PR will ramp up, more direct outreach to the trade will begin, and traditional and social media partnerships will be leveraged. Registered Dietitians will continue to play an important part of the Council's entry into various channels and act as the Council's trade influencers.

A new area that will begin in 2016 is Culinary Nutrition as part of the Trade Education program. Mary Kimbrough reported on the Vanderbilt Culinary reception that included a group of trade RD's representing some of the major food service and food manufacturers. The reception launched the program, with attendees learning about trends in today's and tomorrow's young consumers, having the opportunity to create part of their meal experience, and then enjoying a dinner that featured raspberries in unexpected food pairings.

Allison then presented the Real Red Raspberry trademark concept. It follows on findings from last year's consumer study which showed that consumers would favor products identified as having real fruit as an ingredient. The trademark will identify products and menu items that contain Real Red Raspberries, and be an integral part of the foodservice and food manufacturer programs.

On a motion by Rolf and seconded by Brad, it was unanimously approved to proceed with the Real Red Raspberry program and to apply for registration of the trademark as developed.

Brad summarized by noting the need for all growers to help get the word out about the Council's program, and that Tom and Allison would be attending this year's Small Fruit Conference to present a report and answer grower questions.

While in Chile this past summer to present the Council's programs at the Chilealimentos Berry Conference, Tom and Antonio began a discussion regarding taking a group of U.S. based food journalists to Chile to learn about the Chilean raspberry industry. The purpose would not be to promote Chilean raspberries but to promote another of the industry's members and its unique foods that complement raspberries, similar to the Harvest Tour in Lynden. Antonio said that ProChile was willing to co-fund the trip. General discussion recognized that the idea had value but felt that the timing was wrong. Concerns were expressed regarding the perception by domestic growers.

G. New Business

Antonio said that the next meeting of the IRO would be the week of May 9 in Serbia, and asked if any NPRC members were interested in attending, they let him know. In addition to the usual country

reports, the NPRC would have an opportunity to present its Food Safety, Marketing, and Research programs.

Brad suggested that the Spring meeting be held in Lynden to increase grower participation, and the need for more face-to-face committee meetings. May 23-25 was agreed upon by the Council for its next meeting.

ADJOURNMENT

There being no other business to come before the Council, on a motion by Rob and seconded by Rolf, the meeting was unanimously adjourned at 4:00 p.m.